

BEFORE THE ARBITRATOR

In the Matter of the Final and Binding Interest Arbitration Dispute between

TREMPEALEAU COUNTY

and

TREMPEALEAU COUNTY COURTHOUSE EMPLOYEES LOCAL 382, AFSCME,
AFL-CIO

WERC Case 92, No. 60780, Int/Arb-9511
[Dec. No. 30595-A]

APPEARANCES:

For the Union:

Mr. Daniel R. Pfeifer, Staff Representative, Wisconsin Council 40, AFSCME, AFL-CIO,
18990 Ibsen Road, Sparta, WI 54656

For the Employer:

Weld, Riley, Prenn & Ricci, S.C., by Mr. Stephen L. Weld, 3624 Oakwood Hills
Parkway, P.O. Box 1030, Eau Claire, WI 54702-1030

ARBITRATION AWARD

The Union has represented a bargaining unit of general courthouse employees of the County for many years. The parties' most recent collective bargaining agreement expired on December 31, 2001. On January 22, 2002, the County filed a petition with the Wisconsin Employment Relations Commission requesting arbitration pursuant to Section 111.70 (4) (cm) 6, Wis. Stats. Efforts to mediate the dispute by a staff member of the Commission were unsuccessful, and an impasse investigation was closed by the Commission's order requiring interest arbitration dated April 10, 2003. The undersigned Arbitrator was appointed by Commission order dated May 19, 2003. A hearing was held in this matter in Whitehall, Wisconsin on August 17, 2003. No transcript was made, both parties filed briefs and reply briefs, and the record was closed on October 2, 2003.

Statutory Criteria to be Considered by Arbitrator

Section 111.70 (4) (cm) 7

7. 'Factor given greatest weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give the greatest weight to any state law or directive lawfully issued

by a state legislative or administrative officer, body or agency which places limitations on expenditures that may be made or revenues that may be collected by a municipal employer. The arbitrator or arbitration panel shall give an accounting of the consideration of this factor in the arbitrator's or panel's decision.

7g. 'Factor given greater weight.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall consider and shall give greater weight to economic conditions in the jurisdiction of the municipal employer than to any of the factors specified in subd. 7r.

7r. 'Other factors considered.' In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator or arbitration panel shall also give weight to the following factors:

- a. The lawful authority of the municipal employer.
- b. Stipulations of the parties.
- c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
- d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.
- e. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in public employment in the same community and in comparable communities.
- f. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment in the same community and in comparable communities.
- g. The average consumer prices for goods and services, commonly known as the cost of living.
- h. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

- i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- j. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

The Union's Final Offer

1. Wages Adjustment -- Bookkeeper (PH) to be raised from a Pay Grade 3 to a Pay Grade 5.

2. Wages: Effective January 1, 2002 -- An increase of 3% based on the bargaining unit weighted average wage as of December 31, 2001.

 Effective January 1, 2003 -- An increase of 3% ATB.

The Employer's Final Offer

1. ARTICLE XIX – MEDICAL INSURANCE, Section 1 – Revise first paragraph to read as follows and delete the second paragraph in its entirety:

~~The County agrees to pay 100% towards the single plan health insurance premium or 82.5% towards the family plan health insurance premium for full time employees.~~
Effective with the July 2002 coverage, the County agrees to pay 97½% of the premium of the lowest cost option under the State Plan. Effective January 1, 2003 (with payroll deductions made in December, 2002), the County agrees to pay 95 percent of the premium of the lowest cost option under the State Plan. No employee shall make any claim against the County for additional compensation in lieu of or in addition to the cost of his/her coverage because he/she does not qualify for the family plan. This benefit provision becomes effective the first day of the month following completion of the first full calendar month of employment. The Employer may from time to time change the insurance carrier and/or self-fund its health care program, provided substantially equivalent benefits are provided or provided the Union agrees in writing to the change in benefits. An employee who terminates employment shall be covered by the county's health insurance plan for the remainder of the month of termination.

2. APPENDIX A – Increase wage rates 3.25% effective January 1, 2002, utilizing a weighted average of the classifications in the bargaining unit of December 31, 2001 and 3.25% to all wage rates effective and (sic) January 1, 2003.

3. Create a side letter to read:

As long as the County remains in the state insurance plan, an employee who terminates employment shall be covered by the County's health insurance plan for the remainder of the month of termination and one additional calendar month.

The Union's Position

The Union argues that Buffalo County should be excluded from the comparables because even though both Buffalo and Monroe Counties have become unionized since 1990, when they were excluded from comparability in an award by Arbitrator Frederick Kessler based on non-union status, a subsequent decision by Arbitrator Morris Slavney also excluded Buffalo County because of a dissimilar population and equalized value.

The Union notes that the status quo concerning health insurance contributions is that the County pays 105% of the lowest qualifying option under the State Health Insurance Plan. The Union characterizes the County's proposed change as a reduction of 10% of the premiums. Acknowledging that the County pays more in health insurance than many of the comparables, the Union argues that the bargaining history is important, because a very large increase anticipated for the year 2000 under the previous carrier led to the County unilaterally implementing the State Health Insurance Plan for 2000. After the Union filed a prohibited practice complaint, the parties were informed that because the old plan had been dropped, if it were reinstituted a new, and much higher, rate would be imposed by the carrier. The Union agreed to withdraw the complaint, conditioned upon the County paying 105% of the single plan and 100% of the family plan for 2000 and paying 105% of both the single and family plans for 2001. Thus the County achieved a major savings in its premium cost, even though the employees achieved full payment by the Employer for the lowest cost option. The County, meanwhile, is not arguing the "greatest or greater weight" criteria, and therefore has the ability to pay the money needed to continue the status quo, and has not demonstrated a compelling reason or need for a change.

The Union argues that there is no internal pattern, because while the two Social Services units have agreed to contribute the premium contributions proposed by the County, the Sheriff's Department has a contract with the 105% contributions through 2003. The Highway Department is in interest arbitration over similar issues to those here; since the Sheriff's Department is larger than both human services units combined, no pattern has yet been established.

The Union argues that the .25% additional wage increase in each year which the County is offering is not a sufficient quid pro quo for the health insurance change,

because they generate five cents per hour in total over the two years at the low end of the salary scales in this bargaining unit and \$0.11 at the high end, while for employees selecting the Gundersen health plan, costs will rise by \$0.83 per hour for 2003 as compared to 2001 under the County's final offer.

The Union argues that the Bookkeeper position in the Public Health Department should be increased from Pay Grade 3 to Pay Grade 5, while conceding that there appear to have been changes in the job duties of this position since the initial proposals were exchanged which by implication may provide justification for less of an increase. The Union notes that this issue affects only one employee, and argues that the health insurance issue is far more significant. The Union also argues that the language change proposed by the County, to change the end date of health insurance for an employee who terminates, is of little importance, because the parties must comply with the more generous terms specified in the State Plan, while the odds that the Union would ever contest a provision which allows an employee an additional month of health insurance coverage are vanishingly small.

In its reply brief, the Union notes that the County's quotations from previous interest arbitration decisions do not reveal which party won, and do not indicate the level of change in health insurance contributions sought by the various employers. The Union argues that the County's proposal would in effect reduce its exposure to health insurance costs by 10%, in two jumps over only about six months. The Union accepts that the County has proposed a quid pro quo, but argues that at .25% in each of two years, this is well short of sufficient to match up to the continuing payment of 105% of the lowest cost premium in the Sheriff's Department. With respect to the external comparables, the Union notes that the County did not include Pierce County, and argues that the Slavney decision did incorporate Pierce, so that there is a prior finding that Pierce County is similar in population and full value assessment. With respect to health insurance comparables, the Union notes that the County has already switched to the State Plan to generate premium savings, thus earlier capturing the savings that some of the comparable counties have recently sought in their collective bargaining; the Union argues that the 10% reduction in County premiums is a further step that is unwarranted. The Union also argues that the interests and welfare of the public are not served by creating an unhappy workforce that resents being treated worse for health insurance purposes than their coworkers in the Sheriff's Department. With respect to the cost of living, the Union argues that when the changes in health insurance contributions are computed along with the wage increases, some employees could end up taking home less in 2003 than they did in 2001, clearly creating a preference under the cost of living standard for the Union's final offer.

The Employer's Position

The County argues that the cost of health insurance has been soaring and that this requires a larger employee premium contribution, noting that its premiums have

increased almost 79% for single coverage and over 73% for family coverage in just five years. The County notes that a number of arbitrators have found similar increases to be a significant problem justifying an increase in employee contributions. But Trempealeau County, the County notes, has a strong history of requiring employee contributions, with employees paying 17.5% of the premium cost prior to the switch to the State Plan in 2000. That switch required a 65% employee participation rate, and securing that level could not be achieved without including the AFSCME-represented employees; even with the agreement subsequently to increase its percentage contribution, the County was able to reduce its total health insurance costs by switching to this plan. Employees, meanwhile, realized a large savings compared to what the cost would have been if the old plan had continued in effect. This relief, however, was temporary, as shown by a premium increase for families of 86% and 91% respectively over three years in the two most popular plans. The County notes that a number of arbitrators have agreed that it is fair for employees to pay something for health insurance in the face of such cost increases to the employer, and stresses that two of the four bargaining units negotiating contracts effective in 2002, both of which are represented by AFSCME, have agreed to the County's proposed contribution levels. Both received wages at the same level of increase proposed by the County here.

The County contends that while it has attempted to treat all employee groups equally, it is unable to do so because of differing timing and duration of contracts. In particular, the Sheriff's Department contract has been off-cycle with the AFSCME contracts for several years, and thus merely reflects the same rate that had recently been agreed to with the AFSCME contracts, though the contract extended for longer.

The County argues that Buffalo County should be added as a comparable because like Monroe (which the Union agrees to add), the "non-union status" reason for its 1990 exclusion has since changed. The County draws a distinction between the Kessler award and the Slavney award which also excluded Buffalo County, because Arbitrator Slavney relied upon population and full value assessments in selecting comparables in a unit which included professional employees, arguing that arbitrators frequently give less importance to geographic proximity in disputes involving professional employees. With respect to Pierce County, the County argues that Pierce has enjoyed dramatic recent growth as a suburban area to Minneapolis/St. Paul, which has significantly exacerbated the demographic dissimilarity between the two counties. The County notes, for example, that in 1999 Pierce County ranked seventh in the State in median income, while Trempealeau ranked 41st.

The County argues that its cost for health insurance is among the highest of the external comparables, with only one or two other counties, at most, exceeding its contribution levels in 2001, 2002 or 2003. The County argues that employees in the comparable counties are paying an average of \$25.40 and \$109.38 for single and family coverage respectively in 2002 and an average of \$46.24 and \$144.72 respectively for single and family coverage in 2003, figures which greatly exceed the employees' costs

under the County's proposal for the Health Traditions plan and still generally exceed the County's proposed employee contributions for employees taking the Gundersen plan. Virtually all employees taking the family plan in other comparable counties are paying something toward health insurance, except for the lowest cost plan in Juneau County, while the Union's proposal would leave even the more expensive plan in Trempealeau with a lower employee contribution than the lowest cost plans in other counties. The County argues that this demonstrates that the Union's proposal on health insurance is unreasonable.

The County further asserts that its 3.25% wage offer in both years clearly contains an extra .25% as a quid pro quo. The County notes that arbitrators have concluded that no quid pro quo is necessary when dealing with rapidly rising costs in health insurance, and that many more arbitrators have concluded that the need for, or size of, an appropriate quid pro quo are reduced when the issue is rising health insurance premiums. The County argues that the Union's willingness to accept a 3% wage increase each year, as well as 3% increases in Clark and Jackson counties and "effective 3%" wage increases in Buffalo, Dunn and Monroe counties (due to split increases of 2% apiece in January and July) demonstrate a pattern showing that the County has indeed offered an appropriate and significant quid pro quo.

The County discusses at some length the proposed reclassification of the Public Health Bookkeeper position, which it characterizes as totally unwarranted for an employee who, the testimony demonstrated, has fewer skills than even employees with a lower pay grade than her current one. The County characterizes the reclass request as one that would create "turmoil" within the internal pay grade system because if granted, it would create an obvious inequity to other employees who are higher skilled but paid less. The County characterizes its termination insurance side letter as an added benefit which would also eliminate any possible argument of past practice in the event the parties at some time in future switched to another health insurer which did not allow extended coverage following termination.

The County contends that the interests and welfare of the public are better served by an increased employee contribution toward health insurance as well as by maintenance of the existing classification for the bookkeeper. The County argues that Trempealeau County has seen very slow growth in population and its tax levy has increased substantially despite efforts to reduce its budget, contrasting with more significant growth in other counties such as Vernon and Jackson. Unemployment is higher in Trempealeau County than in the State as a whole as well as in the majority of the County's external comparables, and the reasonableness of the Employer's approach is demonstrated by the fact that two other bargaining units have accepted similar proposals. Finally, the cost-of-living criterion supports the County's final offer because the total package cost is the most appropriate measure, and at 7.35% for 2002 and 6.42% for 2003, the County's offer is both a multiple of, and closer to, the CPI for both years.

In its reply brief, the County argues that there is no reason for the Union to oppose including Buffalo County while supporting including Monroe County, because each is about equally distant from Trempealeau in population and in equalized value, just in different directions. The County notes that what is characterized by the Union as a reduction of 10% in premiums is actually only a 2.5% reduction in each of two successive years, for employees covered by the lowest cost plan. Also, the Union discounts unreasonably the real-world alternative to the County's move in 2000, which would have resulted in employees paying \$167.13 per month for family health insurance coverage in 2000 if the Employer had not made the change it did. With respect to internal settlements, the County argues that even if the two voluntary settlements do not constitute a pattern, they are certainly an indication of what is reasonable. The County distinguishes the situation here from the Town of Grand Chute award cited by the Union, noting that prior to the switch to the State plan, Grand Chute paid 100% of the premium, while in the equivalent period, Trempealeau County only paid 82.5% of family coverage. The County also argues that the Union has miscalculated the premium increases and the wage rates, and that under the County's proposal even employees opting for Gundersen coverage will receive a wage increase sufficient to cover the cost of the County's proposal on health insurance. The County objects to inclusion by the Union of several documents attached to its brief in support of the bookkeeper proposal, which were not submitted at the time of the hearing and which are questionable both because they were not properly submitted and because of flaws in their contents. The County objects to the Union's characterization that the bookkeeper reclassification only affects one employee, arguing that an erroneous reclassification causes mischief among all employees whose skills are comparable but higher.

Discussion

The 1990 Kessler award used Clark, Dunn, Jackson, Juneau, Vernon and Wood counties as comparables. The 1990 Slavney decision used Clark, Dunn, Monroe, Pierce and Vernon counties. In 1990, the Union proposed using Buffalo County in the latter case, while the County used 20 employers, Pierce among them. There is therefore no consistency to be had. I note that although Pierce's equalized value is higher than that of Monroe, which the parties agree to include, its population is smaller, and it was previously included by Arbitrator Slavney. While Pierce has undoubtedly benefitted disproportionately from the relative proximity of the Twin Cities, I do not see a good reason now to exclude it from the comparables. At the same time, Buffalo County shares a long border with Trempealeau, and is clearly a contiguous labor market. Although its population and equalized value are smaller, as the County points out, Buffalo's is smaller by about the same margin as Monroe is larger, while its very nearby location strongly suggests that it too should not be excluded. Accordingly, I find that the

comparable grouping is Buffalo, Clark, Dunn, Jackson, Juneau, Monroe, Pierce and Vernon counties.

Two of the issues are simply disposed of. The side letter proposed by the County is innocuous, and merely clarifies what a close reading of the contract probably would have provided for anyway, since Article XIX does not explicitly prohibit the County from covering an employee for the period of time required by State plan, and since the County's concern that the Union might someday claim that payment under the State plan established a practice binding under some future alternative carrier seems overblown. I therefore see no reason to give the side letter significant weight for or against either party. The reclass request for the bookkeeper, meanwhile, is clearly misguided. The Union produced little evidence in support of this proposal, and what it did produce was vague, conclusionary, and in large part, obviously late (the Union sought to introduce two documents in its brief, which obviously fails to provide an opportunity for cross-examination.) The County presented clear and detailed testimony, which was not rebutted by the Union, to the effect that the bookkeeper, far from having skills comparable to other employees in Pay Grade 5, spends 75% of her time as a receptionist, and has lesser computer and related skills than other employees in the same department who are paid at the same grade as her current one, or lower grades. Although the amount of money involved is not large in relation to the contract as a whole, the County's argument that a misplaced reclass request causes inequity with other employees has merit. This proposal thus adds a modest weight in the scale against the Union's final offer.

Turning to health insurance, it is apparent that Trempealeau County has had to pay a steeper rate of increase than other comparable employers:

Table 1: Insurance payments 2000-2003 by comparable employers, with employee contributions

Employer	2001 employer contribution	2001 employee contribution	2002 employer contribution	2002 employee contribution	2003 employer contribution	2003 employee contribution
Buffalo	Single, 100%, \$346.47; family, 80%, \$866.17	Single, \$0; Family, \$173.23	Single, 100%, \$372.46; Family, 80%, \$744.90	Single, \$0; Family, \$186.23	Single, 100%, \$391.08; Family, 80%, \$782.15	Single, \$0; Family, \$195.54
Clark	Single, 85% – 100%, \$200.18; Family, 85%, \$526.05	Single, \$0 – \$35.33; Family, \$92.83	Single, 85% – 100%, \$240.21; Family, \$629.85	Single, \$0 – \$42.39; Family, \$111.15	Single, 85% – 100%, \$324.28; Family, \$852.20	Single, \$0 – \$57.23; Family, \$150.39
Dunn	Single, 100%, \$322.00 – \$385.00; Family, 95%, \$722.95 – \$838.85	Single, \$0; Family, \$38.05 – \$44.15	Single, 95%, \$370.50; Family, 95%, \$869.25	Single, \$19.50; Family, \$45.75	Single or Family, 95%; Single, \$407.55; Family, \$956.65	Single, \$21.45; Family, \$50.35
Jackson	Single, 95%, \$308.75; Family, 95%, \$712.50	Single, \$16.25; Family, \$37.50	Single or family, 93%; single, \$362.70 – \$418.50, family, \$827.70 – \$953.25	Single, \$27.30 – \$31.50; Family, \$62.30 – \$71.75	Single or Family, 93%; Single, \$418.50 – \$483.60; Family, \$953.25 – \$1097.40	Single, \$31.50 – \$36.40; Family, \$71.75 – \$82.60
Juneau	Single, 100%, \$430.00; Family, 81%, \$986.30	Single, \$0; Family, \$231.35	Single or family, 105% of lowest-cost, single, \$265.50 – \$278.78; family, \$661.20 – \$694.26	Single, \$0 – \$64.43; Family, \$0 – \$161.24	Single or family, 105% of lowest-cost, Single, \$323.00 – \$339.15; Family, \$803.60 – \$843.78	Single, \$0 – \$112.85; Family, \$0 – \$281.92
Monroe	Single, 87%, \$243.06 – \$276.52; Family, 87%, \$571.43 – \$668.33	Single, \$36.32 – \$41.32; Family, \$85.39 – \$99.87	Single or family, 87%; single, \$301.39 – \$329.39; family, \$708.57 – \$796.12	Single, \$45.04 – \$49.22; Family, \$105.88 – \$118.96	Single or Family, 87%; Single, \$318.42 – \$395.27; Family, \$748.20 – \$955.35	Single, \$47.58 – \$59.06; Family, \$111.80 – \$142.75
Pierce	Single or family, 95%, \$unknown	Single or family, 5%	(public-health) Single or family, 94%, \$unknown	Single or family, 6%	(public-health only) Single or family, 93%, \$unknown	Single or family, 7%
Vernon	Single, 105% of lowest cost, \$234.00 – \$286.80;	Single, \$0; Family, \$116.52 – \$142.92	Single, 105% of the lowest cost, \$338.60	Single, \$0; Family, \$168.78 – \$171.10	Single, 105% of lowest-cost,	Single, \$0 – \$112.64; Family,

	Family, 80%, \$466.08 – \$571.68		– \$343.20; Family, 80%, \$675.12 – \$684.40		\$323.20 – \$339.36; Family, 80%, \$642.88 – \$843.78	\$160.72 – \$281.92
Trempealeau (Union)	Single or family, 105% of lowest cost; single, \$283.50 – \$295.60; family, \$706.30 – \$714.60	Single or family, \$0	Single or family, 105% of lowest cost; single, \$338.60 – \$343.20; family, \$843.90 – \$855.50	Single or family, \$0	Single or family, 105% lowest-cost; single, \$415.50 – \$436.28; family, \$1034.40 – \$1086.12	Single, \$0 – \$15.73; Family, \$0 – \$39.58
Trempealeau (County)	"	"	effective 7/1/02, Single or family, 97.5% of lowest-cost; single, \$330.14; family, \$822.80	Single, \$8.47 – \$13.07; Family, \$21.10 – \$32.70	Single or Family, 95% of lowest-cost; Single, \$394.73, Family, \$982.68	Single, \$20.78 – \$57.28; Family, \$51.72 – \$143.02

It is evident that the increases now mean that for 2002, Trempealeau County is paying, even under the County's offer, more than all but two of the comparables for family plans, although the picture is more mixed for the single plan. For 2003, even the County's proposed offer leaves the County contributing more for family premiums than in all other counties in the comparable pool, except for the more expensive of Jackson County's plans.¹ The single premium is, again, more within the range of the other counties, but still above the majority. The employee contributions sought by the County's offer are lower than the majority for singles and lower than all but one plan in Juneau County for families in 2002, even for the more expensive Gundersen plan. In 2003 the County's 95% of lowest cost premium proposal generates a higher single employee contribution than the least expensive plan in Juneau and Vernon counties, but all others are higher (for the least expensive plan). For families, the County's proposal generates a minimum premium contribution by employees of \$51.72, about the same as in Dunn County and higher than the lowest cost plan in Juneau County, but lower than all others — usually, much lower. Even the more expensive Gundersen plan is less expensive to employees under the family plan than about half of the comparables' employees are paying for their respective employers' least expensive plan.

While the proliferation of multiple-choice plans means that it is impossible to calculate exactly how much more the County is paying than other counties without knowing how many employees in each comparable have opted for each plan, it is clear that Trempealeau County is, on balance, contributing well over the average of its comparables,² and that almost all of those have an employee contribution to the lowest-cost family plan as well as to any higher option. At the same time, the County's economic situation, while not necessarily worse on average than its comparables, is certainly no better. The County has thus demonstrated strong reasons for its proposed, relatively moderate, change.

¹ The dollar figures for Pierce are not in the record. It is clear, however, that Pierce does not pay 100% of the premium.

² Of 66 employees in this unit, slightly more take the Gundersen plan than take the least expensive plan; all other available plans together account for less than 10% of the employees. For practical purposes the effective reduction in premium contribution under the County's 2003 proposal is about midway between the County's description of it as 5% and the Union's description of 10%.

Whether the County's increased wage offer, relative to the Union's offer, represents a quid pro quo is partly a matter of whether the County is deemed to be offering a quid pro quo to obtain the health insurance change, or the Union is seen as in effect offering a form of quid pro quo in the effort to retain the existing insurance language:

Table 2: Wage increases 2000-2003 by comparable employers in percentage terms

Employer	2001 wage increase	2002 wage increase	2003 wage increase
Buffalo		January 1, 2.0%; July 1, 2.0%	January 1, 2.0%, July 1, 2.0%
Clark		January 1, 3.0%, July 1, some adjustments, for professionals; nonprofessional, varying raises under new pay plan	January 1, 3.0%, July 1, adjustments to some positions
Dunn		January 1, 2.0%; July 1, 2.0%	January 1, 2.0%, July 1, 2.0%
Jackson		3.0%	not settled
Juneau		3.3%	3.3%
Monroe		January 1, 2.0%; September 1, 2.0%	not settled
Pierce		unknown	unknown
Vernon		3.5%	3.5%
Trempealeau (Union)		3.0%	3.0%
Trempealeau (County)		3.25%	3.25%

What the County characterizes as a pattern of 3% increases is so only if one overlooks the long-term effects of split increases. This well-known device for holding down short-term costs, however, obviously generates the full value of the total sum of the increases by the year following the split increases, and here, that generates 4% two years running in two different counties. In terms of external comparables, therefore, the result is that the County's offer of 3.25% in each year cannot be seen as a particularly persuasive attempt to offset the size of the health insurance change to employees. The two settled AFSCME contracts have the same 3.25% each year offered by the County; but the Sheriff's Department unit has a complicated but significantly higher wage settlement (50 cents plus 2% 1/1/02, 2% 7/1/02, 50 cents plus 3% 1/1/03, and 50 cents 12/31/03.) The parties did not make significant arguments concerning this wage settlement and it is possible that it reflects a catch-up situation; but clearly the County's 3.25% each year is less. As a quid pro quo, therefore, it is marginal at best.

But because of the size of the health insurance increases and the County's high payments compared to other employers, a sizeable quid pro quo would be required here only if there were a strong history of full payment by the County, such that the County's proposal now represented a major change. While the County has indeed been paying at 105% of the lowest cost premium in 2000-2001, this was not the historical pattern in Trempealeau County, and as noted above, was arrived at by unusual circumstances. Before that, the County had paid 82.5% of family premiums over a number of years. The result is that this case presents a different picture than the Town of Grand Chute case cited by the Union, where there was a significant voluntary history of full payment. On balance, I conclude that despite the minimal quid pro quo, the County's offer is more reasonable with respect to the external comparables.

At the same time, I find no clear pattern within Trempealeau County itself. Certainly the Sheriff's Department bargaining unit is larger than the two AFSCME units that have settled on terms similar to the County's proposal; but that unit settled a multiyear contract at a time when the recently renewed large runups in insurance costs had not yet occurred. The AFSCME units' settlements represent more recent bargaining. I conclude that the internal comparables, taking both wages and health insurance together, are neutral.

The Statutory Weighing:

The "greatest weight," "greater weight," and "lawful authority" criteria are not argued. The stipulations of the parties do not include any notable cost item or new language benefit offsetting any element in either party's proposal. Under factor (C), the County has the ability to meet the Union's proposal, but the interests and welfare of the public are better served by the County's proposal, as employee contributions to health insurance premiums, even for the least expensive plan, are so general among the comparables, and as the Union has an unreasonable reclassification request that would cause dissension

among other employees. The external comparables represented by factor (D) favor the County, primarily because its insurance payments are so high compared to the comparables that this overrides the minimal quid pro quo offered. The internal comparables, factor (E), are neutral. Factor (F), comparison to private employment, was not argued. Factor (G), the CPI, favors the County because even after the reduction from 105% of the lowest cost premium, the total package offered by the County is a multiple of the recent CPI, and closer to the CPI than the Union's proposal. The overall compensation factor, (H), slightly favors the County because the very high insurance payments the Employer would continue to be all but solely responsible for under the Union's proposal outweigh the very small quid pro quo, under a circumstance where the existing health insurance arrangement is well above the comparables, was not conventionally bargained, and was not of long duration, as well as because the unreasonable reclass request would likely trigger a spate of similar requests. Factors (I) and (J) were not argued.³

Summary

As the internal comparables are neutral, the very high rate of recent insurance cost increases, and the relatively high percentage rates and dollar totals of Employer contributions even under the County's proposal, renders that proposal slightly more reasonable than the Union's, even in the face of a very small to minimal quid pro quo in the salary proposal. The unreasonable reclass request clearly favors the County's proposal to a small degree overall. These two factors are not offset by any other element in the proposals, as the side letter is of little importance and is found neutral. I therefore conclude that the County's proposal better fits the statute's requirements.

For the foregoing reasons, and based on the record as a whole, it is my decision and

AWARD

That the final offer of Trempealeau County shall be included in the 2002-2003 collective bargaining agreement.

Dated at Madison, Wisconsin this 26th day of November, 2003

By _____
Christopher Honeyman, Arbitrator

³ A motion by the County to enter a late exhibit related to the reclass proposal was denied.

