

BEFORE THE ARBITRATOR

In the Matter of the Final and Binding Interest Arbitration Dispute between
FLORENCE COUNTY HIGHWAY EMPLOYEES, LOCAL 1315, AFSCME, AFL-CIO
and
FLORENCE COUNTY

WERC Case 51, No. 65404, Int/Arb - 10591
Decision No. 31928-A

Appearances:

Mr. Dennis O'Brien, Staff Representative, AFSCME Council 40, 5590 Lassig Road,
Rhineland, WI 54501, appearing on behalf of the Union.

Davis & Kuelthau, S. C., by Robert W. Burns, Esq., 318 S. Washington St., Suite 300,
Green Bay, WI 54301-1534, appearing on behalf of the Employer.

ARBITRATION AWARD

The Union has represented a bargaining unit of Highway Department employees for many years. On December 16, 2005, the County filed a petition with the Wisconsin Employment Relations Commission requesting arbitration with respect to the replacement for the parties' collective bargaining agreement expiring December 31, 2005. Following mediation by a member of the Commission's staff, the Commission determined by order dated November 14, 2006 that arbitration was required. The undersigned was appointed by Commission order dated December 11, 2006. A hearing was held in Florence, Wisconsin on March 5, 2007, at which time the parties were given full opportunity to present their evidence and arguments. Briefs and reply briefs were filed by both parties, and the record was closed on July 10, 2007.

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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services.
- e. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes, 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 EMPLOYER’S FINAL OFFER

- 1. Revise applicable dates to reflect a two-year agreement: January 1, 2006 to December 31, 2007.
- 2. Article XIII — Appendices A & B. Effective January 1, 2006, adjust the wage schedule to reflect a three percent (3%) across the board increase. Effective January 1, 2007, adjust the wage schedule to reflect a two percent (2%) across the board increase, and on July 1, 2007 adjust the wage schedule to reflect a one percent (1.0%) across the board increase.

THE UNION’S FINAL OFFER

- 1. Article 7 — Sick Leave Add — Upon attaining maximum accumulation of 100 days, an employee shall be paid \$25/day for any unused sick leave.
- 2. Article 16 — Insurance Effective 1-1-06, HRA Insurance Plan. Plan details as proposed.
- 3. Appendix A —

Revise to reflect	3% increase 1-1-06
	3% increase 1-1-07
Additionally on	7-1-06 all classes \$.30/HR
	7-1-07 all classes \$.30/HR
- 4. Article 28 — Duration 2 year Agreement

The Union’s final offer was modified at the hearing with the consent of the Employer, and is shown here in the revised form.

THE EMPLOYER’S POSITION

The County argues that only two of six bargaining units are not settled for both years (the other is the Sheriff’s Deputies) and that the four settled units (Courthouse, Corrections, Sheriff Supervisors and Human Services) constitute almost 80% of the unionized employees of the County and have all settled essentially for the County’s package as proposed here, with a minor variation for the Human Services unit to account for the cost of a delayed implementation of the new health insurance package there. The County stresses the importance of internal consistency among its bargaining units, citing many arbitrators to the effect that when one union achieves a larger settlement in arbitration, a consequence is labor disruption with the units that settled voluntarily. The County also argues that many arbitrators have given primary weight to internal settlements over external ones, finding

these to be the most telling indicator of the balance of all factors customarily considered, in the absence of some unusual factor.

With respect particularly to the Union's sick leave proposal, the County argues that no internal unit has language similar to that proposed by the Union and three have no related benefit at all, though the Deputies and Corrections Officers do get something under a related provision. With respect to the pressure on this bargaining unit, the County cites the extensive efforts by Highway Commissioner Leffler to obtain more work for the bargaining unit. This involves competitive bidding, and the County points to Leffler's testimony that private contractors have been increasingly aggressive in bidding for work which was customarily County work, and also points to "incidental labor rates" (i.e., the percentage added on to base wage rates to cover the increasingly expensive fringe benefits) of approximately 80% for both 2006 and 2007 as particular problems for the County. The County points to its Exhibit 14 as indicating a trend toward privatizing services. The County points to its Exhibit 17 as showing the radically increased cost of fuel as a significant problem in recent years, particularly the increase from an average of \$1.02 per gallon in 2000 to \$2.11 in 2006. The County stresses that cost reduction in the highway unit has occurred by attrition of employees, with the number falling steadily from approximately 20 in the 1970s to the point where only seven people were in the bargaining unit by 2004. The County points to a dramatic decrease in the amount of state highway maintenance work given to the County from 1999 (\$749,000) to 2005 (projected at about \$412,000) and to a reduction of 21% in the net receivables expected as between 2006 and 2005. The County argues that there is no basis for a belief that individual employees have been expected to suffer from this economic situation, contending that while base wages are below the average of the external comparables, overall compensation is not. The County computes the total wages and benefits of employees using the classification of Equipment Operator, the midrange classification, and finds Florence County paying the median among the seven counties in the comparable pool, and above the average.

The County also argues, with respect to the recent and current wage increases among the comparable pool, that settlements for 2004 and 2005 were the same as the average among the comparables, that the County's offer is .42% above the average for 2006, and that the County's year-end rate hits the 3% average settlement for 2007, while the Union's proposal sharply exceeds the average in both years. The County objects to the Union's catch-up argument on the grounds that the wage position of the employees is the result of voluntary collective bargaining agreements over many years and should not be changed in arbitration, and more particularly that the wage rates by themselves fail to take into account the fringe benefit picture. As to the Union's proposal for a new fringe benefit, i.e. the sick leave payout, the County contends that four of the six external comparables do not provide for any type of sick leave payout, while Marinette has language similar to the Union's proposal here and Oconto County provides five days pay per year for employees at the maximum level of sick leave.

The County points to a number of economic factors as indicating that it is in poor economic shape and should not be expected to do more, particularly stressing a 2000-2005 population increase of 2.5% compared to the comparable counties' average increase of 4.3%, the County's perennial adverse standing compared to counties throughout the state in costs per

capita for highways and for general government spending (both, largely because of the low population), an adverse job market demonstrated by declining numbers of jobs available in recent years and relatively low per capita incomes, and a recent threat to the countywide school district that almost caused its dissolution due to a low population of students. Despite these circumstances, the County argues, it has consistently improved wages for the highway workers, at rates exceeding the CPI over 10 years. For 2006, the County argues that its package proposal is nearly twice the CPI, while the Union's is even higher; for wages only, the County's 2006 proposal is .2% under the CPI while the Union's proposal is .7% over it. The County argues, however, that the appropriate comparison in the CPI is not to wage rates alone but to overall compensation, because benefits such as health insurance are clearly part of the consumer price index, while health insurance costs for the County have dramatically surpassed the average CPI increase over a number of years.

In its reply brief, the County contends that not only did the County achieve savings on health insurance as a result of the HRA change, but employees did too, as the County's HRA payments effectively indemnified employees against the increases in deductibles while the drop in premiums saved money for employees, who are paying a small percentage. For an employee taking family health insurance, this amounts to a savings of about \$115 per year. Furthermore, the County argues, the out-of-pocket deductibles remain almost the lowest among the external comparables, while drug co-pays are in the midrange. The County also points to the comparable counties' average employee premium contributions, of approximately \$228 more per year than a Florence County employee taking the family plan pays.

The County takes issue with the Union's argument that the CPI exceeds both offers, contending that it is well-established that the appropriate measure is the size of the total package. The County also disputes the Union's claim that the difference between the offers amounts to less than \$6,000, calculating that it adds up to more than \$11,000 over the two years, and argues that the Union has miscalculated the County's relative affluence compared to its comparables, on the three key indicators of which it falls below the average. The County points to the fact that it has the lowest population, about 1/5 of the average population of the group, as well as the highest levy rate by a large margin, and the lowest property value increase in 2004-2005. In the face of this, the County has maintained wage increases that are consistent across the internal units, and which exceed the CPI in seven of the last eight years. The County argues that while the Union is not wrong in pointing to relatively low base wage rates, the picture must necessarily include the County's relatively generous fringe benefits, as well as the competitive position of the department.

As to the new sick leave payout benefit, the County argues that since three out of five other units of the County do not have any such benefit while four of six comparable counties (three, if Oneida County's PTO structure were deemed to cover this element in effect) do not have such a benefit, there is not a majority of the comparables with a similar benefit either internally or externally. At the same time, the Union has offered no quid pro quo for its proposal, while the County argues that the two internal units who have a similar benefit should be presumed to have given up something to get it. The fact that only two employees would be able to take advantage of the benefit in the near future, argues the County, is irrelevant, since clearly this is a benefit designed to operate over time. Also, the County

points out, turnover in this unit is low, with only one voluntary quit since 2001 for reasons other than retirement, and with many applicants for an open position. That suggests that employees will qualify for the benefit, and also suggests that the County's economic package is highly desirable in the Florence marketplace.

Finally, the County, using an Equipment Operator with 15 years' seniority, compares its wages, health insurance, dental insurance, vacation, holidays, sick leave and clothing allowance with the comparable highway departments. Noting that its base wage is \$1.43 lower than the average and that the absence of a longevity clause subtracts a further \$.19 per hour from the average compensation, the County then calculates that reduced to a per hour wage equivalent, the cost of the Florence County family health plan is the equivalent of making back \$1.32 of that, while the fact that the County is one of a minority offering a dental plan adds the equivalent of another \$.46 per hour. The effects of the remaining benefits as compared to the average are smaller, but the County calculates that the net result is a total wage and benefit package in which the County is paying \$.21 per hour more than the average of the comparables. The County requests that its proposal be adopted.

THE UNION'S POSITION

The Union characterizes this matter as essentially being about a "catch up" situation in wages. The Union argues that this unit already defines the bottom of the range among external comparables, and that if it had agreed to the County's proposal, the gap would continue to grow. The Union argues that even under its proposal, except perhaps for the Patrolman position in Forest County, all positions in this bargaining unit would remain the lowest paid among the comparables.

The Union analyzes the dispute primarily in terms of the successive statutory criteria. The Union argues that the "greatest weight" criterion has no effect, because the cost difference is small enough at less than \$6,000 that there is no law or directive that would prevent the County from implementing the Union's offer. The "greater weight" factor does not favor the County's offer either, the Union contends, because all of the evidence indicates that Florence County is in reasonably good economic shape compared to the accepted comparables. The stipulations of the parties, however, the Union finds significant, particularly because the new HRA plan is saving more than \$100 a month on the family premium, lowering insurance costs by 2% while comparable counties' costs rose by an average of 8.5%. Contrary to the County, the Union argues that the CPI is higher than either the Union's or the County's final offer, using "Midwest size D" as the basis (this being a so-called "micropolitan" statistical area, in this case the area of Iron Mountain, Michigan, which is near Florence. The December 2005 CPI for all urban consumers in such areas was 4.1%.) The Union also points to the potential out-of-pocket increase for drugs and doctor's visits co-pays under the new health plan as a CPI issue, and argues that there is arbitral precedent for the concept that it is the general wage increase that should be measured against the CPI, not any additional proposed increase necessary to achieve "catch up."

As to comparability, the Union argues for predominance of external comparables over internal. The Union finds that for 2006 wage rates, under its proposal the Patrolman

classification is \$.60 behind the average, \$.90 behind under the County's proposal. The Equipment Operator classification is \$1.11 behind under the Union's proposal and \$1.41 behind under the County's. For Mechanic, the difference is \$1.14 under the Union's proposal and \$1.44 under the County's; for Foreman, \$2.00 and \$2.30 respectively; and for Partsman, the Union's proposal leaves the classification \$1.29 behind while the County's creates a \$1.59 difference. The Union presents calculations showing that from 1996 to 2005, the Patrolman rates steadily dropped in comparison to the average of the comparables, from \$.51 behind the average in 1996 to \$.92 behind by 2005. Similarly, Mechanic wages in 1996 were \$.91 behind, and by 2005 they were \$1.45 behind the average. For Equipment Operator, the spread widened from \$.93 behind the average in 1996 to \$1.41 behind by 2005.

This worsening picture, the Union argues, is not accounted for by Florence County's relative economic position, because its immediate comparable group is entirely composed of counties which are in the lower half of the economic tables in Wisconsin. On median family income, operating levy, per capita value and per capita value statewide rank, Florence County ranks fourth out of seven, and in its general economic status it showed the best improvement in its ranking among the comparables, from 62nd in 1996 to 51st in 2004. The Union argues that the sum and substance of the economic data indicate that Florence is right in the middle of the agreed comparables, not specially associated with Forest County in the manner the County seems to be arguing. The Union also notes that the County has a particular relationship with one county which is not normally listed among the comparables, i.e. Dickinson County, Michigan, where more Florence residents commute (1091) than work in the County itself (870), and far more than commute to Forest County, where only 39 Florence residents work. The median home values, the Union argues, also support a conclusion that Florence is relatively well positioned among the comparables, ranking ahead of Forest, Langlade and Marinette, as well as Dickinson County, Michigan; similarly, poverty rates in Florence are lower than Forest, Marinette and Langlade counties, and Dickinson County, Michigan. Florence County also has a median household income that is higher than three of the comparables. Yet the employees of the Highway Department receive the lowest wages in the group.

The Union argues that there has traditionally been acceptance among arbitrators of the idea that an employee group which has lost ground compared to its historical position among similar groups has a claim to an adjustment, citing a number of arbitration awards. This, the Union argues, justifies a departure from the external settlement pattern as well as the internal pattern; an adjustment can operate no other way, if an inequity is to be remedied. But the Union also argues that this is not the only bargaining unit of Florence County employees which has rejected the County's offer, since the Sheriff's Deputies are also seeking catch up compared to their respective external comparables. The Union also points to evidence that the Social Workers in Florence County are among the better paid in the comparable group, and that Telecommunications/Correction Officers received a percentage wage increase of over 6% in 2001, showing that not all Florence County workers are similarly situated. Thus not all percentage wage settlements have been consistent within the County; nor are benefits identical.

With respect to the value of the Highway employees' benefits, the Union contends that the County exaggerates. For one thing, the Union arrives at very different numbers in a calculation of the cents per hour value of sick leave, vacation and holidays. The Union also notes that the Employer's exhibit offering comparison between Florence wages and the comparables' wages, it included Florence in the group average, thereby lowering the average for the group significantly. (The Union also argues that its slightly higher calculation reflects what it believes is the more appropriate comparison in Oneida County, to Equipment Operator II, for comparison with the Florence Equipment Operator position. Neither party provided evidence justifying its choice.)

The Union argues that there are certain other errors in the Employer's exhibits, including use in its Exhibit 10 B of the wrong insurance plan in Oconto County for comparison, and an understatement of the longevity benefits in the same county. The Union argues that Employer's Exhibit 10 A omits several benefits in Oneida, Marinette, Langlade and Oconto counties, as well as better life insurance and better funeral leave benefits in every external county. The Union also objects to the Employer's use of the 15 year mark as the sole benchmark level used, because Florence County employees hit four weeks' vacation at that level, somewhat earlier than most of the comparables, while the difference is not meaningful for most of the employees in the current population. When maximum possible benefits are considered, the County's package shows up as distinctly less generous, with fewer vacation days than any other, and with no longevity benefits, unlike five of the six comparables. The fact that the Employer's 2005 data did not include a later large increase in Marinette County's insurance costs, which nearly doubled from 2005 to 2007, also distorts its benefit calculations compared to current costs.

As to the sick leave payout proposal, the Union argues that highway units in Marinette and Oconto receive a similar benefit, while in Oneida County, the PTO concept effectively provides employees with something for unused sick days beyond the maximum accumulation, which is essentially comparable. Among the internal bargaining units, the Corrections Officers and Deputy Sheriffs receive much more than the Union is seeking here. Furthermore, during the term of this contract, only two employees could possibly be affected, so that this is not only a fair proposal but one of relatively minor importance.

With respect to the overall economics of the County's Highway Department, the Union takes exception to the Employer's fundamental contentions, arguing that the bottom line is that for the costs to be excessive, either there would have to be too many employees or the employees would have to be paid too much. Clearly, the Union argues, the employees are not paid too much, either in wages where it is seeking catch-up, or as a matter of total wage and benefit costs, where again the Union's data show different results from the Employer's. As to numbers of employees, the Union points to the Employer's testimony and evidence of a reduction from 20-plus employees in the 1970s to the current crew of seven, and to Highway Commissioner Leffler's letter to the Florence County Board noting that in times of emergency or heavy workload this is not enough people. The Union contends that the record shows that the State paid the County in recent years enough to cover more than three full-time positions, and that work performed for the U.S. Forest Service, Forest County's highway department and County townships on contract adds up to at least one more full-time position. Furthermore, the Union points to net balances for the Highway

Department budget that are in the black for both 2005 in 2006, and actually growing, while the highway levy was testified to by Commissioner Leffler as remaining essentially constant for 17 years. The Union concludes that the County's economics are not as dire as argued.

In its reply brief, the Union argues that in a wage dispute, the external wage rates paid to similar employees are of greater significance than internal settlements. The Union argues that this is particularly appropriate when there is overwhelming evidence that the highway employees are the lowest paid of any highway employees among the comparables, while there is no evidence in the record that any of the other County individual units are similarly the lowest paid with respect to their respective comparable units. Where the County has cited arbitration awards to the effect that internal settlements are of primary importance, the Union contends that a close reading of the awards cited by the Employer shows that in each case, the dispute at issue heavily involved fringe benefits, not wages. And uniformity, the Union argues, simply cannot be achieved across wage rates throughout different bargaining units within the same employer, since all the jobs have different characteristics.

The Union argues that contrary to the Employer's contention that a higher award here would have repercussions with the other settled bargaining units, a number of arbitrators have found that where a true "catch up" situation is being addressed, this does not automatically trigger higher demands in future from bargaining units which had settled. The Union cites several awards to this effect. The Union argues that all the data show that Florence County's highway workers present a classic "catch up" case. At the same time, the Union argues that it has not attempted to catch up either via an excessive amount in a short period of time, or in a situation where the rates are relatively close, or in a situation where the employer is uniquely poorly positioned economically so as to justify abnormally low wage rates. The Union, based on the rationale of two arbitration awards which supported "catch up" pay increases in other counties, provides a calculation of per capita income related to top pay rates in three bargaining unit positions, to demonstrate that because Florence County's per capita income is actually higher than the average among the comparables, the "adjusted" rates that should logically result are even further from the actual rates. The Union also calculates that contrary to the Employer's claims that Florence County is in danger of being underbid by either private contractors or government entities, the County has a state-generated labor cost basis that is significantly lower than four of the six comparables and essentially the same as Langlade County. The County's privatization argument, meanwhile, the Union notes, rests primarily in a document which is 12 years old, and on the notion that private contractors can somehow purchase fuel and machinery more cheaply than the County can, a notion devoid of supporting evidence in the record.

Finally, as to the sick leave payout proposal, the Union objects to the Employer's characterization of the proposal as having no support either internally or externally, pointing to evidence that two internal bargaining units and two external comparables have significantly more generous benefits, while an additional external comparable has a roughly equal benefit. The Union reiterates, however, that the main issue is wages, and within that, the main problem is the gradual but significant erosion in relative wages for highway workers in Florence County compared to comparable counties' highway workers over time. The Union requests that its proposal be found the more reasonable.

DISCUSSION

Sick Leave Payout

I find that the Employer's proposal has the clear weight of the argument here. The Union has demonstrated some support in both internal and external comparables for its proposal, and it is true that those bargaining units which have such a benefit at all tend to have a larger benefit than the Union proposes here. But those units are still in a minority both within Florence County's employment and among highway departments that have been considered comparable to Florence County in the past. This is clearly not the kind of "last holdout" situation in which a party could be excused for offering no quid pro quo; yet no quid pro quo was offered. In the classic "three-pronged test" for new benefits, I find that this proposal fails all three of the "prongs," showing neither a need for the benefit, nor an appropriate response to the need, nor an appropriate quid pro quo (or justification for the lack of same.) Accordingly, this item becomes a factor against the Union's proposal overall, and in favor of the Employer's. As the Union notes, however, it is not the "main event."

Wages

There is no getting around an uncomfortable disparity between two different definitions of fairness¹ here. Clearly, internal settlements matter on wages, although typically more on benefits. Getting the same percentage increase as other internal bargaining units is one classic definition of fairness. But if the effect is to erode a given group's position compared to similar employees of comparable employers, a different definition of fairness is invoked. Here, that tension is apparent, slightly complicated by the fact that this is not the only bargaining unit of Florence County which is apparently in this situation.

The record as a whole strongly supports the Union's contention that wages have eroded compared to the external comparables — when wages are considered alone. The size of the disparity has grown quite consistently for 10 years; this bargaining unit is not merely below the average, but significantly below the bottom of the comparables' range. In such a situation, external comparables are more widely considered to be a key factor on wages than when fringe benefits are the issue, because there is real value traditionally recognized in keeping fringe benefits consistent within the same employer, while of course there is no true wage consistency to be had to begin with among different jobs with different responsibilities. The value of consistency across bargaining units in terms of percentage wage settlements goes only so far.

Two factors are offered by the County in explanation of the wage disparity between Florence County highway employees and the external comparables. Both deserve the closest

¹ See Welsh, N.A., "Perceptions of Fairness," Chapter 19 in Schneider, A.K. and Honeyman, C., *The Negotiator's Fieldbook* (ABA 2006.)

consideration. The first is the County's general economic condition in relation to its peers. The second is the level of wages and benefits as a package, compared to wages alone.

There is no question that Florence County is not wealthy as compared to the general run of counties in Wisconsin. Yet the same applies to the established list of its comparables. Taking all of the economic indicia together, I conclude that Florence County is certainly not in an advantageous position, but is not in a markedly worse economic condition among its traditional comparables; the particularly low population base and consequently high per capita level of taxation for highways are clearly only two among a number of adverse economic factors, but the County has efficiently reduced staff in the highway department to a low level, has maintained a great deal of stability in the highway levy specifically in the face of inflation in many other costs, and is in the midrange of the comparable pool on a number of other indicators of general prosperity. I conclude that because on balance several of the County's comparables are relatively similarly situated, the County's economic conditions, unfavorable as they are, would not by themselves serve as an effective answer to a moderate effort to catch up to its direct comparables on wages, other things being equal.

That leaves the questions of whether other things are equal and whether the Union's effort is moderate. In particular, there is a disparity between the County's costing and the Union's costing of the dollar value of fringe benefits of several kinds, which assumes central importance when the Employer's argument that its total wage and benefit structure is fundamentally fair to the employees is based on a calculation that its fringe benefit costs are high enough to offset the lower wages. Accordingly, a thorough examination of both parties' numbers is due.

The Union properly objected to a number of mathematical errors in the County's original version of the tables which follow, and the County supplied a corrected exhibit. But spot-checking of both the Union's and the County's numbers revealed enough anomalies to require reconstructing the table from the underlying contracts and other data in the record. Two versions of the comparative wages and benefits table have accordingly been constructed. The first follows the County's proposed selection of a 15 year Equipment Operator as a benchmark classification. The Union objected that the County's selection of that particular number of years provided the County with an advantage, because of the particular seniority dates of some of the employees compared to the slightly later implementation of a fourth week of vacation in some of the comparables. But five-year increments are a common method of setting benchmarks. Since there is a 12-year gap between the seniority dates of the three most senior employees (the most recent among whom was hired in 1990) and the first of the four other employees, the second table uses a benchmark of five years' experience. It also uses the Patrolman classification, as most employees in the bargaining unit have served in that classification at one time or another and it is also used in all but one of the comparables. The result is not perfect for comparative purposes.² But I find that the two charts together are reasonably indicative.

² For example, Florence uses the Patrolman pay grade to cover the mechanic and the stock room manager, while these three classifications are often separated into different pay grades elsewhere. Also, Oneida County does not have a Patrolman position, though a review

of its other classifications pay suggests that it would not change the average much if a Patrolman class did exist there.

The charts reveal the core of both parties' arguments as being substantive. On wages, taken alone, the disparity between the rates paid in all other counties and the rates paid in Florence is substantial, though significantly less for Patrolman than for Equipment Operator. Reducing the main benefits³ to their dollar values expressed as a wage equivalent per hour of work, however, changes the picture significantly. For a 15 year Equipment Operator, wages that trail the average by \$1.43 per hour contrast with a total salary and benefit package which trails the average by much less, \$0.29 per hour, placing Florence far behind the lowest paid other county on wages alone but actually ahead of two of the comparables in package terms, and almost even with a third. For a five-year Patrolman, the difference is even more marked, with Florence behind all others again on wages alone, and behind the average by a substantial \$0.92 per hour, but actually ahead of the average by \$0.17 in total salary and benefit costs, placing it in fourth position among six counties which have that classification.

³ As the Union notes, there are some benefits in some counties which are omitted from these calculations. Those, however, appear to be minor cost items.

2005 Wages and Benefits, 15-Year Equipment Operator

	2005 wages	Longevity	Health family premium	Employer % contribution	\$ Value per hour	Dental family premium	ER % contribution	\$ Value per hour	Vacation Days	\$ Value per hour	Holidays	\$ Value per hour	Sick Leave days	\$ Value per hour	Clothing Allowance	\$ Value per hour	TOTAL Salary+ Benefits
COUNTY																	
Forest	16.53	0.09	1682.57	92.5	9.17	0	0	0	15	0.95	9.5	0.60	12	0.72	\$325	0.16	\$28.22
Langlade	16.82	0.14	1236.00	100	7.13	0	0	0	15	0.97	10	0.65	12	0.78	\$125	0.06	\$26.55
Marinette	17.97	0.01	1094.41	97.5	6.16	57.10	95	0.31	16	1.11	10	0.69	12	0.83	\$120	0.06	\$27.13
Oconto	17.20	0.64	1445.02	90	7.50	131.23	50	0.38	20	1.32	12	0.79	12	0.79	\$100	0.05	\$28.69
Oneida	16.95	0	1284.16	95	7.04	0	0	0	13	0.87	10	0.64	12	0.78	\$325	0.16	\$26.44
Vilas	17.37	0.15	1313.35	92	6.97	0	0	0	19	1.27	11	0.73	12	0.80	\$250	0.12	\$27.42
average	17.14	0.17	1342.58	95	7.33	31.39	24%	0.12	16	1.08	10	0.68	12	0.79	\$208	0.10	\$27.41
Florence	15.71	0	1483.95	95	8.13	104.52	95	0.57	18	1.09	11.5	0.69	12	0.73	\$400	0.19	\$27.12
+/- average	-1.43	-\$0.17	141.37	0.5%	0.80	73.13	71%	0.46	2	\$0.01	1	\$0.01	0	-0.05	\$192	0.09	-\$0.29*

*because of rounding up or down, vertical and horizontal additions of the +/- average differ slightly.

2005 Wages and Benefits, 5-Year Patrolman

	2005 wages	Longevity	Health family premium	Employer % contribution	\$ Value per hour	Dental family premium	ER % contribution	\$ Value per hour	Vacation Days	\$ Value per hour	Holidays	\$ Value per hour	Sick Leave days	\$ Value per hour	Clothing Allowance	\$ Value per hour	TOTAL Salary+ Benefits
COUNTY																	
Forest	16.08	0.03	1682.57	92.5	9.17	0	0	0	10	0.62	9.5	0.59	12	0.72	\$325	0.16	27.39
Langlade	16.70	0.09	1236.00	100	7.13	0	0	0	10	0.64	10	0.64	12	0.78	\$125	0.06	26.03
Marinette	17.67	0.01	1094.41	97.5	6.16	57.10	95	0.31	10	0.68	10	0.68	12	0.83	\$120	0.06	26.33
Oconto	16.91	0.21	1445.02	90	7.50	131.23	50	0.38	10	0.65	12	0.78	12	0.79	\$100	0.05	27.26
Oneida*																	
Vilas	17.37	0.09	1313.35	92	6.97	0	0	0	14	0.91	11	0.71	12	0.80	\$250	0.12	27.00
average	16.95	0.08	1342.58	95	7.39	31.39	24%	0.12	11	0.70	10	0.68	12	0.79	\$208	0.10	26.80
Florence	15.92	0	1483.95	95	8.13	104.52	95	0.57	12	0.73	11.5	0.70	12	0.73	\$400	0.19	26.97
+/- average	-0.92	-0.08	141.37	0.5%	0.74	73.13	71%	0.46	+1	+0.03	1	0.02	0	-0.05	\$192	0.09	+0.17** (approx)

*position not used

**because of rounding up or down, vertical and horizontal additions of the +/- average differ slightly.

There is no perfect way to assess such a balance, and I am aware that the selected approach has significant drawbacks. For example, the Union has pointed out that by two years after the 2005 figures used as the baseline here, one of the comparables (Marinette County) had suffered a health insurance cost increase of such dramatic size, to over \$2000 per month for the family plan, as to make a material difference to several of the numbers that would in turn derive from a 2007 recalculation of these tables — if the record included enough data to make one, which it does not, in the absence of settlements for this year in most of the counties. At the same time, the Union properly notes that it has agreed to the HRA plan, thus reducing the County's costs for health insurance in a year when the average increase among the comparables appears to have been about 8.5%. The Union is also perfectly correct in noting that at the high end of seniority, the vacation balance shifts in favor of the comparables, most or all of which allow for higher vacation amounts for very senior employees. Thus not only would the benchmarks chosen affect how the balance looks, but because health insurance is the single largest cost factor other than wages, the sudden and dramatic increases which are unfortunately now seen with some frequency could change the picture year by year. Still, despite the instability of the effects of changing health-insurance premiums on any such comparison year-by-year, it is conventional to use as a baseline the last year prior to the contract in dispute, not least because there tend to be data available for most or all comparables after that degree of lag time.

From all of the numbers cited above, I conclude that the wage part of this dispute represents a relatively close case. The Union has demonstrated that the employees' wages lag by a significant factor, and that the economics of the County, taking many indicia together, are not so much worse than the average of the external comparables as to account for the size of the gap. The County, however, has demonstrated, apart from the health-insurance premiums, that it offers better than average vacation and holidays, a much larger clothing allowance, and a far more generous dental package than the average among the external comparables. The result is that while I find the Union's proposal for a 3% increase in 2007 at least as reasonable as the Employer's split increase (which of course achieves the same wage rates by July 1), the additional \$.30 per hour in each year looks much less reasonable when considering the total package than when considering wages alone. The Union has made a case for some degree of catch-up; but at the same time, by no stretch of the imagination could Florence County's economy be considered particularly strong in relation to its comparables, even if I do not find it to be as weak as the County avers. When a proposed catch-up increase has the effect of lifting total wages and benefits all the way to, or in some classifications above, the average of the comparables, the Union has lost the benefit of the argument of injustice, and its wage proposal must be considered too large.

The Statute's Weighing:

The "greatest weight" factor is not impacted here. The "greater weight" factor slightly favors the Employer's offer in view of the adverse economic situation in Florence County generally, but only slightly, because of the relatively small number of dollars involved in relation to the overall budget. The lawful authority of the municipal employer was not argued. The stipulations of the parties include a major change to health insurance which reduces the Employer's costs significantly but whose effect on employee premium share and out-of-pocket costs is more mixed, a factor in favor of the Union's proposal. External comparables

favor the Union's proposal as to wages alone, but slightly favor the Employer's proposal once fringe benefits are taken into account, particularly in view of the size of the catch-up pay proposal; external comparables also favor the Employer's position as to the sick leave payout issue. Internal comparables favor the Employer's proposal on both issues. The data with respect to private employment were too sparse to make this a factor. Comparison to the cost of living favors the Employer's proposal because the CPI is more usually assessed on a broad geographic scale than locally, and also because the conclusion that the Union's catch-up pay proposal is excessive leads it to be fairly contrasted against the CPI. Overall compensation, as noted above, favors the Employer's proposal because the relative generosity in fringe benefits somewhat offsets parsimony on wages, by enough to render the Union's catch-up pay proposal significantly larger than could be supported. There were no relevant changes during the pendency of the proceedings; and "other factors" were not argued.

SUMMARY

I find that the Union has made a case that wages are inadequate, by an amount that is not fully explained by the County's adverse economic situation. But the County's relatively generous benefits undercut the Union's argument, by enough to render the size of the Union's proposed remedy clearly excessive. At the same time, the Union has proposed a new fringe benefit which is unsupported in terms of either internal or external comparables. The Employer's proposal is therefore more reasonable, under all statutory criteria taken together, on both issues.

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

AWARD

That the final offer of the County shall be included in the 2006-2007 collective bargaining agreement.

Dated at Madison, Wisconsin this 20th day of August, 2007

By _____
Christopher Honeyman, Arbitrator