

ARBITRATOR'S DECISION

WOOD COUNTY  
(Highway Department)

and

WOOD COUNTY HIGHWAY EMPLOYEES UNION  
(Local 344, AFSCME, AFL-CIO)

Case XXXVI, No. 2301 MED/ARB-100  
Decision No. 16388-A

August 4, 1978

Gordon Haferbecker, Arbitrator

BACKGROUND

The parties to this interest arbitration proceeding are Wood County, Wisconsin, "Employer" and the Wood County Highway Employees Union, Local 344, American Federation of State, County, and Municipal Employees, AFL-CIO, the "Union." The Union represents all regular full-time and regular part-time employees of the Highway Department excluding the Commissioner, Patrol Superintendent, Shop Foreman, Engineer, office clerical personnel and temporary part-time employees.

The matter at issue is the 1978 contract between the Union and the County.

The parties exchanged initial proposals for a 1978 contract on November 17, 1977. Prior to May 15, 1978, the parties met on five occasions in efforts to reach an accord on a new collective agreement including two mediation meetings.

On May 15, 1978, the parties filed a stipulation requesting the Wisconsin Employment Relations Commission to initiate mediation-arbitration pursuant to Section 111.70(4) (cm) 6 of the Municipal Employment Relations Act. Prior to May 15, 1978, the parties exchanged their final offers, a stipulation on matters agreed upon, and a waiver of investigation and hearing on the stipulation for mediation-arbitration with the WERC Mediator, who, on May 19, 1978, notified the parties that the investigation was closed; and that said mediator had advised the Commission that the parties remained at impasse. The parties had not established any alternative procedures for final resolution of disputes arising in collective bargaining.

On May 25, 1978, the Commission initiated mediation-arbitration for the purpose of issuing a final and binding award to resolve the impasse. The parties were asked to select a mediator-arbitrator within ten days.

On June 6, 1978, the Commission informed Gordon Haferbecker of Stevens Point, Wisconsin, that he had been selected as the mediator-arbitrator in this case.

There was no citizen petition for an initial public hearing. The parties and the mediator-arbitrator agreed on July 24, 1978, as a date for the mediation proceeding and also for the arbitration hearing should the mediation not be successful.

The mediation procedure took place at the Wood County Courthouse from 10:00 to 12:00 a.m. on July 24. The Union was represented by Malcolm Einerson, District Representative of the Wisconsin Council of City, County, and Municipal Employees, AFL-CIO. The County was represented by E. Wayne North, Corporation Counsel, Wood County and Mr. Harland J. Clark, Chairman of the Wood County Personnel Committee. Members of the Union local and members of the County Personnel Committee were also present.

During the mediation proceeding the mediator met with the parties jointly and separately. The mediation efforts were not successful and it was agreed to proceed to a formal arbitration hearing at 1:00 p.m. on the same day, July 24, 1978.

At the afternoon hearing Mr. Einerson presented exhibits for the Union and Mr. North presented exhibits for the County. The parties and the arbitrator agreed to dispense with a court reporter. There was also agreement that Briefs would not be filed. If either party found significant errors in the other's exhibits, the arbitrator and the other party were to be notified within ten days of the hearing.

Prior to mediation-arbitration the parties stipulated their agreement on certain issues to be a part of the final settlement. These issues concerned sections of the contract involving Job Posting, Jury Duty, Worker's Compensation, and Hourly Substitute Rate for the position of janitor (May 10, 1978 letter from Mr. Einerson and Mr. Clark to Douglas V. Knudson, WERC Mediator).

The final offer of Wood County to the Union was an across-the-board increase of 45 cents per hour.

The final offer of the Union was (1) 50 cents per hour across-the-board wage increase and (2) an additional five percent (5%) of the premium cost of the employee's hospital and surgical insurance paid by the County for a total of eighty percent (80%).

The resolved and unresolved issues were to be effective on January 1, 1978.

#### POSITION OF THE EMPLOYER

The Employer's major argument is that its offer to the Union is as high or higher than that accepted by other county unions and that the wage offer is competitive with other comparable public employers.

The Employer's 45 cents per hour wage offer represents about an 8 1/2 percent pay increase. Settlements with other county units ranged from 7 to 8 1/2 percent. The Union proposal of 50 cents per hour plus the insurance change would provide about a 10% wage increase plus about .5% for the insurance increase.

While other county employee units have now settled the insurance issue, with an 80% county contribution, the County did earlier offer the Union 40 cents per hour plus the insurance change. The Union rejected this.

The County concedes that its highway employees receive less pay than street employees in the City of Wisconsin Rapids and of Nekoosa but it points out some offsetting factors. Nekoosa and Wisconsin Rapids have residency requirements while the county highway employees can live anywhere in the county. The county employees can take advantage of lower tax rates outside the municipal limits. The county highway department is a considerably bigger employer than the cities of Nekoosa and Wisconsin Rapids.

The County's wage offer would put the Union's wages at a competitive level with the City of Marshfield (in Wood County) and with the City of Stevens Point and neighboring Portage County (Employer Exhibit 2). A Stevens Point truck driver in 1978 receives \$5.16 per hour, a Portage County truck driver \$5.33. Wood County's proposal would be \$5.40 for the truck driver.

Grader operators receive \$5.40 in Marshfield, \$5.28 in Stevens Point, and \$5.51 in Portage County. Wood County's proposal is \$5.40. Mechanics get \$5.51 in Marshfield, \$5.40 in Stevens Point, \$5.56 to \$5.87 in Portage County. The Wood County proposal is \$5.82 (Employer Exhibit 2 and Union Exhibit 5).

While the paper companies in Wisconsin Rapids and Nekoosa pay higher wages than Wood County, the highway employees are not required to work different hourly shifts (including night shifts) and the retirement and health benefits are not as favorable as those of Wood County.

## POSITION OF THE UNION

The Union's basic position is that it needs a larger wage increase than that proposed by the County in order to narrow the differential in pay between the county highway employees and the employees of area municipalities and the local paper companies.

The Union presented a 1977 wage comparison of County Highway Patrolmen in 20 counties in this part of Wisconsin (Union Exhibits 1, 2, 3). This showed Wood County tied with Langlade County for 11th and 12th place, among the 20 counties. Adams County was highest, Clark County second, Waupaca third, and Marathon fourth. Portage and Juneau County were tied at 16th and 17th place.

In a health insurance comparison for the same 20 counties, 14 of the counties paid 100% of the single plan premium in 1977. Wood County was one of four counties paying less than 80% (75% in 1977). For the family plan, eight counties paid 100% of the premium. Four counties paid less than Wood County's 75% and another county paid 75% (Union Exhibit 4).

Union Exhibit 6 showed a majority of Wood County public employers (5 out of 7) paying more than 75% of family health insurance premiums. The units at 75% were Wood County Courthouse and Social Workers, and the Highway Department.

Union Exhibit 5 showed that with the Union's proposed wage increase for 1978, Wood County would still be from ten to thirty-five cents below the City of Wisconsin Rapids in the hourly pay rate for the positions of truck driver, grader operator and mechanic. A larger differential existed for the City of Nekoosa in comparison with Wood County.

Union Exhibit 7 and 8 dealt with wages for employees at Consolidated Papers, Inc. The company is the largest local employer. In 1977, dump truck operators received \$6.00 per hour. This increased to \$6.60 as of May 1, 1978, and will go to \$7.26 on May 1, 1979. The driver of Wood County's single axle truck received \$4.90 or \$4.95 in 1977 and the Union's proposal would take this to \$5.45 in 1978, significantly below the figure for the Consolidated truck driver. The "laborer" level at Consolidated was \$5.65 per hour in 1977 and rose by 10% in May of 1978.

Consolidated's new contract with the Papermaker's Union provided for 10% increases effective May 1, 1978, and May 1, 1979. The minimum pay creases are 60 cents per hour for 1978 and 65 cents per hour for 1979. There were also improvements in fringe benefits.

In responding to the County's comment on the shift work requirement for private employees, the Union pointed out that such employees receive a shift differential to compensate for the inconvenience. Also, county highway employees are subject to being called out for extra time duty if weather or other conditions require such work.

The Union stated the wage levels of municipal employees in Wisconsin Rapids, Nekoosa, and Port Edwards are strongly influenced by what the paper companies are paying for comparable labor.

## ARBITRATOR'S ANALYSIS

The parties are to be commended for arriving at final offers which are very close together and which are limited to only two issues, the size of the general wage increase and the County's contribution to the hospital and surgical insurance plan. Both final offers are reasonable.

The arbitrator is required to give weight to certain factors in arriving at his decision. In this case there were no questions concerning the lawful authority of the employer, the stipulations of the parties, the interests and welfare of the public and the financial ability of the unit of government to meet the costs of the settlements proposed.

On the matter of the cost-of-living, both offers provide for increases that exceed the 1977 increase in the cost-of-living. The arbitrator does note that the cost-of-living is rising at a faster rate in 1978 than in 1977 and that this has some pertinency to this case. Also, within the last few months, as this case proceeded to arbitration, the County has made settlements with county unions providing for an 80% county contribution to the hospital-surgical plan.

The parties seem to be in agreement that the County's final offer is as good as or a little higher than that offered and accepted by the other county unions. The basic issue in this case then is whether appropriate wage comparisons with other comparable private and public employees justify the Union's request for a larger wage-fringe package than the County has given to its other union groups.

Among the wage comparisons provided by the parties, the ones that seem particularly appropriate include the Cities of Marshfield, Wisconsin Rapids, Nekoosa, and Stevens Point and Portage County. These are part of the area labor market. The paper industry is a major employer in Wisconsin Rapids, Nekoosa, and Stevens Point. Marshfield is the other sizable city in Wood County. Portage County is adjacent to Wood County and many residents of each county work in the adjoining county. Other adjoining counties would also have some significance but the ones mentioned would seem most significant in this case.

The Employer's case looks most reasonable when comparisons are made with comparable employees in the Cities of Marshfield, Stevens Point, and Portage County. The Union's case looks more reasonable when comparisons are made with Nekoosa, Wisconsin Rapids, and Consolidated Papers.

The arbitrator concludes that the immediate local comparisons with the City of Wisconsin Rapids, Nekoosa, and with Consolidated Papers are the most pertinent in this case. Employees and prospective employees of the county, in considering the equity of wages, would likely look first at the dominant local employer in private employment and at the Street Department in Wisconsin Rapids. Stevens Point, Marshfield, and Portage County employment would have significance but not as much as the immediate local labor market.

The main shops of the Wood County Highway Department are in the Wisconsin Rapids area. The paper industry, a relatively high wage industry, would be expected to have more influence on private and public employers in Wisconsin Rapids than would be the case in Marshfield, Stevens Point, and Portage County where it is less of a major influence. Some wage differential in favor of Wood County employees might reasonably be expected in wage comparisons with Marshfield, Stevens Point, and Portage County in view of the greater dominance of the paper industry in the Wisconsin Rapids area.

Attached are the arbitrator's wage comparisons, based on the Employer and Union Exhibits. Under the Union proposal, Wood County highway employees would be only slightly higher than those in Portage County. They would be about 20 cents per hour above Marshfield. There would continue to be a differential in favor of Wisconsin Rapids and Nekoosa street employees. The larger differential with the City of Stevens Point would be offset in part by that city's longevity pay plan.

#### ARBITRATOR'S WAGE COMPARISONS

(Taken from Employer and Union Exhibits' 1978 Data)

	<u>Single Axle Truck</u>	<u>Tandem Truck</u>	<u>Grader Operator</u>	<u>Mechanic</u>
Wisconsin Rapids	\$5.55	\$5.63	\$5.93	\$6.22
Nekoosa	5.78		6.15	7.12
Marshfield	- \$5.25 Diesel		5.40	5.51
Stevens Point*	- 5.16 Truck Driver		5.28	5.40
Portage County	- 5.33	" "	5.51	5.56-5.87
Wood County (Union proposal)	5.45 5.45		5.57	5.87
Wood County (County proposal)	5.40 5.40		5.52	5.82

\*There is additional longevity pay.

## COMPARISON WITH CONSOLIDATED PAPERS

Dump Truck	\$6.00	1977
(Consolidated Papers)	6.60	May, 1978
Single Axle Truck	4.90-4.95	1977
(Wood County)		
Union Proposal for	5.45	Jan. 1978
Wood County		
County Proposal for	5.40	Jan. 1978
Wood County		

Since Consolidated Papers' employees received a minimum increase of sixty cents per hour in May of 1978, the Union proposal of fifty cents per hour for County Highway employees seems reasonable. It would be retroactive to January 1, 1978. As the Employer points out, the paper company employees have the disadvantage of shift work but such employees do get shift differential pay and the County Highway employees are on call for extra hours as needed, often outside and in inclement weather.

The Employer stated that the private employers have less generous health and retirement plans than County employees but no detailed comparisons were provided. If the statement is true, it may be that other fringe benefits of private employers offset the difference. For example, the arbitrator is aware of the fact that Consolidated Papers' employees have dental and optical insurance as fringe benefits.

The Employer argues that the residency requirement is a disadvantage to Wisconsin Rapids and Nekoosa municipal employees since they have less choice of residence and are not able to take advantage of lower property tax rates in rural areas. This does give an advantage to County employees which is important to some of them but it would be difficult to estimate its dollar value. No doubt many of them still prefer to live in the City of Wisconsin Rapids. Marshfield does not presently have such a residency requirement.

Hospital-Surgical Insurance. As indicated earlier, other Wood County Union locals have secured an 80% County contribution to their health insurance and it would be expected that this benefit would soon be extended to Wood County Highway employees. The County earlier offered this benefit but only with a smaller wage increase than its 45 cents per hour offer. Since the 80% contribution is fully justified in comparison with other public employers in the County and in the area and since the arbitrator concludes that the Union's wage offer is more reasonable than that of the Employer, the part of the Union's final offer concerning health insurance is more reasonable than the Employer's proposal to leave the County contribution at 75% for 1978.

Both parties presented strong cases. The Employer's strongest argument was the fact that its offer was generous in comparison with its settlements of other 1978 union contracts. The wage comparisons, under the Employer offer, were reasonable in relation to Marshfield and Stevens Point street employees and to Portage County Highway employees.

The Union's case rested on the local comparisons with Consolidated Papers' employees and with street employees in Wisconsin Rapids and Nekoosa. The Union proposal would slightly narrow that differential. The Union also seeks parity in health and surgical insurance with other county unions.

As indicated earlier, the arbitrator thinks that greater weight should be given to the local wage comparisons with Wisconsin Rapids and Nekoosa street employees and with employees of Consolidated Papers. Therefore, the Union's final offer is held to be more reasonable than the final offer of the Employer.

## CONCLUSION

The Arbitrator's review of the Exhibits and the testimony presented in this case leads him to the conclusion that the Union's last offer is more reasonable than that of the Employer.

**AWARD**

The Arbitrator directs that the Union's last offer be incorporated into the 1978 contract (retroactive to January 1, 1978) between Wood County and the Wood County Highway Employees Union, Local 344, AFSCME, AFL-CIO.

Dated August 4, 1978

Gordon Haferbecker /s/

Gordon Haferbecker, Arbitrator