

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

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In the Matter of the  
Mediation/Arbitration Between  
  
VERNON COUNTY HIGHWAY EMPLOYEES  
LOCAL 1527, WCCME, AFSCME, AFL-CIO  
  
and  
  
VERNON COUNTY (HIGHWAY DEPARTMENT)  
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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

Case LI  
No. 25654 Med/Arb 604  
Decision No. 17776-A

APPEARANCES:

Daniel R. Pfeifer, District Representative, Wisconsin Council of County and Municipal Employees, appearing on behalf of the Vernon County Highway Employees, Local 1527, WCCME, AFSCME, AFL-CIO.

Steele, Klos & Flynn-Chartered, Attorneys at Law, by Jerome Klos, appearing on behalf of Vernon County.

ARBITRATION HEARING BACKGROUND:

On May 12, 1980, the undersigned was notified by the Wisconsin Employment Relations Commission of appointment as mediator/arbitrator, pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act in the matter of impasse between the Vernon County Highway Employees, Local 1527, hereinafter referred to as the Union, and Vernon County, referred to herein as the County. Pursuant to statutory requirements, mediation proceedings were conducted between the parties on July 1, 1980. No public hearing was held as no members of the public either requested or were present for a hearing. Mediation failed to resolve the impasse and the matter proceeded to arbitration that same day. At that time, the parties were given full opportunity to present relevant evidence and make oral argument. The proceedings were not transcribed but post hearing briefs were filed with and exchanged through the Arbitrator.

THE FINAL OFFERS:

The County's Final Offer

1. Increase the County paid share of premium for family plan health insurance from 50% to 60% in 1980 and to 65% in 1981,
2. Increase wages 8½% effective January 1, 1980, and 8% on January 1, 1981, and
3. No other change in language.

The Union's Final Offer

1. Amend 9.01 to include "grandparents, grandchild, brother-in-law and sister-in-law" in the 3 day bereavement leave,
2. Amend 11.03 to increase County paid family insurance premium to 65% in 1980 and 70% in 1981,

3. Amend 1.04 to add "Employer will furnish the Union a copy of any disciplinary action of the employer,"
4. Wages: 52¢ across the board increase for 1980  
57¢ across the board increase for 1981,
5. Provisions retroactive to 1/1/80.

In regard to question raised in post hearing briefs, the County, by letter dated August 1, 1980, confirmed that its final offer, if awarded, would be paid retroactively to January 1, 1980.

STATUTORY CRITERIA:

Since no voluntary impasse procedure was agreed to between the parties regarding the above impasse, the undersigned, under the Municipal Employment Relations Act, is required to choose the entire final offer of one of the parties on all unresolved issues.

Section 111.70(4)(cm)7 requires the mediator/arbitrator to consider the following criteria in the decision process:

- 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 and with other employes generally in public employment in the same community and in comparable communities and in private employment in the same community and comparable communities.
- E. The average consumer prices for goods and services, commonly known as the cost-of-living.
- F. 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.
- G. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- H. 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 POSITIONS OF THE PARTIES:

THE COUNTY

The primary argument advanced by the County is that Vernon County, a predominately agricultural county, has less reason to keep its employees' salaries somewhat equivalent to other employees in other counties doing similar work because the most re-

cent adjusted per capita figures for the County (1966-74) reflect that Vernon County has the 9th lowest per capita income for the 72 Wisconsin counties and is lower than all surrounding counties. In the words of the County, "If private salaries and private self employment per capita income is less than surrounding counties, the same criteria supports the ultimate fairness that public salaries and fringes should likewise be slightly lower than surrounding counties."

Additionally, the County argues several other factors should be considered as relevant to determining whose offer is more reasonable. Among the factors set forth are President Carter's wage limitation program, the contract the County settled with the Institutional employees, the wage settlement for 7½% for 1980 with the Sheriff's Union and the non-unionized employees, the current month's downward trend in the Consumer Price Index and the stipulated agreements already agreed to between the County and the Union.

When all the above factors are considered, the County contends the arbitrator will find its offer more reasonable.

#### THE UNION

The Union concedes that although its final offer includes provisions for funeral leave and disciplinary action, the primary issues are wages and health insurance premium payments. It then argues that when the Consumer Price Index and wage and overall compensation comparisons are considered, it will become apparent that the Union is in a catch up position, still lagging behind, even if its proposal is accepted.

Citing as comparables, Adams, Crawford, Iowa, Juneau, La Crosse, Monroe, Richland, Sauk, Trempealeau and Wood counties, the Union compared wages for three equivalent positions, percentage of health insurance premium payments and other overall compensation items such as hours of work per week, vacation days, number of holidays per year, sick leave accumulation, severance pay, longevity and percentage of retirement contribution. The Union states that the comparisons support its position reflecting that most counties are paid more and receive more benefits than Vernon County Employees.

In response to the County's position relevant to other wage settlements in the county, the Union argues that the settlement with the non-union employees and the institutional employees contained changes in individual wage structures which raised the total cost of the wage packages to higher percentages than those reflected as settlements by the County. Additionally, the Union maintains that the Sheriff's contract, which contains a 65% payment toward the health insurance payment, is in the second year of a two year agreement which is why a 7½% contract exists.

Further, in regard to comparisons, the Union contends that wages of two industries in the Vernon County area, Alma Dock and Dairyland Power should be compared with the wages paid to county employees. These comparisons, the Union states, will again substantiate the low wage rates its employees receive.

In regard to the cost of living, the Union argues the rise in the Consumer Price Index, together with the continuing low percentage increases on already low wages, continues the spiral already existing wherein employees are experiencing a loss in real wages and are continually needing to catch up. The Union continues that its proposal would reflect a loss in real wages of 7.2% over three years (1979-81) while the County's offer would

result in a loss of 10.7% if the CPI goes up 13.4% in 1980 and 12% in 1981.

Finally, the Union argues that the County's position relevant to per capita income does not adequately reflect the total per capita income of farm income and the County's introduction of such evidence, though outdated, only "shows that employees of Vernon County are being paid sub-standard wages."

DISCUSSION:

The Union has argued that three factors are of significant importance in reaching a decision relevant to the final offers: the Consumer Price Index, wage comparisons and overall compensation comparisons between Vernon County and several other counties in the area. The County argues that no comparisons with other counties can be made, since Vernon County is 9th from the bottom of 72 counties in adjusted per capita income and lowest among its neighboring counties, a primary factor which must be considered in determining whether the parties' proposals are reasonable. The County contends that if the arbitrator is to apply a comparable criteria, it is incumbent upon the arbitrator to factor the per capita income for all counties compared and then make the comparisons. The undersigned does not concur. While that may be a valid way to make comparison, the undersigned believes that a number of variables could be taken into consideration in contemplating a formula to do the factoring and that no two individuals would agree with all the variables which could be considered. Further, if that is the position of the County, it is incumbent upon the County to present the formula and the arguments so that the Union may have adequate opportunity to respond to the County's position.

Although the County took the position that true comparables do not exist, a review of the evidence and briefs submitted by the parties finds the County identified certain counties within the area to make its argument regarding adjusted per capita income. The Union has argued that Adams, Crawford, Iowa, Juneau, La Crosse, Monroe, Richland, Sauk, Trempealeau and Wood counties are comparable while the County cited Crawford, Buffalo, Grant, Iowa, Jackson, Juneau, La Crosse, Monroe, Richland, Sauk, and Trempealeau as comparable counties. Noting that the parties both selected Crawford, Iowa, Juneau, La Crosse, Monroe, Richland, Sauk and Trempealeau without any reasoning for their selections, the undersigned finds that all, but La Crosse County, which is a predominately metropolitan county with a much higher assessed valuation compared to the rest, are essentially comparable communities. La Crosse county was included in the comparisons, however, since both parties cited it as a comparable community.

Despite the County's position that county comparables should not be given significant weight when determining which offer should be selected, the undersigned finds that the Union's arguments on comparability are much more persuasive than County adjusted per capita income data presented, dated 1975. The contract under consideration is for 1980-81 and there is the possibility that much has changed in that five year span of time.<sup>1</sup> Additionally, while

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<sup>1</sup>The County stated in its brief that the per capita income data it presented was the most current reflecting adjusted income rates for 1974 and 1975. The undersigned is aware, however, of at least one source which is more current, the 1979-80 Wisconsin Blue Book, available to every citizen in the State. Since other sources may be even more current than the undersigned's knowledge, research

per capita income can be considered when determining comparability of wage ranges, it should be noted that adjusted per capita income is affected by the reporting of income for taxing purposes and is income from manufacturing, wholesale and retail trade, services, government and farming. Adjusted per capita income excludes transfer payments, retirement benefits, tax exempt income and any expenses which might result in the accrual of value even though the value may not be reported as income at the moment. This consideration, together with the fact that the surrounding counties are also predominately agricultural, leads the undersigned to conclude that Vernon County is not substantially different from several counties surrounding it and that wage and overall compensation comparables should be considered.

Having determined that wage and overall compensation comparisons will be accorded weight in the decision making process, the undersigned turned to the information supplied by the Union which was the only comparable information available (except for a comparison made by the County between Vernon County and the City and County of La Crosse). The undisputed evidence submitted indicates that whether the union's offer or the county's offer is accepted, Vernon County highway employees will still rank at the bottom or near bottom of the comparables both in wages and overall benefits received.<sup>2</sup>

The County's argument that wage settlements within the county should be given weight is a valid argument, particularly since those settlements appear to have cost less than the county's proposed offer to the union in two instances and only slightly more in the institutions' contract. However, both testimony by Mr. Parkyn and argument advanced by the Union indicates that the wage settlement figures did not reflect the additional cost of implementing individual rate changes in the contract which occurred in both the non-union employees settlement and the institutions' contract. Additionally, the undersigned notes that the Sheriff's contract settled at 7¼%, which is at the end of a two year contract, did include a health insurance premium payment at the rate of 65%. A review of these settlements and the arguments advanced by the parties does not convince the undersigned that consistency existed in the proposals advanced during those negotiations and further, those comparisons which can be made in the settlements are not sufficient to offset the impact of surrounding county comparisons.

The remaining consideration, then, is whether the County's offer of 8½% in 1980 and 8% in 1981 is more reasonable than the Union's offer of 10% increases in both years. While the undersigned does not believe that it is essential to award a contract which fully offsets the rise in the consumer index, she does believe that its effect cannot be disregarded. Further, although the County has argued that indications seem to be that the index appears to be on a downward trend, that downward trend is from a high of 18% compounded annual rate during the first three months of this year, which leads the undersigned to observe that

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<sup>1</sup> should not be done by her since neither party would have an opportunity to know or question the evidence used in the decision making process. The alternative, then is to accord very little weight to the evidence submitted by the County.

<sup>2</sup> An analysis of the wage comparisons finds that certain positions held by Iowa County employees may have slightly less hourly compensation and that some counties may offer one day less vacation or one-half day less holiday leave or six days less accumulated sick leave than Vernon County, but in no instance did the com-

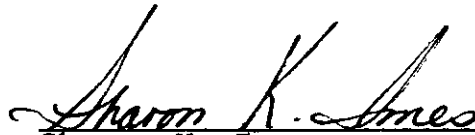
inflationary relief is not as great as the County would have her believe. Having considered the effect of the Consumer Price Index and more importantly, having compared wages and overall benefits between Vernon County and its surrounding similar counties, the undersigned concludes that the Union's offer is the more reasonable offer.

Having reviewed the evidence and arguments and after applying the statutory criteria, and having concluded that the Union's offer is more reasonable, the undersigned makes the following award:

AWARD

The final offer of the Union, along with the stipulations of the parties which reflect prior agreements in bargaining, as well as those provisions of the predecessor collective bargaining, are to be incorporated into the collective bargaining agreement as required by statute.

Dated this 20th day of August, 1980.



Sharon K. Imes  
Mediator/Arbitrator

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<sup>2</sup>parisons show that even half of the counties were in this position. Additionally, most counties provided more benefits than either the union's offer or the county's offer even when the stipulated agreement is included.