

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In the Matter of Arbitration Between

JUNEAU COUNTY

and

JUNEAU COUNTY COURTHOUSE EMPLOYEES
LOCAL 1312, WCCME, AFSCME, AFL-CIO

MED/ARB-2001

Gordon Haferbecker, Arbitrator
April 12, 1983

Decision No. 20207-A

APPEARANCES:

Michael J. Ganzer, Assistant Corporation Counsel, on behalf of Juneau County.

Daniel Pfeifer, Staff Representative, Wisconsin Council 40, AFSCME, AFL-CIO, Sparta,
on behalf of Local 1312.

BACKGROUND

On September 16, 1982, the parties exchanged their initial proposals on matters to be included in a wage reopener for 1983. Thereafter, they met on one occasion in efforts to reach an accord. On November 15, 1982, the Union filed a petition for Mediation-Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act. On December 6, 1982, Raleigh Jones of the Commission's staff conducted an investigation which reflected the deadlock in negotiations. By December 20, 1982, the parties submitted their final offers as well as stipulations on matters agreed upon. The investigator notified the Commission that the parties remained at impasse.

The Wisconsin Employment Relations Commission certified the initiation of Mediation-Arbitration on December 28, 1982, and submitted five names from the panel of Mediator-Arbitrators to the parties. Gordon Haferbecker of Stevens Point was selected and was appointed as Mediator-Arbitrator on January 26, 1983.

The Mediator-Arbitrator met with the negotiating teams in a mediation session on March 1, 1983. Mediation was not successful and was followed by arbitration on the same day. The parties presented evidence and exhibits concerning their positions. It was agreed that briefs would be exchanged by March 22 and reply briefs one week after receipt of the briefs. Briefs were submitted by March 22 and the Union Reply Brief was received March 31. The County elected not to file a Reply Brief.

THE FINAL OFFERS

The Union final offer included the following as point 2: "Employees involved in the December 1982 negotiations shall not suffer a loss in pay because of their involvement in said negotiations." During mediation this issue was resolved and by mutual agreement it was removed from the Union's final offer. The parties agreed that "Four of the Union members involved in the December 20, 1982 negotiations and in the March 1, 1983 mediation-arbitration proceedings shall not suffer a loss in pay because of such involvement." The revised final offers were then as follows:

Final Offer of Local 1312. Wages--Effective January 1, 1983, wage rates and the wage schedule shall be increased by $4\frac{1}{2}\%$, in addition to increases received because of the wage schedule.

Final Offer of Juneau County. Wages-- 4.5% less the percentage increase of the stipulated step plan.

STATUTORY STANDARDS

The arbitrator is required to choose the final offer of one of the parties and must issue an award incorporating that offer without modification. In reaching his decision the arbitrator shall give weight to the following factors as provided in Section 111.70(4)(cm) of the Wisconsin Statutes:

- 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 and with other employees 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 employees, including direct wage compensation, vacation, holidays and excused time, insurance and pension, 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 services or in private employment.

The parties in their briefs and exhibits gave major emphasis to criteria d, e, and f.

MAJOR ISSUE

As the final offers indicate the primary issue is how much the employees shall receive as a general wage increase in addition to the wage adjustments provided in the step plan. The 1982 collective bargaining agreement was the first one between the parties. The parties agreed that there were numerous inequities in the wages paid to individual employees. Some were too high and some were too low. As part of the 1982 contract the parties established a salary schedule providing for 30 different grades of positions, and for minimum, after probation, and maximum salaries for each grade. The parties agreed on the grade placement for each employee in the bargaining unit.

In December, 1982, the parties agreed upon a plan to implement the new schedule over a period of time. It provided for a ten-year step plan, based on the date of hire anniversary. It provided that employees who are behind their proper length of service salary should receive a step increase each January 1 and July 1 until caught up. It also provided that employees with 20 years of service should receive two step increases each January 1st and July 1st until caught up. The effective date of the new schedule is January 1, 1983.

There are 58 employees in all. There are 12 employees who are now receiving a salary above that provided in the new step plan. Under the Union proposal they would receive a 4.5% increase. Under the Employer proposal they would receive a 2.97% increase. The rest of the employees would receive one or more step adjustments and a general increase of 4.5% under the Union proposal and step adjustments plus 2.97% under the Employer proposal.

The 1983 cost of implementing the new wage schedule is estimated at 1.53%. The parties have agreed that this be done in 1983 but are in disagreement as to the additional general wage increase. The Employer wants to add a 2.97% general increase which brings the total cost to 4.5%. The Union wants a general wage increase of 4.5% which brings the total 1983 cost to 6.03%.

The Arbitrator will review the Employer and Union arguments as they relate to various criteria.

COMPARABLES - OTHER COUNTIES

In comparing Juneau County wages with those of other counties, the Union used the contiguous counties (Adams, Jackson, Monroe, Sauk, Vernon, and Wood) and the next counties contiguous to the first group (Clark, Columbia, Crawford, LaCrosse, Marathon, Marquette, Portage, Richland, Trempealeau, and Waushara). However, Sauk County was not actually used in the Union wage comparisons.

The County also used several area counties in its comparisons but omitted Monroe, Clark, Columbia, Trempealeau, Portage, Waushara and Wood.

Both parties compared the 1982 wages for five positions: Secretary, Income Maintenance Worker, Clerk-Typist, Custodian and Register in Probate.

Employer Comparison. When Juneau County is compared with the other seven area counties in maximum salary it ranks first for Clerk Typist, second for Secretary and Income Maintenance Worker, and third for Custodian and Register in Probate (County Exhibit 2).

Union Comparison. The Union comparison involved 16 area counties. In comparing maximum pay for the five positions, Juneau County ranked fourth for Income Maintenance Worker, tenth for Clerk-Typist, eighth for Custodian, seventh for Secretary I, and seventh for Register-in-Probate (Union Exhibits 6 and 7).

Arbitrator's Comments. It will be seen that under the Union's comparisons Juneau County ranks near the middle in maximum salaries paid and under the County's comparisons it ranks a little below the top. The reasons for the difference in results include the following: (1) the County compares less than half as many counties, (2) the Union includes several counties that have over twice the population of Juneau County. These include Portage, Columbia, Marathon, and Wood, none of which are in the County list. (3) There are three levels of Clerk/Typist in Juneau County's step plan but the Union uses only the lowest level in its comparisons. In its Secretary comparisons, the Union does not use the maximums for Secretary II and III.

Thus, each of the comparisons has some shortcomings. It would be desirable if the parties could reach agreement on comparable counties in future negotiations. The Arbitrator's suggestion would be to use the contiguous counties and the next tier of counties but omitting those having more than twice the population of Juneau County. There should also be some agreement as to the appropriate grades of Clerk/Typist and Secretary to use in the comparisons.

If the above suggestions were followed, it seems likely that the result would be that Juneau County would rank a little lower than in the County's comparison and a little higher than in the Union's comparison.

For the purposes of this arbitration, it is apparent that Juneau County wages are not low or below average in comparison to neighboring counties.

A basic question is how the salary increase offers of the County and the Union would affect Juneau County's rank among its neighbors. The proposed step increases for 1983 were already included in the 1982 wages for Juneau County as listed by both the Union and the County. Thus, in the Juneau County wage comparisons with other counties we are looking at a further 1983 increase of 2.97% under the County offer and 4.5% under the Union offer.

The Union and the County have presented 1983 wage increase comparisons with 11 area counties (Union Exhibit 11 and Employer Exhibit 4). In ten of the eleven counties the wage increases range from 4.7 to 7%. In one county, Adams, the wage increase is 2½% but there are also wage adjustments of ½% and insurance changes of 4% for a total package increase of 7%.

From the above it is evident that under either the Union or the County offer for 1983, there would be a slight reduction in Juneau County's wage rank among neighboring counties. The Union's wage offer--as far as county comparables go--is more reasonable than the County's because it results in a more moderate change in the County's rank.

OVERALL COMPENSATION - FRINGE BENEFITS

Employer Position. During the past two years of labor-management history union employees have made substantial concessions in fringe benefits. Juneau County has not asked for any concessions and it compares most favorably with other counties in the fringe benefits offered.

Union Exhibit 8 shows that vacation and holidays for Juneau County employees are fairly liberal. Juneau County's cost for employee health insurance has increased in 1983 from \$52.80 for single employees to \$61.11 and from \$147.96 for the family plan to \$171.25.

In view of Juneau County's more-than-fair benefit package, the Union's 6% wage increase offer is not justified.

Union Position. Union Exhibits 8 and 9 support the Union's Final Offer. Juneau County appears to be below the norm in the following areas: reduced work week, vacation, sick-leave pay off, employer contribution to the family plan health insurance premium and life insurance paid.

Arbitrator's Comment. The Employer Brief called attention to an error in Union Exhibit 8 concerning Juneau County's sick leave policy. The Union in its Reply Brief accepted the correction.

In examining Union Exhibits 8 and 9, the Arbitrator finds the Juneau vacation schedule more favorable than other counties in its early years (12 days after 1 year compared to 5 in most of the counties) and less favorable after long experience (18 days after 15 years compared to a maximum of 20 days in most counties--after 15 to 20 years). The sick leave policy is at the median of the counties compared. Juneau County is below the average in severance pay and in the contribution to family health insurance and life insurance.

In conclusion I cannot agree that Juneau County's fringe benefits are so superior as to justify a smaller-than-average wage increase.

1982 WAGE INCREASE

Employer Position. The Employer argues that the Union request for a 6% wage increase comes on top of a 9.5% increase in 1982 and is therefore excessive. The Union insists that the stipulated step plan is a remedy for some sort of past inadequacy. The Employer

maintains that the 9.5% 1982 increase was more than generous. The Union insists that the 4.5% increase offered by the Employer is inadequate since it barely compares to the Consumer Price Index. However, the 1982 wage increase was substantially higher than the 1982 increase in the CPI. In fact, the 3.9 national CPI increase allows for a 5.4% "bonus" to the Union in 1982--that figure being the difference between the 1982 CPI and the Union wage increase.

Union Position. The Union response points out that the 1982 wage increase represented an increase in dollars of 7½% to the employees in 1982 because it was a split increase (6% on 1-1-82 and 3½% on 7-1-82). The non-union courthouse employees received increases of 6½% and 3% on the above dates thus providing them .25% more "in pocket" increase than the Union employees for 1982.

The County's comparison to the CPI is extremely errant. The County is comparing the 1982 CPI increase to the 1982 wage increase. Many arbitrators have found that when seeking a wage increase the previous year's CPI should be used. Therefore, the increase in the CPI of 3.9% should be used to justify a 1983 wage increase, not in 1982 as the Employer has contended.

The 1982 wage increase did not "compensate for any past discrepancies" because it was an across-the-board increase and did not remedy any of the inconsistencies that exist in relation to one employee's relative standing to another. In fact, because it was a percentage increase it made the inequities worse since higher-paid employees received a larger dollar increase.

Arbitrator's Comment. The arbitrator finds the Union analysis more convincing on this point. Normally the preceding period's CPI is used to justify a future wage increase. Thus, in Union contracts with escalation clauses based on CPI changes, the increases occur after the CPI has risen. In looking at 1982 wages, 1981 CPI changes would be pertinent. Union Exhibit 4 shows that the annual U.S. average increase for urban wage and clerical workers rose from 272.3 to 288.6 from 1981 to 1982. This is a 6% increase compared to the 7½% dollar increase to these employees in 1982. I note that the non-union Juneau County employees received a slightly larger dollar increase in 1982. The record in this case does not indicate how the Juneau County 1982 increases compared to the increases in other counties.

OTHER JUNEAU COUNTY INCREASES

The Juneau County Highway employees received a 4½% increase in 1983. This is the same as the Union is requesting for a general increase in 1983 although the total increase to the Courthouse employees is 6.1% when the inequity adjustments are added. The non-union County employees are also receiving a 4.5% general increase.

Thus, whether the County or the Union offer is considered more fair--in comparison to the Highway settlement and the pay for non-union employees depends on how the step adjustments are regarded. This will be discussed later.

WAGES - PRIVATE FIRMS

The Union in its Reply Brief objected to the Employer's presentation of Exhibit 3 and 4. These were submitted with the Employer's Brief. The Union objects because they were not made part of the record at the time of the hearing and the Union did not present any evidence in these areas for the County to contest.

The Arbitrator rejects the Union objection because it was indicated at the hearing that the Employer would present some new exhibits with his Brief. The Employer indicated that one would include private sector comparisons (Employer Exhibit 3). Because of this the parties agreed that Reply Briefs would be desirable so that the Union could respond to the new exhibits. Since both parties were in agreement at the hearing and since the Union has had opportunity to comment on the evidence, the Union's objections are over-ruled and the County's Exhibits 3 and 4 are allowed.

Employer Exhibit 4 states the salaries of Clerk-Typist, Secretary, and Custodian in five Mauston manufacturing firms and a Mauston Bank. Three of the five minimums are higher than the Juneau County Clerk-Typist. Only two maximums are given and they are below the Juneau County figure. Three of the Secretary minimums are above Juneau County and three are below. For Custodian only two minimums and one maximum are provided, one minimum is below Juneau County and one is above. The one maximum is below Juneau County's.

Concerning 1983 raises, none of the six private employers expects to give an across-the-board raise in 1983. Four of the firms state that they give merit raises or raises "based on evaluation."

In fringe benefits, the Exhibit states that three of the firms pay a smaller employer share of health insurance than Juneau County.

Employer Position. The Employer states that Juneau County compares much more favorably with the three listed positions in the private field than it does with those of other governmental bodies. None of the firms have awarded salary increases for 1983 and the salaries are being compared to Juneau County's 1982 salaries. The private industry employees face the ever-present risk of layoffs or pay cuts which Local 1312 does not bear.

Union Position. As indicated above the Union objected to the Exhibit being included in the record. The Union points out that several arbitrators have indicated that comparisons to the private sector are not primary comparisons.

Arbitrator's Comments. The Union is at some disadvantage here in not being as able as at a hearing to put questions concerning Exhibit 3.

The private comparison data are quite limited but Juneau County's salaries seem to average a little above the middle in the private sector comparisons.

Concerning the private firm wage increases for 1983 it seems possible that these firms could still give 1983 salary increases based on profit sharing, bonuses, merit increases, and evaluation increases. If economic conditions improve, even across-the-board increases are possible.

We do not know how large these firms are or how the number of employees compares with Juneau County. We do not know if any are unionized but it seems unlikely that they are in view of the lack of planned wage changes in 1983.

The private sector comparisons will be considered by the arbitrator but for reasons cited above they cannot be given as much weight as the inter-county comparisons where information is much more complete.

CONSUMER PRICE CHANGES

Employer Position. As indicated earlier, the Employer points out that the 1982 wage increase was in excess of the 3.9 increase in the National CPI in 1982. The Employer's 1983 offer of 4.5% total exceeds the 1982 CPI rise. It can be assumed, but not documented, that the CPI for Juneau County was less than the national average. The Employer should not need to pay as much as the Union requests for the twelve members who are excluded from the 1983 step plan increases because their pay is above the schedule. They can participate when they are "caught up."

Union Position. The increase in the CPI for 1982 was 3.9% (Union Exhibit 4). The Union's across-the-board increase is 4.5% which is .6% higher than the increase in the CPI, whereas the County's across-the-board increase is 2.97% which is .93% lower than the CPI increase. The twelve employees who will not receive step plan increases in 1983 would be getting increases below the 1982 CPI increase and below that of the County's Highway and non-union employees.

ABILITY TO PAY

The Employer mentioned this but did not develop it as a major issue. In his Brief the Employer says, "Juneau County suffers from the stalled economy as does every other economic entity. This is demonstrated by Employer's Exhibit 1 which indicates that revenues are down for Juneau County."

Employer Exhibit 1 shows that Juneau County delinquent taxes were \$585,000 on December 31, 1981 and \$850,483 on December 31, 1982--an increase of \$265,483 in unpaid taxes.

The County Treasurer stated that the percent of tax payments is much lower this year. For example, one township in Juneau County has paid only 48% of their total tax due (Employer Exhibit 1).

As indicated earlier the Union objected to this Exhibit which was received with the Employer Brief. The Union points out that the Exhibit relates only to delinquent taxes and does not indicate the overall financial condition of the County government or of the residents of Juneau County.

Arbitrator's Comment. No evidence has been presented to show the uniqueness of Juneau County from the other comparable counties in ability to pay. There has been no evidence concerning the County's general financial condition in 1983. The ability to pay issue will carry little weight in this case. The Employer has not shown that the 1.53% difference in cost between the two offers will cause an undue burden on the County.

THE STEP INCREASE

Perhaps the major issue here is whether the step increases for these employees should be considered a part of the general 1983 increase or whether they should be looked at separately.

The Employer's position is that they should be included to equal the 4.5% settlement that it has made with the Highway and non-union employees and the 4 $\frac{1}{2}$ % that it is offering to these Courthouse employees.

The Union contends that the 1983 step adjustments of 1.53% are inequity adjustments and should be provided in addition to a general wage increase. The Union and the Employer have agreed that there are substantial inequities in pay among the Courthouse employees and that these should be remedied beginning in 1983. To ease the financial burden on the County, the Union has agreed to phase in the inequity adjustments over a period of several years. The Union feels that the employees who are at or above a proper pay level should not be required to pay for the past inequities by receiving a smaller 1983 pay increase.

Arbitrator's Comment. Since this is still a continuation of the first collective bargaining agreement between the parties, it is understandable that there would be difficulties in reaching an accord concerning the proper pay level for each position. The parties are to be commended for having reached agreement on a pay schedule and on a plan to implement it, beginning in 1983.

I think that it is reasonable that these adjustments be considered apart from a general wage increase. The 1983 cost of this adjustment is very moderate and I do not think it unreasonable to pay it in addition to the general increase provided to the other County employees. It is taking care of inequities that have built up over a period of many years. The establishment and implementation of the new pay schedule should be good for employee morale and for labor-management relations.

I do not think, however, that in implementing the plan in the future, that the employees who are above their scheduled salary should always receive the same general increase as other County employees. To do so might long delay getting salaries in their proper relationship and partially defeat the purposes of the new schedule. For example, for 1983, such employees might have been given an increase comparable to the 1982 CPI increase rather than a general 4.5% increase.

CONCLUSION

The best arguments in favor of the Employer's position are the comparability of the cost of its offer to that given the other Juneau County employees, the desirability of holding costs down in the current economic situation, and the fact that Juneau County Courthouse employees are generally paid at reasonable levels compared to those in other counties.

The best arguments in favor of the Union position are the comparability of the offer to the increases in neighboring counties, the desirability of considering the inequity increases separately from the general wage increase, and the fact that its proposed general wage increase is closer to the 1982 CPI change than the County's proposed general increase.

Taking into account the various statutory criteria as they have been analyzed above and considering the evidence and arguments advanced by the parties, I find the Union position to be more reasonable than that of the Employer.

The Union proposal is in line with settlements in other counties. It provides modest inequity adjustments that both parties agree need to be made, and it provides the same general wage adjustment as that received by the Highway and non-union employees. Its general wage increase of 4.5% is closer to the 1982 CPI increase of 3.9% than the County's general increase of 2.97%.

AWARD

The Final Offer of Local 1312, along with the previous stipulations of the parties, are to be incorporated into the 1982-83 collective bargaining agreement between Juneau County and Local 1312, WCCME, AFSCME, AFL-CIO.


Gordon Haferbecker, Arbitrator