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BEFORE THE MEDIATOR/ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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 In the Matter of the Petition :  
 of :  
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 OUTAGAMIE COUNTY HIGHWAY :  
 DEPARTMENT EMPLOYEES, LOCAL :  
 455, AFSCME, AFL-CIO :  
 :  
 To Initiate Mediation/Arbitration : Case CI  
 Between said Petitioner and : No. 30931 Med/Arb - 2090  
 : Decision No. 20412-A  
 :  
 OUTAGAMIE COUNTY (HIGHWAY :  
 DEPARTMENT) :  
 :  
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APPEARANCES: GREGORY N. SPRING, Staff Representative, WCCME, appearing on behalf of the Union.

Lindner, Honzik, Marsack, Hayman & Walsh, S.C., by ROGER E. WALSH, appearing on behalf of the Employer.

ARBITRATION AWARD

Outagamie County (Highway Department), hereinafter referred to as the County or Employer, and Outagamie County Highway Department Employees, Local 455, AFSCME, AFL-CIO, hereinafter referred to as the Union, are parties to a two-year Collective Bargaining Agreement which provides for a reopener of negotiations for purposes of establishing certain provisions to be included as part of the 1983 portion of the agreement. The parties were unable to reach agreement on the issue of wages and the Union, on December 27, 1982, filed a Petition with the Wisconsin Employment Relations Commission (WERC) for the purpose of initiating mediation/arbitration pursuant to the provisions of Section 111.70(4)(cm)6. of the Wisconsin Statutes. The WERC investigated the dispute and, upon determination that there was an impasse which could not be resolved through mediation, certified the matter to mediation/arbitration by order dated March 14, 1983. The parties selected the undersigned from a panel of mediator/arbitrators submitted to them by the WERC and the WERC issued an order, dated April 19, 1983, appointing the undersigned as mediator/arbitrator. The undersigned endeavored to mediate the dispute on July 15, 1983, but mediation proved unsuccessful. Pursuant to agreement between the parties that a reasonable period of mediation had expired and that they did not wish to withdraw their final offers, a hearing was held on that same date, at which time the parties presented their evidence. Post-hearing briefs were filed and exchanged on August 16, 1983. Full consideration has been given to the evidence and arguments presented in rendering the award herein.

THE ISSUE IN DISPUTE

The sole issue in dispute relates to the across the board percentage increase or increases which should be granted for the 1983 portion of the agreement. However, in order to understand the parties' arguments with regard to their final offers, it is necessary to describe the parties' agreement as to the other issues in the reopened negotiations as set out in the stipulation entered into for purposes of mediation/arbitration.

Under the parties' reopener clause, either party was entitled to reopen negotiations with regard to 1983 wage rates, pension contributions, and the amount of the Employer's contribution towards the health insurance premium, provided written notice was given to the other party prior to October 1, 1982. The agreement was

reopened pursuant to said clause and during the negotiations which followed, the parties reached agreement on the pension contribution and contribution toward health insurance which would be made by the Employer for the 1983 calendar year. Under the 1982 portion of the agreement the Employer contributed up to \$60.35 per month of the employee's share of contribution to the Wisconsin retirement fund. Under the stipulation between the parties the Employer has agreed to increase this contribution to an amount up to \$65.00. Also, under the terms of the 1982 portion of the agreement, the Employer agreed to pay up to \$117.00 per month toward the cost of each employee's health insurance premium. That contribution covered 100% of the single premium and 88.2% of the family premium (which was \$132.71 per month). Both the single and family premiums have increased by 37% from \$51.41 and \$132.71, respectively, to \$70.25 and \$181.94, respectively, for 1983. As part of the stipulation the County has agreed to increase the maximum contribution from \$117.00 to \$170.50 (a 45.7% increase), so that the new contribution will cover 100% of the single premium and 93.7% of the family premium.

Thus, the basic dispute in this case, relates to the question of how much additional "new money" should be made available for wage increases during the term of the 1983 portion of the agreement. Based on its method of calculating the dollars available for pension and health insurance contributions and wages, the County has proposed a wage increase of 1.5% across the board for all of the wage rates provided in the agreement. The Union has proposed a split increase consisting of 3% across the board effective January 1, 1983 and an additional 2% effective July 1, 1983. Appendix A, attached hereto, sets out the wage rates which took effect on January 1, 1982 in the Highway Department, including the four-year and seven-year longevity step rates.

#### COUNTY'S POSITION

At the outset of its argument, the County points out that the premiums for health insurance increased by 37% in the case of both the single and family rates and alleges that said increase may have been the chief reason why the parties failed to reach agreement in this case. Nevertheless, the County points out that it has agreed to increase its payment toward the insurance premium sufficiently to pick up the full single premium and an increased percentage of the family premium. The County thereby agreed to increase its cost of maintaining the existing health insurance program by \$47,201.00 or 45.2%. According to the County, this increased cost amounts to 3.2% of the 1982 wage base. Further, the County points out that the average increase in health insurance premiums experienced by other counties and cities relied upon by both parties as comparables, was 15.6% for single premiums and 16.4% for family premiums. It is significant, according to the County, that its cost of maintaining the same health insurance program and increasing the Employer's percentage contribution towards the family premium, was almost three times greater than the average increase experienced by these other municipalities. Had the County not agreed to the increase in health insurance contributions, it could have funded the entire cost of the Union's final offer on wages and had approximately \$10,000.00 left over. The Union's failure to accept the increased cost of the health insurance premium as part of the total compensation package in this case has prevented voluntary agreement in this case, according to the County.

The County's first argument in support of its position is based on the status of the economy. It points out in this regard that in January 1982 the cost of living as measured by the Consumer Price Index (urban wage earners and clerical workers --

all cities), when the instant agreement was first negotiated, was rising at an annual rate of 8.2%. At the time of the reopener notice on October 1, the annualized rate of increase had dropped to 5%. As of January 1, 1983, the annualized rate of increase stood at 3.5% and, at the hearing in May 1983, the index was increasing at an annualized rate of 3.4%. Since the hearing the rate has dropped further and the average of the projected annual rates during the first six months of 1983 has stood at 3.4%.

The Employer also points out that increases in the Consumer Price Index also reflect increases in medical care, including health insurance. If the parties' final offers are costed as suggested by the Union in its exhibits, the Union's final offer amounted to 7.02%, which is two times the average increase in the CPI so far during 1983. On the other hand, the County's 4.77% total package cost offer is much more reasonable and realistic when compared to the projected increases in the cost of living for 1983.

The County also points to the high rate of unemployment in Wisconsin which increased from 8.2% (seasonally adjusted) of the civilian labor force in January 1982 to 11.6% (seasonally adjusted) of the civilian labor force in January 1983. This amounted to a 40% increase. Therefore, because of the dramatic drop in inflation and the high unemployment which exists in Wisconsin, the County argues that there is absolutely no justification for a labor contract settlement which is equal to twice the rate of inflation. The Employer's county executive, in describing the state of the County, emphasized the significance of the depressed status of the economy when he urged the County Board to reexamine its goals, objectives, and obligation to the taxpayers with a view to meeting the basic needs of the citizenry at a reasonable cost. Anticipating a reduction of revenues and the need to reduce costs or service levels in order to offset such costs, he urged consideration of user fees and consideration of cost containment techniques, including the use of new and technologically advanced means to accomplish that goal. Notwithstanding these concerns the County did set aside a sufficient fund to permit what the County considers to be a reasonable increase in compensation for its employees, which would allow them to keep pace with inflation or even exceed the pace of inflation.

While the County argues that the state of the economy has been the most significant criterion influencing mediation/ arbitration awards within the past six months, it contends that unions, including the union herein, have been unwilling to realize that the high wage increases granted in 1982 and earlier, are no longer available. It points out in this regard that in 1982 wages were increased by 7% over the rates in effect in 1981. Nevertheless, the County points out that the Union seeks what amounts to an additional 5% increase in wage rates for 1983.

Secondly, the County points out that other employee groups in the County have accepted similar compensation packages. The County employs approximately 900 employees and almost 388 of those employees, or 43%, have received compensation in a manner which is consistent with the costing method used by the County to determine the compensation for purposes of its final offer in the Highway Department. Further, the County points out that its final offer in this case is consistent with its final offer in three other bargaining units represented by sister locals of the union herein. Specifically, the Employer points to the agreement reached with the Deputy Sheriff's Association in Outagamie County wherein that bargaining unit agreed to accept an increase of 10 cents per hour (or approximately 1%), even though the deputies

received about the same amount towards their health insurance premiums (3.3%). According to the County, the union representing deputies was willing to accept the County's concerns about the poor state of the economy and limited taxpayer funds but the Union herein was unwilling to do so.

The balance of the employees who have accepted an increase within the guidelines established by the County consists of 311 management, supervisory, and other unrepresented employees. Their wage increase consisted of a flat 24 cents per hour, which averaged about 3.2%. In addition, all starting rates were frozen at their 1982 level. Said employees received no increment, step or merit increases as was the case with the deputies or with the union herein. (The County maintains that those increases were worth 1% in the case of deputies and .2% in the case of the unit herein.) Further, said employees received the same percentage contribution towards their health insurance premiums and the increased contribution toward health insurance premiums in their case therefore amounted to only a 1.8% increase in the wage base. An overall comparison of the County's final offer in this case with the settlement with the deputies and the unrepresented employees establishes that the County has been slightly more generous in its final offer here than it was with those employees, according to the County.

The County argues that the mediation/arbitration process is subject to misuse, and argues that this case presents such a misuse. Where a substantial number of County employees have accepted compensation increases at a specified level, other employees should not be allowed to better such arrangements. For this reason the County has, historically, attempted to treat all of its employees in a relatively similar fashion. Such treatment was specifically recognized by the arbitrator in a prior decision involving the Outagamie County Sheriff's Department (Decision No. 17720). According to the County, all groups have shared in a substantially similar fashion in "good times" and therefore all groups should be willing to share in the same fashion in "poorer times." Therefore, unless the Union herein can show some unique problem in the Highway Department that differs from the problems facing other County employees whose 1983 compensation package has been settled, the Highway Department unit should be treated no differently.

Thirdly, the County argues that its Highway Department employees' compensation levels are very comparable to those in surrounding municipalities. It points out that, between them, the parties presented comparative data with regard to eight other counties (Brown, Calumet, Fond du Lac, Manitowoc, Shawano, Sheboygan, Waupaca, and Winnebago) and the City of Appleton. The Union's data includes information with regard to Shawano and Waupaca County and the City of Appleton, all of which comparisons were not included in County exhibits. The County would not exclude any of the counties relied upon by the Union but argues that comparisons to the City of Appleton are not proper or, should be considered secondary at best.

According to the Employer, a comparison of the rates with the comparable counties indicates only a slight slippage in the rank of Outagamie County for 1983. For purposes of this comparison the County relies upon the "after four year" rate. In support of this reliance, the County points out that most employees are paid at the top step rate and argues that the top step rate should be considered the "longevity rate" which compares favorably with the longevity pay plans in the other counties, according to the Employer. This slippage is understandable since Outagamie County in 1983 was faced with almost three times the increase in health insurance premiums than that which was imposed upon the other counties. If the moneys expended for health insurance had been identical and the difference made available for a wage increase, the comparisons would have been quite similar to those for 1982,

according to the Employer.

Further, according to the County, the comparisons in question only relate to a one-year history and the Union has failed to allege or prove that there exists a long term pattern of slippage. Slight fluctuations, both upwards and downwards, are to be expected when comparisons are made for a short time span. Thus, for example, Manitowoc County was proposing a zero increase for 1983 and Winnebago's 7.8% increase for 1983 was the second year of a two-year contract which was negotiated in a totally different economic environment. For these reasons, the County contends that the Outagamie County rates are still quite comparable to the rates of the eight counties used as comparables, even after the sizeable amount of its economic package is utilized towards the payment of health insurance premiums.

According to the County, the average rate increase for 1983 over 1982 reflected in the above comparisons, was around 4.4%. Nevertheless, the Union here is asking for a 5% rate increase in spite of the harsh economic times and the County's large health insurance premium payment increase. This demonstrates that the Union is not simply satisfied with maintaining its previous relationship but actually seeks to achieve improvement at this time, an effort which should not be permitted because it is irresponsible.

#### UNION'S POSITION

In its brief the Union addresses its argument to each of the statutory criteria, except for that criteria which relates to the lawful authority of the County, which would not appear to be implicated in this proceeding.

With regard to the interest of the public and the Employer's ability to pay, the Union argues that the County has failed to present any evidence at the hearing that the implementation of the Union's final offer would have an adverse impact on the public or would be in excess of the County's ability to pay. Nevertheless, the Union points out that it submitted documented evidence tending to establish that the County is financially sound and able to fund the modest wage increase proposed by the Union in its final offer. The financial report submitted by the county clerk establishes that there was an unrestricted fund balance for the year ending December 31, 1982 of \$5,840,508, having increased from \$5,700,957 in the preceding fiscal year. Therefore, there was a growth in the unrestricted fund balance of over 15% even though the County argues that it can only provide a 1.5% increase in wages to the employees involved in the instant proceeding. Further, the county executive, in his report to the Board on April 2, 1983, stated that "Outagamie County has concluded the fiscal year 1982 in a sound financial condition" and further stated that "Outagamie County has an excellent product base and the diversity in industry has been a stabilizing factor in this current recession." The unemployment rate for Outagamie County supports these statements in that they show that in January 1983 Outagamie County had one of the lowest unemployment rates among all the comparables and that in May 1983 it had the lowest rate.

With regard to the comparability criterion, the Union argues that comparability has historically played a leading role in both collective bargaining and arbitration. The Union's selection of comparable counties includes counties that are similar because of population and resources (Brown, Fond du Lac, Manitowoc, Sheboygan, and Winnebago) as well as counties which are slightly less comparable but comparable because of proximity (Calumet, Shawano, and Waupaca).

The City of Appleton is comparable inasmuch as it is the county seat of Outagamie County and the County Highway Department is located on the outskirts of Appleton.

The Union alleges that its exhibits demonstrate that the employees of the City of Appleton are paid considerably more than the Outagamie County Highway Department employees at certain benchmark positions selected by the Union. The County's offer of 1.5% would increase this inequity since the Appleton groups settled for 1983 wage increases averaging between 4.0 and 4.4%. The Union's offer of 3% January 1 and 2% July 1, would but slightly reduce the differential at a cost of approximately 4% to the County. Thus, the Union contends that its offer should be selected to prevent the further erosion of County employee wages vis-a-vis those of the City of Appleton employees.

The Union contends that its exhibits demonstrate that similar employees employed in counties comparable to Outagamie County have reached voluntary settlements which included wage increases varying from 5% to 7.75% for 1983. In fact, in one of the comparable counties which is awaiting an arbitrator's decision to determine the 1983 wage increases, employees will receive a 4% wage increase even if the arbitrator selects the Employer's offer. If the Employer's offer is selected in this proceeding, the heavy equipment operators in Outagamie County will fall behind their counterparts in Calumet, Fond du Lac, and Waupaca Counties, based on the voluntary agreements reached in those counties for 1983. In 1982 these same Outagamie County employees were paid more than their counterparts in these three comparables. In the mechanics classification, Outagamie County would drop below Fond du Lac and Waupaca Counties in 1983 under the Employer offer, while the relationship was the reverse in 1982. For the patrolman position, Outagamie County employees would fall behind Calumet, Fond du Lac, and Waupaca Counties in 1983, even though they received wages equal to those in Calumet and greater than those in Fond du Lac and Waupaca Counties in 1982.

The Union notes that the County's exhibits with regard to benchmark positions do not show the historical wage relationship that has existed among the counties. Further, the County has inappropriately used the wage rates at a longevity step in the Outagamie County classifications for purposes of comparison. The Union did not include the longevity steps in its comparison because all of the other counties (except Calumet) provide longevity increases apart from their wage schedules. On the other hand, the County's exhibits do not include longevity for any other county, other than Outagamie.

According to the Union, the County's offer would destroy the relative ranking of Outagamie Highway Department employees when compared to employees in these other counties. The Union's final offer would, on the other hand, help maintain the historical relationship which has existed, while providing a wage increase in line with those received by employees in comparable counties.

The Union notes that, while drawing comparisons with other public employees generally in the same community, the County relies upon the settlement reached with the sheriff's department to support its decision that all County employees should receive similar total package increases for 1983. According to the Union, such an argument lacks validity because, using this logic, the 77 employees of the sheriff's department could decide the financial fate of the nearly 1,000 employees of Outagamie County. The Union acknowledges that the record does not establish the reasoning

behind the deputy sheriffs' acceptance of such a low wage increase, but suggests that it may have been based on an adverse arbitration award which they had received in the past.

The Union also notes that the Employer relies upon the increase in wages and benefits which it unilaterally granted its unrepresented employees. The Union argues that this comparison should not be given any weight because the employees in question had no recourse but to accept the County's offer in that regard. Further, it argues that the County has not established any historical relationship between the wage increases granted its represented and unrepresented employees.

The Union points out that four out of the five Outagamie County bargaining units are unsettled and awaiting arbitrators' decisions which will determine their 1983 wage increases. Until those decisions are rendered, valid internal comparisons cannot be made, according to the Union. On the other hand, 12 City of Appleton bargaining units have settled on wage increases for 1983. All of those agreements are either one year agreements or the first year of a multi year agreement. Union exhibits demonstrate that the city employees in question have received at least 4% wage increases and in some cases will receive 4.4% wage increases during 1983. These comparisons establish that the Union's offer of a 3% and 2% split wage increase is more reasonable than the County's offer of a 1.5% wage increase.

With regard to the cost of living criterion, the Union argues that the County's evidence, which establishes that the increase in the Consumer Price Index for all cities listed was 6.0% for the 1982 calendar year, is largely irrelevant since none of the cities listed under that index are located within Outagamie County. According to the Union, the record does not establish what increase in the cost of living occurred in Outagamie County during 1982.

With regard to comparisons of overall compensation, the Union points out that all of the employees in comparable counties (except the employees in Shawano County) contribute fewer dollars toward the family health insurance premium than do the employees in the Highway Department. On the other hand, the Union has presented evidence showing that the incidental labor rate for Outagamie County is the lowest of all of the comparable counties in 1983 and the second lowest in 1982. The 1983 incidental labor rate of 42.63% was substantially lower than the Highway District 3 average of 49.74%. While the County correctly points out that its incidental labor rate does not include longevity, the absence of longevity from other incidental labor rates listed tends to offset this discrepancy. Since the incidental labor rate is the percent of wages which must be added to basic wages for purposes of determining overall compensation, it should be viewed as a function of wages and it is therefore significant that the Outagamie County Highway Department employees are generally ranked low in comparison to other comparable communities. Outagamie County employees' relative overall compensation would be reduced if the County's offer of 1.5% is chosen while comparable units receive pay increases for 1983 ranging from 4.0% to 7.75%.

Finally, with regard to the "other factors" referred to in the statutory criteria, the Union argues that the arbitrator should recognize the unorthodox method of costing utilized by the Employer in this case. First of all, the County has inappropriately included the cost of increment increases into the total package cost. At least one other arbitrator has recognized that such practice may be common in school districts but is not a standard costing method in other governmental units. Further, the evidence shows that while comparable communities have reached settlements that include raises of 4.0 to 7.75% for wages alone, the County has offered its employees an increase of 5.35% of the wage cost,

From which the County has subtracted the negotiated increases in health insurance and pension plan contributions, the cost of step increases and the cost of roll-ups. The "remaining" 1.5% has been allocated for a general wage increase. The Union points out that the comparable communities undoubtedly had additional costs in their compensation for 1983 as well. The evidence discloses that Winnebago County has pay ranges which would necessitate the payment of step increases and the remaining comparable communities pay the top rate when the employee starts work, or at least after one year of employment. Therefore, given the fact that most of the counties pay more after one year than Outagamie pays after two years, it would seem that the County is the one benefiting from the step increases provided. Union exhibits demonstrate that every community increased its contribution toward the health insurance plan and the roll-ups paid by other employers were higher since roll-ups are a function of wages and the comparable communities have granted wage increases which are substantially higher than the County's offer. Therefore, the Union argues under this criterion, that its offer is appropriately costed and compares favorably with the range of settlements in other counties.

#### DISCUSSION

Before addressing the merits of the parties' arguments in relation to their final offers, it is appropriate to discuss the County's method of "costing" its final offer. In fairness to the County, the undersigned would point out that the County apparently is not contending that its method of "costing" is a conventional method or an appropriate method for purposes of measuring the true cost of the settlement or for purposes of external comparisons. The "costing" method in question was apparently employed for purposes of cost containment and the maintenance of a form of internal equity.

The method utilized was apparently based on an initial determination of how much new money the County was willing to include in its budget for purposes of increasing wages and the cost of negotiable fringe benefits (including roll-up), which was then expressed as a percentage of the 1982 cost of wages only (including overtime). The percentage figure which emerged from this calculation was 5.35%.

The 5.35% figure established by the County was then applied to the total 1982 wage costs (including overtime) for each group of County employees, including the five bargaining units as well as the group of unrepresented employees. By this means a dollar figure was then established which was then treated as being available for increases in wages and increases in fringe benefit costs such as health insurance, pension contributions, and social security. Thus, in the case of all five bargaining units, the wage and benefit offers made by the County approximated a "cost" of 5.35%, as measured in this way, and the wage and benefit package unilaterally granted to the unrepresented employees also approximated a "cost" of 5.35%, measured in the same way.

The undersigned believes that the method of "costing" which was employed by the County in this case did serve to insure that each group of employees was treated in a similar fashion. Further, if each of the represented groups of employees had accepted the County's offers, it would also have served the purpose of providing the County with a reasonably accurate figure for budgeting purposes. However, because the Employer is under an obligation to bargain collectively with its employees and, if no agreement is reached,

participate in mediation/arbitration, this costing method cannot be viewed as particularly relevant for this proceeding since it does not directly relate to the statutory criteria. There is no claim in this proceeding that the amount of money initially set aside for wage and benefit increases was controlled by the County's lawful authority or its ability to pay. Further, this costing method is not considered to be as accurate or useful as the costing method utilized by the Union for purposes of measuring the true cost of making comparisons.

The Union's costing method consisted of computing the total 1982 cost of wages and the two fringe benefits which are subject to the 1983 reopener and to compute the percentage increase in that cost which would result under both final offers. While this method is subject to some criticism for its failure to include all roll-ups in the base used for computation purposes, it is more reflective of the true cost of the two packages than is the County's method. Under the Union's method of computation, the Employer's final offer will cost the County 4.77% in 1983 and the Union's final offer will cost the County 7.02% in 1983. The Employer correctly points out that because of the 5% "lift" provided for in the Union's final offer, the carry forward cost increase in 1984 will be approximately 1% higher.

The Union would appear to be correct in its claim that the County does not seek to justify its 1.5% increase based on a claimed inability to pay. Instead, the County relies primarily on arguments concerning the general state of the economy and its probable impact on the taxpayers of Outagamie County. It also relies on internal comparisons and seeks to take issue with the external comparisons which lie at the heart of the Union's arguments.

The undersigned does not dispute the County's claim that the general condition of the economy, which is no doubt reflected in Outagamie County as well as most other counties in Wisconsin, has a significant bearing on the dispute herein. The continuing high unemployment rate in Outagamie County and the substantially reduced rate of inflation generally in the economy, both support the need for moderation in the overall cost of settlements and in the rate of increase in wages. However, it should be pointed out that there was arguably<sup>1/</sup> no increase in "real" wages granted to its employees in January 1982, after the 7% wage increase has been "deflated" by the 8.7% rate of inflation which occurred during the preceding calendar year, 1981. Under the Employer's final offer, the employees herein will arguably suffer a further and more substantial loss of "real" wages based on the 3.9% rate of inflation which occurred during calendar 1982.

With regard to the internal comparisons drawn, the undersigned must agree with the Union that the County should not be allowed to rely heavily upon the fact that 311 unrepresented County employees received a unilateral wage increase (24 cents per hour) which was computed in a similar fashion, since the employees in question did not voluntarily agree to such an increase through collective bargaining. If the County were allowed to rely on such comparisons, it could effectively obviate its obligation to bargain with the Union or to substantiate its position under the statutory criteria in the absence of an

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<sup>1/</sup> The undersigned is aware that health care costs are a major component of the Consumer Price Index and should be discounted from this analysis because of the existence of health insurance coverage.

agreement with the Union. More significant is the fact that one of the five bargaining units in the County did reach a settlement within the parameters established by the County. However, that bargaining unit only includes somewhere between 7.7% and 8.6% of the County employees and there is no indication in the record as to the standing of the agreement in that bargaining unit in relation to the statutory criteria, especially external comparisons.

Turning to the evidence with regard to comparables, it should first be noted that the undersigned agrees with the Union that, the settlements in the City of Appleton, which is the largest city in the county and the county seat, should be given some weight in this proceeding even though the problems facing county government and the services provided by county government are more comparable among counties than between counties and cities. Also, the undersigned agrees with the Union that the more rural counties included among its comparables provide a less persuasive basis for comparison than do the more populous counties utilized, which generally include a major metropolitan center similar to that provided by Appleton in the case of Outagamie County.

In making comparisons the undersigned has compared the rates identified in the parties' agreement as the "basic hourly rates" rather than either of the "longevity hourly rates", which include longevity payments ranging from 12 cents to 16 cents per hour in the case of the three classifications for which comparative data is available. Further, those rates which are identified as the "maximum rate at two years" are deemed to be most representative of the rates paid for the performance of the work in question, since it represents the rate for work performed at the "objective level" and is applicable to most of the employees in this bargaining unit. Such comparison substantiates the Union's claim that the County's proposed 1.5% increase will cause a substantial erosion in the relative relationship between the rates paid for patrolmen, heavy equipment operators, and mechanics.

The new County rates for the three jobs in question under the County's offer would be \$7.84, \$8.09, and \$8.41 per hour respectively. The new rate for patrolmen would be less than the similar rate for patrolmen in all seven of the nine comparables which had settlements at the time of the hearing. In 1982 two of those counties (and one of the unsettled counties -- Shawano) had rates which were below that paid by Outagamie County for patrolmen and one county (Calumet) paid the same rate. In the case of heavy equipment operators, the new rate under the County's proposal would be below that provided in all of the settled agreements, including the agreements in Calumet, Fond du Lac and Waupaca Counties, which had previously been below the rates paid by Outagamie County. Finally, in the case of mechanics, the new rate under the County's proposal would be below six out of the seven settled agreements. In 1982, mechanics in Outagamie County were paid at a rate which was less than the rate for mechanics in only five of those municipalities which are settled for 1983, and the amount of the difference was considerably less in most cases. Most dramatically, in 1980, mechanics in Outagamie County received a top rate of \$8.29 which was four cents per hour less than that paid by Winnebago County. Under the County's offer that difference would increase to 57 cents per hour. Similarly, in Sheboygan County, which is not under a two-year agreement like Winnebago County, this spread would increase from 1 cent per hour to 39 cents per hour.

This slippage is obviously the result of the substantial difference between the wage increase offered by the County and the average wage increase actually granted to employees in the other municipalities which, as the Union points out, averaged from a low of 4% to a high of 7.75%. A comparison of the parties'

final offers on the basis of the percentage increase in wages granted clearly favors the Union's position. In fact, if it were not for the high cost of maintaining and slightly improving the insurance premium pickup, there would appear to be little justification for the County's low wage offer in this case.

According to the County, the cost of the health insurance agreement would have freed up as much as 3.2% for wage increases. However, utilizing the County's same logic, increases in health insurance costs in other counties probably used up at least 1% of the money otherwise available for wage increases and those other counties also experienced roll-up costs as well. Further, health insurance costs are only one component of the cost of living. The County's offer would appear to place the entire burden of the escalating health insurance costs in this unit on the shoulders of the employees by "deducting" the total cost of health insurance increases from the sum of money that might otherwise constitute a reasonable settlement figure for wages. On the other hand, the Union's proposal would, at best, maintain its relative relationship to the rates paid in other municipalities and offers to pare down the cost slightly by splitting the wage increase sought. In addition, other counties have relatively high insurance costs too. For example, the family plan in Waupaca County will cost \$191.00 per year and that county has nevertheless agreed to continue to pay 100% of the family premium. The City of Appleton pays \$174.68 (\$100%) of the health insurance costs of its employees on the family plan. Shawano County will pay 90% of the \$173.88 premium for family coverage for those units which have settled for 1983.

Therefore, based on the above and foregoing analysis of the evidence and arguments presented under the statutory criteria, the undersigned concludes that, on balance, the Union's final offer is more reasonable than the County's final offer, and renders the following

#### AWARD

The Union's final offer, submitted to the Wisconsin Employment Relations Commission, shall be included in the parties' 1982-1983 Collective Bargaining Agreement pursuant to the re-opener provision contained therein, along with the stipulations entered into between the parties with regard to the issues of health insurance and pension contributions.

Dated at Madison, Wisconsin, this 13th day of September, 1983.



George R. Fleischli  
Mediator/Arbitrator

APPENDIX A

OUTAGAMIE COUNTY, WISCONSIN

ADDENDUM A - SALARY AND WAGE SCHEDULES

The following hourly rates of pay will be paid effective January 1, 1982:

<u>Classification</u>	<u>BASIC HOURLY RATES</u>			<u>LONGEVITY HOURLY RATES</u>	
	<u>Entrance Rate</u> 1st Yr.	<u>Interme- diate Rate</u> Next Yrs.	<u>Maximum Rate</u> 2 Yrs.	<u>After 4 Yrs. &amp; 1 Yr. at Max. Rate</u>	<u>After 7 Yrs. &amp; 1 Yr. at 1st Lg. Rate</u>
Scale Operator	5.18	5.47	5.73	5.99	6.15
Equipment Operator I	7.17	7.33	7.49	7.60	7.72
Stores Clerk I, Maintenance Man	7.27	7.43	7.60	7.72	7.85
Stores Clerk II, Equipment Operator II	7.38	7.55	7.72	7.85	7.97
Equipment Operator III, Sign Maintainer, Timekeeper	7.61	7.80	7.97	8.13	8.29
Automotive Mechanic, Blacksmith	7.94	8.12	8.29	8.45	8.61

In the event that an employee is required to work continually for more than four (4) hours beyond his regular scheduled workday without time off he shall receive three dollars and fifty cents (\$3.50) differential pay plus time and one-half (1-1/2) for the hours worked.