

JUL 02 1986

STATE OF WISCONSIN  
BEFORE THE MEDIATOR/ARBITRATOR

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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In the Matter of the	:	
Mediation/Arbitration Between	:	Case 74
	:	No. 36070 Med/Arb-3663
INT'L UNION OF OPERATING ENGINEERS,	:	Decision No. 23304-A
LOCAL 300	:	
	:	
and	:	Sharon K. Imes
	:	Mediator/Arbitrator
MARINETTE COUNTY	:	
HIGHWAY DEPARTMENT	:	
	:	

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APPEARANCES:

Robert L. Calkins, International Representative, International Union of Operating Engineers, appearing on behalf of Local 300.

James E. Murphy, Coporation Counsel, Marinette County, appearing on behalf of the Marinette County Highway Department.

ARBITRATION HEARING BACKGROUND AND JURISDICTION:

On March 4, 1986, the undersigned was notified by the Wisconsin Employment Relations Commission of appointment as mediator/arbitrator in the matter of impasse identified above under Section 111.70(4)(cm)6 of the Municipal Employment Relations Act. Pursuant to statutory requirement, mediation proceedings were conducted between Local 300, hereinafter referred to as the Union, and the Marinette County Highway Department, hereinafter referred to as the County or the Employer, on April 1, 1986. Mediation failed to resolve the impasse and the parties proceeded immediately to arbitration. During the hearing, the parties were given full opportunity to present relevant evidence and make oral argument. At the close of hearing, it was agreed between the parties that only the Union would file a brief and that the parties would then file reply briefs sequentially. The Union's brief was received on April 24 and transmitted to the County on May 1. The County filed its reply brief postmarked May 9 and it was responded to by the Union postmarked May 16.

THE FINAL OFFERS:

The remaining issue at impasse between the parties concerns employee contribution toward health and dental insurance. The final offers of the parties are attached as Appendix "A" and "B".

STATUTORY CRITERIA:

Since no voluntary impasse procedure was agreed upon between the parties regarding the above-identified impasse, the undersigned, under the Municipal Employment Relations Act, is required to choose the entire final offer on the unresolved issues of one of the parties after giving consideration to the criteria identified in Section 111.70(4)(cm)7, Wis. Stats..

POSITIONS OF THE PARTIES:

While the parties are in agreement in regard to the wage increase, both look to the comparables for the purpose of comparing compensation relative to the effect caused by a contribution toward health and dental insurance and for purposes of establishing whether or not other counties require employee contributions toward health and dental insurance. In regard to the comparables, the Union proposes the appropriate comparables consist of Door, Oconto, Oneida, Marinette, Shawano and Waupaca Counties and the cities of Marinette and Peshtigo since Marinette is the County seat and Peshtigo is the Highway Department's headquarters. The County proposes the comparables consist of those counties which comprise the State's Department of Transportation District No. 3. The Union counters, however, that on the basis of population,

assessed values, state highway aids, tax rates and geographical location, its set of comparables should be considered the primary comparables. It adds, however, that if District No. 3 counties are considered, they should be considered as secondary comparables.

As to the merits of the issue in dispute, the Union asserts its offer is more reasonable since the County's wages paid its employees in this unit are not excessive when considered against the wages paid similar employees in similar counties; since the wage increase both agree upon is no more than the percentage increase in the cost-of-living in the previous year; and since the County's proposal regarding health and dental insurance contributions is not supported by the comparables and would result in the unit's employees absorbing a substantial increase in the contribution toward health insurance which would effectively eat up much of the agreed upon wage increase.

Surveying the rates paid employees in similar positions in the counties it considers comparable, the Union concludes the wages paid in Marinette County fall in the middle of the rates paid among the comparables. It continues that if the County's list of comparables is considered, the rates paid in the County rank near the bottom of the list of salaries. Based upon these comparisons, the Union concludes its wage increase of 3.9%, the same percentage increase as the CPI-All Urban Consumers U.S. City Average index in January 1986, is reasonable without requiring employees to pick up an additional contribution toward health insurance premiums.

Stating the County's proposal has the potential for causing the employees to contribute a maximum amount of \$45.50 toward family health and dental premiums, the Union argues this contribution would reduce the real wage increase from 3.9% to a 1% increase and concludes such an increase is an "unreasonable" offer. Continuing that the County's offer must be considered as an 80% contribution by the Employer and a 20% contribution by the employee, the Union compares this contribution to that established among the comparables. It concludes that among the comparables, such a proposal would place the County at the bottom of the comparable list used by the Union and near the bottom even if the County's comparables are used. It adds that since the County's exhibit shows that, even among its comparables, the counties all have "substantially the same benefit package" there is no justification for the County's offer. Finally, comparing statewide contributions toward health and dental insurance premiums, the Union concludes that almost half of the counties pay 100% of the premium and that even if a contribution toward the insurance premiums were considered reasonable, the amount sought by the County is out of proportion to that required by the majority of counties within the state.

In its final argument, the Union notes that among the internal comparables, the only contributions paid toward the premiums are those which were unilaterally implemented by the Employer and declares there is no "meaningful justification" for this proposal. It continues that the status quo should remain. Stating that since the County has contributed 100% of the premium for several years and that over the years the Union has made efforts to offer alternatives for health care cost containment, offers which have been rejected by the County, the Union concludes there is no need for change through arbitration. It adds that if the County "feels bound by principle to require a contribution toward the health insurance premium ... that result should be obtained at the bargaining table," and not through arbitration.

The County argues a health insurance premium contribution should be required of its employees based upon the reasonableness of its offer and the fact that the majority of the comparables require employee contributions. Stating its offer only requires employees to contribute for six months of the contract and only \$6.00 a month for family insurance, at that, the cost to the employee in 1986 is minimal. It rejects the Union's argument that this contribution would result in the County's offer constituting only a 1% increase in wages. Stating this result is based upon an assumption that the family plan would increase \$45.50 per month, the County posits that since this offer is only for 1986 and the rate has already been determined, the average increase an employee would receive would still be 3.72%, together with a 1% increase in the County's contribution toward retirement. It argues that only the costs in 1986 should be considered and that "if there is to be an increase ... in the future, it will be negotiated in the future...." It continues that its proposal is supported by the counties which comprise District No. 3 since nine of the eleven counties require employee contributions and that Marinette's contribution, the smallest contribution, would be the tenth.

The County continues that the salary survey submitted by the Union clearly shows the County is not in a "catch-up" position. It states that when the ranges are averaged the County ranks near the top in wages paid its employees. Based upon this factor, together with the fact that the majority of the comparables require an employee contribution toward the health and dental insurance premium, the County concludes its offer is reasonable and should be implemented.

The Union, in its reply to the County's position, declares that while the current arbitration only determines the conditions of employment for 1986, the County's offer results in not only a present cost sharing provision but one which will remain in the contract in the future and that the real impact is an 80% contribution by the Employer and a 20% contribution by the Union. It continues that since the cost for health insurance coverage within the County is not substantial when compared to the cost in most counties throughout the state, there is no reason for implementing a cost-sharing provision in the contract unless it is accomplished through bargaining.

#### DISCUSSION:

The parties were unable to agree upon an appropriate set of comparables except for Door, Kewaunee, Oconto and Shawano Counties. In reviewing the demographics of the counties proposed by the parties it was difficult to select comparables based upon geographic location since neither party proposed several contiguous counties as comparables. Thus, in order to establish some geographical way of considering comparables, it was determined those counties similar in population, assessed values, property tax rates and degree of transportation aids which surround Green Bay, together with the counties which are located in the northeast corner of the state near Marinette are the most appropriate comparables. Consequently, it was decided the most appropriate set of comparables are Calumet, Door, Kewaunee, Oconto, Oneida, Shawano and Waupaca Counties. While Menominee and Brown Counties met the geographical criteria, they were too dissimilar in the other demographic criteria necessary to establish comparability. Further, counties such as Manitowoc, Outagamie, Sheboygan and Winnebago, in addition to being much larger than Marinette County, are in a geographical area where the labor market, the demand for services, etc. are significantly different than that which exists in Marinette County. While the Union proposed the cities of Marinette and Peshtigo as comparables, the fact that they operate under a different structure of government makes them less comparable than counties which exist within the area.

Since the only issue between the parties concerns whether or not employees should contribute to the dental and health insurance premium, the above comparables were considered relative to the County's rank for wage rates paid, relative to the extent of benefits which exist among the comparables and relative to the extent to which employees contribute to health insurance and/or dental insurance premiums. A review of the wage rates paid in the county with those paid in comparable counties indicates Marinette County, at one rate rather than a range of compensation, ranks well for starting pay and at or near the bottom of the set of comparables for maximum rates of pay in most of the units classifications. A review of the benefits provided in the County with those provided among the comparables indicates the extent of benefits are all relatively similar. A review of employee contributions toward health and/or dental insurance premiums indicates that Marinette County is in the minority when it provides 100% of the single and family premiums. A review of the dollars paid by the counties toward health and/or dental insurance, whether at 100% or some percentage short of 100%, however, indicates Marinette County pays a far lower premium than the majority of the comparables even though the comparables require an employee contribution. This fact exists whether the premiums are those represented in the County's exhibit or are those which exist in the Union's exhibit. Thus, on the basis of a pay and benefits comparison, it is concluded the County's proposal only has merit as it relates to the principle of whether or not an employee contribution toward the health and dental premium should exist.

The County, in its argument, posits that because an employee contribution is the norm among the comparables and it costs the employee relatively little in the 1986 contract year, its offer should be implemented. The County is correct in that employee contribution is the norm and that its offer will cost the Union very little in 1986. The County is also correct in that this arbitration award will only affect 1986 and that the parties may engage in

bargaining in 1987 over the extent of contribution in the upcoming contract. The fact is, however, that while the cost impact of the award does only affect the 1986 contract, the language establishing an employee contribution of 20% will become difficult to remove from the contract once it becomes part of the contract. Thus, in determining which offer is more reasonable, it is not only important to consider the cost but it is important to consider the impact the language has upon bargaining.

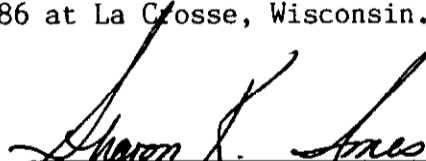
In principle, based upon the comparison with those counties established as comparables and with counties statewide, it would be appropriate to implement an employee contribution toward health and/or dental insurance premiums, at least for the family premium. However, an employee contribution of 20% toward the health and dental insurance family premium is a substantially larger percentage contribution than that which exists among the counties which were determined comparable. An even greater disparity is apparent when the single premium is considered since only one of the counties determined comparable requires an employee contribution. Further, a 20% contribution, whether for a single or family premium contribution, far exceeds the percentage contribution toward premiums even among a majority of the 64 counties where the percentage contribution was known. This factor, together with the fact that the County pays the lowest premiums among the comparables makes it difficult to accept a 20% contribution, even though the actual contribution in 1986 will not be 20%, toward health and dental insurance premiums. Consequently, without a showing that health insurance rates have increased dramatically or that the County pays substantially more than other counties for health insurance premiums, it is difficult to agree the County's offer should be implemented, simply because it has become the norm among the comparable counties. If the Employer has sought a lesser percentage contribution, there may have been greater merit in its offer.

The following award is based upon review of the evidence and arguments presented and upon the relevancy of the data to the statutory criteria as stated in the above discussion.

AWARD

The final offer of the Union, attached as Appendix "A", together with the stipulations of the parties which reflect prior agreements in bargaining, as well as those provisions of the predecessor agreement which remained unchanged during the course of bargaining, shall be incorporated into the 1986 collective bargaining agreement as required by statute.

Dated this 30th day of June, 1986 at La Crosse, Wisconsin.

  
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Sharon K. Imes  
Mediator/Arbitrator

SKI:ms

Appendix "A"

**UNION**

Name of Case: Maricette County Highway Dept.

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

2 11 86  
(Date)

Stephen J. Brennan  
(Representative)

On Behalf of: Local 300 J.U.O.E.

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# International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS



WRITER'S ADDRESS

LOCAL UNION NO. 300 CITY Marionette STATE Wis.

February 11, 1986

Final proposal

1. \$35 wage increase effective 1/1/86  
(across the board)
2. Leave remaining language in contract stays the same except for tentatively agreed upon items

*[Signature]*

Appendix "B"

COUNTY

Name of Case: Marquette County Highway / Local 300 IUOE

The following, or the attachment hereto, constitutes our final offer for the purposes of mediation-arbitration pursuant to Section 111.70(4)(cm)6. of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party involved in this proceeding, and the undersigned has received a copy of the final offer of the other party. Each page of the attachment hereto has been initialed by me.

2/11/86  
(Date)

James E. Meyler  
(Representative)

On Behalf of: Marquette County

2/11/86

Mainette County  
Trial Offer

35¢ across the board [1/1/86]

Health & Dental per attached  
effective 7/1/86

Above is in addition to other  
items agreed upon. The remainder  
of 1985 Contract remains the  
same.

James E. Murphy, Jr.



INSURANCE

Hospitalization/Dental

The County shall continue to contribute the same dollar amount toward hospitalization/dental insurance for both the family plan and individual plan as it did in the year 1985 (family plan - \$178.00 per month and individual plan - \$74.00 per month). Any increase in the cost of said insurance over the 1985 figures shall be borne by the employee until the total costs equals \$223.50 for the family plan and \$92.50 for the individual plan. Any increase over the latter amounts shall be shared on an eighty (80%) percent contribution by the employer and a twenty (20%) percent contribution by the employee.