

JAN 22 1987

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

ARBITRATION OPINION AND AWARD

In the Matter of Arbitration)

Between)

DANE COUNTY)

And)

DANE COUNTY SOCIAL WORKERS
LOCAL 2634, AFSCME, AFL-CIO)

Voluntary Impasse Procedure

Impartial Interest Arbitrator

William W. Petrie
1214 Kirkwood Drive
Waterford, WI 53185

Hearing Held

December 12, 1986
Madison, Wisconsin

Appearances

For the Employer

MULCAHY & WHERRY, S.C.
By John T. Coughlin, Esq.
131 West Wilson Street
Suite 202
P.O. Box 1110
Madison, WI 53701-1110

For the Union

WISCONSIN COUNCIL 40, AFL-CIO
By Darold Lowe
Staff Representative
3 Odana Court
Madison, WI 53719

BACKGROUND OF THE CASE

This is an interest arbitration proceeding between Dane County and Local Union 2634 of the Dane County Social Workers, AFSCME, AFL-CIO, with the matter in dispute the wages increase to be applicable in the bargaining unit for 1987.

The parties are currently operating under a two year labor agreement covering calendar years 1986 and 1987, which agreement provides for a wage reopener for 1987, with a contingent provision for final offer arbitration of 1987 wages, in the event that the parties prove unable to reach a negotiated agreement. Preliminary negotiations between the parties failed to result in a settlement, as a consequence of which a panel of arbitrators was requested from the Wisconsin Employment Relations Commission, from which the parties selected the undersigned to hear and decide the matter.

A hearing took place in Madison, Wisconsin on Friday, December 12, 1986, at which time all parties received a full opportunity to present evidence and argument in support of their respective positions, and each closed with the submission of an expedited post-hearing brief.

Although Article XX, Section (a) of the agreement provides for a hearing to be held prior to December 1, 1986, and for a decision and award to be rendered prior to December 31, 1986, the parties agreed to the December 12 hearing, and to a decision and award deadline of January 7, 1987.

After the submission of its post-hearing brief, but before the decision and award deadline, the Union submitted for acceptance into the record, the settlement reached between the Dane County Council of Unions and Dane County; this settlement took the form of an arbitrator's decision, in which Arbitrator Gil Vernon selected the 4% final 1987 wage offer of the Union over the 2½% final offer of the County. The Union cited Section 111.70(4)(cm)(7)(g) of the Wisconsin Statutes as authority for the acceptance of the material into the record by the Arbitrator.

The Final Offers of the Parties

The final offer of the County consists of the following:

"1. Wage rates in Appendix A (salary schedule) shall be increased two and one-half (2½) percent across the board effective December 21, 1986."

The final offer of the Union consists of the following:

"1. All wage rates in the Salary Schedule shall be increased by four percent (4%) effective December 21, 1986."

The Contract Language

Article XX is entitled Term - Separability, and provides in part as follows:

"(a) Wage Reopener. The parties agree to reopen this agreement for wage rates in Appendix A and Appendix B for 1987, subject to the following:

1. The parties agree to meet and exchange initial wage proposals prior to September 15, 1986. The parties agree to meet in good faith collective bargaining in attempt to reach a voluntary settlement on the wage reopener prior to October 15, 1986. If the parties are unable to reach an agreement by October 15, 1986, the parties shall request the W.E.R.C. to submit a panel of five (5) arbitrators, from which the parties shall strike names until one remains who shall be the arbitrator. The first to strike a name shall be determined by a flip of a coin.

2. The arbitrator shall be required to hold a hearing prior to December 1, 1986, and shall be required to make a written decision pursuant to Wisconsin Statutes 111.70(4)(cm)(7) prior to December 31, 1986."

The Statutory Language

Section 111.70(4)(cm)(7) of the Wisconsin Statutes provides in part as follows:

- "7. 'Factors considered.' In making any decision under the arbitration procedures authorized by this subsection, the mediator-arbitrator shall give weight to the following factors:
- (a) The lawful authority of the municipal employer.
 - (b) The 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 in 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, holiday 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."

POSITION OF THE UNION

In support of its request for the adoption of its final offer, the Union emphasized the following principal arguments.

- (1) That the Union's final offer for 1987 wages more closely conforms to the only other settlement already reached in Dane County, the Deputies' Unit, which settlement reflected an approximate 3.3% increase for 1987.
 - (a) That the Deputies agreed to a reduction in workweek from 38.75 to 37.5 hours, with retention of 1986 earnings. That this 3.3% reduction in hours is equivalent to a 3.3% increase in wages.
 - (b) That the County and the Deputies also agreed to the hiring of seven additional unit employees, to maintain the prior level of services. That this represents an increase of 3.75% in the size of the bargaining unit.
 - (c) That when the County settled with the Deputies, it was aware that the cost of the settlement was in excess of the 2.5% offer that is pending within this bargaining unit.
 - (d) That the Union's final offer more closely conforms to the settlement with the Deputies, and if the County offer were accepted, a "catch up" would be required in the future, which might be difficult to accomplish without the need for additional arbitration.

As referenced above, on a post hearing basis, the Union also submitted and relied upon the decision of Arbitrator Vernon, in his selection of the 4% wage increase offer of the Union versus the County's 2½% final offer, in 1987 wage reopener negotiations between the Dane County Council of Unions and Dane County.

- (2) That the Union's final offer more closely conforms with the settlement patterns among other comparable units situated in Dane County.
 - (a) In accordance with one prior med-arb decision, that the most persuasive wage comparisons for the bargaining unit, should be with other similar units of public employees in Dane County.
 - (b) In accordance with another med-arb decision, that the most persuasive comparisons are to be made with Madison area governmental units, because of the area job market.
 - (c) That City of Madison, State of Wisconsin and Madison Schools bargaining unit wage increases for 1987, averaged 4.66%.
 - (d) That consideration of Dane County comparisons indicates that the Union's rather than the Employer's final offer is more reasonable. That the Union's final offer would be 0.66% lower than the average settlements with comparable public sector employees in Dane County, while the adoption of the final offer of the County would disadvantage those in the bargaining unit by an average of 2.16%.
- (3) That Dane County's Pay Equity Plan shows that social workers within the bargaining unit will have their wage rates eroded if the County's offer is selected in these proceedings. That wages for the Social Worker and the Senior Social Worker Classifications were significantly below the predicted wage rates in 1986, and that adoption of the Union's final offer would begin to close the differential between actual and predicted wage rates.
- (4) If the County's wage offer is selected, that there could be substantial erosion between the wage rates in the bargaining unit, versus those paid by the City of Madison and the Madison School District; that these employers agreed to 4% increases for 1986 and 1987, while the County is offering a 2.5% increase in 1987 added to a 3.3% increase in 1986, for a total of only 5.8% over the two year period.
- (5) That in 1984, mediator arbitrators were determining that Dane County employees should be compared with other public sector employees in the County; that the same rationale should hold true in 1987, and that those in the bargaining unit should be treated in a manner similar to State, City of Madison and Madison Board of Education employees. That with recognition of the persuasive value of these comparables, the Union offer is the more reasonable, and is better supported by the criteria listed in Section 111.70 of the Wisconsin Statutes.

POSITION OF THE EMPLOYER

In support of its request for the adoption of its final offer, the County emphasized the following principal arguments.

- (1) That the primary comparisons for use in these proceedings should consist of other social service bargaining units which are contiguous to Dane County, other public sector social workers located within Dane County, and within other populous counties in the state, with the exception of Milwaukee County.
- (2) In determining appropriate comparables, the Employer attaches significant weight to the primary comparisons utilized by Arbitrator Briggs in a decision involving the same parties, and dated January 31, 1985, a copy of which was entered into the record as Union Exhibit #7. It submitted that these comparisons consisted of Green, Rock, Jefferson, Dodge, Columbia, Sauk and Iowa Counties, the State of Wisconsin and other Dane County employee groups.

- (3) That Union use of comparables limited to the seven largest counties in the state, including Milwaukee County, is not statistically valid for a variety of reasons. That Milwaukee County has not been utilized in the past by the parties, and that recent Kenosha and Racine comparisons are misleading, in that they involve cost-of-living buyouts.
- (4) That the current level of wages for those in the bargaining unit in Dane County is fully competitive with the employees in those counties which should comprise the primary comparison group. That those in the bargaining unit compare very well when comparisons are made on a rank order of base rates basis, when the high Dane County longevity payments are factored into the analysis, and/or when average wage comparisons are utilized.
- (5) That all of the basic benefits earned by those in the bargaining unit must be factored into determining the comparable position of those in the bargaining unit. That when comparisons are made including maximum wage rates, longevity based upon ten years of service, family health and dental insurance premium payments, employer and employee retirement payments, vacation allotment for a ten year employee, and annual holiday and sick leave allotments, it is apparent that those in the bargaining unit in Dane County enjoy higher average total compensation than those comprising the primary comparables, and/or that they exceed the average compensation enjoyed by all comparables.
- (6) That the very advantageous position of those in the bargaining unit in Dane County will not be eroded by adoption of the County's final offer, which is closer to the average increase than the Union's final offer. Due to the fact that Dane County already pays significantly higher wages for social workers than comparable employers, that a comparison of 1987 percentage increases is not appropriate; that such a percentage comparison would distort the picture, since other municipal employers are, in effect, catching up to Dane County.

Further, that all but one of the comparable 1987 settlement figures were the result of multiple year agreements, which were negotiated in early 1986. That their value from a comparison standpoint is questionable, due to the fact that they were negotiated without full knowledge of the impact of cuts in state aid and federal revenue sharing; that 1987 settlements will probably be lower, when the significance of these factors is fully considered by negotiators.

- (7) That an analysis of the 1986 full value tax rates in the various comparable counties favors the adoption of the final offer of the County. That Dane County already ranks first among comparable counties, in terms of the equalized tax rate per \$1000 of valuation; indeed, that the Dane County figures are 13.4% higher than the average, or \$3.22 per \$1,000!
 - (a) That with constriction of revenue from state and federal sources, the tax levy must support an even greater portion of future county expenses.
 - (b) That the problem of the increasing tax levy is exacerbated by the recent decline in the equalized value in rural areas of the County.
 - (c) Since declining property values in rural areas are not unique to Dane County, that it is reasonable to infer that future settlements within comparable public employment, will reflect the shrinkage in revenue sources, and increasing reliance upon property taxes. Accordingly, that the 2.5% increase proposed by the County is both above average, and generous.
- (8) That those in the bargaining unit will not suffer in comparison with other private sector employers in the County. That the largest private sector employer in the County, Oscar Mayer, recently negotiated a three year renewal labor agreement, with increases of 2.5% the first year, 2.4% the second year and 1.9% the third year.

- (9) That the competitive nature of the wages currently paid in the bargaining unit is reflected in the very large number of qualified applicants for recently available positions.

That the ease of recruiting within the County reflects the fact that the overall level of fringe benefits received by those in the unit are unmatched by other employers in Wisconsin. Among comparable counties employing social workers, that seven do not offer dental insurance, that Dane County longevity is superior to that offered elsewhere, that holiday pay benefits in the County were improved in 1986, and are far above average.

- (10) That the County offer exceeds increases in the cost of living.
- (a) Historically, that those in the bargaining unit have enjoyed past earnings increases in excess of increases in the cost of living.
 - (b) That the Employer's final offer would entail a 2.5% across-the-board increase, plus 1.3% for step and longevity increases, for a total of 3.8%; that the Union's final offer would entail an across-the-board increase of 4%, with an additional 1.3% in step and longevity increases, for a total of 5.8%. That current increases in cost of living at the rate of 1.2% to 1.5% per year, are far closer to the County's than to the Union's final offer.
- (11) That the single 1987 settlement within Dane County supports the adoption of the Employer's, rather than the Union's final offer.
- (a) That the Dane County Law Enforcement Officer's Association settled for a wage freeze for the 1987 contract year.
 - (b) That while there was a reduction in the 1987 workweek for law officers, there were other take-backs reflected in the new agreement. In the latter connection, that the maximum educational incentive pay was reduced from 22% to 15% for new employees, and that two incremental step increases were eliminated for new employees.
 - (c) That the law officers conceded to certain reductions in benefits and to a wage freeze, in exchange for an alteration in their work week; accordingly, that this settlement cannot appropriately be characterized as supporting the Union's final offer.

In summary, that Dane County social workers receive wages which are significantly above the average paid by comparable employers, that the 1987 increase offered by the County is closer to the average of settled contracts than is the Union's final offer, that 1987 settlement figures have largely resulted from multi-year contracts which have failed to address the shrinking state and federal revenues and the increasing burden upon the property taxpayer, that the County's final offer is justified by cost-of-living considerations, that the only other Dane County settlement entails a wage freeze for 1987, and that the overall lucrative benefit level in Dane County, and its already high wages, are sufficient to meet current labor market conditions.

FINDINGS AND CONCLUSIONS

Although all of the various criteria referenced in Section 111.70 (4)(cm)(7) of the Wisconsin Statutes are subject to arbitral consideration in these proceedings, either or both of the parties addressed particular attention to the following factors:

- (1) The interests and welfare of the public and the ability to pay considerations as specified in sub-paragraph (c).
- (2) The comparison criterion as provided for in sub-paragraph (d).

- (3) Cost of living considerations as referenced in sub-paragraph (e).
- (4) The overall level of compensation presently received by those in the bargaining unit, pursuant to sub-paragraph (f).
- (5) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings, in accordance with sub-paragraph (g)
- (6) Local economic considerations, particularly within the agricultural section of the county, and changes in the availability of state and federal funding for county programs, in accordance with the general criteria described in sub-paragraph (h).

The Comparison Criterion

Although the legislature did not indicate a priority of relative importance as among the statutory criteria, the most persuasive and the most widely relied upon criterion in interest disputes is comparables. This point has been frequently cited by Wisconsin neutrals, and is also well described in the following extract from the book by Elkouri and Elkouri: 1./

"Without question the most extensively used standard in interest arbitration is 'prevailing practice.' This standard is applied, with varying degrees of emphasis, in most interest cases. In a sense, when this standard is applied the result is that disputants indirectly adopt the end results of the successful collective bargaining of other parties similarly situated. The arbitrator is the agent through whom the outside bargain is indirectly adopted by the parties."

Irving Bernstein in his venerable book on wages arbitration makes the same points, and expands upon the rationale as follows: 2./

"Comparisons are preeminent in wage determination because all parties at interest derive benefit from them. To the worker they permit a decision on the adequacy of his income. He feels no discrimination if he stays abreast of other workers in his industry, his locality, his neighborhood. They are vital to the Union because they provide guidance to its officials upon what must be insisted upon and a yardstick for measuring their bargaining skill. In the presence of internal factionalism or rival unionism, the power of comparison is enhanced. The employer is drawn to them because they assure him that competitors will not gain a wage-cost advantage and that he will be able to recruit in the local labor market. Small firms (and unions) profit administratively by accepting a ready-made solution; they avoid the expenditure of time and money needed for working out one themselves. Arbitrators benefit no loss from comparisons. They have the appeal of precedent and awards based thereon are apt to satisfy the normal expectations of the parties and to appear just to the public."

Merely identification of the comparison criterion as the most extensively used and the most persuasive of the various criteria, however, does not solve the basic question of which employers and groups of employees furnish the most persuasive comparisons. The parties to the dispute at hand differed sharply with respect to which comparisons should be primarily relied upon by the undersigned.

- (1) The Employer urges that primary consideration be addressed to an intra-industry comparison, in the form of comparison of wages paid to social workers in Dane County, versus those paid by the State of Wisconsin and five contiguous counties (Columbia, Dodge, Iowa, Jefferson and Rock). It urges that the wages and benefits paid those in the bargaining unit are relatively high, and that the comparisons support the adoption of the County's offer versus that of the Union.

The execution of the parity principle to those situations to which it is applicable is beset with difficulties. There are also several worker oriented difficulties; differences in the content of jobs, in the method of wage payment, in the regularity of employment, and in fringe benefits. In resolving these problems, arbitrators rely most heavily upon wage history. If the parties have in the past instituted wage change in the same amount and at the same time as the base unit, neutrals are reluctant to disrupt the tandem. Faced with opposite factors, they tend to reach the reverse conclusion."

On the basis of the above, it is clear that the parties have not historically tied their negotiations to the intra-industry group represented by the Employer to be the primary comparison group; rather, they have consistently negotiated rates considerably above those prevailing outside the Madison area. Despite the normal persuasive value of intra-industry comparisons, in the absence of very persuasive evidence, arbitrators are extremely reluctant to disturb historic negotiated relationships. An examination of the record in these proceedings indicates rather clearly that the parties have historically tied their negotiations to settlements among Madison area governmental employers, and that they have also been quite consistent in the intra-employer settlements within the various bargaining units within Dane County.

The Madison Area Governmental Employment Labor Market

The degree to which the parties have utilized the Madison area governmental labor market is apparent from several elements in the record, including historical wage data and certain elements of the parties' arbitral history.

When Employer Exhibits #12 and #35 are examined, a relatively clear picture of the parties' recent bargaining history emerges. Although all three Dane County public employers have not moved in exact tandem in adjusting wages, past increases have closely approximated one another.

- (1) Between 1983 and 1986, inclusive, the City of Madison increased bargaining unit wages 15%, and they added an additional 4% in 1987.
- (2) Between 1983 and 1986, inclusive, the State of Wisconsin increased bargaining unit wages by 16.84%, and they added an additional 6% in 1987.
- (3) Between 1983 and 1986, inclusive, the County of Dane increased bargaining unit wages by an approximate 16.5%, to which would be added either a 2.5% or a 4% increase for 1987.

On the basis of the above, it is quite clear that from the perspective of the Madison area governmental employer labor market, the adoption of the Employer's final offer would result in a relative erosion of earnings for those in the bargaining unit, versus the earnings of employees of the City of Madison and the State of Wisconsin.

At this juncture, it must be recognized that three previous arbitrators in the handling of interest disputes between Dane County and Unions representing one of the bargaining units, placed significant reliance upon the use of the Madison area governmental employment labor market comparisons.

- (1) On July 30, 1984, Arbitrator Frank Ziedler rendered a decision and award in an interest dispute between Dane County and the Dane County Joint Council of Unions; a copy of this decision was accepted into the record as Union Exhibit #9. The Arbitrator, when faced with conflicting arguments from the parties as to which employees should constitute the primary comparables, indicated in part as follows: 4./

"The question then is to which groups of governmental agencies there are to make a primary comparison. The arbitrator believes that in this case the primary comparisons are to be made to Madison area governmental units because of an area job market unlike, say, a teachers' market. This analysis yields the following data for nearly the same period. (1984):

City of Madison	1.9%
State of Wisconsin	1.92%
Madison MSD	2.54%
Dane County	
Employer	1.0%
Union	2.23%

From the above information the arbitrator concludes that the Union offers for base wages is more comparable to the averages of the known settlements for base wages by most comparable governments."

- (2) On October 24, 1984, Arbitrator Stanley Michelstetter rendered a decision and award in an interest dispute between Dane County and Local 65 of WCCM, AFSCME, and a copy of this decision and award was entered into the record as Union Exhibit #8. In addressing the matter of which employers constituted the primary comparables, the Arbitrator indicated in part as follows: 5./

"The evidence of external comparisons demonstrates that few close comparisons exist. In each logical grouping, wide disparities exist, probably relating to factors for which numerical adjustments cannot be made.

Given Dane County's demonstrated independent labor market the strongest comparison is to wage increases received by similar units of public employees in Dane County."

- (3) On January 31, 1985, Arbitrator Steven Briggs rendered a decision and award in an interest dispute between Dane County and Local 2634, and a copy of this decision and award was entered into the record as Union Exhibit #7. Arbitrator Briggs utilized the traditional intra-industry approach, opining that other public sector social workers in Dane County and in contiguous counties comprised the primary comparables. He also, however, recognized the historic pattern among the seven represented bargaining units in Dane County, and he recognized the relationship between City of Madison and State of Wisconsin bargaining units in Dane County. 6./

"The record reveals a historical wage pattern (at least since 1982) across Dane County's seven represented bargaining units. The 1982 increase in each was 8.0%; in 1982 it was 7.5%. At the time of this writing two of the units have not settled on the 1984 increases; the 1984 increase in two other is 1.0%. An in the three remaining units the 1984 wage increase has been determined through the arbitration process to be 1.4%. Thus, the internal comparables are supportive of the County's 1.2% wage offer in the instant case.

The 1984 wage increases for the seven City of Madison bargaining units (1.0%) and for the six state of Wisconsin units (0%) also illuminate the competitive character of the County's wage proposal."

On the basis of the above, the Impartial Arbitrator has preliminarily concluded that the Madison area governmental employer labor market should continue to be weighed heavily in the determination of wages for those in the bargaining unit. When the 1987 wage settlements for City of Madison and State of Wisconsin employees are compared with the final offer of the parties to this proceeding, the adoption of the 4% final offer of the Union rather than the 2.5% final offer of the Employer is clearly indicated.

The Intra Employer Comparables

The record in this proceeding indicates rather clearly that there has been a high degree of historical correlation between the wage settlements between Dane County and all of its bargaining units. An examination of Employer Exhibit #12, for example, indicates as follows:

- (1) All seven units received 7.5% increases in 1983.
- (2) All seven units received between 1.0% and 1.7% increases in 1984, with the social workers receiving 1.2%.
- (3) All units received 4.5% increases in 1985, with the exception of a 4.95% arbitration award within the attorneys' unit.
- (4) All units received 3.5% increases in 1986, with the social workers accepting 3.3% due to an offsetting vacation improvement.

At this writing, the County has reached agreement for 1987, within two of the Dane County bargaining units.

- (1) During the pendency of these proceedings, Arbitrator Vernon rendered a decision and award in the 1987 wage reopener impasse between Dane County and the Dane County Joint Council of Unions, and a copy of the award was submitted by the Union on December 31, 1986. Rather clearly, the Union's post-hearing submission of the decision in the arbitration was appropriate under Section 111.70(4)(cm)(7)(g) of the Wisconsin Statutes.

In his decision, Arbitrator Vernon adopted the final offer of the Union for a 4% 1987 wage increase, rather than the 2.5% offer of the Employer. Accordingly, consideration of the settlement as part of the intra-employer comparison criterion strongly favors the adoption of the final offer of the Union in these proceedings.

- (2) In the Deputies' bargaining unit, a negotiated settlement with a 0% wage increase for 1987, is referenced in Employer Exhibit #12. There is no dispute, however, that the renewal agreement involved substantial give and take bargaining, and each party argued that it supported the adoption of its final offer in this proceeding.

While the normal weekly earnings of the deputies are agreed to remain the same for 1987, those in the bargaining unit gained a 3.3% reduction in the number of weekly hours worked. When there is a reduction in the number of hours of work without a reduction in pay, it appears to be comparable to an equivalent percentage increase in wages. As noted by the Union, the Employer also agreed to hire several additional employees, to offset the reduction in regularly scheduled working hours.

The Employer cited certain reductions in maximum educational incentive pay, the elimination of two incremental step increases for new employees, and referenced other changes. It urged that the settlement could not appropriately be characterized as supporting the final offer of the Union, but it failed to provide sufficient costing data, upon which the Arbitrator could base a conclusion that the settlement was closer to the County's 2.5% offer than to the Union's 4% offer.

Although the record is not completely clear, the Impartial Arbitrator has preliminarily concluded that the negotiated settlement in the Deputies' bargaining unit somewhat favors the adoption of the final offer of the Union.

On the basis of all of the above, the Impartial Arbitrator has preliminarily concluded that the two most persuasive comparisons in the case at hand consist of Madison area governmental employer labor market comparisons, and intra-employer comparisons. Each of these comparisons rather clearly favors the selection of the final offer of the Union rather than that of the Employer.

While intra-industry comparisons, as embodied in the social worker comparisons in contiguous counties emphasized by the Employer, are normally accorded considerable weight in interest proceedings, they are entitled to relatively less weight in these proceedings due to the parties' negotiations history and wage history.

The Overall Level of Benefits Criterion

The Employer emphasized the high level of benefits currently received by those in the bargaining unit, and it cited the lack of certain types of benefits such as dental insurance, in many of the units which it regarded as primary comparables. It urged consideration of the overall level of wages and benefits criterion in support of its argument for the adoption of its 2.5% wage offer for 1987.

The overall level of benefits is one of the statutory criteria in Wisconsin, and it is normally used to allow arbitrators to avoid focusing upon isolated or singular comparisons, in favor of the alternative of looking to overall compensation. There is no comprehensive comparison in the record, however, of the overall levels of wages and benefits within the various units used for comparison purposes and, in any event, the criterion cannot appropriately be used to justify arbitral retreat from previous level of wages and benefits historically negotiated by the parties.

On the basis of the entire record, the Impartial Arbitrator is unable to assign significant weight in these proceedings, to the overall level of compensation criterion.

The Interests and Welfare of the Public Criterion

The interests and welfare of the public, including ability to pay considerations, are specifically referenced as an arbitral criterion in Section 111.70, and this consideration was addressed by the Employer in its arguments relating to the current tax rates in the County, prospective losses in state and federal revenue sharing, the recent decline in value of agricultural property, and the increasing burden upon the property tax payer. The County is quite correct that local economic conditions should be considered by interest arbitrators in Wisconsin, and such economic considerations should be given conclusive effect when they involve an absolute inability to pay.

The Employer arguments relating to declining state and federal monies, and to the increasing burden upon the property taxpayer are persuasive indeed! It also cannot be denied that Dane County taxpayers have made a substantial property tax commitment; as emphasized by the Employer, the property tax rates within the County are undoubtedly higher than in various comparable counties. There is no inability to pay in Dane County at the present time, however, and high relative taxes cannot be regarded as an appropriate justification for failing to meet competitive standards in wages and benefits as between the County, the State of Wisconsin, the City of Madison and the Madison School District. Additionally, the renewal agreements between Dane County, the Deputies, and the Joint Council of Unions, cannot be disregarded when selecting the more appropriate of the two final offers in these proceedings.

On the basis of the entire record, the Employer's arguments relating to the interests and welfare of the public and the ability to pay criterion, cannot be assigned determinative weight in these proceedings.

Cost of Living Considerations

Another of the specific arbitral criterion of Section 111.70 is cost of living. The Employer cited historical data indicating that the parties had normally exceeded cost of living increases in their past negotiated wage increases, and it submitted that the County's 2.5% proposed 1987 wage increase was in excess of the projected 1.2% to 1.5% increase in living costs for 1987.

While the historical data submitted by the Employer which related to time periods covered by past agreements, cannot be regarded as bearing significantly upon the arbitral selection of the more appropriate 1987 final wage offer, it is clear that both offers exceed reasonably anticipated increases in living costs for 1987. Accordingly, consideration of the cost of living criterion supports the selection of the Employer's rather than the Union's final offer.

Miscellaneous Remaining Considerations

What next of the Employer urged comparisons with the recent three year labor agreement between the Oscar Mayer Company and the United Food and Commercial Workers Union? The Employer emphasized that the Company was the County's largest private employer, and cited its three years of deferred increases of 2.5%, 2.4% and 1.9%. While Section 111.70 specifically provides for arbitral consideration of private sector comparisons, the undersigned has determined that the settlement is entitled to only a minimum of consideration in these proceedings. The evidence in the record is not comprehensive, the employees subject to the agreement were blue collar, production employees, and the involved industry has recently been beset with highly unusual economic difficulties.

It is true as argued by the County, that certain of the 1987 wage data used for comparison purposes, resulted from earlier negotiations on multiple year contracts. The Employer's arguments that these settlements are too high by current standards, however, is speculative, and is entitled to minimum weight in these proceedings.

Similarly, the Employer proffered evidence that it had received an abundance of applicants for various job openings, cannot be regarded as persuasive evidence of the adequacy of wage rates for the job openings. The testimony offered at the hearing was quite general, and it simply cannot be assigned significant weight in these proceedings.

Finally, the Arbitrator can assign little or no weight to the testimony relating to the Dane County Pay Equity Plan, which entailed an apparent evaluation of pay adequacy for many of the jobs contained in the bargaining unit. The testimony relating to the methodology and the results, was simply too general to be assigned significant weight in these proceedings.

Summary of Preliminary Conclusions

As addressed in greater detail above, the Impartial Arbitrator has reached the following summarized, preliminary conclusions.

- (1) The comparison criterion is the most persuasive and the most widely relied upon criterion in Wisconsin interest proceedings.
- (2) The two most important comparisons in the case at hand consist of Madison area governmental employer labor market comparisons, and intra-employer comparisons with other Dane County settlements. Consideration of these comparisons strongly and clearly favors the adoption of the Union's final offer.

While the intra-industry comparisons with contiguous counties favor the adoption of the Employer's final offer, these comparisons are entitled to relatively less weight than the comparisons referenced above.

- (3) The overall level of benefits criterion cannot be assigned determinative weight in these proceedings.
- (4) The interests and welfare of the public and the ability to pay criteria cannot be assigned determinative weight in these proceedings.
- (5) Cost of living considerations favor the selection of the final offer of the County.
- (6) A careful consideration of all of the remaining statutory criteria, including the various miscellaneous considerations argued by the parties, shows that none can be assigned determinative weight in these proceedings.

Selection of Final Offer

After a careful consideration of the entire record before me, and following a careful consideration of all of the statutory criteria, the Arbitrator has determined that the final offer of the Union is the more appropriate of the two final offers. This selection is rather clearly indicated by arbitral consideration of the comparison criterion.

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- 1./ How Arbitration Works, Bureau of National Affairs, Fourth Edition, 1985, page 804.
 - 2./ The Arbitration of Wages, University of California Press, 1954, page 54.
 - 3./ Ibid, pages 66, 108.
 - 4./ Union Exhibit #9, page 6.
 - 5./ Union Exhibit #8, page 8.
 - 6./ Union Exhibit #7, pages 5-6.

AWARD

Based upon a careful consideration of all of the evidence and argument, and all of the various arbitral criteria provided in Section 111.70 of the Wisconsin Statutes, it is the decision of the Impartial Arbitrator that:

- (1) The final offer of the Union is the more appropriate of the two offers before the Arbitrator.
- (2) Accordingly, the Union's final offer for 1987 wages, hereby incorporated by reference into this award, is ordered implemented by the parties.

/s/ WILLIAM W. PETRIE

WILLIAM W. PETRIE
Impartial Arbitrator

January 7, 1987