ARBITRATION OPINION AND AWARD

In the Matter of Arbitration

Between

DOOR COUNTY

And

DOOR COUNTY AMBULANCE SERVICE EMPLOYEES, LOCAL UNION 1658, AFSCME, AFL-CIO

WERC Case 62
No. 40392
INT/ARB-4872
Decision No. 25429-A

Impartial Arbitrator

William W. Petrie
1214 Kirkwood Drive
Waterford, WI 53185

Hearing Held

August 31, 1988
Sturgeon Bay, Wisconsin

Appearances

For the Employer

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For the Union

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BACKGROUND OF THE CASE

This is a statutory interest arbitration proceeding between Door County and the Door County Ambulance Service Employees Union, Local 1658, AFSCME, AFL-CIO, with the matter in dispute the terms of the parties' renewal labor agreement covering January 1, 1988, through December 31, 1989. The single impasse item consists of the wages to be paid those in the bargaining unit during the term of the renewal agreement, with the County proposing the continuation of the preexisting wages during the term of the agreement, and the Union proposing a 3% wage increase effective May 1, 1989.

The parties exchanged bargaining proposals and met with one another in an attempt to arrive at a negotiated settlement, after which the Union on March 24, 1988, filed a petition with the Wisconsin Employment Relations Commission requesting arbitration of the impasse in accordance with the Municipal Employment Relations Act. After preliminary investigation by a member of its staff, the Commission on May 10, 1988, issued certain findings of fact, conclusions of law, certification of the results of investigation, and an order requiring arbitration. On May 19, 1988, the Commission issued an order appointing the undersigned to hear and decide the matter as arbitrator.

A hearing took place in Sturgeon Bay, Wisconsin on August 31, 1988, immediately after the conclusion of a prior interest arbitration hearing between Door County and Door County Courthouse Employees, Local Union 1658, AFSCME, AFL-CIO. All parties received a full opportunity at the hearing to present evidence and argument in support of their respective positions, and to facilitate matters it was agreed that the testimony, the exhibits, and the stipulations from the first hearing would be part of the record in these proceedings. Each of the parties submitted post-hearing briefs and reply briefs, the last of which were received and distributed by the undersigned on November 22, 1988. During the course of the post-hearing proceedings, certain additional interest arbitration awards were submitted by the parties, and accepted into the record in accordance with Section 111.70 (4)(cm)(7)(i) of the Wisconsin Statutes.

THE FINAL OFFERS OF THE PARTIES

The final offers of the parties are hereby incorporated by reference into this decision and award. They differ in material part only to the extent that the Employer is proposing continuation of the preexisting wages during the

two year term of the renewal agreement, while the Union is proposing the 3% wage increase to be effective May 1, 1989.

THE ARBITRAL CRITERIA

Section 111.70 (4)(cm)(7) of the Wisconsin Statutes directs the Arbitrator to give weight to the following described arbitral criteria:

"a. The lawful authority of the municipal employer.
b. Stipulations of the parties.
c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services.
e. 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 generally in public employment in the same community and in comparable communities.
f. 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 in private employment in the same community and in comparable communities.
g. The average consumer prices for goods and services, commonly known as the cost-of-living.
h. The overall compensation presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
j. 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 EMPLOYER

In support of its contention that the final offer of the Employer is the more appropriate of the two offers, the County submitted arguments that were similar or identical to many that were submitted by it in connection with the earlier interest arbitration proceedings between the County and the Door County Courthouse Employees. The County argued principally as follows:

(1) That Door County is a unique and an independent economic center which defies traditional comparability analysis. After expanding upon this argument in the same manner as the referenced prior proceedings, it submitted that the external comparison criterion should not be used herein, or that it should not receive the weight normally placed upon it in interest arbitration proceedings.

(2) That internal comparables should be most persuasive, in the application of the statutory comparison criterion in these proceedings.

(a) That internal comparisons should take place between the five bargaining units in the County: Ambulance Service; Courthouse; Highway Department; Social Services; and Sheriff's Department. That all but one of these bargaining units are represented by AFSCME Local 1658.

(b) That Door County Paramedics have received the same salary increases negotiated by the parties for the other bargaining units during calendar years 1985, 1986 and 1987; that the only exception to this pattern was the increase within the Sheriff's Department in 1986, which was attributable to a tradeoff for significant changes in insurance coverage and deductibles.

(3) That the County's wage proposal is inherently more reasonable for the contract years here in dispute, and that the essential purpose of these proceedings is to determine which final offer is closer to where the parties would have settled had they been able to do so.

(a) That the paramedics will receive two year salary increases totalling 27.5% under the

County's offer, resulting from a significant cut in their annual work hours without any cut in their take home pay; given these facts, that there is simply no justification for the Union's proposal to increase existing wages by an additional 3%.

(b) That various additional arguments expanded upon by the County in the referenced prior interest arbitration, have equal application in these proceedings.

(4) That consideration of the interests and welfare of the public criterion favors the selection of the final offer of the County. In this connection, it restated and expanded upon the arguments advanced by it in the referenced prior interest arbitration proceedings.

(5) That a review of private sector settlements supports the selection of the County's final offer. In this connection, it restated and expanded upon the arguments advanced by it in the referenced prior interest arbitration proceedings.

(6) That the selection of the County's offer is indicated by arbitral consideration of past wage gains of the Door County Paramedics compared to changes in cost-of-living. In this connection, it relied basically upon arguments similar to those advanced by it in the referenced prior interest arbitration proceedings.

In its reply brief, the Employer expanded upon and added to its previous arguments as follows:

(1) That the case boils down to the question of whether Door County Paramedics should receive the 13.4% salary increase provided under the County's final offer for 1989, or the 15.7% increase for 1989 and a .91% spillover into 1990, as proposed by the Union.

(a) That paramedics at both the central office in Sturgeon Bay and the north office in Sister Bay have traditionally worked a 3-3 work cycle, which represented 4,380 hours of "on duty" time; that the schedule required them to be at their stations for six hours per day, and they were to be "on call" within a five minute response time to the station for the remaining eighteen hours.

(b) Effective July 1, 1988, that the five paramedics at the central office commenced work under the "California Plan," resulting in a reduction of 1,460 hours.

(c) That the north station schedule was agreed to be a 2-3 cycle from May 1 through October 31, and a 3-3 cycle from November 1 through April 30; that this revised work schedule has resulted in a reduction of 438 hours.

(d) That the reduction in work hours which the parties have negotiated, has led to a corresponding increase in the average 1988 paramedic wage rate of 14.1%, an increase from $4.97 to $5.67. When the new schedule is fully implemented in 1989, the average rate will further increase by 13.4% to $6.43. Accordingly, that Door County paramedics will receive a two year salary increase of 27.5% under the County's final offer.

(e) That the Union has offered no persuasive justification for its proposal to increase existing wage rates by an additional 3%.

(2) That its arguments relating to the economic environment in Door County, in connection with the interests and welfare of the public criterion were well supported by evidence in the record.

(3) That the record does not support any claim that Bay Ship and Door County have worked together to "manufacture" wage and salary data to "ambush" the Union in these proceedings.

(a) That the Union specifically requested and received detailed information from Bay Ship regarding Company layoffs and its future prospects for economic survival.

(b) That the Union has had access to the post-hearing briefs presented on behalf of the School District of Sevastopol during recent proceedings, and has had access to the exhibits introduced by the City of Sturgeon Bay and Door County in each and every arbitration case held prior to this matter.

(c) That the Union simply cannot hide from the depressed state of the shipbuilding industry,

followed by the recent collapse of Bay Ship, which has resulted in the need for permanent restructuring of the County's economic base.

(4) That certain of the arguments advanced by the Union in connection with the fiscal condition of Door County are not persuasive; that various interest arbitration awards support the County's arguments based upon the local economy.

(5) That recent levels of unemployment in the County support the position of the Employer in these proceedings.

(6) That certain City of Sturgeon Bay settlements, and certain non-union pay raises, are not entitled to the weight urged for them by the Union. That the arbitration decision in City of Sturgeon Bay (City Employees), supports the position of the County in these proceedings.

(7) That the dispute at hand is clearly distinguishable from the County's final offer in the Highway Department negotiations; that the 2% wage increase offered by the County is offset by savings agreed upon in other parts of the agreement.

(8) That the matter at hand is distinguishable from other public settlements urged for comparison purposes by the Union.

(9) That the Union's arguments relative to certain City of Kenosha settlements are not persuasive in these proceedings.

(10) That certain private sector settlements cited by the Union should not be accorded significant weight in these proceedings.

(11) That the Arbitrator should reject the Union's hearsay based objections to certain items of evidence offered at the hearing, which items support the position of the County.

(12) That the Union's argument that the adoption of either offer lags behind increases in the consumer price index is not a valid one; that the Union ignores the fact that the total cost impact of the parties' negotiated settlement for 1988 surpassed the 1987 rate of inflation, and that the County's

final offer for 1989 exceeds inflation by over 10%.

That the parties' 1986-87 settlement provided for increases of 8.36%, which was significantly in excess of increases in the appropriate CPI.

POSITION OF THE UNION

In support of the contention that its offer is the more appropriate of the two final offers before the Arbitrator, the Union argued principally as follows:

(1) That the evidence and the arguments of the Union which were submitted in the Door County Courthouse arbitration were accepted as part of the record in these proceedings, and need not be repeated.

(2) That the cost-of-living and the state of the local economy are no different for Paramedics as compared to Courthouse employees, and there were no external paramedic comparisons offered by either party in these proceedings.

(3) That there are no settlements or employer offers in other Door County bargaining units, which would entail a wage freeze.

(a) That the Union's offer of 3% is very modest, and there are no other roll up or package costs to take into consideration.

(b) That the total cost of the Union proposal for the two year renewal agreement, would be approximately $3,500.

(4) That the change in the working schedule agreed upon by the parties, is not a valid excuse for a two year wage freeze.

(5) That the Union has made every effort to reach a negotiated settlement in this matter.

(a) That it agreed to two separate work schedules for eight employees.

(b) That it deferred any real wage increase for sixteen months into the contract, and only then would the bargaining unit employees enjoy a 3% increase.

(c) That, short of accepting a two year wage freeze, the Union had nothing else to give.

(6) That adoption of the "California Plan" increases on-premises hours by more than 1,800 hours per year per employee.

(a) That Door County has substantially improved the service to the community through implementation of twenty-four hour per day staffing, on every day of the year.

(b) That the change in coverage is made possible by the change from six (6) hours per day on-premises, to twenty-four hours on the premises.

(c) That on-premises hours per year for the central office increased by over nine thousand hours for five employees.

(d) That the schedule change for the north office only results in an annual reduction of 438 on duty hours.

(7) That the Appendix A bi-weekly and hourly rates are based upon forty hour work weeks.

(a) That the contract rates for bi-weekly are accomplished by dividing the annual rate by twenty six day periods.

(b) That the contract rates for hourly are accomplished by dividing the annual rate by 2,080 hours.

(c) That the changes in the work schedule do not increase any of the Appendix "A" wage rates.

In its reply brief, the Union emphasized the following principal arguments:

(1) That much of the material contained in the Union's reply brief filed in the previous Door County Courthouse Employees arbitration, has equal application in these proceedings, and will not be repeated.

(2) That recent decisions rendered in City of Sturgeon Bay interest arbitrations, involving the City

Employees and the City Police, favor the selection of the final offer of the Union in these proceedings.

(3) That the Union's final offer, containing a wage increase in the second year, is favored over the no wage increase offer of the Employer.

(a) Contrary to the arguments of the Employer, that the wage rates included in Appendix A are those before the Arbitrator in these proceedings; that the Employer's final offer provides for no wage increase, and cannot be embellished to reflect a two year salary increase of 27.5% as alleged in its brief.

(b) That the Union has voluntarily foregone any 1988 wage increase, and has postponed a modest 3% increase until May 1, 1989. That the Employer's final offers to its Highway, Courthouse, Social Services and Sheriff's Department employees for 1988 and 1989, support the selection of the final offer of the Union.

(c) That the Employer is not giving anything away with the changes in work schedules which were implemented on May 1, 1988, and July 1, 1988. That the "California Plan" to provide continuous on-premises coverage at the central office was proposed by the Employer, not the Union.

(d) That the Union has accommodated the Employer by agreeing to two separate schedules, within a bargaining unit of only eight employees.

(e) That the Employer's wage approach in this matter is a radical departure from the position taken relative to other Door County employees, as to 1988 and 1989 wage increases for employees.

(f) That the Union's agreement to the Employer's work schedule proposal is predicated upon providing better service to the public, and was in furtherance of the interests and welfare of the public; that the Employees should not be punished by a two year wage freeze, for the Union having gone along with the Employer.

(g) That the Employer arguments about an alleged wage increase, conveniently ignore the fact that the employees received neither a wage increase nor a change in hours on January 1, 1988; rather the changes in schedule were not implemented until July 1, 1988, and May 1, 1988, in the two offices.

(h) Contrary to the arguments of the Employer, there is no issue before this Arbitrator on any alleged "spill-over" into 1990. Rather, that the sole issue is whether Door County Paramedics are deserving of a three percent increase on May 1, 1989, or should their wages be frozen for the entire two year term of the renewal agreement?

(4) While the Union does not subscribe to the Employer's arguments relative to Door County being a unique and independent economic center which defies comparability analysis, it has not offered any external comparisons outside of Door County. Rather, that the Union has emphasized internal comparisons with other Door County bargaining units, and certain other public sector settlements in the County.

(5) Even before any settlements had been reached within the units bargaining with Door County, the County's final offer to the paramedics was the only one proposing a two year freeze. That the Highway Department was offered a 2% increase in each of two years, and the remaining units were offered minimum 2% increases on January 1, 1989; that these final offers support the position of the Union.

(6) Contrary to the arguments advanced by the County, that the only reasonable interpretation of the Employer's final offer is that it is proposing zero percent increases for each of the two years in question.

(7) That the final offer of the Union is favored by consideration of the interests and welfare of the public criterion.

(8) That consideration of the cost-of-living criterion favors the selection of the final offer of the Union.

(9) That consideration of private sector settlements favor the selection of the final offer of the Union, as elaborated upon in the prior Door County Courthouse employees arbitration.

FINDINGS AND CONCLUSIONS

In addressing the relative merits of the positions of the parties, the undersigned will draw heavily upon, and will incorporate by reference, certain sections of the decision rendered on December 30, 1988, in connection with the interest arbitration proceedings between Door County and Door County Courthouse Employees, WERC Case 59, No. 40002, INT/ARB-4746. As referenced earlier, both cases were heard on the same day, the record in the prior proceeding was considered as having equal application to these proceedings, and both parties drew heavily upon their arguments in the prior case, in presenting their positions in this matter.

The final offers of the parties differ on their face, only with respect to whether the previous wage rates should be continued for the duration of the two year renewal agreement, or whether the Union proposed, 3% wage increase should be implemented on May 1, 1989. The major distinguishing factor between the two cases, was the matter of whether the schedule changes agreed upon by the parties, and adopted at the central office and the north office during the course of 1988, constituted a substantial wage increase. During the course of the predecessor agreement, both offices were served on the basis of a 3-3 on duty schedule for bargaining unit paramedics, with six hours required on the premises during each twenty-four hour duty period. The language in the prior agreement provided as follows:

"ARTICLE XVII - WORK DAY AND WORK WEEK

The Ambulance personnel regularly established work day shall start at 6:30 a.m. and this starting time shall be recognized as the beginning of a twenty-four (24) hour day.

The regular work shift shall consist of a maximum of seventy-two (72) hours on duty with a minimum of seventy-two (72) hours off duty. The normal work week shall consist of ninety-six hours.

On premise time during the work period shall be six (6) hours in every twenty-four (24) hour period as determined by the Ambulance Director."

The language agreed upon by the parties for the renewal agreement provides as follows:

"ARTICLE XVII - WORK DAY AND WORK WEEK

CENTRAL OFFICE Effective July 1, 1988, Cental Office personnel shall work the California Plan (one day on, one day off, one day on, one day off, one day on, four days off). The Central Office Personnel regularly established work day shall start at 7:00 a.m. and this starting time shall be recognized as the beginning of a twenty-four (24) hour day.

NORTH OFFICE From May 1st through October 21st, North Office Personnel shall work a two day on/three day off work schedule. During the remainder of the year, North Office Personnel shall work a three day on/three day off work schedule. On premise time during the work period shall be six (6) hours in every twenty-four(24) hour period as determined by the Ambulance Director. The North Office personnel regularly established work day shall start at 6:00 a.m. and this starting time shall be recognized as the beginning of a twenty-four (24) hour day."

The major preliminary determinations to be made by the Arbitrator in this matter relate to the impact of the above scheduling change and the reductions in hours, as agreed upon by the parties during their preliminary negotiations, which changes were implemented in mid-1988. The question of whether and when a reduction in hours with no reduction in earnings constitutes a "wage increase," is a question that depends upon a variety of considerations. If such an hours reduction was undertaken at the request of a union, and was accompanied by an employer's need to hire additional personnel and to spend additional monies to accomplish the same workload, a persuasive case would have been made that the change was taken in lieu of a wage increase, and that it constituted a wage increase in another form. In the situation at hand, however, there are a number of factors which distinguish the situation from the preceding hypothetical.

(1) The change was undertaken by the parties at the request of the County, for the apparent purpose of facilitating improved public service, which took the form of around-the-clock manning of the central office on a seven day per week basis.

(2) While there was a significant reduction in on-duty hours for those in the bargaining unit, the change was also accompanied by a significant increase in the number of on-premises hours required of those in the bargaining unit.

(3) The Employer's wage costs have not been increased by the on-duty hours reduction, and the adoption of the Employer's final offer would freeze yearly wage costs for employees at their prior levels.

(4) Despite the differences in the working schedules between the central office and the north office, the parties still report the appendix A annual earnings on the basis of an annual earnings figure, a bi-weekly earnings figure, and an hourly rate which is derived by dividing the annual figure by 2080. In other words, the parties have not defined average hourly earnings in the manner urged by the Employer in its post hearing briefs.

(5) There was apparently neither discussion nor agreement between the parties at the time that the schedule change was agreed upon and implemented, that it was intended by the Employer, or agreed by the parties, to be in lieu of a wage increase during the term of the renewal agreement.

In addition to the above considerations which are peculiar to the situation at hand, it is helpful to consider the actions of arbitrators or fact-finders in their treatment of similar situations. Although there is not a wealth of published decisions addressing the relationship between hours reductions and earnings levels, Unions generally argue for increases, to maintain earnings at their prior levels, and neutrals generally credit such arguments. Wage increases are frequently awarded or recommended, in addition to any increases otherwise indicated by consideration of such other criteria as comparisons, cost-of-living considerations, annual improvement factors, and etc.

(1) In General Motors Corporation, 1 LA 125, 130, a presidentially appointed fact-finding panel consisting of Lloyd Garrison, Milton Eisenhower and Walter Stacy addressed a number of considerations, including the impact of a reduction of the wartime forty-eight hour work week to forty hours. The Union sought maintenance of earnings despite the reduction in hours, and the panel paid substantial attention to this demand, indicating in part as follows:

"A reduction in weekly earnings as a ground for increasing hourly wage rates is not a new concept in wage determinations. On the contrary, when, in the past, hours have been reduced, it has been the rule rather than the exception for the employer to grant, some upward adjustment in hourly rates. The principle of 'cushioning the

shock' has been applied in other situations as well. After this war, when hazard bonuses were cancelled in the maritime industry, a substantial portion of the bonuses was converted into wage rate increases to compensate for the loss of take home pay. Similarly, in many cases, bonuses paid to interurban bus drivers because of mandatory wartime restrictions on the speed of driving have been translated in whole or in part, into wage rates upon the lifting of the restrictions. In the transit industry, guarantees of payments for a specified number of hours have frequently been given even though the actual number of hours worked was less."

(2) In Madison Bus Company, 21 LA 307,a WERC Board of Arbitrators consisting of Chairman L.E. Gooding, and J.E. Fitzgibbon and Morris Slavney, determined that the Employer should reduce the work week of operators and mechanics from an average of 54 hours to 50 hours, and to grant hourly wage increases of 15 cents to operators and 18 cents to mechanics to maintain employees' take home pay. It denied further reductions in hours as requested by the Union, on the basis of the Company's financial condition.

(3) In Printing Industries of Indiana, 29 LA 7, 11, Arbitrator Whitley McCoy ordered a reduction from 40 hours per week to 38 3/4 hours, and a wage increase to maintain earnings at the 40 hours rate, plus additional increases due to cost of living, and an annual improvement factor. In so doing, the Arbitrator indicated in part as follows:

"...In considering the overall increase to be discussed later, I shall therefore combine the consideration of improvement factor with cost of living and conversion to a shorter work week, in an effort to arrive at a total overall increase that will make the rates in Indianapolis compare fairly with those of other comparable cities in the area."

* * * * *

"It is common knowledge that the cost of living has increased sharply since November 1, 1956. Considering this, and the fact that the reduction in hours should be accompanied without material change in weekly pay, and considering the fact that the reduction of hours without institution of a slide day will probably result in increased overtime earnings, I have concluded that a further increase of seven cents per hour on July 1, 1957 is justified."

As is apparent from the above, arbitrators and fact finders have frequently adopted or recommended increases to insulate workers from loss of earnings which would otherwise result from reductions in scheduled working hours. These increases have not been regarded as wage increases in the normal sense of the terms, however, and have been recommended or adopted in addition to any other bona fide wage increases, which may have been justified by consideration of other wage criteria.

On the basis of all of the above, the Impartial Arbitrator is unable to find persuasive authority for the proposition advanced by the Employer that the reduction of on-duty hours in the case at hand, accompanied by changes in scheduling and increases in the number of on-premises hours, constituted a wage increase of 27.5% over the term of the two year renewal agreement. Rather, the changes were attributable to an Employer proposal, were unaccompanied by any cost increases to the County, and would normally constitute nothing more nor less than the maintenance of prior earnings, or "breaking even" on the part of the affected bargaining unit employees. Indeed, the weakness in the argument of the Employer is probably best illustrated by considering that, under its theory, an employee's scheduled working hours could be reduced by 20% and if an employer made up one-half of the lost wages by increasing the hourly work rate, the employees would have enjoyed a large "wage increase," despite the fact that they had suffered a large reduction in actual earnings.

In accordance with the above, the normal arbitral criteria must be considered and applied by the undersigned in the matter at hand, in order to determine if a bona fide increase in earnings is justified, beyond the level of wages in effect at the end of the prior agreement. While the working schedule change must be considered by the Arbitrator, it simply has not generated the wage increase attributed to it by the County.

Apart from their above described differences with respect to the substance of the agreed-upon change in the working schedules, the parties principally differed with respect to the comparison, the interests and welfare of the public, and the cost of living criteria. For the purpose of clarity, the Arbitrator will preliminarily discuss the application of these criteria to the dispute at hand, will next apply the various statutory criteria, and then will select the more appropriate of the two final offers.

The Interests and Welfare of the Public

At pages nineteen through twenty-five of the earlier referenced decision in the interest arbitration proceedings between Door County and the Door County Courthouse employees, the Arbitrator discussed the interests and welfare of the public criterion and reached certain conclusions with res-

corporated by reference into this decision, and the preliminary conclusions, which have equal application to the matter at hand, are as follows:

> "On the basis of the above, the Impartial Arbitrator has preliminarily concluded that while the condition of the local economy in Door County would tend to support moderation or postponement of an otherwise justified wage increase in accordance with the statutory interests and welfare of the public criterion, it normally would not justify elimination of any such increase."

By way of additional dicta, the Arbitrator will merely add at this juncture, that the interests and welfare of the public are apparently well served by the parties' agreement to modify the work scheduling practices of the previous agreement, to facilitate the availability of twenty-four hours per day, seven day per week, central office paramedic services.

The Comparison Criterion

At pages twenty-four through twenty-seven of the referenced decision in Door County and Door County Courthouse employees, the undersigned discussed the positions of the parties and the application of the statutory comparison criterion in the matter, and reached certain conclusions. This discussion is hereby incorporated by reference into this decision, and the preliminary conclusions, which have equal application to the matter at hand, are as follows:

> "Normally at this stage an arbitrator is faced with the need to resolve the preliminary disputes of the parties with respect to which group of employees/employers constitute the principal or primary intra-industry comparison group. In this case, however, no such selection is necessary, because virtually all external comparisons favor the selection of the final offer of the Union versus that of the County. Even if the counties suggested by the County are used for comparison purposes, none would support the no wage increase offer of the County for 1988.
>
> The Arbitrator simply cannot agree with the arguments of the County that it is so different from other counties as to preclude use of typical intraindustry comparisons with other counties. Even if I were to agree with this argument, however, the general public and private employment comparisons described in statutory paragraphs (e) and (f), referenced above, would come into play. If the County were so isolated and distinct as to preclude meaningful comparison with

other counties, the public and private sector comparisons within the "isolated and distinct" labor market in the County, would gain additional importance in the final offer selection process.

On the basis of the above, the Impartial Arbitrator has preliminarily concluded that arbitral consideration of the comparison criterion clearly favors the selection of the final offer of the Union, regardless of which specific comparisons are utilized.

Prior to leaving the subject of comparisons, the Arbitrator will merely add by way of dicta, that either short term financial difficulties or long term changes in financial ability, would not normally justify arbitral selection of different comparables in the interest arbitration process. Rather, such conditions would merely come into play in connection with arbitral consideration of other of the statutory interest arbitration criteria."

By way of addition to the above, the Arbitrator will merely add that it is not necessary to consider any internal interest arbitration decisions which may have been rendered during the pendency of these proceedings, because even if the only comparison is with the final offers of the Employer within the Courthouse, the Highway, the Social Services and the Sheriff bargaining units, the selection of the final offer of the Union is favored. The final offers of the County entailed 2% increases in all four bargaining units, during the second year of the agreements, which is closer to the 3% demand of the Union effective May 1, 1989, than to the no increase final offer of the County in the dispute at hand. This conclusion is indicated, even if the extra 2% increase within the Highway Department is disregarded, as has been urged by the Employer.

Cost of Living Considerations

At page twenty-seven of the referenced decision in Door County and Door County Courthouse employees, the undersigned offered the following discussion and conclusions, which also have application to the dispute at hand.

"Section 111.70(4)(cm)(7)(g) directs arbitral consideration of cost-of-living considerations, which are normally examined by arbitrators only from the last time that the parties went to the bargaining table. Historic movement in consumer prices which occurred prior to the parties last agreement cannot, therefore, be properly considered to have cushioned those in the bargaining unit from further movement in consumer prices during the renewal agreement.

> In light of the fact that the Employer is proposing no increase in wages for 1988 and a 2% increase in wages for 1989, any increase in consumer prices during 1988, and any aggregate increases for the two year period that exceed the 2% figure would tend to detract from the selectability of the Employer's final offer....
>
> With the various consumer prices indexes moving upward at a 4% to 5% annual rate, it is unnecessary to undertake sophisticated computations to conclude that cost-of-living considerations clearly favor the selection of the Union's rather than the Employer's final wage offer."

By way of additional comment, the Arbitrator will note that the final wage offer of both the Employer and the Union were lower in the matter at hand than in the Courthouse employees arbitration. Further, as is apparent in the earlier cited arbitration cases dealing with the matter of wage increases predicated upon reduction in scheduled hours, such increases merely maintain prior wages and do not offset increases in the cost of living.

Summary of Preliminary Conclusions

As addressed in greater detail above, and in the referenced prior interest arbitration decision in the Door County Courthouse employees arbitration, the Impartial Arbitrator has reached the following summarized, principal preliminary conclusions:

(1) The only difference between the parties is in the area of the wages to be paid during the two year term of the renewal agreement.

(2) The reduction in on-duty hours for those in the bargaining unit, accompanied by changes in scheduling and increases in the number of on-premises hours, did not constitute a 27.5% wage increase as urged by the Employer. Rather, the changes were attributable to an Employer proposal, were unaccompanied by any cost increases to the County, and would constitute nothing more nor less than the maintenance of prior earnings, or "breaking even" on the part of the affected bargaining unit employees.

(3) While the condition of the local economy in Door County would support moderation or postponement of otherwise justified wage increases, in accordance with the statutory interest and welfare of the public criterion, it normally would not justify elimination of any such increases.

(4) Arbitral consideration of the comparison criterion clearly favors the selection of the final offer of the Union.

(5) Arbitral consideration of the cost of living criterion clearly favors the selection of the final offer of the Union.

Selection of the Final Offer

Based upon a careful consideration of the extensive record in these proceedings, and all of the statutory criteria, the Impartial Arbitrator has concluded that the final offer of the Union is the more approrpiate of the two final offers. This conclusion is principally indicated by consideration of the nature of the schedule change agreed upon by the parties, and by consideration of the final offers of the parties in light of the comparison and the cost of living criteria.

AWARD

Based upon a careful consideration of all of the evidence and argument, and a review of 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 Door County Ambulance Service Employees' Union, Local 1658, AFSCME, AFL-CIO, is the more appropriate of the two final offers before the Arbitrator.

(2) Accordingly, the final offer of the Union, hereby incorporated by reference into this award, is ordered implemented by the parties.

William W. Petrie

WILLIAM W. PETRIE
Impartial Arbitrator

January 21, 1989