

BEFORE THE ARBITRATOR

FEB 15 1989

In the Matter of the Petition of
 BUFFALO COUNTY HIGHWAY EMPLOYEES,
 LOCAL 1625, AFSCME, AFL-CIO
 To Initiate Arbitration
 Between Said Petitioner and
 BUFFALO COUNTY (HIGHWAY DEPARTMENT)

WISCONSIN EMPLOYMENT
 RELATIONS COMMISSION
 Case No. 40131 INT/ARB-4788
 Decision No. 25547-A
 Stanley H. Michelstetter II
 Arbitrator

Appearances:

Daniel R. Pfeifer, Staff Representative, appearing on behalf of the Union.

Mulcahy & Wherry, S.C., Attorneys at Law, by Richard J. Ricci, appearing on behalf of the Employer.

ARBITRATION AWARD

Buffalo County Highway Employees, Local 1625, AFSCME, AFL-CIO, herein referred to as the "Union" having petitioned the Wisconsin Employment Relations Commission to initiate Arbitration, pursuant to Sec. 111.70(4)(cm), Wis. Stats., between it and Buffalo County, herein referred to as the "Employer," and the Commission having appointed the Undersigned as Arbitrator on July 21, 1988; and the Undersigned having conducted a hearing on September 8, 1988, in Alma, Wisconsin, during the course of which the parties consented to mediation by the arbitrator which, however, proved unsuccessful; and each party having filed a brief in the matter, the last of which was received December 30, 1988.

ISSUES

The parties are in dispute for their January 1, 1988, to December 31, 1989, collective bargaining agreement for the issues listed below. The listing is for information only and the final offers of the parties govern.

1. WAGES: The Employer proposes to increase all wages by 2% effective January 1, 1988, 1% July 1, 1988, 2% January 1, 1989, 1% July 1, 1989. The Union proposes a 3% increase to all wages effective January 1 of 1988 and, again, in 1989.
2. HEALTH INSURANCE: Currently, the Employer pays 100% of the single and 80% of the family health insurance premium. The Employer proposes to continue this. The Union proposes to increase the Employer contribution toward the family plan to 82.5% effective January 1, 1988, and to 85% effective January 1, 1989.
3. VACATION: Currently, unit employees receive 3 weeks of vacation after eight years of service. The Union wishes to make this 7 years of service. The Employer proposes no change.

POSITIONS OF THE PARTIES

In its exhibits, the Union relies upon the following counties for external comparisons; Clark, Dunn, Jackson, Monroe, Pepin, Pierce, Trempealeau, Chippewa, Eau Claire, La Crosse and St. Croix. The Union takes the position that its proposal to increase the Employer contribution to health insurance from its current 80% to to 82.5% in 1988 and 85% in 1989. It argues that 7 of the 11 comparable counties pay 100% of the family plan premium and three others pay between 87.3% and 95%. The Union concedes that the human services and sheriff's department units remain at 80%, it notes that it is not uncommon among comparable employers to provide higher compensation to their highway department employees than other units.

The Union, also, believes that its vacation proposal is favored by both internal and external comparables. It argues that 6 of the 11 comparable counties grant 3 weeks with 7 years or less. It notes that employees in the Employer's human services department get 3 weeks after 6 years.

The Union indicates that there is about .5% difference per year between the wage proposal of the parties. It argues that its proposal is preferable because, in general, unit employees are under paid by comparison of the 1988 year end wage rates in comparable counties. Thus, its corrected comparison are summarized as follows:

		average	Union and Employer
1988 Patrolman	minimum	8.95	8.91
	maximum	9.59	8.91
1988 Heavy Equip. Oper.	minimum	9.23	9.13
	maximum	9.84	9.13
1988 Mechanic	minimum	9.30	9.23
	maximum	9.95	9.23

The Employer agrees with the Union that Clark, Dunn, Jackson, Monroe, Pepin, Pierce and Trempealeau are comparable. The Employer does not agree with the Union that Chippewa, Eau Claire, La Crosse or St. Croix Counties are comparable. The Employer asserts, but the Union denies that Barron County is comparable. The Employer asserts Barron County is comparable because it is geographically proximate, shares the same rural composition, population, median family income, unemployment and state aid levels. Based upon the same criteria, the Employer argues that Chippewa, Eau Claire, La Crosse and St. Croix Counties are not comparable because they have a larger population, are more urban and have a substantially larger tax base. In its view, the Union has used these merely to skew the results of any comparison.

The Employer takes the position that the comparison of wage rates should take into account the outstanding longevity plan which exists here. It notes that a vast majority of employees

receive the maximum longevity benefit. In its view, the base wage rate of Buffalo County will remain above average with the Employer's offer both in the beginning of the year and the end of the year when the Union's and the Employer's offer yield the same rates. Its offer, also, maintains relative rank among the comparables. It feels its rates will, also, be competitive when longevity is considered because Buffalo's plan is far superior to any other plan.

The Employer, also, argues that its offer is consistent with the wage increases granted both organized and unorganized county employees. The organized law enforcement unit accepted the same wage adjustment as offered here and the Employer has granted its courthouse and extension workers 2.5% increases in 1988. Thus, it believes this factor heavily favors its position.

The Employer argues that since its total package increase exceeds the most recent cost of living increase for non metropolitan urban areas for urban wage earners and clerical workers, this factor supports its position, as well.

In its view, the final offer of the County is supported by the interest and welfare of the public. Buffalo County has experienced a decline in population, has a large number of families below the poverty line and has the largest decline in property values among comparable counties. While it is generally average with respect to average total income, this county receives less state aid than other comparable counties and, thus, is more property tax dependent than comparable counties. Most importantly, it views Buffalo County as more farm dependent and that, therefore, it has been more affected by the farm crisis experienced in all the comparable counties.

The Employer believes that the Union's insurance proposal is "an unsubstantiated attack on the status quo and should be addressed at the bargaining table." Thus, it argues the parties have maintained the current 100% single, 80% family employer contribution in five separate contracts continuously since 1980. It notes that as of 1988, its premium rates are the second highest among its comparables. In its view, the Union has not: 1. met the burden of showing that it has a problem requiring a change or that this change is a reasonable remedy designed to address the problem; 2. offered anything in exchange for its proposal and 3. overcome the internal comparison of the human services department. The Employer believes that this issue should be left to voluntary bargaining rather than addressed by an award.

The Employer argues that the Union's vacation proposal is not even strongly supported in its comparable group, and the Employer's offer is heavily favored when the Employer's comparability group is used. Thus, it feels the Union has not met its burden of proof to establish a need for a change in this long standing benefit or that its proposal is reasonable.

DISCUSSION

Section 111.70(4)(cm) requires that the arbitrator select the final offer closest to appropriate without modification. The arbitrator must apply the statutory standards specified in Section 111.70(4)(cm)7. The weight to be assigned any one issue and/or factor is left to the arbitrator.

Comparison Counties

The parties have agreed to a number of counties which they view as comparable. They are Barron, Clark, Dunn, Jackson, Monroe, Pepin, Pierce and Trempealeau Counties. The following counties were offered in addition to the agreed upon comparables; Chippewa, Eau Claire, La Crosse and St. Croix. The Employer offered Barron County. The following is a comparison of some of the information provided.

	1980 cen.	1987 pop.	'86 per cap. inc.	1980 percentage rural
Clark	32,910	32,339	10,646	91.60
Dunn	34,314	35,475	10,767	62.80
Jackson	16,831	16,617	11,043	79.60
Monroe	35,074	36,709	10,780	59.70
Pepin	7,477	7,309	11,899	100.00
Pierce	31,149	33,040	12,282	67.30
Trempealeau	26,158	26,330	11,777	100.00
average	26,273	26,831	11,313	80.14
Buffalo	14,309	14,229	12,069	82.20
Barron	38,730	40,700	12,237	73.40
Chippewa	51,702		11,875	
Eau Claire	78,805		12,394	
La Crosse	91,056		13,582	
St. Croix	43,872		14,599	

All, but St. Croix and Barron are too large to be comparable. St. Croix is decidedly a higher income area and together with its size and location make it not comparable. Barron shares common tax base characteristics and income, but is larger than any other comparable county, farther away than most comparable counties and is substantially less rural and agricultural than Buffalo County. On these bases, Barron is not as comparable as the agreed upon counties.

Cost of Living

The Unions' final offer costs 5.14% for 1988 and 4.62% for 1989. The Employer's final offer costs 4.41% for 1988 and 4.31% for 1989. The relevant consumer price increase for 1987 was 3.0% and the last available consumer price increase for July, 1988, was 2.9%. This factor favors the position of the Employer.

Wages

Internal Comparisons

There are two other organized units in the county. The human services unit and sheriff unit. This unit has about 45 employees, there are about 18 employees in the human services unit and the sheriff unit has the least number of employees. The human services unit is at impasse over virtually the same final offers, while the sheriff unit has accepted the wage offer of the employer at 2% and 1% mid-year, each year. The Employer has been relatively consistent in its treatment of non represented employees. This factor slightly favors the Employer's position.

External comparisons

It isn't seriously disputed that unit employees have the best longevity plan among the comparable counties. The Employer is correct in that this plan should be considered when comparing wage rates among the comparable counties. Essentially three-quarters of this unit are at the maximum of longevity and one quarter is not yet receiving longevity. The unit is about evenly divided into heavy equipment operators and patrolmen with 3 unit members being mechanics and 5 in other classifications. The following 1987 wage rate comparisons are made at the most important intervals and include amounts paid as longevity.

Wage comparison-with longevity Patrolman

	start	4th yr.	6th year	maximum
Clark	7.75	9.71	9.74	9.74
Dunn	8.69	10.28	10.30	10.30
Jackson	7.32	7.82	7.82	7.82
Monroe	8.25	8.75	8.75	8.75
Pepin	8.45	9.85	9.85	9.85
Pierce	9.53	9.53	9.62	9.82
Trempealeau	8.92	8.92	8.92	8.92
average	8.42	9.27	9.29	9.31
average w/o Jack.	8.60	9.51	9.53	9.56
Buffalo	8.65(4)	8.65(7)	8.91(6)	9.43(5)

Wage comparison-with longevity Heavy Equipment Operator

	start	4th yr.	6th year	maximum
Clark	7.91	9.91	9.94	9.94
Dunn	8.93	10.51	10.54	10.54
Jackson	7.42	7.92	7.92	7.92
Monroe	8.07	8.60	8.60	8.60
Pepin	8.45	8.45	8.45	8.45
Pierce	10.02	10.02	10.12	10.32
Trempealeau	9.12	9.12	9.12	9.12
average	8.56	9.22	9.24	9.27
average w/o Jack.	8.75	9.44	9.46	9.50
Buffalo	8.86(5)	8.86(5)	9.13(4)	9.66(4)

Wage comparison-with longevity
Mechanic

	start	4th yr.	6th year	maximum
Clark	7.91	9.91	9.94	9.94
Dunn	8.99	10.57	10.60	10.60
Jackson	8.07	8.67	8.67	8.67
Monroe	8.25	8.75	8.75	8.75
Pepin	8.70	10.15	10.15	10.15
Pierce	9.99	9.99	10.09	10.29
Trempealeau	9.12	9.12	9.12	9.12
average	8.72	9.59	9.62	9.65
average w/o Jack.	8.83	9.75	9.78	9.81
Buffalo	8.96(4)	8.96(6)	9.23(5)	9.77(4)

Jackson County is the lowest paying comparable county and has granted an increase which far exceeds any granted by anyone else and which is structured in a split year format. Under these circumstances it appears that Jackson County and its union have agreed to a catch up adjustment. I have, therefore, made comparisons omitting Jackson County as well for both wage rate and increase comparison.

Based upon comparison on this basis, the vast majority of unit employees are comparably paid. About one quarter of the employees are paid less than average. If Jackson were excluded from this comparison, unit employees would probably still be paid average wages or slightly less than than average wage rate.

The parties submitted wage increase figures for 1988 and 1989. The following are those comparisons:

	1988	1989
Clark	n.s.	n.s.
Dunn	2.5%	n.s.
Jackson	4.5%	4.5% <u>1/</u>
24¢ 1/1		
24¢ 7/1		
24¢ 1/1		
24¢ 7/1		
Monroe	3.0%	n.s.
Pepin	2.5%	2.5%
Pierce	3.0%	n.s.
Trempealeau	2.5%	n.s.
22¢ 1/1		
average.	3.00	3.50
without Jack.	2.70	2.5
Buffalo Er.	2.0 1/1	2.0 1/1
	1.0 7/1	1.0 7/1
Un.	3.0	3.0

1/ The Union submitted this figure with their brief stating that they had previously mentioned this settlement. The Employer has not objected to its consideration.

If Jackson County were included in this comparison, the general increase proposed by the Union would be fully supported by this comparison. If the catch up increase granted by Jackson County were not considered, these wage increase comparisons would heavily support the position of the Employer. Based upon the foregoing, external comparisons slightly favor the position of the Union.

Health Insurance

The health insurance issue is a main issue in this matter. The dollar difference between the parties over the life of the agreement with respect to health insurance exceeds the value of the wage increase difference. This appears to remain true even when considering the number of employees not taking family health insurance and assuming only a slight increase in premium for 1989. Further, because the parties arrive at the same contract end wage rate, the proposal for health insurance has a long term value exceeding that of the one time wage issues.

There is no disagreement between the parties, that the parties have maintained the current 100% single, 80% family structure since at least 1980. No other unit of the County is currently seeking a change in the 100/80% structure for 1988 or 1989.

While the Employer alleges the Union has not shown a need for a change in this benefit, the Union has demonstrated a need for a general increase. The Union bases its argument for allocating a portion of its general increase on comparison to other comparable counties' wage and benefit structure.

A central issue between the parties is how those comparisons should be made. The Employer alleges that because the premium here is among the highest of the comparable counties, the actual dollar benefit received by the employees here is among the most generous of the benefits received in the comparable counties. The Union, on the otherhand, ignores the premium and looks solely at the percentage of contribution of the other counties. By this comparison, Buffalo is definitely a low payer. Neither party offered any evidence concerning the policy terms or any other fact. The following is the comparison data:

Insurance Comparison - 1988 -external, family benefit			
	family percentage	full fam. prem.	net benefit to employees
Clark A	100.00	193.50	193.50
B		200.00	200.00
Dunn	95.00	206.00	195.70
Jackson	100.00	170.00	170.00
Monroe	87.00	191.75	166.75
Pepin WPS	80.00	265.97	212.78
Group Health	80.00	235.00	188.00
Midelfort	80.00	268.00	214.40
Pierce	100.00	183.00	183.00
Trempealeau	100.00	250.02	250.02
Buffalo	80.00(7)	258.79(1)	207.03(3)

Parties often negotiate premium cost, benefit levels and employer contribution as a package. To look merely at one part of the package in external comparisons, such as the contribution percentage, does not give a full adequate picture of the comparative benefit to employees. Based upon the record presented, the Employer's position on this issue is heavily favored.

Vacation

This is a minor issue in this case. The human services department in Buffalo County receives 3 weeks vacation after only six years service. The following are the external comparisons:

1988 vacation comparison

Clark	5/11
	6/12
	7/13
	8/14
	9/15
Dunn	7/15
Jackson	6/16
Monroe	8/15
Pepin	5/15
Pierce	8/15
Trempealeau	8/15
Buffalo	er. 8/15 (5)
	un. 7/15

The comparison factor favors the Union's position.

Welfare of the Public

The record in this case does not indicate that Buffalo County's circumstances are significantly different than most comparable counties. Buffalo is only slightly more agricultural than other comparable counties. Further income in Buffalo County is average among the comparable counties and current figures for welfare show it to be comparable in the number of people on AFDC. It is slightly lower than average in state aid as percentage of property tax. Buffalo County shares a strong community of interest with its comparable counties and, therefore, the welfare of the public is clearly aligned with maintaining competitive wages and benefits.

Conclusion

Section 111.70(4)(cm) leaves to the arbitrator the weight to be assigned to any one issue in the bargaining and the weighting of the statutory factors. In this case, both the health insurance issue and wage increase are important issues with the vacation issue having little weight in this case. Both because the health issue is more important and the Employer's health

insurance position is heavily supported, while the Union's wage position is only weakly supported, the Employer's final offer is preferred.

Dated at Milwaukee, Wisconsin, this 13th day of February, 1989.


~~Stanley H. Michelstetter II~~
Arbitrator