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In the Matter of Final and Binding :  
Final Offer Arbitration Between :  
**DOOR COUNTY HIGHWAY DEPARTMENT** :  
**EMPLOYEES LOCAL 1658, AFSCME, AFL-CIO** :  
and :  
**DOOR COUNTY (HIGHWAY DEPARTMENT)** :  
WERC Case 71, No. 45243 : **Decision No. 26946-A**  
INT/ARB-5930

**WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION**

**AWARD**

**I. NATURE OF PROCEEDING.** This is a proceeding in final and binding final offer arbitration. On February 9, 1991, Door County (Highway Department) filed a petition with the Wisconsin Employment Relations Commission alleging an impasse between it and the Door County Highway Department Employees Local 1648, AFSCME, AFL-CIO in collective bargaining. The Commission, after investigation by Marshall L. Gratz, a staff member, found that the parties did not establish mutually agreed upon procedures for final resolution of the impasse, found that an impasse within the meaning of Sec. 111.70 (4) (cm) 6 of the Municipal Employment Relations Act existed, certified that the conditions precedent to the initiation of arbitration as required by the statutes existed, and ordered that arbitration be initiated for the purpose of issuance of a final and binding award. The parties having selected Frank P. Zeidler, Milwaukee, Wisconsin, as arbitrator, the Wisconsin Employment Relations Commission issued an Order of Appointment on September 5, 1991.

**II. HEARING.** A hearing in the above entitled matter was held on September 23, 1991, at the Door County Courthouse, Sturgeon Bay, Wisconsin. Parties were given full opportunity to give testimony, present evidence, and make argument. Briefs and reply briefs thereafter were supplied with the last brief being received on January 18, 1992.

**III. APPEARANCES.**

GERALD D. UGLAND, Staff Representative, Wisconsin Council 40, appeared for the Union.

CLIFFORD B. BUELOW, Attorney, DAVIS & KUELTHAN, S.C., appeared for the County.

**IV. THE OFFERS.**

**A. The Union offer:**

"The Union offer for a 1991 and 1992 contract is that all provisions of the 1990 contract carry forward to the 1991, 1992 agreement with the following changes:

"1. All stipulated items.

"2. Update language for the relevant dates of the new contract term.

"3. General wage increase of \$.44 per hour retroactive to and effective on January 1, 1991.

"4. General wage increase of \$.35 per hour effective January 1, 1992.

"5. General wage increase of \$.24 per hour effective July 1, 1992."

B. The County offer:

"1. 85/15 split on health insurance premiums effective 7-1-91.

"2. All prior stipulated tentative agreements including side letter regarding labor management meetings.

"3. Fifty two cents (\$0.52), across the board wage increase effective January 1, 1991.

"4. Fifty eight cents (\$0.58), across the board wage increase effective January 1, 1992."

**V. FACTORS TO BE WEIGHED BY THE ARBITRATOR.** Under Section 111.70 (4) (cm) 7 an arbitrator is to give weight to the following factors:

"a. The lawful authority of the municipal employer.

"b. Stipulation 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 employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services.

"e. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes generally in public employment in the same community and in comparable communities.

"f. Comparison of the wages, hours and conditions of employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes 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 employes, 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.

"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."

**VI. LAWFUL AUTHORITY.** There is no question as to the lawful authority of the municipal employer to meet the terms of either offer.

**VII. STIPULATIONS OF THE PARTIES.** All other matters between the parties have been stipulated to.

**VIII. COSTS OF THE OFFERS.** In the instant matter there are two major issues; wage proposals and insurance payment proposals. The following are costs of the offers found in County Exhibit 7 (corrected):

**Table I**

(as follows)

Table I

COUNTY EXHIBIT 7 (Corrected)

**TOTAL COST OF FINAL OFFERS**

	1990 BASE	1991 COUNTY OFFER	1991 UNION OFFER	1992 COUNTY OFFER	1992 UNION OFFER
WAGES*	\$1,061,091.20	\$1,110,844.80	\$1,103,190.40	\$1,166,339.20	\$1,148,160.00
FICA (.0765)	\$81,173.48	\$84,979.63	\$84,394.07	\$89,224.95	\$87,834.24
PENSION**	\$129,453.13	\$137,744.76	\$136,795.61	\$146,958.74	\$144,668.16
HEALTH INS.	\$107,064.00	\$126,960.00	\$130,320.00	\$143,040.00	\$150,840.00
DENTAL INS.	\$22,680.00	\$22,680.00	\$22,680.00	\$22,680.00	\$22,680.00
<b>TOTAL</b>	<b>\$1,401,461.81</b>	<b>\$1,483,209.19</b>	<b>\$1,477,380.08</b>	<b>\$1,568,242.89</b>	<b>\$1,554,182.40</b>

**OFFER DIFFERENCE**

TOTAL COUNTY OFFER	1991-1992	\$3,051,452.08
TOTAL UNION OFFER	1991-1992	\$3,031,562.48
DIFFERENCE (COUNTY OFFER -)		\$19,889.60

% INCREASE 1991 OVER 1990		% INCREASE 1992 OVER 1991	
COUNTY	5.83%		5.73%
UNION	5.42%		5.20%

\* BASED ON \$11.09 AVERAGE HOURLY RATE  
WAGES DO NOT INCLUDE LONGEVITY PAYMENTS FOR 1990

\*\* PENSION FIGURES, 1990 @ .122  
1991 @ .124  
1992 @ .126

123\EXHIBIT\SHU

**IX. COMPARABLES.** The parties in this matter have a difference as to which Counties they are using as a primary set of comparables. The Union is proposing the use of Kewaunee, Marinette, Oconto, Manitowoc and Brown Counties. The County is using Kewaunee, Manitowoc, Marinette, Oconto, Shawano and Waupaca Counties for comparison purposes. A previous arbitrator used Kewaunee, Marinette, Oconto and Manitowoc Counties.<sup>(1)</sup> Only Kewaunee County is contiguous with Door County. A tip of Brown County is three miles from Door County across a corner of Kewaunee County; Oconto and Marinette Counties are across Green Bay from Door. Shawano County is west of Oconto County and Waupaca County is west of Outagamie County which, in turn, is west of Brown County.

The following table of information on these counties is found in the Union brief, page 11, and is derived from Union Exhibits 24A and 27.

**Table II**

DATA RELATING TO COMPARISON COUNTIES, UNION AND COUNTY OFFERS 1990

<u>County</u>	<u>Population</u>	<u>Per Capita Valuation</u>	<u>Per Capita Income (1988)</u>	<u>County Tax Levy</u>
Brown	196,313	27,525	15,773	4.50
Kewaunee	20,278	22,111	13,263	6.80
Marinette	41,663	25,546	12,332	5.28
Oconto	31,591	26,394	11,590	5.86
Manitowoc	82,648	21,583	13,793	6.28
Shawano	37,315	23,948	11,478	4.76
Waupaca	46,015	25,951	13,794	5.03
Door	27,079	62,010	14,547	3.32

The Union is arguing essentially that its list of comparables which includes Brown County is justified by geographic proximity and by economic interaction with Brown County. The Employer position is essentially that Brown County, because of its larger population and urbanization, is not a primary comparable. The Union also argues that the higher per capita valuation in Door County as compared to Brown County supports the use of Brown County as a comparison county.

The arbitrator here is confronted with the fact that in their accepted comparables - Kewaunee, Manitowoc, Marinette and Oconto - the parties have included one county with a greater industrialization characteristic than Door, namely Manitowoc. Shawano and Waupaca Counties, being more rural in character and relatively remote in this case have what the arbitrator thinks a secondary value, and so the conclusion here is that the Union list of comparables is a primary list because of geographic proximity and commercial interaction, and Shawano and Waupaca Counties have a secondary value. However, their value will be given some weight by the arbitrator. A reason for more consideration of the secondary set of comparables is that settlements have not been reached in Marinette and Manitowoc Counties. In essence, the Union offers only three settled districts, and the Employer four, for comparisons.

(1) Arbitrator Michelstetter, Door County (Highway Department), Decision No. 25426-A (4/89).

**X. WAGES.** In the wage issue the Union is proposing a general increase of \$.44 per hour retroactive to January 1, 1991. It also proposes a wage increase of \$.35 per hour on January 1, 1992, and a \$.24 per hour increase on July 1, 1992.

The County proposes a \$0.52 across the board wage increase on January 1, 1991, and a \$0.58 increase on January 1, 1992.

The Union in its Brief made comparisons of maximum wages at the end of 1990 and 1992 for certain classifications of workers. The following table is an abstraction of these comparisons found in Union Exhibit 19.

**Table III**

COMPARISON OF MAXIMUM WAGES AT END OF YEAR,  
WITH PRIMARY COMPARABLE COUNTIES  
UNDER DOOR COUNTY AND UNION OFFERS, AND RANK<sup>(1)</sup>

<u>Classification</u>	<u>1990</u>	<u>Rank</u>	<u>1991</u>	<u>Rank</u>	<u>1992</u> <sup>(2)</sup>	<u>Rank</u>
Patrolman						
Union	11.01	3	11.45	3	11.80 (1/1/92) 12.04 (7/1/92)	3
County	11.01	3	11.53	3	12.11	
Heavy Equipment Operator (Constr. Grader Operator)						
Union	11.15	4	11.59	3	11.94 (1/1/92) 12.25 (7/1/92)	4
County	11.15	4	11.67	3	12.36	3
Mechanic						
Union	11.22	4	11.66	3	12.01 (1/1/92) 12.25 (7/1/92)	4
County	11.22	4	11.74	3	12.32	4

(1) Based on highest offers in Marinette and Manitowoc Counties which remain unsettled.

(2) Oconto not reported.

Union Exhibits 19A, 19B and 34 show that in the case of comparison of the offers in Door County with wages in Shawano and Waupaca Counties both Door County offers for 1991 and 1992 for Patrolman, Heavy Equipment Operator and Mechanic exceed wages paid in the other counties for each classification and in both years.

Table IV is derived from tables in the Union Brief (pages 13-16).

**Table IV**

DOOR COUNTY 1990 WAGES COMPARED IN PERCENTAGES TO THE MEAN OF  
MAXIMUM WAGES IN UNION AND IN COUNTY COMPARABLES

<u>Classification</u>	<u>Union Comparables</u>	<u>County Comparables</u>
Patrolman	+0.8%	+4.3%
Heavy Equip. Oper.	-0.5%	+3.0%
Mechanic	0.0%	+3.0%

Table V is also derived from tables in the Union Brief (pages 13-16).

**Table V**

COMPARISON OF TWO YEAR CENTS PER HOUR  
TOTAL INCREASES UNDER DOOR COUNTY OFFERS WITH  
AVERAGE INCREASES IN UNION AND COUNTY COMPARABLES

	<u>Door</u>		<u>Aver. Union Comparables</u>		<u>Aver. County Comparables</u>	
	<u>Union</u>	<u>County</u>	<u>Union</u>	<u>Employer</u>	<u>Union</u>	<u>Employer</u>
Patrolman	1.03	1.10	.97	.92	.92	.87
Heavy Equip. Operator	1.03	1.10	1.02	.97	.97	.92
Mechanic	1.03	1.10	1.02	.97	.97	.92

The County in its Brief (page 17) supplied the following table.

**Table VI**

TWO YEAR PERCENT INCREASE OF SETTLED COUNTIES

<u>County</u>	<u>% Increase</u>
Door (County)	9.7
Oconto	9.0
Shawano	8.5
Door (Union)	8.1
Kewaunee	8.0
Waupaca	7.5

The County in its exhibits used a slightly different set of job classifications. The following table is derived from County Exhibit 8 as corrected:

**Table VII**

COMPARISON OF WAGE OFFERS IN DOOR COUNTY WITH  
AVERAGE MAXIMUM WAGES IN COUNTY COMPARABLES<sup>(1)</sup>

	1991		1992			County
	Union	County	Union		County	
			1/1	7/1		
Patrolman						
Door	11.45	11.53	11.80	12.04	11.92	12.11
Comparison						
Averages	10.85	10.83			11.39	11.26
Mechanic						
Door	11.66	11.74	12.01	12.25	12.13	12.32
Comparison						
Averages	11.24	11.22			11.71	11.66
Truck Driver						
Door	11.45	11.53	11.80	12.04	11.92	12.11
Comparison						
Averages	10.80	10.81			11.20	11.25
Grader Operator						
Door	11.59	11.67	11.94	12.17	12.06	12.25
Comparison						
Averages	11.13	11.09			11.69	11.55

(1) Marinette not settled. Offers only.

Under the agreement between the parties, there are four pay classifications, Classes I to IV. In Classification I there are eight position titles including Truck Driver and Patrolman. Under Classification II there are also eight position titles including Roller Operator and Paver Operator. In Classification III there are two position titles including Grader Operator. In Classification IV there are six position titles including Mechanic. This information is useful for the following table.



Table VIII

PERCENTAGE AVERAGE INCREASES IN HIGHWAY DEPARTMENTS  
IN COUNTY COMPARABLE COUNTIES AND DOOR COUNTY

	<u>1991</u>	<u>1992</u>
Comparison Averages	4.3	3.9
Door Average		
County	4.7	5.0
Union	4.0	4.1
Classifications		
in Door		
I. County	4.72	5.03
Union	4.0	4.27
II. County	4.69	5.0
Union	3.97	4.24
III. County	4.66	4.97
Union	3.95	4.22
IV. County	4.63	4.94
Union	3.92	4.14

Union Position on Wages Summarized. The Union says that its wage offer is under the wage offer of the County so that the County cannot argue that the Union wage offer is extreme. However the wage does provide for a slight catch-up on comparable counties of Kewaunee and Brown which are in the same trade area as Door County. The percentage increase in comparable counties and the wage rank of the County do not change under the Union offer. The wages are justified by the cost of living increase. The County offer to increase wages as a quid pro quo for an increase in employees' contribution toward health insurance is not something that the Union membership has to accept.

County Position on Wages Summarized. The County, noting the unusual situation of offering a higher wage settlement than the Union, emphasizes that there is a quid pro quo situation in which the County is offering this higher wage in return for its proposal that the Union membership pay 15% toward the family insurance premiums instead of 10%.

As to the wage offer of the County, it is head and shoulders above any comparables; and it results in the Door County employees being first or among the highest paid employees among the comparables.

As to the value of the quid pro quo situation in the County offer, the County in its Brief (page 12) presented the following table.

Table IX

	<u>Higher County</u>	<u>Increased</u>		<u>Quid</u>	<u>Pro</u>	<u>Quo</u>
	<u>Wage Offer</u>	<u>Employee Insurance</u>	<u>Difference</u>	<u>Ratio</u>	<u>Pro</u>	<u>Quo</u>
		<u>Contribution</u>			<u>\$</u>	
1991	7,654	3,360	4,294	2.28:1	93.35	
1992	18,179	7,800	10,379	2.33:1	225.63	
Total	25,833	11,160	14,673	2.31:1	318.98	

The County notes that of the counties listed as comparables in a previous arbitration, two have not settled, leaving a list that does not make comparisons meaningful; but by any list, Door County wages under the County offer will be high. However any comparables support the County offer.

The County also objects to the proposed wage split in 1992 under the Union offer. The split builds in an automatic increase of 12 cents per hour, and it produces a lift of 59 cents per hour. Splits may be used by low-paying employers or those in a catch-up situation but are not justified here where the County is a wage leader.

The County strongly points to the fact that the Union bargaining committee agreed to its offer and that therefore the offer of the County is reasonable. The County contends that the testimony of Union witnesses that the bargaining committee of the Union did not accept the offer, but merely reported it, is not the case.

The County objects to the Union argument that it should pay more simply because the County has a higher assessed valuation.

Discussion. A number of issues raised by the parties are better judged under other rubrics in this proceedings, principally "Other Factors". This includes the arguments on quid pro quo and on the significance to be attached to a bargaining committee accepting an offer, but the membership of a Union rejecting it. Also the issue of whether the County should pay more will be addressed under the rubric of the ability to pay and the interests and welfare of the public. "Cost of living" comparisons will be considered under its own heading.

What is considered here is comparative wage levels.

The evidence in Tables III, IV, V, VI and VII is that the County offer is a substantial one, improving the status of the Union employees in certain categories with respect not only to comparables and impending settlements among comparables, but also with respect especially to the wages paid in Brown and Kewaunee Counties.

As far as the employees are concerned, when wages alone are considered, the better County offer is reasonable, since it also does not cause a change in rank.

Also the Union offer with its lift feature in the second year raises the question as to whether such a split wage proposal is appropriate here. Although the resulting lift puts the final wage level below the County offer, use of the lift feature is questionable as a method of the Union to resist the quid pro quo feature involved in the County offer while getting an advantage in a higher starting place for the next round of bargaining. The arbitrator believes this produces an unnecessary complication in the bargaining process since no catch-up situation is indicated here which calls for a split wage offer. However the arbitrator does not believe that the lift feature in itself is fatal to the Union offer, such as the County argues, since the County in the next round of bargaining can use as a starting place actual average wage.

**XI. BENEFITS - HEALTH INSURANCE.** The parties are here giving heavy emphasis on the issue of employee payments toward the costs of family health insurance. The County is proposing that the employees pay 15% of the premium, and the Union wants to retain a 10% payment level. The County is self insured. The County has paid 100% of the costs of single person insurance.

The County notes that a resolution was adopted on February 26, 1991, by the County Board approving a 4.5% pay increase for all employees who were department heads or non-represented employees and requiring that the employees pay 15% of the health insurance premium. (ER 10)

In 1991 the annual health insurance family plan increased to \$3,360 over the previous year's cost of \$2,760, or \$600.00. The increased cost for 40 families in the highway unit amounted therefore to \$24,000 per year. If employees for 1991 pay 10% of this added premium cost, the County would pay \$540 of the cost. If the employees pay 15%, the County will pay \$510.00 per family. The former type of cost is \$0.26 cents per hour and the latter type of cost would be \$0.245 per hour.

In the single plan the costs increased \$276.00 or \$0.133 per hour. In 1992 the family plan premium went to \$3,900, or an annual increase of \$540. For 43 families participating, this would mean an increased cost of \$23,220 for the County. With a 10% payment by the County, there is a County cost of \$486.00 per family, or \$0.23 per hour. With a 15% payment by employees, the cost to the County would be \$459.00 per family, or \$0.22 per hour for the County. (ER 12).

The County develops a concept of "Excess Quid Pro Quo" in its analysis. It contends that by instituting its 15% proposal for 7/1/91 instead of 1/1/91, it will have to make up the difference between the 15% the employees might have contributed and the 10% they will have contributed. This excess quid pro quo will come to \$4,330.20 for insurances. When to this is added a contribution for the Wisconsin Retirement System and FICA, there will be a grand total excess quid pro quo of \$5,199.61 for 1991.

In 1992 the County calculates that an employee under the family plan with a 15% contribution will pay \$195.00 per year. However under the County offer of \$12.19 per hour as compared to the Union offer of \$12.00 per hour, there will be a \$.19 difference which amounts to a \$95.20 higher cost for the County in wages under its offer. Thus if the sum of \$95.00 is deducted from \$395.20, the excess of wages per family unit will be \$200.20 higher cost for the County. This will result in an excess cost to the County of \$10,378 when calculations are made for both family and single plans. When payments for the retirement system and FICA are added, there would be a grand total excess quid pro quo for 1992 of \$12,349.82. (EX 13).

The County funds its own Employee/Retiree Medical and Dental Insurance fund. The following table is from County Exhibit 14.

**Table X**

EXPERIENCE OF EMPLOYEE/RETIREE MEDICAL AND  
DENTAL INSURANCE FUND

<u>Year</u>	<u>\$ Income</u>	<u>\$ Expense</u>	<u>\$ Balance</u>
1988			- 1,201
1989	631,765	657,259	- 26,695
1990	693,115	742,194	- 75,774
1991(1)	554,000	635,000	-156,774
1991			-131,000 projected

(1) to 8/31/91

Union Exhibit 21 shows that the 1990 family health insurance premium for the County was \$230.00 per month, of which amount the employees paid \$23.00. In 1991 the rate was \$280.00 of which in the first six months the employee will have paid \$28.00. In the single plan, the County paid \$107.00 in 1990 and will have paid \$130.00 in 1991.

The following table is derived from Union Exhibits 22A and B and from the Union Brief (page 6).

**Table XI**

COMPARISON OF 1990 AND 1991 EMPLOYER CONTRIBUTION TO THE  
FAMILY HEALTH PREMIUMS AMONG UNION COMPARABLES,  
COUNTY COMPARABLES AND INTERNALLY IN DOOR COUNTY

<u>Union Comparables</u>	<u>1990</u>		<u>1991</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Door	207.00	90 <sup>(1)</sup>	252.00	85 <sup>(2)</sup>
Brown	274.30	95	378.26	95
Kewaunee	235.00	90	270.00	90
Marinette	278.00	100		
Oconto	325.26	90		
Manitowoc	319.28	100		
<u>Employer Comparables</u>				
Shawano	315.33	90		
Waupaca		100		
<u>Within Door Co.</u>				
Sheriff	207.00	90		
Social Serv.	207.00	90		
Court House	207.00	90		
Emer. Med. Tech.		90		

(1) to 7/1/91

(2) County offer

Table XII is an abstraction from a table in the Union Brief and based primarily on Union Exhibits 22A and B.

**Table XII**

CHANGES IN DOLLARS AND PERCENT OF FAMILY INSURANCE COSTS  
FROM 1989 TO 1991 IN COMPARABLE DISTRICTS

<u>Union Comparables</u>	<u>Funding</u>	<u>1989</u>	<u>1990</u>	<u>% Inc.</u>	<u>1991</u>	<u>% Inc.</u>	<u>2 Year % Increase</u>
Door	Self	220.00	230.00	4.5	280.00	22.0	27
Brown	Self	224.08	288.74	28.9	389.17	34.8	59
Kewaunee	Self	227.36	262.00	15.2	300.00	14.5	32
Marinette	Self	242.00	278.00	14.9	360.00	29.5	49
Oconto	BCBS	360.22	361.40	0.03	386.34	6.9	7
Manitowoc	Self						
	et al.	229.18	319.28	39.3	362.40	13.5	58
<u>County Comparables</u>							
Shawano	BCBS	296.70	350.37	18.0	473.16	35.0	59
Waupaca	Self	250.00	288.00	15.2	403.00	39.9	61

County's Position on Family Health Insurance. The County holds that its offer on family health insurance is a reasonable response to rapidly escalating health costs, and is supported by a 2:1 wage increase as a quid pro quo which is worth more than \$300 to the average employee in the bargaining unit. Arbitrators recognize that rapidly escalating health costs are of almost universal concern to employers and unions. Door County has had a 21.7% increase in 1991 and 16.0% in 1992, or a 41.3% increase over just two years. This increase comes to \$95 a month, or 55 cents an hour. Though the County had the option of reducing benefits or coverage, or increasing deductibles, the County chooses to increase the proportion of the employee contribution to maintain existing benefits. The County cites arbitral opinion in which this proposition has been accepted. Also health care cost increases negate any previous arrangement that might suggest a carry over of past policy. The large premium increases that have occurred alone justify the County offer to be adopted independent of any quid pro quo. However, a substantial quid pro quo is present, in which by a 2:1 wage offset the employee gains \$300. This quid pro quo is easily identified here. (County calculation showing the benefit to be enjoyed by the employee under the County's offer on wages and health insurance is shown in Table IX above.) The County also says that the benefit to the employee is underestimated, because it does not include roll-up costs.

The County rejects the Union criticism that the County with its control of the insuring process should have raised rates. Such an action would have meant more cost for the employees, a fact which is in itself a major concession on the part of the Union, because it is an argument that

the Union is willing to pay more. If the County had raised the rates to where the Union said it should with a monthly premium rate resulting between \$409 and \$451, then the employee contribution would have been between \$41 and \$45 which is close to the \$48 employee premium that will occur under the County offer. Employees would be worse off because in the process they would not get the 2:1 percent increase in wages. The County's low insurance rates and history favor the County position, because employees have paid a low insurance premium and are likely therefore to be treated fairly in the future.

Union Position on Insurance Summarized. The Union contends that its long history of contributing 10% toward the family plan health insurance premium has shown the employees' willingness to accept some of the burden of health insurance costs, including the increasing costs. The Union contends that with other counties paying the full cost of insurance, the County has had its bargain. The Union also notes that the County contributes less in dollars than the comparables except Oconto.

As to comparables, the predominant arrangement among comparables is the 90% contribution toward the family plan and the 100% contribution toward the single plan. There is no justification for the County to break away from the past plan. The County plan premiums are lowest in costs among the comparables except for Oconto. The County is not vulnerable to inordinate profits of private companies. The County as a self-funded insurer has kept its premium rates low by its own decision having estimated the costs too low in recent years. While other counties were raising the cost of premiums between 49% and 58%, Door raised its rates by 27% to 34%. If Door had kept up with the median rates among the County comparables, its rates would have been between \$327.80 and \$347.60 and through the automatic ten percent payment required of employees, it would have gone a long way toward covering its deficits. The Union argues that the County, which has the prerogative of raising the health insurance premiums should do so and not ask employees to pay a higher percentage of the premium.

The Union says that the County has not established a pattern of higher employee contribution toward health insurance by other represented employees in its service. Only the non-represented employees were required to pay 15% toward the premium.

The Union says that the quid pro quo argument of the County is irrelevant. Questions are raised relating to whether any employer by putting extra money into an offer can buy out any fringe benefit and whether employees can participate in preserving features of a contract. In the instant matter the employees are not willing to sell their health insurance benefit. Arbitral opinion has shown that in a quid pro quo situation, there is a need to consider the volition of the parties in the matter. Also arbitral opinion holds that detailed and compelling evidence must be produced to support a departure from a long established practice. Arbitral opinion also supports the retention of a benefit if it is comparable to external comparables.

Discussion. In the instant issue, the topics of comparability and the need to change will be considered. First there is evidence that the County proposal to have the employees pay 15% toward the cost of health insurance does not compare with the pattern currently existing either internally or externally. (Table XI foregoing.) Thus the County offer does not meet the criterion of comparability in percentage of contribution made by the employees.

As to the need to change, there is evidence of the County facing a rise in its health insurance costs. However in this case with the County being self funded, it can raise the monthly charge for health insurance and recoup a substantial portion of it from the employees. It would seem justified then to conclude that the County should follow this path for a future experience before attempting to change to a pattern of required employee contribution not supported by comparables.

Since the County has not proved a compelling need to make a change, but has some authority on its own to remedy a situation, its offer, which includes a substantial dollar benefit for the employees for the term of the contract if they accept it, is in the nature of a proposed trade. This is a trade which the employees in their own wisdom do not want to make for their own reasons. The arbitrator therefore is hesitant to impose it when compelling need is not shown.

**XII. COMPARISONS WITH OTHER MUNICIPAL EMPLOYEES.** This topic has been treated by the parties chiefly under the subject of insurance benefits and payments made internally in Door County. As the discussion has shown in Section XI, the County offer on insurance is not comparable to the conditions experienced by other unionized employees in the County.

The parties did not address intensively the comparison of wage offers internally. From Union Exhibit 9, it appears that unionized Courthouse employees received a 3.00% across the board increase in 1992 and will receive another 3.00% in 1993. From Union Exhibit 5 Sheriff's Deputies received a 3.00% increase for 1991 and another 3.00% increase for 1992. According to Union Exhibit 11, Courthouse employees when increment increases are considered will have received an average increase between 1991 and 1993 of 4.8% per year.

The above information is meager, but the arbitrator concludes that as far as wages are concerned, the about 4.0% increase proposed by the Union is closer to the comparison groups than the about 4.7% increase proposed by the County.

On the basis of both pattern of insurance comparables and wage percentage increases, the Union offer, lesser as it is in wages, is therefore the more comparable one as far as internal comparisons are concerned.

**XIII. COMPARISONS WITH EMPLOYEES IN PRIVATE EMPLOYMENT.** The parties did not address this issue.

**XIV. COST OF LIVING.** According to County Exhibit 16, the Consumer Price Index-Urban Wage Earners and Clerical Workers rose 5.5% between 1990 and 1991. For Non-Metro Areas in the North Central States, this index rose 4.9% from January 1990 to January 1991. Union Exhibit 28 showed that the change in December 1990 above December 1989 was 6.1% for the CPI-W for the US city average. In total costs of offers, the Union proposed increase of 5.22% is closer to the change reported for Non-Metro, North Central States areas than is the County offer in which the differences are 5.22% and 5.69%. However if the US city average is considered, the County offer is the more comparable.

The Union has noted that its offer is far less than the Cost of Living increase shown in its exhibit as 6.1%.

The arbitrator, considering that Door County is a Non-Metro area, finds that the Union offer is slightly more comparable than the County offer.

**XV. OVERALL COMPENSATION.** The parties addressed this subject in their positions with respect to wages and health insurance when taken together. This matter has been dealt with earlier as between the offers. The overall compensation between comparable counties was not presented, and the arbitrator cannot render a conclusion on which offer is the most comparable. However, the arbitrator is of the opinion that from the previous analysis, the County offer produces a higher overall rate of compensation than does the Union offer. As to the weight to be given this fact, and the matter of whether the quid pro quo offered by the County in wages should prevail in exchange for a higher premium payment required of employees, will be considered in the next section here.

**XVI. OTHER FACTORS.**

A. The matter of a quid pro quo as emphasized here by the County and not accepted by the Union needs consideration. This arbitrator has held in some past decisions that under final and binding final offer arbitration any matter of status quo in the past can be raised for consideration and no quid pro quo is needed to do that and change it. However if a change in a past usage between the parties is to be made, there needs to be a showing made either on the basis of a substantial need or on the basis of comparability, in which case the change can be justified. As to the matter of comparability, the Union position of retaining a 10% employee contribution is the more comparable position. As to the need to change because insurance premiums are going up, the County, which determines the coverage and can put forth the charges, can increase the charges, and consequently the dollar amount of the employees' 10% contribution will increase. In other words, the arbitrator has not seen an urgent need to make the change when the County can resort to a kind of self-help to increase employees' contributions.



Since the Union does not want to accept the proposed trade afforded by the County, when an urgent need for the change is not demonstrated, the arbitrator therefore is of the opinion that the exchange proposed in the County offer of higher wages for higher premium payments should not be made through arbitration at this time.

B. The matter of whether the County offer was tentatively agreed to by the Union, or Union Negotiating Committee, is in dispute, as well as the weight which should be attributed to this situation. The County asserts that the County proposal for a 15% family premium was agreed to and that arbitrable opinion favors judging the County offer therefore to be reasonable and worthy of acceptance.

The Union asserts that it did not accept the County proposal, but merely that its bargaining committee thought the County proposal something which should be sent to the memberships to see if it would be acceptable.

County Exhibit 5 shows that on May 18, 1991, three members of Local 1658 and the Staff Representative of Wisconsin Council 40, AFSCME, AFL-CIO signed a "Tentative Settlement Agreement". This agreement had as point 3, "Change health insurance to 85% Employer 15% employee family plan contributions effective 7-1-91."

Thus, in the opinion of the arbitrator here, there was a tentative agreement between the Union bargaining team and the County team of five members on an 85/15 percent division of costs for the family plan insurance.

Now as to the weight to be attributed to this agreement between bargaining teams, this arbitrator is of the opinion it should not be given a weight sufficient to decide the issue between the parties.

The bargaining teams, though acting in what they may conceive to be the best interests of their members, are not the actual principals. The principals in negotiations retain the right to reject what the bargaining teams may recommend, or agree to. Thus in this case the arbitrator is weighing all the various statutory factors imposed on an arbitrator for the outcome rather than finding the terms of the tentative agreement determinative of the outcome.

**XVII. THE ABILITY OF THE UNIT OF GOVERNMENT TO PAY AND THE INTERESTS AND WELFARE OF THE PUBLIC.** The County here is not making an issue of ability to pay. Rather its concern is based on what it perceives is the need of the employees to pay more toward their cost of rising health insurance premiums. The Union in arguing for its lower cost proposal, nevertheless also argues that the County has the ability to pay, because of its low levy rate and high per capita income and valuation. The arbitrator finds that the County certainly can meet the costs of either offer.

The main issue then comes to the interests and welfare of the public. In terms of dollar costs, the Union offer is less, so this fact can be thought of as in the public interest in this contract now. The County however believes its higher cost offer at present is required in order to get more employee participation in paying rising insurance costs, and therefore its offer in the long run is more in the public interest.

In the opinion of the arbitrator, the fact that the County has not come to the end of its capacity to get a larger payment from the employees through its use of a 10% contribution on a higher premium cost which can be set by the County, the interest and welfare of the public at this time is better served in the lower cost of the Union proposal.

**XVIII. OTHER FACTORS.** No other factors were brought to the attention of the arbitrator during the pendency of the proceedings.

**XIX. SUMMARY AND CONCLUSIONS.** The following is a summary of the findings and conclusions of the arbitrator.

1. There is no question as to the lawful authority of the municipal employer to meet the terms of either offer.
2. All other matters are stipulated to between the parties.
3. The list of counties used as comparables by the Union consisting of Door, Brown, Oconto, Marinette, Manitowoc and Kewaunee are considered the primary comparable counties, but because two counties have no settlements, some weight is given to the counties of Shawano and Waupaca proposed by the County.
4. When wages alone are considered, the County offer though higher than the Union offer is reasonable, since it does not change the ranking of Door among comparables.
5. In health insurance, the Union offer on employee contributions expressed in percentages is more comparable. The County has not proved a compelling need to make a change in percentage and has authority to help itself in getting more dollars in employee contributions even with the past percentage of contribution toward the premium.
6. In comparison with comparable counties, the Union offer, because it is lesser in dollar amounts and percentage increases, is the more comparable.
7. In the matter of internal comparisons the Union offer both on wage increases and insurance comparables is the more comparable.
8. The parties did not address the subject of comparisons in private employment.

9. The Union offer as far as changes in the cost of living is slightly more comparable to changes recorded in the CPI-W for Non-Metro Areas in the North Central States. In other indices the County offer appears more comparable.

10. As to overall compensation between the comparables externally, the parties did not make major presentations on this factor.

11. As to the matter of a quid pro quo offered by the County wherein higher wages are offered in exchange for a higher health premium contribution, the arbitrator has found that there is no urgent need for the County to require a higher percentage payment for health premiums at this time for reasons explained in paragraphs above. Since the Union does not want to accept the offer of exchange, the arbitrator is of the opinion that the exchange should not be made through arbitration at this time.

12. As to whether a tentative agreement was reached by bargaining teams for the parties on the County's proposal on a 15% employee contribution toward health insurance, the evidence is that such a tentative agreement was reached. The arbitrator, however, is of the opinion that this tentative agreement should not be given such weight as to decide the issue between the parties since principals have the right to reject what their bargaining teams agree to.

13. The County has the ability to meet the costs of either offer.

14. As to the interests and welfare of the public, the lesser Union offer serves the interests of the public at this time.

15. No other factors have been brought to the arbitrator's attention during the pendency of the proceedings.

On the basis of the foregoing, the arbitrator perceives as the weightiest factors those of the wage offer, of the health insurance offer and the interests and welfare of the public. The former accrues to the County, the latter two to the Union. Therefore the following award is made:

**XX. AWARD.** The terms of the 1991-1992 agreement between Door County and Door County Highway Employees Union, Local 1658, AFSCME, AFL-CIO shall include the offer of the Union.

*Frank P. Zeidler*

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FRANK P. ZEIDLER  
ARBITRATOR

Date February 6, 1972  
Milwaukee, Wisconsin