

BEFORE THE ARBITRATOR

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WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of:

Case 98 No. 48885
INT/ARB-6809

WISCONSIN COUNCIL 40, RICHLAND
COUNTY PUBLIC EMPLOYEES' UNION,
LOCAL 2387, AFSCME, AFL-CIO,

Decision No. 27897-A

To Initiate Arbitration Between Said
Petitioner and

RICHLAND COUNTY (HIGHWAY
DEPARTMENT)

Sherwood Malamud
Arbitrator

APPEARANCES:

David White, Staff Representative, 583 D'Onofrio Drive, Madison, Wisconsin 53719, appearing on behalf of the Union.

Godfrey & Kahn, S.C., Attorneys at Law, by Jon E. Anderson, 131 W. Wilson Street, P.O. Box 1110, Madison, Wisconsin 53701-1110, appearing on behalf of the Employer.

ARBITRATION AWARD

Jurisdiction of Arbitrator

On February 14, 1994, the Wisconsin Employment Relations Commission appointed Sherwood Malamud to serve as the Arbitrator to issue a final and binding award pursuant to Sec. 111.70(4)(cm)6.c., Wis. Stats., with regard to an interest dispute between Local 2387, Wisconsin Council 40, AFSCME, AFL-CIO, hereinafter the Union, and Richland County (Highway Department). Hearing in the matter was held at the UW Administration Building Seminar Room in Richland Center, Wisconsin. Briefs and reply briefs totaling 115 pages were exchanged through the Arbitrator by August 10, 1994, at which time the record in the matter was closed. Based upon a review of the evidence, testimony, and arguments presented by the parties, and upon the application of the criteria set forth in Sec. 111.70(4)(cm)7 a.-j., Wis. Stats., to the issues in dispute herein, the Arbitrator renders the following Award.

SUMMARY OF THE ISSUE IN DISPUTE

The Union Offer

The Union proposes that employee wage rates be increased across the board by 4% effective January 1, 1993, and by an additional 4% on January 1, 1994. The total package cost of the Union offer is 4.35% in 1993 and 3.98% in 1994.

The County Offer

The County proposes that the wage rates of the Highway Department employees be increased by 3% effective on January 1, 1993 and by an additional 3% effective January 1, 1994. The total package cost of the Employer offer is 3.49% in 1993 and 3.13% in 1994.

The parties' final offers include identical proposals on health insurance, the renewal of two memoranda and the duration clause. The issue to be determined through this interest arbitration proceeding is the wage issue.

BACKGROUND

Richland County is located in the southwest region of the state of Wisconsin. For at least the last twenty years, the Highway Department unit and the Employer, Richland County, have voluntarily settled the terms and conditions of their collective bargaining agreements. Richland is one of the smallest counties in the southwest corner of the state of Wisconsin, as measured by population and full equalized value of real property, the primary resource for financing public employee wages. The parties do not agree upon the communities to which the Highway Department employees of Richland County are to be compared. The communities to be included in the comparability pool is an issue extensively litigated by the parties both at the hearing and in their written arguments.

STATUTORY CRITERIA

The criteria to be used to resolve this dispute are contained in Sec. 111.70(4)(cm)7, *Wis. Stats.* Those criteria are:

7. Factors considered. In making any decision under the arbitration procedures authorized by this paragraph, the arbitrator shall give weight to the following factors:
 - 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 the 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 the 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.

DISCUSSION

Introduction

The Arbitrator incorporates the arguments presented by the parties in their briefs at each point of the discussion of the application of the statutory criteria to the wage issue.

The statutory criteria presented by either or both parties as pertinent to the resolution of this dispute are: the interest and welfare of the public; comparability to employees performing similar services, comparability to employees in public employment in the same community and in comparable communities, and comparability of employees in private employment in the same community and comparable communities; the cost of living; overall compensation; and such other factors-internal comparables.

COMPARABILITY

The Employer and the Union are unable to agree upon the comparability pool of public employers to which the Highway Department employees of Richland County are to be compared. The Union and the Employer agree on the comparability of four of the five contiguous counties to Richland County, which are: Crawford, Iowa, Sauk, and Vernon counties. The Employer proposes the inclusion of Grant County. The employees of the Grant County Highway Department are unrepresented, and on that basis the Union objects to the inclusion of Grant County as a comparable.

For its part, the County does not agree to the inclusion of the non-contiguous counties of LaCrosse, Monroe, and Columbia suggested by the Union as comparables to Richland. Furthermore, the Employer opposes the inclusion of the Department of Public Works employees of the City of Richland Center as a comparable to the highway unit.

Grant County

The Employer presents the opinions of many distinguished arbitrators who oppose the exclusion of a particular comparable solely on the basis of the representative status of a unit of employees. The Employer emphasizes, and the Union concedes, that the highway employees of Grant County are comparable to Richland County's highway employees but for the representative status of the Grant County highway employees. The Grant County Highway Department is the sole highway department in the state of Wisconsin whose employees are unrepresented. The inclusion as a comparable nonrepresented employees is vigorously argued by the Employer. In support of its argument, it quotes extensively from the opinions of Arbitrator Gundermann in Cameron School District (Support Staff), Dec. No. 27562-A, 8/93; Montello School District (Non-certifieds), Dec. No. 19955-A (Briggs, 6/83); Shiocton School District (Support Staff), Dec. No. 27635-A (Petrie, 12/93); Iowa County (Highway Department), Dec. No. 27608-A (Tyson, 1/94); and Lafayette County (Highway Department), Dec. No. 24548-A (Bilder, 10/87). The strongest position on this point is stated by Arbitrator Petrie in Shiocton, as quoted by the Employer in its brief, as follows:

Since the parties have agreed that the Central Wisconsin Athletic Conference comprises the primary intraindustry comparison group for use in these proceedings, it seems clear to the undersigned as a matter of law, that all of the employees within the conference who are "performing similar services" are part of the primary intraindustry comparison group, regardless of union representation; stated simply, there is no appropriate basis under the statutory criteria to on a blanket basis, include or exclude Districts on the basis of union representation, despite the fact that union representation or lack of same may control the weight to be placed upon certain types of comparisons.

Arbitrator Gundermann in Cameron School District, supra, is quoted by the Employer as stating that:

---arbitral authority supports the proposition that the statute does not contemplate selecting comparables based on union representation.

The Employer argues that the statute does not establish representative status as a basis for selecting or identifying comparables. The language of the statute in the comparability subparagraphs makes no reference to representative status:

. . . d. . . . other employes performing similar services.

e. . . . other employes generally in public employment in the same community and in comparable communities.

The statute does not require that a comparison be made to the represented employees of comparable employers. The Employer notes that the Grant County highway employees are identified as a comparable in interest arbitration awards involving Iowa and Lafayette counties.

The Union quotes several arbitrators including Arbitrator Vernon in Edgerton School District, Dec. No. 25933-A (11/89) and in Lake Geneva Joint School District No. 1, Dec. No. 26826-A (2/92) in support of excluding from the comparability pool unrepresented employees. The late Joseph Kerkman in Washburn School District, Dec. No. 24278-A (9/87) presents an extensive review of the interest arbitration awards which discuss this issue of the inclusion of non-represented employees in a comparability pool. The

Union quotes the views expressed by this Arbitrator in West Allis-West Milwaukee School District, Dec. No. 21700-A (1/85), as follows:

... it is difficult to establish the wages and benefits provided by an employer in a situation where there is no collective bargaining agreement and where the benefits are not published in such an agreement. Secondly, the establishment of wages, hours, conditions of employment through an administrative process by unilateral action of the employer provides little insight as to the pull and tug occurring at the bargaining table. What is happening at the bargaining table is an important consideration in the MED/ARB process which is concerned with the resolution of disputes which arise from the competing interests which are part and parcel of the collective bargaining process. The use of groupings of employees who are unorganized provides information which is tangential at best to the statutory MED/ARB analysis mandated by the statutory factors quoted above.

The evidentiary concern expressed in West Allis-West Milwaukee is present, here. In this case, it was necessary to correct the record concerning the wage rates paid to employees in the Grant County Highway Department.

County Clerks and Personnel Directors in presenting data about nonrepresented employees may fail to include items such as bonuses and premiums paid for work on certain pieces of equipment. Such omissions are relevant in a highway setting. It is the experience of this Arbitrator that when a group of unrepresented employees organize and the parties negotiate a first contract, one of the difficulties in negotiating a first agreement is the placement of employees in the unit under a uniform wage and classification schedule.

This Arbitrator's philosophical basis for excluding nonrepresented employees from a comparability pool as expressed in West Allis-West Milwaukee has not changed. Nonrepresented employees cannot proceed to interest arbitration under the framework established by the Municipal Employment Relations Act. It effects the end product, the wage rates paid to these employees.¹ For the reasons stated above, this Arbitrator concludes

¹ The Employer cites one or more cases in which most of the labor market consisted of groups of nonrepresented employees. See, Thorp School District, Dec. No. 23082 (Yaffe, 6/86). Such a circumstance is unique and clearly distinguishable from this case. Here, the nonrepresented status of the group of employees is unique not only to this region of the state but to

that the nonrepresented employees of the Grant County Highway Department do not serve as a comparable to Richland County Highway Department employees.

A number of arbitrators referenced by the Employer note that the wage rates paid to nonrepresented employees are in line with the rates paid to represented employees. Comparability is not established on the basis of similarity of wage rates. Comparability is established on factors such as population size, the size of the unit, the financial resources which employers have to support wage rates, and the composition and income of the citizens who are served by a particular public employer.

LaCrosse, Columbia, and Monroe Counties

The population of LaCrosse County exceeds 99,000; the population of Richland County is approximately 17,500. The full value of property in LaCrosse County is approximately \$2.5 billion. In Richland it is \$382 million. The Union argues that the per capita equalized value of property in the two counties, which is \$24,767 in LaCrosse and \$21,787 in Richland, support the inclusion of LaCrosse as a comparable for Richland. One must be careful in using per capita statistics. The purpose of reviewing population size, full value of property located and subject to taxation in a community, the income levels of the population of a particular county is to ascertain the resources available to the employer to pay wage rates at a certain level and provide a certain level of wage increases.

The Union presents the views of Arbitrator Tyson as including the dominant community, such as, La Crosse as a comparable to a smaller county in the same labor market. The extent to which this represents the views of Arbitrator Tyson, this Arbitrator disagrees. Upon review of the traditional factors for establishing comparability, such as population, full value of property within the county, the income levels of the populous of the county, the Arbitrator concludes that LaCrosse is much larger than Richland and is an inappropriate comparable.

The Employer objects to the inclusion of Columbia and Monroe because these two counties are not contiguous to Richland. Proximate distance of one municipal employer to another has been used as a criterion for determining comparability. However, proximate distance does not require that the municipal employers be contiguous. Although traveling from Richland to Monroe County is easier for birds than those traveling in cars, the Arbitrator concludes that both Monroe and Richland lie within the same market for employment and for the purchase of goods and services.

the state of Wisconsin. It is the only nonrepresented group of highway employees in Wisconsin.

The Arbitrator excludes Columbia County as a comparable, although it is similar in size to Sauk County which both the Employer and the Union identify as a comparable. Columbia has a population of just under 46,000 and full equalized value of approximately \$1.4 billion. The Arbitrator finds that the inclusion of Columbia would skew the graduated range of comparables. For that very reason, the Arbitrator excludes Columbia, but includes Monroe County as a comparable to Richland.

Accordingly, the range of comparables for Richland County, again the population of which is 17,578, includes: Crawford with a population of 15,983 and full value of \$374 million which is slightly smaller than Richland; Iowa County with a population of 20,000+ has a full value of \$681 million; Vernon County with a population of 25,861 has a full value of \$572 million; Monroe County with a population of 37,182 has a full value of \$845 million; and, finally, Sauk County with a population of 48,155 has a full value of property located within its borders of \$1.5 billion.

The Union suggests Richland Center, the municipality with a population which exceeds 5,000 and in which one-third of the population of Richland resides and its Department of Public Works employees, as a comparable. Even though Richland Center is a municipality as opposed to a county, the Arbitrator concludes that it is appropriately included as a comparable to Richland County. To sum up, the comparability pool for Richland County is as follows: The counties of Crawford, Iowa, Monroe, Sauk, and Vernon, and the city of Richland Center.

d. & e. Comparability . . . Richland Highway Department Employees to Other Employees Performing Similar Services and to Other Public Employees

The comparability criterion has two general components. Under this criterion, the wage levels of Richland Highway Department employees are compared to the levels paid at certain classifications of the comparables. The second component of this criterion measures the extent of year to year change in wage rates exhibited by the percentage wage increase offered for the time period in dispute.

Both the Employer and the Union suggest four classifications to serve as "benchmarks" for the analysis of wage levels paid to Richland Highway Department employees. The classifications are: Mechanic, Heavy Equipment Operator, Patrolman, and Truck Driver. The Arbitrator analyzes three of these four benchmarks. The Arbitrator finds that several of the comparables place the Patrolman and Truck Driver classifications in the same pay range. The data generated by the comparison of Truck Driver rates among the comparables is very similar to that for Patrolman. The Patrolman classification is used as the benchmark. The Arbitrator contrasts the range of wage rates paid by highway departments through the use of the Mechanic classification, as indicative of the high end of the wage schedule, the Heavy Equipment Operator as the middle, and the Patrolman at the lower end of

the wage schedule. There are 33 unit positions in the Richland Highway Department. Eleven employees are classified as Heavy Equipment Operators; six are Patrolmen, and one is a Mechanic.

CHART #1 **PATROLMAN**

COUNTY	1992	1993	1994
CRAWFORD	9.84	10.23 / 10.38(5/10)	10.74
IOWA	9.86 / 10.06(7/1)	10.36 / 10.57(7/1)	10.80 / 11.04(9/1)
MONROE	10.49	10.90	11.33
RICHLAND CENTER	10.29	10.70	11.20
SAUK	9.87 / 10.07(7/1)	10.57	10.83 / 11.05(7/1)
VERNON	10.15	10.51	10.83
AVERAGE	10.15	10.61	11.03
RICHLAND UNION	10.57	10.99	11.43
RICHLAND EMPLOYER	10.57	10.89	11.22
DEVIATION FROM AVG./ UNION OFFER	+42¢	+38¢	+40¢
DEVIATION FROM AVG./ EMPLOYER OFFER	+42¢	+28¢	+19¢
RANK UNION OFFER	1	1	1
RANK EMPLOYER OFFER	1	1	3

Chart No. 1 describes the wage levels paid to employees in the Patrolman classification in the base year, 1992, and the wage levels paid in calendar years 1993 and 1994. Although Richland is one of the smallest counties in the southwest corner of the state, the wage levels it pays to this classification ranks number one. Under the Union offer, that ranking is retained through 1993 and 1994. The difference between the average rate paid by the comparables and the rate of Richland County highway patrolmen declines slightly from 42¢ above the average in the base year, 1992, to 40¢ above the average in 1994. The 1992 rate of 42¢ above the average was established through voluntary collective bargaining by these two parties. Consequently, the Union's proposal which generates a wage rate 38¢ above the average in calendar year 1993 and 40¢ above the average in 1994 is consistent with the relationship of wage rates paid to patrolmen in Richland County relative to the average rate paid to patrolmen by the comparables.

On the other hand, the County's offer reduces the Richland rate above the average from 42¢ in 1992 to 19¢ above the average in 1994. The County, notes that this Arbitrator observed in Belmont School District, Dec. No. 27200-A (10/92) that the interest arbitration process drives salaries to the mean. The County cites the decision of Arbitrator Flaten in Douglas County (Law Enforcement), Dec. No. 27594-A (8/93) who observed that the wage rates paid by comparables may indeed be larger than the wage offer of the lead employer which is the subject of the arbitration proceeding. In this case, the Employer, Richland County, suggests that the split raises paid by the comparables represents their attempt to catch up to the wage levels of highway department employees in Richland County.

In 1993, the increase in cents per hour generated by the Union offer at the Patrolman classification is 42¢; the average of the comparables is 41¢. In 1994, the comparable increase on a cost basis, that is what employees are paid during the particular year, is 37.5¢. The Union offer generates a 44¢ increase.

CHART #2 HEAVY EQUIPMENT OPERATOR

COUNTY	1992	1993	1994
CRAWFORD	9.94	10.38	10.74
I O W A (L O A D E R PAVER)	9 . 9 4 / 10.14(7/1)	10 . 4 4 / 10.65(7/1)	10 . 8 8 / 11.12(9/1)
MONROE	10.86	11.28	11.72
RICHLAND CENTER	10.29(excl. 40¢ prem.)	10.70(excl. 40¢ prem.)	11.20(excl. 45¢ prem.)
SAUK	10 . 0 2 / 10.22(7/1)	10.73	11 . 0 0 / 11.22(7/1)
VERNON	10.35	10.71	11.03
AVERAGE	10.37	10.74	11.17
RICHLAND UNION	10.67	11.10	11.54
RICHLAND EMPLOYER	10.67	10.99	11.32
DEVIATION FROM AVG. Union offer	+30¢	+36¢	+37¢
DEVIATION FROM AVG. Employer offer	+30¢	+25¢	+15¢
RANK UNION OFFER	2	2	2
RANK EMPLOYER OFFER	2	2	2

Chart No. 2 describes the rates paid to Heavy Equipment Operators in Richland County in the base year 1992 and contrasts those to the rates paid by comparables in the base year and for calendar years 1993 and 1994. At the Heavy Equipment Operator classification, the chart describes the reduction in the deviation from the average generated by the Employer's

offer. In 1992 the Heavy Equipment Operator was paid 30¢ above the average rate paid by the comparables. In 1993 and 1994 the differential between the wage level generated by the Employer's offer and the average paid by comparable employers declines to 25¢ in 1993 and 15¢ above the average in 1994.

At the Heavy Equipment Operator classification, however, the Union offer increases the differential between the wage level paid to employees in this classification as contrasted to the average paid by the comparables. It increases from 30¢ above the average in the base year, 1992, to 36¢ above the average in 1993, and 37¢ above the average in 1994. Again fully one third of the employees in the Richland Highway unit are classified as Heavy Equipment Operators.

The Union offer generates a 43¢ increase in 1993 as does the average increase among the comparables. In 1994, the Union offer generates a 44¢ increase at the Heavy Equipment Operator classification.

The County offer at this classification generates 32¢ increases both in 1993 and 1994.²

² Due to a rounding effect, there is between a 1¢ and a 2¢ difference between the data generated by the charts and the product of multiplying the average wage rate by the average percentage increases granted by the comparables (multiplying the averages reflected in Chart #4 by the average wage rate in the other charts.)

CHART #3**MECHANIC**

COUNTY	1992	1993	1994
CRAWFORD	10.14	10.53	10.90
IOWA	10.07 / 10.27(7/1)	10.58 / 10.79(7/1)	11.12 / 11.36(9/1) INCL TOOL ALLOWANCE
MONROE	10.86	11.28	11.72
RICHLAND CENTER	N/A	N/A	N/A
SAUK	10.15 / 10.35(7/1)	10.87	11.14 / 11.36(7/1)
VERNON	10.42	10.78	11.10
AVERAGE	10.41	10.85	11.29
RICHLAND UNION	10.67	11.10	11.54
RICHLAND EMPLOYER	10.67	10.99	11.32
DEVIATION FROM AVG./ UNION OFFER	+26¢	+25¢	+25¢
DEVIATION FROM AVG./ EMPLOYER OFFER	+26¢	+14¢	+3¢
RANK UNION OFFER	2	2	2
RANK EMPLOYER OFFER	2	2	4

The Employer's offer at the Mechanic classification yields the most precipitous decline in wage rates relative to the average. In 1992, the base year, the Mechanic wage level in Richland County was 26¢ above the average. In 1993, that rate is reduced to 14¢ above the average. Under the

Employer's offer, the rate paid to the Richland Mechanic as contrasted to the average rate paid by comparables to the Mechanic classification is reduced to 3¢ above the average in 1994.

Under the Union offer at this classification, the deviation from the average remains about the same. In 1992, it was 26¢ above the average. Under the Union offer, it would remain 25¢ above the average in both calendar years 1993 and 1994.

Summary of Information Reflected in the Above Charts

With regard to the first component, and in the view of this Arbitrator the most important component of the comparability criterion the wage levels paid to employees relative to the wage rates paid by comparables at the benchmark classifications, the Union offer is consistent with the history of collective bargaining of these parties. Generally speaking, the cents per hour above the average achieved through voluntary collective bargaining remains consistent through the various benchmark classifications. At the Heavy Equipment Operator classification with eleven employees in that classification, the Union offer increases the differential from 30¢ above the average to 37¢ above the average.

On the other hand, the Employer offer alters the relationship achieved by the parties through voluntary collective bargaining. The wage level above the average is substantially reduced at each of these classifications over the duration of this agreement.

Under a statutory scheme which tends to drive wage rates above the average to the average and those below the average up to the average, the Employer offer is consistent with that statutory outcome. On the other hand, the Union's offer generates wage rates consistent with the wage levels established by the parties through many years of voluntary agreements.

CHART #4**PERCENTAGE INCREASES 1993 & 1994**

COUNTY	J A N 1993	J U L Y 1993	1 9 9 3 COST	J A N 1994	J U L Y 1994	1 9 9 4 COST
CRAWFORD	3.96	2.08	4.67	2.50	1.99	3.49
IOWA	2.98	2.03	3.99	2.18	2.22(9/1)	2.73
MONROE	3.91		3.91	3.94		3.94
RICHLAND CENTER	3.98		3.98	4.67		4.67
SAUK	4.97		4.97	2.46	2.03	3.47
VERNON	3.55		3.55	3.04		3.04
AVERAGE			4.18			3.56
RICHLAND UNION			4.0			4.0
RICHLAND EMPLOYER			3.0			3.0

Chart No. 4 measures the second component of the comparability criterion. It reflects the wage rate increases provided by comparable employers as contrasted to the wage rate increases provided by the parties' final offers. Chart 4 clearly demonstrates that the Union's final offer more closely approximates the average increases provided in 1993 and 1994 by comparable employers. In 1993, the average increase, on a cost basis, is 4.18%. Obviously the Union's 4.0% offer is much closer to that average than the Employer's 3% wage increase offer. In the second year, the Union's 4.0% wage offer more closely approximates the 3.56% average wage increase, on a cost basis rather than on a lift basis, than the Employer's 3% offer.

Conclusion at Comparability Highway Department Employees -- to Highway Department Employees

The Union's final offer produces wage rates consistent with those paid by the comparables, at least in the base year, 1992. Most importantly, that relative relationship above the average was achieved by both the Employer and the Union on the basis of voluntary agreements. The Employer offer alters that relationship. The Employer offer drives the average wage rates towards the average paid by the comparables.

The statutory criteria tend to drive wage rates which are above average to the mean and those below the average up to the mean. This trend produces a result which is inconsistent with the past pattern of settlement of the parties.

Consistent with this analysis, a final offer of a leader among the comparables is likely to be lower than the average wage increase paid by comparable employers. That is precisely what has occurred, here. The Employer's final offer is further from the average wage increases provided by comparable employers. Although the Employer offer drives wage rates to the mean, it does not drive them below the average. Furthermore, with the exception of the Mechanic classification, that drive towards the average is not precipitous.

The impact of this criterion is described in the portion of the Award Selection of the Final Offer.

f. Comparability Highway Department Employees to Employees in Private Employment

The Employer placed in evidence the wage survey of the southwestern Wisconsin service delivery area conducted by the Wisconsin Department of Industry, Labor and Human Relations. The data provided by this wage survey is of limited use. The precise classifications do not precisely fit the employee classifications at issue in this case. Generally, the data demonstrates that wage levels for Truck Drivers and Mechanics in private employment in this region of the state are higher in the public sector than in the private sector. No year to year comparison beyond 1992 is provided by this data. Therefore, no conclusions can be reached on the level of change in rates paid by private employers to employees working in these classifications. This data is of limited use. It provides marginal support to the adoption of the Employer's final offer.

g. Cost-of-Living Criterion

The increase in the cost of living under the non-metro wage earner index for calendar years 1992 was 2.5% and 1993 was 2.6%. The Employer offer more closely approximates the data generated by the CPI.

However, there is another dimension to the cost-of-living criterion. The percentage wage increases provided by comparable employers through the collective bargaining process reflect the manner in which employers and unions adapt to the various factors driving the increase in the cost of living. This most important component of the cost-of-living criterion more closely approximates the wage offer of the Union. However, this component of the Cost-of-Living analysis is reflected in the comparability analysis. Accordingly, the Arbitrator concludes that this criterion supports adoption of the Employer's final offer.

h. Overall Compensation

Iowa County is the only comparable that offers dental insurance. Richland County provides dental insurance through the HMO option. This employer's contribution at 96% for family coverage as stated in the form of a dollar cap is higher than most of the comparables including Monroe County. Insurance is not the focus of the dispute between the parties. Consequently it is difficult for the Arbitrator to make any broad generalizations with regard to the benefit package offered by Richland County. However, it is clear that the benefit package of this Employer is equal to or better than that offered by the comparables. This criterion provides support for the selection of the Employer final offer over that of the Union.

b. Interest and Welfare of the Public

The Employer emphasizes that this criterion supports the selection of its final offer. The Employer notes that the County is under cost controls. The Employer points out that the property tax rate paid by Richland County residents is one of the highest in the area.

The Union effectively meets these Employer arguments. The Union notes that the portion of the property tax attributable to the County has increased by the lowest amount of any of the comparables. Over the five year period of 1987-1992, it has increased a little over 13% when the average increase among the comparables exceeds 30% over the same period. In the last year, 1992, the increase in Richland County of the county portion of the property tax was slightly more than 2%. To its credit, Richland County did not need cost controls to moderate the burden which it placed on its taxpayers. The Union emphasizes that during the period that the County has shown restraint in employing its taxing authority, it has reached voluntary agreements and achieved settlements which placed Richland County Highway Department employees first or second among the comparables.

In addition, the record evidence demonstrates that a sizable portion of the funding for the operation of the Highway Department comes from charges made by the County to the state of Wisconsin for maintenance of state roads located in Richland County. Careful analysis of the data presented by the Employer demonstrates that the \$19,841 difference

between the Union final offer and the Employer final offer over the term of this agreement will not burden the County or its taxpayers. The Arbitrator concludes that the interest and welfare of the public criterion does not provide a basis for distinguishing between the final offers of the parties.

j. Such Other Factors . . .

The Employer argues that there exists a pattern of settlement in Richland County which the Union attempts to resist through its final offer. The facts in this case demonstrate otherwise. The Employer offer in the Highway Department is consistent with its offer which it has made to the other organized employees of the County and the nonrepresented employees of this Employer. However, only one unit, the unit of professional employees, have accepted the Employer's 3% increase in each of the 1993 and 1994 calendar years. The Employer provided a substantial inducement to obtain that settlement. It agreed to a 42-month step which provides a 2% differential over the 30-month step. The step impacts six of fourteen employees during the two year term of the agreement. It will impact the rest of the employees in this unit by September 1997.

The Union argues that the settlement in the professional unit exceeds the Employer's offer of a 3% increase in each of two years. The Union argues that even if the Arbitrator considers the settlement as a 3% settlement, one settlement does not a pattern make. The Arbitrator agrees with both Union arguments. The one settlement in the professional unit at 3% but with a 42-month step, indicates that a settlement without any inducement is not acceptable to any represented group of Richland employees. The Arbitrator concludes that this criterion does not favor either offer.

SELECTION OF THE FINAL OFFER

The comparability criteria, comparing the wage levels of employees in **private** employment to the wage levels received by Richland County highway department employees, at similar classifications in the base year 1992, provides some marginal support in favor of the selection of the Employer final offer. Overall compensation and the Cost-of-Living criteria support the inclusion of the Employer's final offer in the successor Agreement.

This is a very close case. There is substantial evidence which justifies the inclusion of the final offer of each party to this proceeding in this successor agreement. The Union's final offer generates wage levels consistent with the wage levels achieved by the parties through past voluntary collective bargaining. This fact provides substantial support for the Union's final offer.

As the wage leader, the Employer offer is reasonable, although it is lower than the average increases provided by the comparables. The

Employer has not justified its position that there needs to be a change in the relationship of Richland Highway wage levels relative to the levels paid by the comparables. In Belmont School District, this Arbitrator stated that:

Unless agreement of the parties establishes salary levels far above or below the average, in interest arbitration proceedings, salaries substantially above average are driven towards the average, and salaries substantially below average are driven up towards the average.

The wage level of this Employer is not that much above the average that the statutory scheme operates to force it downward to the mean. The relationship above the average was achieved through voluntary agreements. The Union offer is consistent with the bargaining patterns of the past.³ The data presented under the interest and welfare of the public criterion does not support reducing the wage levels of the benchmark classifications, at this time. The comparability criteria, comparing the wage levels and rate of increase of wage rates of Richland County Highway Department employees to other highway department employees of comparable employers, support the adoption of the Union final offer. The comparison of the wage levels of similarly classified employees performing similar services and operating similar equipment, is given substantial weight by arbitrators generally and by this Arbitrator, in this case. The comparability criteria support the inclusion of the Union offer, and on that basis the Arbitrator selects the Union offer for inclusion in the successor agreement.

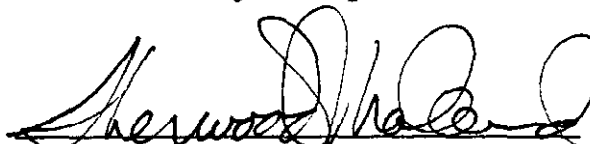
On the basis of the above Discussion, the Arbitrator issues the following:

³ In other cases in which employee wage rates are below average and wage level are the product of many years of voluntary agreements, Arbitrators ignore the Union claim for "catchup". Arbitrators are reluctant to alter a pattern of bargaining and wage levels related to the average of the comparables, absent some reason to do so. Here, Richland County, represents the other side of that analysis.

AWARD

Upon the application of the statutory criteria found at Sec. 111.70(4)(cm)7 a.-j., Wis. Stats., and upon consideration of the evidence and arguments presented by the parties and for the reasons discussed above, the Arbitrator selects the final offer of the Union, which together with the stipulations of the parties, are to be included in the collective bargaining agreement between Richland County and Richland County Public Employees' Union, Local 2387, AFSCME, AFL-CIO, for calendar years 1993 and 1994.

Dated at Madison, Wisconsin, this 8th day of September, 1994.


Sherwood Malamud
Arbitrator