

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

In The Matter Of The Petition Of

**MILWAUKEE COUNTY PROFESSIONAL
FIRE FIGHTERS, IAFF LOCAL 1072**

**To Initiate Interest Arbitration
Between Said Petitioner and**

MILWAUKEE COUNTY

**Case 654, No. 67711
MIA-2819
Decision No. 32399-A**

APPEARANCES:

Mr. Patrick Kilbane, Field Service Representative, International Association of Fire Fighters, 6847 East County Road N, Milton, Wisconsin 53563, on behalf of Milwaukee County Professional Fire Fighters, IAFF Local 1072, Department Local 79.

Attorneys Mark F. Vetter and Mark L. Olson, Davis & Kuelthau, S.C., 111 East Kilbourn Avenue, Milwaukee, 53202-6613, on behalf of Milwaukee County.

Milwaukee County Professional Fire Fighters, IAFF Local 1072, hereinafter referred to as the Union, filed a petition with the Wisconsin Employment Relations Commission to initiate interest arbitration pursuant to Section 111.77(3) of the Municipal Employment Relations Act with respect to an impasse between it and Milwaukee County, hereinafter referred to as the County. The undersigned was appointed as arbitrator to hear and decide the dispute, as specified by order of the Wisconsin Employment Relations Commission, dated July 1, 2008. Hearing was held on September 24, 2008. The hearing was transcribed. Post-hearing initial and reply briefs were exchanged by December 8, 2008, marking the close of the record.

Now, having considered the evidence adduced at the hearing, the arguments of the parties, the Final Offers, and the record as a whole, the undersigned issues the following Award.

FINAL OFFER OF THE UNION

- A. Term: Two years (January 1, 2007 – December 31, 2008)
- B. Wages: 2007 2% - Effective Pay Period 8
2% - Effective Pay Period 21
- 2008 \$250 Base lift – January 1, 2008
1% - April 6, 2008
1% - June 29, 2008
1% - Oct. 5, 2008
Elimination of pay steps 5 and 6, effective December 31, 2008
- C. Health Insurance: January 1, 2008 as proposed in the County offer dated August 16, 2007
- D. Post Employment Health Plan (PEHP)

Milwaukee County agrees to participate in the Post Employment Health Plan (PEHP) for Collectively Bargained Public Employees (Plan) in accordance with the terms and conditions of the Plan's Participation Agreement, a copy of which is attached to this agreement. The parties hereto designate Nationwide Retirement Solutions to act as Plan Administrator for the Plan, or its successors appointed in accordance with the Plan and Trust documents. The Employer agrees to contribute to the Plan on behalf of the bargaining unit employees as follows:

Effect of the first pay period of 2007, the Employer shall contribute for each eligible employee the amount of \$21 per pay period. The \$21 contribution shall be increased by the same amount as any percentage increases that are applied to the wages and with the same effect of dates.

- A. Attendance at County Meetings

3.03 Notification and Authorization for Attending County Meetings

Authorized employees scheduled to attend County meetings such as the Safety Committee, Pension Board, Personnel Review Board and County Board committee hearings, shall be allowed to attend such meetings on County time at no loss of pay or benefits for the business of such meeting and falsely wages, hours, or conditions of employment of represented employees. **Authorized employees** attending such meetings which caused them to be absent from their work assignment shall notify supervision as far in advance as possible. Authorized employees shall mean the Local Union President and/or his/her designee.

FINAL OFFER OF THE COUNTY

E. Term: Two years (January 1, 2007 – December 31, 2008)

F. Wages:

1. 1%, effective November 4, 2007
2. 1%, effective April 6, 2008
3. 1%, effective June 29, 2008
4. 1%, effective October 5, 2008
5. A \$250 per employee lump sum payment shall be made to employees who have an assigned workweek of twenty (20) or more hours per week, and who are on the payroll as of the first pay period following the date of the Arbitration Award.

G. HEALTH INSURANCE

Premium contributions effective as soon as practicable, after an open enrollment period within sixty (60) calendar days of the arbitration award.

- a. Wheaton Franciscan Direct (HMO) \$35.00 per month for single plan coverage and \$70.00 per month for family plan coverage
- b. Patient Choice HMO \$50.00 per month for single plan coverage and \$100.00 per month for family plan coverage
- c. Patient Choice PPO \$75.00 per month for single plan coverage and \$150.00 per month for family plan coverage
- d. WPS Statewide/National PPO \$100.00 per month for single plan coverage and \$200.00 per month for family plan coverage
- e. The union agrees to waive the 45-day notice plan provision in Section 2.031(7)¹

H. All other provisions currently in the 2005-2006 Agreement will remain unchanged with the exception of appropriate date changes or removal of listed names of individuals who are no longer employees. In addition the collateral agreement pertaining to the wellness and disease management program will remain in effect covering 2008 to 2010.

¹ The parties agree that the health insurance proposals in both Final Offers are identical, except for the implementation date. The Union proposes a January 1, 2008 implementation date, while the County proposes a January 1, 2009 implementation date.

STATUTORY CRITERIA

The criteria to be utilized by the Arbitrator in rendering the award are set forth in Section 111.77(6), Stats., as follows:

In reaching a decision the arbitrator shall give weight to the following factors:

- (a) The lawful authority of the 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 these costs.
- (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - 1. In public employment in comparable communities.
 - 2. In private employment in comparable communities.
- (e) The average consumer prices for goods and services, commonly known as the cost of living.
- (f) The overall compensation presently received by the 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.
- (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
- (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment

POSITION OF THE UNION

INITIAL BRIEF

The Union notes that the Final Offer of the County is exactly what was presented to the Union at the one negotiation session the parties engaged in. This is because in the fall of 2006 with the impact of the layoff of 108 bargaining unit members, AFSCME District Council 48 and the County reached two 2-year bargaining agreements covering 2005-2006 and 2007-2008. The 2007-2008 agreement included “no-layoff” and “no-privatization,” protections as well as a “me-too” clause. The “me-too” clause requires that if any voluntary agreements were reached between the County and any of its other bargaining units for 2007-2008 which resulted in a more favorable economic package, District Council 48 would also receive the difference between a negotiated settlement and that which contained the additional economics. The County tied its hands behind its back before it ever reached the bargaining table for this or any other bargaining unit.

This bargaining unit, even after the arbitration award for 2005-2006 agreement, remains in a desperate catch-up position with its external comparables. The members of this unit are substantially underpaid and are in need of a wage package that would move them toward their comparables, not away from them as would result under the County’s Final Offer. The Union notes the County’s Final Offer is far below the CPI for 2007 and 2008, the term of this agreement. This unit was forced by the County to either take giant steps backward or propose its far more reasonable offer. Director of Labor Relations Gregory Gracz confirmed in his testimony that unless the “bottom line” was the same, there would be no movement from the County.

The Union’s catch-up argument is still as valid today as it has been over the last several years; both parties understand that. In his award for the 2005-2006 bargaining agreement Arbitrator Yaeger recognized the inequity and the failure of the County to implement any recommended corrective action. The evidence presented by the Union in this proceeding clearly demonstrates that the inequity continues to exist today. The County is content to negotiate in a vacuum, looking only at the internal comparables and refusing to acknowledge the huge wage disparities that are present vis-à-vis the external comparables. The County attempts to hide behind the absurd notion that it has satisfied

the catch-up issue with a one-time only application under the last Award. Contrary to the County's contention, the Union does not find any basis for prohibiting further catch-up.

The parties reached two "collateral agreements." The first deals with a Wellness and Disease Management Program while the second deals with the change in healthcare providers coupled with a restructuring of the premium sharing taking effect on January 1, 2009. The County objects to consideration of those agreements. The Union contends that each of the issues is directly related to the wages, hours or conditions of employment of the bargaining unit members and that they are relevant in this proceeding.

The Union contends that the implementation of the Wellness and Disease Management Program on January 1, 2008 and the change in health plan premium contributions effective January 1, 2008, per the Union's Final Offer, impacts the 2007-2008 bargaining agreement and effectively accomplished what the County sought by proposing the changes. That program reflects that the County anticipates healthier employees, improved attendance and productivity, and control of health insurance costs as a result of the implementation of the program. With its implementation on January 1, 2008, the County has a program in place that is designed to save money.

The health plan changes and premium contribution changes are also designed to save the County money. The Union notes that the new contribution rates are designed to provide incentive to employees to select lower cost health insurance plans, reducing the County's overall health care costs.

The County exhibits show a breakdown of the current health plan elections of the Fire Fighters. Twelve of the 16 employees have elected an HMO plan. This is exactly what the County hoped to accomplish. 75% of the Fire Fighters selected the lower-cost plans, saving the County money.

Contrary to the County's assertions that the collateral agreements have no relevance to the collective bargaining agreement in dispute here, the Union argues that the collateral agreements are significant in that the County is able to implement cost-saving measures as a result of the Union's willingness to cooperate.

The County can afford the Union's Final Offer. The County is reimbursed by the airport for all of the costs associated with the collective bargaining agreement between the County and the Union. The Union's exhibits support the affordability of the Union's

Offer. The Union has provided evidence that demonstrates that the airport is thriving. Increases in passengers not only exceed the national average but are setting records, with 15 straight months of passenger growth as of August 2008. The Milwaukee Airport's annual budgets repeatedly ended its fiscal years with surpluses.

The Union proposes two sets of external comparables to be used in this arbitration. Both sets were confirmed as appropriate in the last arbitration for 2005–2006. All of the comparables used by the parties are public entities. While there is no dispute over the list of the Milwaukee County Fire Departments, the County now disputes two of the airport Fire Departments, Dallas and Albuquerque. The Union asserts that the list of comparable airport Fire Departments should not be upset.

The wage disparity between the Heavy Equipment Operators (HEOs) starts at 22.26% below the average and ends at 11.36% below the average after reaching the top step. In addition, the Union contends the widest gap is long-term as the HEOs have 10 steps to reach the top of the pay range, compared to the average of just four steps in the comparable Milwaukee County departments. Under the County's wage proposal for 2007 any closing of that gap is barely noticeable with the HEOs starting at 21.05% below the average and ending at 10.26% below the average. While the Union's Final Offer will begin to close the gap, it still leaves the HEOs starting at 17.51% below the average and ending at 7.03% below the average at the top step.

It is even worse for the Captains who start at 43.39% below the average and end at 26.56% below the average. Like the HEOs, the Captains have 10 steps to reach the top of the pay range, compared to the average of just two steps in the external comparable Milwaukee County departments. Again, the County's 2007 wage offer is negligible in closing the gap, while the Union's Offer, though beginning to move in the right direction, still leaves the Captain starting at 37.82% below the average and remaining at 21.65% below the average at the top step.

A key difference between the two wage offers for 2008 is the Union's proposed addition of the \$250 lump sum payment to the base wage. This will have the effect of closing the wage gap somewhat but still leaves the members far behind their comparables, especially when taking into consideration the wage increases that must still be applied to five of the eleven departments for 2008.

Four of the airport Fire Departments have not settled contracts for 2008; however, the Union's exhibit assumes a projected increase identical to the previous years with a maximum of 3% for those four departments for comparison purposes. The employees in this bargaining unit are grossly underpaid in comparison with the other airport Fire Departments. At the top step, the HEOs are 22.53% below average while the Captains are 41.89% below average. The Union notes that the only similarity with the other airport Fire Departments is that all have approximately 10 steps.

The average number of steps between the Milwaukee County Departments and the airport Departments is seven. The Union has proposed eliminating steps five and six on the last day of the agreement, effectively changing the current steps of 7, 8, 9, and 10 to 5, 6, 7, and 8. Except for one person currently at step 5, no other members are impacted by the proposed change.

The Union asserts that the external comparables' wages should be given great weight by the Arbitrator. As such, the Union believes that the disparity in wages shown in the exhibit strongly favors adoption of the Union's Offer.

The Union's Final Offer provides a total wage lift of 7.43%-7.45% (depending upon classification) for the years 2007-2008, while the County's Offer provides a total wage lift of 4%. The CPI increase for the same period is 8.2%. The total dollar lift of the Union's Final Offer is \$4,081 (Fire Fighter) and \$4,279 (Captain), while the County's Offer is \$2,159 (Fire Fighter) and \$2,842 (Captain). The actual costs of the County's Offer are \$1,121 (Fire Fighter) and \$1,167 (Captain). With respect to actual costs as a percentage, the Union's Offer is 4.92% (Fire Fighter) and 4.90% (Captain), while the County's Offer is 2.08% (Fire Fighter) and 2.04% (Captain). Both Offers have actual costs well below the CPI. The net lift of the Union's Offer is 0.75% below the CPI increase, while the County's Offer is 4.2% below the CPI increase.

With respect to the eight internal comparables, five have settled contracts with a wage lift of 4.0% and a \$250 lump-sum payment for 2007-2008. Two units, the Nurses and the Deputy Sheriffs, arbitrated and won awards favoring their Offers. The Nurses received a wage lift of 7.0% for 2007-2008 and the Deputy Sheriffs received a wage lift of 6.0% for 2007-2008. The arbitrated settlements are much closer to the actual CPI increases for the years 2007-2008. The CPI data strongly support the Union's Offer.

All but one of the external comparables in Milwaukee County provides longevity benefits. The employees here on average receive a higher monetary benefit than the others. All but one of the comparable departments (Greendale) provides some educational benefit through the reimbursement for tuition and books.

All of the comparable departments provide health insurance benefits to their active and retired employees. Since neither the health insurance plan nor the active employee/employer contributions to the plan are contested issues in this arbitration, the Union argues that the focus should be in the area of employee/employer contributions toward retiree benefits, and the Union has proposed implementation of the Post Employment Health Plan (PEHP).

Regardless of the conditions specified for retiree health care benefits, the Union points out that it is the only unit among the comparable departments that offers no employer contribution for retiree health insurance for employees hired after January 1, 1994. Those members are responsible for 100% of the premium costs, though they can receive a sick leave pay out which may be applied to pay for County offered health insurance plan premiums post retirement. The sick leave pay out is not the same for all of the members of the unit. Members hired before January 1, 1994 receive a 100% payout of all unused sick leave earned prior to June 19, 2007 and a 25% payout for all unused sick leave earned after June 19, 2007. The post-June 19, 2007 payout of 25% is a reduction of what was implemented in the 2005-2006 agreement between the parties. The value of a payout for unused sick leave depends completely upon how much unused sick leave the employee has upon retirement; moreover, there is no way to predict how much unused sick leave any employee will actually have.

All of the comparable departments provide sick leave benefits for the employees, although the earning rates and accumulations vary. Most provide a payout for unused sick leave at retirement. Some provide direct cash payments, while others apply the payout to the cost of postretirement health insurance premiums.

Seven of the employees in this bargaining unit were hired after January 1, 1994. Two of the members were hired in 1978. One of those has been promoted out of the bargaining unit. While there is no guarantee that the other employee will retire soon, it is likely that having already worked thirty years, he may retire in the very near future.

Replacing these two employees with new employees will result in nine post-January 1, 1994 employees, which is over 50% of the bargaining unit. Eventually, all members of the unit will be post-January 1, 1994 employees.

The Union estimates that an employee would be able to pay for about 54 months, or 4.5 years, of post-retirement health insurance. Within the eligible retirement age of 55 the employee will have to pay the entire cost of health insurance for an additional 5.5 years (\$99,000) before reaching the age where Medicare is available.

The Union has identified this as a problem which currently exists for about half of its members. Eventually all of its members will have post-retirement health insurance benefits significantly inferior to all the comparables. The PEHP proposal is a proactive means of providing funding for the health insurance costs its members will face post-retirement. It is a reasonable solution to the problem at hand. The \$21 per pay period figure proposed by the Union to begin funding the PEHP is approximately 1% of the average wage received by the members of the bargaining unit. The additional 1% cost is viewed by the Union as additional wages paid to the members, helping move them from the sub-par wages received now toward the average of the Fire Fighters in the comparable departments.

The average annual pension payment of \$20,386 (including lump sum Back Drop payments) for Milwaukee County employees is \$2,911 (14%) lower than the average annual pension payment for employees in the Wisconsin Retirement System. Only the City of Milwaukee employees have a lower average annual pension payment than Milwaukee County employees, which amounts to \$760 (3.8%) per year. If this trend is consistent among employee groups within each of the three retirement systems, it stands to reason that members of this unit will have average annual pension payments considerably lower than the Fire Fighters in the comparable departments in the Wisconsin Retirement System, but somewhat higher than the Fire Fighters in the City of Milwaukee Retirement System.

On the whole, the Union asserts that while some of its fringe benefits are of greater value than those in the comparable Milwaukee County departments, some are of lesser value. The huge wage disparity and lower post-retirement health insurance

benefits far outweigh any positive monetary difference that might be attributed to the comparison of the other fringe benefits.

The Union notes that with respect to the airport external comparables, at five years they receive hundreds of dollars more in longevity benefits than the employees here and quickly move ahead by thousands of dollars. Educational benefits provided by five of the nine comparable departments are much higher than the benefits received by the members here. Employer-paid schooling costs are also much higher on average. Health and Dental benefits are funded at much higher levels by the employers in the comparable departments, with all but one paying 100% for single coverage and only three of the nine requiring any substantial cost to the employees. Six of the nine comparable departments provide payment for EMT certification, averaging about \$1000 per year. This is about 25% higher than the EMT pay for the members here.

The Union estimates that its members are likely to receive annual pension payments that are 3.75% lower than the annual pension payments received by the Fire Fighters in the comparable airport departments.

The Union asserts that its Final Offer is far more reasonable and should be adopted in light of the overall disparity in wages and fringe benefits of the comparable airport departments.

With respect to the internal comparables, five of the eight units have voluntarily settled contracts while the remaining three of units, including this one have, or will have, an arbitrated settlement. The issues in dispute in this arbitration proceeding are wages (including the elimination of two steps on the last day of the agreement), a proposed language change to allow a member to be released from duty to attend committee meetings when the subject matter is a significant importance to the Union, and the proposed inclusion of a PEHP for all of the members. The County will likely argue that the proposed changes are not consistent with internal settlement pattern, and therefore must be rejected by the Arbitrator. The Union responds that there is no true consistent pattern. Its wage offer is justified in light of the gross disparity in wages received by those in the comparable departments, and that the committee meeting and the PEHP proposals are reasonable solutions to identified problems.

The County claims it has offered the same wage and benefit package to the Union that was offered to all of the bargain units in the County and to which five of the units agreed to voluntarily. The Building and Construction Trades Council (hereinafter, Trades) bases its wages on a percentage of the outside rate in the private sector; there is no evidence shown by the County to verify that the wage increases received by that unit are equivalent to the wage offers made to the other bargaining units. This alone distinguishes that wage settlement with this unit and cannot be construed as consistent.

In addition, the County provides job protections in the form of “no-layoff” and “no-privatization” clauses to four of the five bargaining units that settled but did not offer the same job protections to this unit. The wage and benefit offer from the County is not as consistent as it claims.

It can be said that County’s Final Offer to this unit does not contain the two guarantees received by four other units. It does not matter that the members of this unit were not subject to any threat of layoff. What does matter is that the County’s Offer is not consistent with the settlements of the other units. The Nurses and the Deputy Sheriffs units both received awards with a substantially higher wage component than that which was proposed by the County. In addition, the Deputy Sheriffs received proposed language changes to their sick leave and grievance procedure provisions. This further indicates that no consistent internal settlement pattern exists.

The Union proposes that authorized employees can attend certain County meetings. The Union has identified an issue that has a direct impact on its members. The safety and health concerns of the members have not been appropriately heard or addressed; this is due to the fact that the Fire Department has not followed the provisions outlined in the State of Wisconsin Department of Commerce Chapter 30.

The Fire Department does not hold regular meetings at which the members of the Department can have their safety and health concerns heard. In addition, the Union has identified another significant issue; that is the potential outsourcing of its work. The Union feels that it is imperative that it be given every opportunity to attend County meetings where the subject matter is related to the wages, hours, and conditions of employment of its members. In light of those two issues, the Union has proposed a reasonable solution to its current inability to attend County meetings. Three other

bargaining units (District Council 48, the Nurses, and Trades) have language in their respective collective bargaining agreements allowing attendance at County meetings. The language proposed by the Union was derived from the language existing in those three bargaining agreements.

Attendance at meetings in Madison was not the intent of the proposed language. The intent was strictly for meetings at the County. The Union notes that its president is the one who attends most of the meetings. The number of meetings that he anticipates attending is not excessive and will not be a costly burden to the County. In fact, he had attended two meetings while on-duty with the permission of the Acting Chief. When he did so, he took a portable radio with him so that he could monitor and respond to emergency calls if necessary.

The Union anticipates the County will make an argument that a quid pro quo is required to make the change. The Union believes that the proposed language change need not be accompanied by the normally required quid pro quo for two reasons. The proposed modification is not substantial, for it will not create additional problems for the County, and the County's refusal to bargain over the proposed modification has placed the Arbitrator in a position of having to resolve the problem at hand as an extension of the collective bargaining process. The Union asserts that a refusal to bargain is not justification to later argue that an Arbitrator cannot use his or her good judgment to place the parties in the position in which they should have been through meaningful collective bargaining. The Arbitrator in this case is not precluded from adopting the Union's proposed modification and is urged to do so as an appropriate means of resolving an identified problem that the County has refused to address through the normal collective bargaining process.

The PEHP proposal in the Union's Offer is explained in detail in Union exhibits. In general, it is a program designed to provide employees with the ability to pre-fund the future cost of post-retirement medical insurance premiums and out-of-pocket medical expenses. The program proposed meets all of the technical requirements of the Internal Revenue Code. It is not identical to the Deputy Sheriffs' program. One major difference is the administrator of the program. The Deputy Sheriffs program is set up such that the Deputy Sheriffs union is the administrator, while the program proposed by the Union is

administered through Nationwide Retirement Solutions. Both programs require 100% participation by the employees in the unit. Employees do not have a choice as to whether to participate.

The Union is not asking the County to take on any new administrative functions regarding the PEHP, but simply to contribute a fixed dollar amount on behalf of each member of the unit. The fixed dollar amount, beginning at \$21 per pay period, is calculated by the Union to be approximately equivalent to 1% of the average wage of the employees in the bargaining unit. The Union views the contribution as additional wages which will help correct the overall wage disparity between this unit and those in the comparable departments. An advantage to both the employees and the County is that the contributions are treated as “pre-tax” contributions. Neither party would pay the FICA taxes on that amount; employees would also be freed from the federal income taxes they normally would pay on this contribution.

The proposed addition of a PEHP is intended to address a significant problem identified by the Union. As noted above, employees here will have difficulties funding the majority of their post-retirement health insurance costs. All of the comparable departments provide substantially higher funding of the post-retirement health insurance benefits for their employees. Those same departments also provide substantially higher wages than those received by this unit. The approximate 1% cost of the PEHP, when viewed as direct compensation, helps close the gap in the wage disparity of the intra-industry comparables.

The County is likely to raise the quid pro quo argument for the establishment of the PEHP. The Union believes that the proposal meets all the conditions of the three-part test commonly considered by arbitrators. First, the Union has identified a significant problem for members. Second, it has proposed a reasonable solution that will not completely correct the problem, but will certainly help. The 1% of additional compensation for the PEHP, along with the proposed wage increases the Union is asking for, is still not enough to bring it in line with the intra-industry comparables. Third, the Union is providing a quid pro quo through the significantly below average wages its employees are paid. In addition, it did not receive economic value of the “me too”

clause, or the “no-layoff” and “no-privatization” provisions that the other bargaining units received.

The Union anticipates that the County will argue that it must receive a dollar-for-dollar offset in order to justify the quid pro quo criteria required by arbitrators, citing the trade made by the Deputy Sheriffs of their longevity provision for the implementation of the VEBA plan. However, that ignores the Union’s catch-up argument that has clearly been identified. Four of the five units that settle voluntarily received a better economic package than that which the County has offered to this unit. Two of the remaining units received arbitrated awards which included the value of the “me-too,” “no-layoff,” and “no-privatization” guarantees given to other units.

REPLY BRIEF

Contrary to the County’s assertion, Arbitrator Yaeger never stated that catch-up is a one-time deal. Arbitrator Yaeger did recognize that catch-up was necessary, though he also noted that, based upon the County’s settlement with District Council 48 that had the “me-too” provision, a voluntary agreement with the other units would likely include the same offer.

The Union did recognize that the agreement with District Council 48 would prevent the County from voluntarily offering catch-up in negotiations for the 2007-2008 agreement. The Union recognized as well that it would likely be necessary to arbitrate a reasonable settlement. Arbitrator Yaeger did not comment on whether he believed the likely offer from the County in the next round of negotiations with the Union would be viewed as reasonable, as the County asserts. The Union asserts that the County’s Offer is totally unreasonable. For the reasons noted above, the Union’s Offer is more reasonable.

The County’s assertion that the absence of job security protections in its Final Offer is irrelevant is without merit. Essentially, the County is arguing that because no lay offs or privatization were being threatened, it is justified in offering a lower economic package than that given to District Council 48. The County made the same argument in the arbitration cases with the Deputy Sheriffs and the Nurses; however, neither arbitrator in those cases accepted the County’s argument, nor should this Arbitrator.

The County and District Council 48 agreed to a lower wage settlement in exchange for job security protections worth an estimated \$4 million. The Deputy Sheriffs, Nurses, and Fire Fighters chose not to agree with the County's Offer, in large part because it was not economically equivalent to the settlements reached with the other units. The County's total economic package is not identical, though its wage offer is. The fact that the County did not threaten this unit with job losses cannot be used as an excuse to justify the same low wage offer that it agreed to with District Council 48 and three other units.

The Union strongly disagrees with the County's assertion that the Union's Final Offer includes five new benefits. Again, the Union notes that the County took a take-it-or-leave-it position and effectively ended the negotiations.

The County contends that the Union's PEHP proposal is without merit because it is not structured exactly like the Deputy Sheriffs' plan. However, the Union's PEHP proposal is just one form of compensation which will help address the sub-standard positioning of this unit among its comparables. With respect to the County's concern for risk, the union's proposed PEHP is administered by a nationally recognized company with a long history of experience with such plans. The Deputy Sheriffs' plan, however, is administered by the Deputy Sheriffs themselves. The Union believes that the County's fears are unfounded.

With respect to the elimination of Steps 5 and 6 in the salary schedule, the Union is aware that the change would have a financial impact in the future, as the County points out. However, the economic impact is no different than that of a wage increase and should be viewed as such.

While the County argues that the proposed language for attendance at meetings should be rejected because this is a small unit, there is nothing in the record to indicate that the County will automatically incur overtime costs. Three of the County's units have negotiated provisions in their collective bargaining agreements to allow their members the opportunity to attend those meetings. The Union's need to attend certain County meetings is no different than the need of any other bargaining unit to attend certain meetings when the agenda contains issues specific to its members. The number of meetings expected to be attended by an on-duty bargaining unit member is minimal.

Only if the County chooses to replace the released employee with another employee on overtime is there an associated cost.

The County maintains that the Union's proposed implementation of the health insurance premium contribution rates retroactive to January 1, 2008 is an unjustified reward for holding out on settling the contract. The Union did not hold out on settling to gain some advantage. It just happens to be the last one to complete the arbitration process. The Union readily accepted the health insurance premium contribution changes offered by the County at their only negotiation meeting that occurred in 2007 and proposed an effective date that would implement the changes the following year. The members overwhelmingly signed up for the lower-cost plans during their open enrollment for the year 2008. The County is no doubt pleased that its plan to steer employees to lower-cost plans through reduced premium contribution rates was successful, for it has enjoyed an entire year of savings because the majority of this bargaining unit's members chose lower-cost plans.

The County is correct in noting that the Union's Offer of the \$250 lump sum payment will cost more. The Union responds that the addition of a lump sum to the base wage is justifiable as an increase in wages that will help close the gap in wages. Wages are not a new benefit. The quid pro quo argument is fully satisfied because of the huge wage disparity.

The Union provided extensive argument regarding the quid pro quo requirement. The Union asks where is the quid pro quo from the County for its Offer that is so regressive it effectively reverses the catch-up awarded by Arbitrator Yaeger? Or for an Offer that is not economically equivalent to that of other bargain units? Or for an Offer that does not allow the members here to enjoy the health insurance premium contributions savings, while at the same time the County enjoys the savings?

The County's argument that it has identical settlements with five of its bargaining units is unfounded. The County made the same assertion in the arbitration cases with the Deputy Sheriffs and the Nurses. The Arbitrators rejected the County's assertion, finding that they were not identical. As noted, there is no internal settlement pattern, as the County claims. The County's insistence that the Arbitrator look at a four-year snapshot is a misinterpretation of Arbitrator Yaeger's award.

The cost difference shown by the County does not justify acceptance of its Offer. Lacking internal consistency with other bargaining units, the controlling factors are then the settlement patterns of external comparables departments, the relative standing of this unit with the external comparable departments, and the CPI. The Union's Offer is far more closely aligned with all three of these factors.

With respect to the airport external comparables, the County has challenged two of Arbitrator Yaeger's selections. The County proposes including Cleveland and Indianapolis instead. However, it has provided little evidence to support their inclusion as comparable departments. When a wage and salary study was performed in 2000-2001, the parties agreed to a specific set of comparables. Cleveland and Indianapolis were not selected. While the Union understands the rationale behind the County's desire to eliminate Albuquerque and Dallas, it is opposed to the inclusion of Cleveland and Indianapolis without sufficient evidence to justify why they are now appropriate comparables.

The County's use of only Fire Fighter wage comparisons is misleading. As previously presented at the hearing and in its initial brief, the Union asserts the majority of work performed by its members is either in the position of Fire Fighter/HEO or Captain. Comparisons of those wage rates are far more accurate in determining the overall compensation in wages and benefits that its members receive compared to those in a comparable Milwaukee County fire departments.

The County admits that the base wages lag behind the comparables but argues that its benefit package places the Union's members at the top. While the members receive some benefits that are better than the comparable departments, they are not sufficient to support the County's claim that the total compensation is "unmatched by the comparable departments."

The Union certainly does not argue that the fringe benefits do not have value. The Union addresses the fringe benefits in its initial brief and further notes that assessing fringe benefits in terms of overall compensation is difficult. The Union argues without hesitation that its members are not at the top of the comparable poll based upon the benefit package, as claimed by the County.

With respect to the airport comparables, the County's wage comparison chart only reflects Fire Fighter comparisons, not the positions of Fire Fighter/HEO and Captain. The Union also notes inaccuracies in the County's chart. In any event, the County's claim that its wage proposal places the members of this unit above the median of the comparables is wrong.

It is quite obvious that the Union's members are paid significantly less than those in comparable airport departments. Most importantly, the position of Fire Fighter/HEO is well over \$10,000 below the median of the comparables, while the position of Captain is well over \$20,000 below the median. Adding these comparisons to those with the Milwaukee County departments does not support the County's claim that this unit has a superior wage and benefit package.

In conclusion, the Union asserts that it is clear that the members of this unit continued to be grossly underpaid in comparison with their intra-industry comparable departments. It is clear that the County does not have an internally consistent proposal on the table in this proceeding. It is also clear that each of the statutory criteria set forth for use in determining the outcome of this arbitration proceeding has been more than satisfied by the Union. The Union has the more reasonable Final Offer. The Union respectfully requests that its offer be selected for implementation in the 2007-2008 collective bargaining agreement between the parties. The Union cites arbitral authority in support of its position.

POSITION OF THE COUNTY

INITIAL BRIEF

The County first points out that the 2007-2008 contract with District Council 48 contains a "me too" clause. That would require the County to match the total percentage cost of a settlement package with any of the County's bargaining unit for 2007-2008 if it is higher than the 2007-2008 total percentage cost of the package settlement with District Council 48.

Based upon that agreement, Arbitrator Yaeger noted that the Fire Fighters were arguing that they should receive their proposed "catch-up" pay in 2005 and 2006. Arbitrator Yaeger indicated in his award that: "the Union correctly argues that because of

the County's 'me too' agreement with AFSCME District Council 48 the County will be unable to voluntarily grant any 'catch-up' pay in the next round of negotiations." The foregoing discussion and decision by Arbitrator Yaeger should be dispositive of the wage issue for the parties' 2007-2008 contract. The Union argued in that case that "2007-2008 will surely not be the time [for 'catch-up'] because the 'me too' agreement with AFSCME District Council 48 for 2007-2008 will prevent the County from granting any salary adjustments." The County contends that the Union conveniently ignores the argument which permitted the Union to prevail for 2005-2006.

The record of this dispute clearly establishes that Arbitrator Yaeger's award for the parties' 2005-2006 contract assumed that the County's wage proposal for 2007-2008 would be identical to the wage settlement with District Council 48. The County respectfully submits that the Union cannot benefit twice from a "catch-up" argument which was specifically predicated upon a Union argument and award which was clearly articulated as a one-time deviation from a 2005-2006 County-wide pattern of settlements. The Union cannot justifiably continue to seek 2007-2008 salary increases which disregard the existence of the 2007-2008 "me too" clause.

The County points out that the 2007-2008 labor contract between the County and District Council 48 contains specific job security protections. The Deputy Sheriffs and the Nurses argued in their respective 2007-2008 interest arbitration that those job security protections were a quid pro quo for District Council 48's agreement to lower wage increases for those years. However, given the history here, any such argument in this case would be completely irrelevant to an analysis of the respective merits and reasonableness of the County's and Union's Final Offers.

The Union never raised the issues of layoffs of employees or privatization of the Fire Department at any time during the negotiations for the 2007-2008 labor contract. The prevention of layoffs and privatization was clearly not an issue of concern to the Union during the negotiations and certification of impasse for the 2007-2008 labor agreement. The timing of the closing of this investigation made the need for job security protections irrelevant. At no time prior to April 15, 2008 (the certification of the instant impasse) did the County Board ever consider the layoff of any Fire Fighters or privatization of the Department.

In contrast to the situation with this Union, three County bargaining units, other than District Council 48, requested and received job security protection language in their 2007-2008 contract. Two of those units settled their 2007-2008 bargaining agreement in April 2007 and the third settled in July 2007. At that time there was still over a full year left on the contracts for the County to consider layoffs or privatization affecting those units as part of the County's 2008 budget. On the date that this investigation was closed the 2008 County budget had already been adopted by the Milwaukee County Board and it did not contemplate Fire Department layoffs or privatization. There was therefore no need for any 2007-2008 job security guarantees to be provided by either the County's or Union's Offers. The County essentially provided the Fire Fighters with the same job security protections which were provided to District Council 48. The lack of specific job security protection language in the County's Final Offer to the Fire Fighters is an academic distinction without a difference. The lack of such job security language in the County's Final Offer has no meaning and no relevance whatsoever to the respective merits of the parties' Offers.

The Union's Final Offer contains five new proposed benefits: (1) the addition to the contract of PEHP; (2) a restructuring of the contractual salary schedule; (3) paid time off to attend County meetings; (4) the backdating of changes to employee health insurance premium contributions; and (5) the 2008 addition of a \$250 lift at all steps on the salary schedule. The County asserts that the burden of justifying each of those new benefits lies with the Union. However, the Union has failed to satisfy its burden with respect to each of those proposals.

The Union has proposed a new PEHP benefit. The proposed new benefit would require the County to make contributions to the plan for all employees beginning with the first day of 2007. The new benefit would equate to an 8.0% increase over the life of this contract alone. Moreover, increases in future contracts would automatically be equal to the percentage increase of wages, under the Union's Final Offer.

The County points out that no other Milwaukee County bargaining unit has this benefit. Seven of the eight other groups of County employees do not have a PEHP benefit. Only the Deputy Sheriffs have any type of additional post-employment health benefit. However, their contract indicates they traded their longevity payments in 2006

in return for a like dollar-for-dollar contribution to a post-retirement health trust. This is the opposite of the Union's proposal. Here, the Union is proposing a new and much more costly benefit than the Deputy Sheriffs' plan, without giving up their longevity payments.

The Union has ignored the basic principle of the quid pro quo, not offering any exchange for the new benefit. The unreasonableness of the Union's proposal is exacerbated when its eligibility requirements and contribution amounts are compared to the corresponding provisions in the Deputy Sheriffs' contract. The Deputy Sheriffs are not eligible for any County contribution to their post-retirement health plan until they have completed six years of service. In contrast, the Fire Fighters would be eligible for the contribution immediately.

Upon reaching eligibility after six years of service, the Deputy Sheriffs receive an annual contribution of \$150 per year. This is far different from the first-year eligibility PEHP contribution amount of \$546, as proposed by the Fire Fighters. The initial contribution to the Deputy Sheriffs plan is less than one-third of the amount the Fire Fighters propose. After reaching 20 years of service, the Deputy Sheriffs receive annual contributions to their plan of \$395. That amount is also far less than the \$546 amount being sought by the Fire Fighters for all employees. The Union's Offer continues to expand benefit disparity between the Union and the Deputy Sheriffs as a direct result of the proposed automatic increases which are tied to the Union's future wage increases. The Union's PEHP plan would ignore the trade off by which the Deputy Sheriffs achieved their benefit in 2006 and would also impose far higher benefit costs upon the County.

In addition, there is a substantial risk to the County with the Fire Fighters' PEHP proposal, not contained in the Deputy Sheriffs' post-retirement health plan: the indemnity section of the Union's PEHP document. The PEHP plan would place the burden/liability of any plan-related losses upon the County, in contrast to the "hold harmless" guarantee which the Deputy Sheriffs provides to the County with their plan.

The County also points out that the Fire Fighters already receive a pension related benefit that the Deputy Sheriffs do not receive, i.e., the "Back Drop" pension benefit, which allows an employee to begin accruing a supplemental pension benefit from the date upon which the employee becomes eligible to retire, with an annual 2% increase, for

all the time which is worked following his/her eligibility date. Therefore, a comparison between the Fire Fighters and Deputy Sheriffs indicates there is virtually no internal justification for a new benefit. The Union's proposal is unrealistic and fails to recognize that such a benefit has not been granted by this County to any other group of employees except the Deputy Sheriffs, who gave up a significant longevity benefit in order to achieve the benefit.

The external comparables put the final nail in the coffin of the Union's proposed PEHP benefit. Only one Fire Department of the eleven external units has any type of post-employment health plan. Greenfield is the only one that has a post-employment health plan benefit. However, that plan is not remotely similar to the plan which is being proposed by the Fire Fighters here. Under Greenfield's plan a portion of an employee's sick leave is converted to cash for retiree health insurance. The Fire Fighters here already have the option of having their sick leave converted to pay for post-retirement health insurance payments.

Because the Union's PEHP benefit is not supported by the internal or external comparables, the overwhelming evidence leads to the conclusion that the County's position to maintain the status quo is the more reasonable approach.

The Union also proposes that steps 5 and 6 of the salary schedule be eliminated as of December 31, 2008, the last day of the contract. While the Union's assertion that this proposal would not cost the County anything over the term of the agreement is correct, that is misleading. It implies that no contract provision effective the last day of the agreement will ever have an economic impact on a collective bargaining agreement. If the Union's proposal were to be accepted, the increases between steps 4 and 5 after the change would be disproportionately large increases as compared to all other steps. Instead of spreading the current 6.85% increase for steps 5, 6 and 7 over three years, the County would be forced to absorb the entire 6.85% increase in one year, beginning on January 1, 2009. That would be a radical change that the Arbitrator must consider.

The Union has not produced any evidence which demonstrates a compelling need to shorten the salary structure that has been bargained between the parties during prior negotiations. Absent establishment of a compelling need for such a change, Wisconsin arbitral authority supports maintenance of the status quo of the previously negotiated

salary schedule. Such authority dictates that a change to a negotiated salary structure should properly occur through the bargaining process, not through interest arbitration. The only exception is when there is a demonstrated compelling need and there is an offsetting quid pro quo. Here, the Union has not established a compelling need, nor has it offered the County a quid pro quo. The Union has thus failed to meet its burden of proof which would justify such changes in the contract.

The Union has proposed that a bargaining unit employee be permitted to attend County Board and related meetings, while receiving full pay. This bargaining unit consists of 17 members; the Airport must man three shifts, 24 hours per day. With such a small department, all Fire Fighters are critical to the operation. In order to implement the Union's proposal, the County would be required to call in a Fire Fighter on overtime to fill in during the released Fire Fighter's absence.

The internal comparables do not support this Union proposal. Of the County's seven remaining bargaining units, only three are permitted to attend County meetings on paid time. Those three include: District County 48 (the largest unit in the County with 3,823 employees); the Health Care Professionals (with 341 employees); and the TEAMCOs (with 38 employees, who do not perform critical nor safety-related work).

The Union has failed to show that a problem exists which would warrant inclusion of the attendance at meetings language in the 2007-2008 contract. The Union's proposal is not supported by internal comparables, not supported by a proven need, and not accompanied by a quid pro quo.

The Union's health insurance proposal in its Final Offer differs from the County's Offer in one significant aspect, the implementation date. The purpose for the changed premium contribution amounts was to attempt to steer employees to lower cost HMO plans. The County's proposal could not be expected to be implemented until 2009. In contrast, the Union's proposal would be implemented retroactive to January 1, 2008. Based on current health insurance elections, implementation of the Union's Offer as of that date would result in an increased cost to the County of \$5,520 for 2008.

The other County units did not receive any retroactive credit by agreeing to the employee premium contribution amounts. Instead, they received the credit at the time those contracts were settled when the members participated in the open enrollment

process to move them to the lower-cost HMO plans. The Union here seeks to gain the advantage of having its employee premium contribution rates reduced, despite the fact that it has failed to settle its contract and its members have not had the opportunity to engage in the open enrollment process.

Arbitrators have historically determined that consistency in benefits is a primary consideration in deciding interest arbitration cases. Here, the Union is seeking to obtain a benefit which was gained by the other units at the time of their respective contract settlements. The County should not be forced to provide a concession on employee premium contribution amounts until after the contract is resolved. The Union bargaining unit is the “lone holdout” with respect to the implementation date for the employee health insurance premium contribution amounts, and it should not be retroactively rewarded by exploiting that “holdout” strategy.

Wisconsin arbitral authority clearly indicates that when a new or improved benefit is sought, a three-part analysis is applied: (1) has the party proposing a language demonstrated need for the change; (2) has the party proposing a change provided a quid pro quo for the proposed change; and (3) has the party demonstrated such criteria by clear and convincing evidence? Application of these long-standing criteria in this case clearly demonstrates the invalidity of the Union’s Final Offer. None of these standards have been met or demonstrated by the Union here.

As noted, the Union’s Final Offer contains five areas of departure from all other County settlements and/or bargaining units. Significantly, the Union’s evidence contains no demonstration of the need for any of those proposals.

The Union has failed to demonstrate any need to implement the changes which its Offer would impose upon the County. In the absence of such an affirmative demonstration of need, the Union’s Offer must be viewed as standing outside the arbitral standards by which such proposals are to be measured. Therefore, the County’s Final Offer, which does not seek any concessions from the Union and which is consistent with all of the other voluntary County settlements for the 2007-2008 contract term, must be viewed as more reasonable.

Perhaps most significant within the context of the above-cited three-part arbitral test, is the second element of the analysis, which is that the party who proposes such

changes must, where the need has been demonstrated, provide a quid pro quo for the change that is presented to the arbitrator. In the absence of such a quid pro quo, the Offer where such changes are proposed should not be accepted by the arbitrator.

The Union's Offer, which proposes all of the extensive cost and operational changes in the collective bargaining relationship, is fatally flawed because of the lack of demonstration for the need for such changes and because the Union failed to offer the County any quid pro quos.

When considering the arbitral criteria which clearly establish the need for a quid pro quo when a change in the status quo is proposed, the County notes the following. The PEHP plan would impose upon the County an additional cost of \$585.27 per year per employee. The Union's offer contains no concession to the County which would compensate the County for the addition of the PEHP plan. The Deputy Sheriffs' VEBA plan was negotiated between the County and the Deputy Sheriffs in 2006, in exchange for which the Deputy Sheriffs voluntarily surrendered the contractual longevity benefit. The VEBA benefit is less costly to the County than the PEHP plan. The VEBA consists of a flat dollar amount without an automatic escalator. The Union currently receives a longevity benefit and is not proposing to surrender that benefit in order to achieve the PEHP plan. No other County bargaining unit or employee group received such a PEHP that. No other external comparables receive such a plan, with the exception of the Fire Fighters in the City of Greenfield. The PEHP plan proposed by the Union would potentially hold the County liable. The Deputy Sheriffs do not receive the costly "Back Drop" pension benefit. The Union is not offering to surrender the "Back Drop" pension benefit in exchange for the PEHP plan. No other County bargaining unit has been granted a \$250 permanent lift to the steps on the salary schedules. No other County bargaining unit has been granted the elimination of steps on the respective salary schedules. The elimination of such steps would result in future cost of the County of \$6,910 per employee. Only three of the nine County bargaining units provide employees with the right to use paid County time for the purpose of attending County Board meetings.

The September 9, 2008 Fiscal Note of the County which addresses the respective financial impacts of the parties' Offers clearly indicates the significant additional 2007-

2008 costs which the Union Offer would impose upon the County. Those costs amount to \$89,130, or \$5,243 per employee, over the cost of the County's Offer. The County has not provided any other group of employees with such benefit increases for the 2007-2008 contract term.

The County's exhibits indicate that settlements identical to its Final Offer were voluntarily achieved with five of the eight bargaining units in the County for 2007-2008. In addition, the County's non-represented employees received the identical increases of the County's Offer. Such consistency represents sufficient evidence that the County's Offer is reasonable.

The Union's Offer is even more unreasonable when viewed in the context of the past four-year picture of wage increases provided to the County employees. Even if the County's Offer were to be awarded, the cumulative 2005-2008 wage increase received by the Union will greatly exceed the increases received by any other group of County employees for the same four-year time period. Under the County's Offer the four-year cumulative salary increase provided to the Fire Fighters would be 16.5%. Under the Union's Offer the four-year wage increase would be an exorbitant 21.5%. No other County employees have been provided wage increases even remotely close to these totals for the four-year period from 2005 through 2008. The cumulative increases for the other County employees range from 8% 11%.

The County submits that it is patently unreasonable for the Union to propose wage increases for more than any other internal group in the County for the 2007-2008 contract term. As stated above, there is virtually no credible argument which can be made by the Union for "catch-up" during the 2007-2008 contract.

It is frequently noted that arbitrators place great weight on internal consistency, for it avoids a bidding war between the bargain units. In maintaining internal settlement patterns, arbitrators have clearly emphasized the reasons for assigning great weight to internal settlement patterns. It is appropriate and important to maintain consistency among bargaining units. Public-sector employers are justified in establishing internal settlement patterns. Internal settlement patterns carry great weight. It is difficult to achieve voluntary settlements when parties break internal settlement patterns. Internal settlement patterns are more important than any other single criteria. Such patterns

should carry controlling weight. They result in stability labor relations and labor peace. The internal patterns represent what the parties would have agreed to. Such patterns should maintain equity between protective and on-protective employees. They should be adhered to, even if the settlement compromises the employees' position among the external group of comparables. Finally, there must be a compelling reason to deviate from the internal settlement pattern.

However, the Union has turned a blind eye to these arbitral principles. The County respectfully submits that such a cavalier approach must not be rewarded. It would run counter to the numerous awards in support of the principle that controlling weight be given to internal comparability. In short, the County's Offer is fully consistent with the 2007-2008 pattern of voluntary settlements among the other County's bargaining units. The Union's Offer, however, deviates from the internal pattern.

While the County has not invoked an inability to pay argument, this does not preclude the consideration of the significant cost differences between the parties' Offers. The County is charged with providing its residents and taxpayers with accountability and fiscally responsible decision-making. There is a difference in cost between the offers of \$5,243 per employee, but no proposed quid pro quo has been offered by the Union. In addition, the two-year cumulative lift of each party's Final Offer is 2.84% for the County and 6.82% for the Union. Clearly, the Union's Offer is more costly than County's Final Offer. The Union's Offer more than triples the cost of the County's offer. This comes upon the heels of an interest arbitration award which makes it clear that these employees achieved a 7% wage "catch-up" during the 2005-2006 contract. The \$89,000 cost difference between the Offers, for a mere 17 employees, weighs heavily in favor of the County's position, especially in view of the failure of the Union to meet its arbitral burden of demonstrating any need for these proposed increases without offering a quid pro quo.

There is no disagreement on the external comparable pool of Milwaukee County Fire Departments. However, in reassessing the external airport Fire Fighter comparable pool, the County has discovered that Albuquerque is a military unit. Arbitrator Yaeger intended to exclude military units. In addition, the County has discovered that the Dallas airport Fire Fighters do not have the power to negotiate for wages and benefits. The

County submits that Dallas should also be eliminated from the airport external comparable pool. The County proposes that Cleveland and Indianapolis, two Midwest airports, replace those two. The County notes they are located in the Midwest and have approximately the same passenger activity as Milwaukee.

The County has analyzed historical wage rates among Fire Fighters in the comparable pool and has determined that the Fire Fighters are fairly compensated. All of the Milwaukee County Fire Fighters are required to be EMTs and every Fire Fighter receives an additional 1.5% added to his base wage rate. While the Milwaukee County Fire Fighters are not the leaders in base wages, their superior benefit package provides them with total compensation unmatched by the comparable departments. Milwaukee County Fire Fighters receive a better than competitive number of holidays than the comparables.

With respect to retiree health insurance, the benefits are varied, making it difficult to arrive at a meaningful comparison. In Milwaukee County employees hired prior to January 1, 1994 receive the same coverage as active employees. Employees hired on or after that date are permitted to cash in all of their sick leave accrued prior to June 17, 2007, and 25% of all sick leave accrued after June 17, 2007, and have it applied to post-retirement health insurance premiums. Thus, Milwaukee County provides a very competitive and generous retiree health insurance benefit.

Longevity benefits received by the Milwaukee County Fire Fighters are also better than those received in the majority of comparable departments. The service requirement to obtain the maximum longevity amount in Milwaukee County is one of the lowest, only exceeded by two of the eleven comparable departments.

The County contends that the employee contributions to health insurance and many of the comparable departments are based upon percentage contributions, which automatically increase as premium amounts increase, thereby resulting in larger premium payments than those experienced by the Fire Fighters here. The County also offers a choice of two HMO plans and two PPO options. This is a more generous benefit than provided by the other comparable Fire Departments.

The County emerges as the clear leader in the uniform allowance. In addition, the sick leave benefit received by the Milwaukee County Fire Fighters is superior to the benefit received in any of the comparable departments.

The majority of the comparable departments have some type of tuition reimbursement program. However, besides Milwaukee County, only two other Fire Departments pay an annual stipend to Fire Fighters who have attained an associate degree or credits leading to an associate's or bachelor's degree in Fire Administration or Business Administration. The educational incentive provided to employees by Milwaukee County is very generous because it continues payment to all employees who have earned credits. Some of the external contracts do not even provide for payment toward tuition costs or incentive payments.

The County pays the full life insurance premium based on earnings up to and including the first \$25,000, thus providing a competitive life insurance for its employees. In addition, the County pays more to its Fire Fighters for call-in pay than any of the other Fire Departments. The County is one of the few departments which afford employees the opportunity to opt out of the health insurance coverage if they are enrolled in another health plan. The majority of the external departments do not provide for a section 125 Plan, which is available here.

In comparing the respective Offers of the parties in relation to the median wage rate among the external airport group, it can be noted the County's offer places the Fire Fighters above the median wage rates in both 2007 and 2008. The County's Offer is inherently reasonable.

REPLY BRIEF

In response to the Union's arguments, the County asserts that the Union argues for "catch-up" in a vacuum. It ignores Arbitrator Yaeger's arbitration award. The Union cites the 2002 Reclassification/Reallocation Study Committee Report in support of its catch-up argument. The Report contained a recommendation from the County Human Resources Department for an adjustment of 7% to wages in excess of the cross-the-board wage increases for 2003 and 2004. However, that catch-up increase was not included in

the 2003-2004 bargaining agreement with the Fire Fighters. Rather, Arbitrator Yaeger adopted the Union's Final Offer which included that 7% catch-up.

Arbitrator Yaeger's award negates the validity of the Union's catch-up argument here. It is significant that his award incorporated the 7% catch-up wage increase and was premised on the fact that a catch-up wage increase would not occur in 2007 or 2008. As Arbitrator Yaeger stated: "no reason has been advanced as to why the Union should be required to jump through this hoop a second time when the issue [of catch-up] has been joined in this case." The Union's four-year cumulative wage increase is the largest provided to any group of County employees. The 16.5% cumulative wage increase includes the 7% catch-up

The Union acknowledges that some of its fringe benefits are of greater value than those in comparable Milwaukee County departments. Three benefits stand out, including Off Days, Longevity, and Uniform Loans. In addition, Milwaukee County is a leader or at the top in other benefits.

The Union introduced a new argument here with respect to catch-up. The Union compares the HEOs with comparable departments in Milwaukee County. This is a diversionary tactic. There was no study which compares actual job titles, job qualifications, job duties, or frequency of performance of job duties between Fire Fighters and HEOs in the comparable Fire Departments. It is noteworthy that there is no HEO classification in the labor agreement. The Union is attempting to gain additional pay by using an unsubstantiated "apples-to-oranges" comparison. The County's wage rate comparisons are more accurate because they compare Fire Fighter positions with EMT certification.

The Union points out that it did not include layoff or privatization language in its Final Offer. However, the Union never raised the issue of no layoffs or no privatization during the negotiations and did not propose any language on those issues. While the Union quotes extensively from Arbitrator Engmann's award, it fails to establish the relevancy of that decision here. Layoffs and privatization were never a topic for this bargaining unit. The County's Final Offer will result in the same job protections as were provided to the four County units that voluntarily settled their contracts for 2007 and 2008.

The Union's justification for the January 1, 2008 implementation date for employee contributions to the health insurance plan is a sham. The Union's proposal is a win for the Union and a loss for the County. While the County had offered implementation January 1, 2008 with its August 16, 2007 proposal, had that been accepted then, there could have been a January 1, 2008 implementation. Although the Union claims that its proposal would result in cost savings, it would in fact cost the County \$5,520 in 2008.

Although the Union contends that it is the only unit among comparable departments that offers no employer contribution for retiree health insurance for employees hired after January 1, 1994, the Union ignores the fact that those employees receive the full value of their accrued sick allowance at the time of retirement, credited toward the cost of health insurance after retirement. In fact, this County benefit is the most generous among any of the external comparable departments.

The Union contends that its PEHP proposal is intended to benefit seven employees. However, that proposal does not distinguish between employees hired prior to or on or after January 1, 1994. The PEHP proposal applies to all 16 current members of the Department. While the Union claims employees who retire at 55 would not have their health insurance premiums paid up to when Medicare begins at 65. The County responds that while a Fire Fighter can retire at 55, the Fire Fighter is not required to do so.

The Union recognizes that a quid pro quo is required for the PEHP benefit. However, its arguments that it has met the appropriate conditions fail. There is not a significant problem for its members. In addition, the County has shown that its argument for additional catch-up is absurd. Finally, its argument that it has provided a quid pro quo because of its below average wages does not meet the definition of a quid pro quo. There was no exchange.

With respect to changing the airport external comparable pool, the County notes that it has presented substantial evidence and argument for doing so. In addition, the Union attempts to compare external airport Fire Fighter units; however, the County cannot even attempt to compare it with those Fire Fighters. There are too many unknown factors. The benefits received by the Milwaukee County Fire Fighters are very

competitive. However, no such similar comparability data has been provided relative to the airport external comparable pool.

While the Union accuses the County of not keeping up with the cost-of-living in wage increases, it loses sight of the fact that one of the major components of the CPI is the cost of health insurance. This is significant because the County has paid, and will continue to pay, for the employees' health insurance with only a very modest contribution to the premium being paid by the employees. Furthermore, the cost-of-living factor has not historically been given as much weight as other arbitral criteria.

With respect to the Union's proposal to allow attendance at County meetings, it argues that it would allow for a single employee to be released. However, the proposal actually states "authorized employees" could attend meetings. The proposal also does not contain any language limiting attendance to meetings that would limit attendance at meetings where the subject is of significant importance to its members.

The Union goes on to argue that a single 2009 Budget Request from a separate department that proposed outsourcing airport fire services somehow justifies its proposal for attendance at meetings. However, the Chief had authorized the local president to attend meetings in the past. Finally, the Union alleges that the County refused to bargain over the issue. That is a gross exaggeration and mischaracterization. If the County had refused to bargain over the issue, the Union should have filed a prohibited practice complaint. In addition, the County notes that there is no supporting testimony that the County refused to bargain.

The County respectfully requests that the Arbitrator select its Final Offer, based upon all the exhibits which it offered regarding internal and external wage and benefit comparisons, all of the case law cited, and its arguments. The County believes the evidence and arguments prove that its Offer is more reasonable and will continue to maintain consistency among its bargaining units, while maintaining labor peace with the County. In contrast, the Union's Final Offer is so flawed that it cannot withstand scrutiny. It does not remotely satisfy the reasonableness standard with respect to any of its provisions. Therefore, the County requests that its Final Offer be incorporated into the parties' 2007-2008 collective bargaining agreement.

DISCUSSION

APPROPRIATE EXTERNAL COMPARABLES

The County has proposed changing two of the airport external comparables. The County submits that of the group of airport external comparables, Albuquerque is a military unit, and Arbitrator Yaeger intended to exclude military units. In addition, the County further asserts that the Dallas Airport Fire Fighters do not have the power to negotiate for wages and benefits.

Arbitrator Yaeger adopted that roster of airport external comparables with the Award of the previous contract, just two years ago. The undersigned also notes that the parties had previously agreed to that group in the 2001-2002 Reclassification/Reallocation Study Committee. Moreover, the proposed change in the airport external comparables was apparently first raised at the hearing here. The undersigned finds there is insufficient reason to disrupt the recently determined airport external comparables at this juncture. That issue is better left to a later date in order to allow both parties the opportunity to more fully review those comparables.

With respect to how the application of airport external comparables should be applied here, the County contends that the parties cannot even attempt to compare the Fire Fighters here with the Fire Fighters at those airports. However, there is nothing in the record to indicate that the parties and the undersigned should not consider them when reviewing the Final Offers here. In fact, those comparables were adopted and considered by Arbitrator Yaeger in his Award. The undersigned therefore finds that these airport Fire Fighters are appropriate external comparables to be considered when analyzing which Final Offer should be accepted.

ANALYSIS

ACROSS-THE-BOARD WAGE INCREASE

The Union argues that it lags in wages when compared to the external County and the airport comparables, and it is therefore necessary to secure larger wage increases than

those received by the other internal bargaining units of the County. The County responds that Arbitrator Yaeger fully addressed the issue of catch-up in his 2006 award and no further catch-up is necessary.

In Milwaukee County (Airport Fire Department), Dec. No. 31600-A (Yaeger, 6/06), Arbitrator Yaeger stated:

This case is somewhat unique in one respect. Subsequent to hearing in this matter the County and District Council 48 submitted their bargaining impasse to interest arbitration as well. The undersigned was selected to arbitrate that dispute also, and during the course of the proceedings in that matter a mediated settlement was reached for the 2005-2006 contract as well 2007-2008.

... The Union counters that if now is not the time 2007-2008 will surely not be the time because the “me too” agreement the County has with AFSCME District Council 48 for 2007-2008 will prevent the County from granting any salary adjustments for airport firefighters. ... While a “catch-up” increase would be possible without triggering the “me too” agreement with AFSCME, it could only happen as a result of an arbitration award.

The settlement that Arbitrator Yaeger mediated between the County and AFSCME District Council 48 included the following stipulations:

B. “Me Too” Provision.

The County will match the total percentage cost of a package with any other County union receives for 2007-08, if it is higher than the 2007-08 package settlement with DC 48, subject to the following conditions:

1. This stipulation will not be applicable to an arbitrated package, excluding “consent awards.”

The District Council 48 “me too” provision will not be triggered with this Award, since the Fire Fighters are in arbitration here and the “arbitrated package” exception would apply.

However, Arbitrator Yaeger also stated: “No reason has been advanced as to why the Union should be required to jump through this hoop a second time when the issue [of catch-up] has been joined in this case.” A 2002 County Report recommended that the Fire Fighters receive a wage adjustment of 7%. That 7% catch-up increase was an additional component of the wage increase Arbitrator Yaeger awarded to the Fire Fighters.

Turning to the external comparables the following tables generally reflect the salary ranges for the external County and airport comparables²:

YEAR-END SALARY RANGE (INCLUDING EMT PAY) – EXTERNAL COUNTY COMPARABLES

EXTERNAL COMPARABLE	2007		2008	
	Min.	Max.	Min.	Max.
Cudahy (EMT: \$300/Year)	No Settlement		Not Settled	
Franklin (EMT: None)	\$40,855 - \$57,949		\$42,078 - \$59,696	
Greendale (EMT: None)	\$38,489 - \$56,108		\$39,759 - \$57,959	
Greenfield (EMT: 0.7% of top pay)	\$39,646 - \$59,379		\$40,835 - \$61,160	
City of Milwaukee (EMT: None)	\$35,029 - \$59,109		\$36,168 - \$61,030	
North Shore (EMT: None)	\$36,165 - \$57,982		Not Settled	
Oak Creek (EMT: 2% of Base)	\$41,907 - \$59,731		\$43,163 - \$61,522	
St. Francis	\$32,543 - \$47,199		\$33,601 - \$48,733	
South Milwaukee (EMT: \$887, \$905, \$932)	\$46,179 - \$57,498		\$47,564 - \$59,222	
Wauwatosa (EMT: None)	\$37,302 - \$59,151		Not Settled	
West Allis (EMT: None)	\$41,688 - \$62,668		Not Settled	
Milwaukee County (EMT: 1.5% of Base)	<u>Union Offer:</u> \$37,204 - \$56,132		\$38,593 - \$58,094	
	<u>County Offer:</u> \$36,117 - \$54,492		\$37,211 - \$56,143	

(Derived from the County's Exhibits)

YEAR-END SALARY RANGE EXTERNAL COMPARABLES – WAGES - AIRPORTS

AIRPORT	2007		2008	
	Min.	Max.	Min.	Max.
Albuquerque				
Austin	\$42,867	\$74,790	\$45,014	\$78,838
Cleveland	\$44,122	\$51,797	\$45,004	\$52,833
Dallas				
Fort Meyers	\$37,311	\$45,961	\$39,113	\$48,181
Hartford/Springfield	\$50,924	\$66,508	\$52,452	\$68,504
Indianapolis	\$51,571	\$51,571	\$53,118	\$53,118
Jacksonville	\$33,366	\$50,724		--
Reno	\$33,366	\$63,592	\$34,033	\$64,864
San Antonio	\$44,568	\$52,452	\$46,800	\$55,080
West Palm Beach	\$45,916	\$67,841	\$46,835	\$69,191
	(By the end of the year)		(By the end of the year)	
Milwaukee	<u>ASSOCIATION OFFER:</u> \$36,655 \$55,302		<u>ASSOCIATION OFFER:</u> \$37,766 \$56,978	
	<u>COUNTY OFFER:</u> \$35,583 \$53,687		<u>COUNTY OFFER:</u> \$36,661 \$55,314	
			(By the end of the year)	

(Derived from the County's Exhibit)

²The Union contends that the HEO job classification is distinct from fire fighters as a job classification, and it breaks out its wage data for external County and external airport comparables based upon that claimed distinction. However, as the County points out, the record does not clearly explain the distinctions between those job classifications at other airports and those job classifications here. The Union has the burden of demonstrating that its claimed HEO job classification is analogous to similar job classifications in the external comparables; however, the record does not include such evidence. The undersigned is therefore relying on the external salary range data provided by the County. However, a disclaimer must be made. From reviewing the airport contracts and the parties' tables, there is some inconsistency and lack of clarity as to which job classifications are being examined.

Turning to the internal comparables, the following table summarizes the 2007 and 2008 percentage wage increases:

WAGE INCREASES – INTERNAL COMPARABLES		
Unit	2007	2008
District Council #48	11/4/07 – 1.0%	4/6/08 – 1.0% 6/29/08 – 1.0% 10/5/08 – 1.0% \$250 Lump Sum Payment To Certain Employees
Attorneys	11/4/07 – 1.0%	4/6/08 – 1.0% 6/29/08 – 1.0% 10/5/08 – 1.0% \$250 Lump Sum Payment To Certain Employees
Trades	Classification shall be 96% of outside rate in private sector	Classification shall be 96% of outside rate in private sector
District 10, IAM	11/4/07 – 1.0%	4/6/08 – 1.0% 6/29/08 – 1.0% 10/5/08 – 1.0% \$250 Lump Sum Payment To Certain Employees
TEAMCO	11/4/07 – 1.0%	4/6/08 – 1.0% 6/29/08 – 1.0% 10/5/08 – 1.0% \$250 Lump Sum Payment To Certain Employees
Deputy Sheriffs	Arbitration Award: 1/1/07 – 1.5% 7/1/07 – 1.5%	Arbitration Award: 1/1/07 – 1.5% 7/1/07 – 1.5%
Nurses	Arbitration Award: 1/1/07 – 2.0% 7/1/07 – 2.0%	Arbitration Award: 4/6/08 – 1.0% 6/29/08 – 1.0% 10/5/08 – 1.0%
Non-Represented Employees	11/4/07 – 1.0%	4/6/08 – 1.0% 6/29/08 – 1.0% 10/5/08 – 1.0% \$250 Lump Sum To Certain Employees
Milwaukee County	<u>Union Offer:</u> 2% Pay Period 8 2% Pay Period 21 <u>County Offer:</u> 1% 11/04/07	\$250 Base Lift 1/1/08 1% 4/6/08 1% 6/29/08 1% 10/5/08 Elimination of pay steps 5 and 6 – 12/31/08 1% 4/6/08 1%, 6/29/08 1% 10/5/08 \$250 lump sum to certain employees first pay period following date of Award.

The table reflects that four of the bargaining units have voluntarily settled for what the County is offering here on wages. However, as Arbitrator Engmann stated in Milwaukee County (Nurses), Dec. No. 32241-A (7/08):

Council 48 was not the only unit to get a “no-layoff” clause for 2007 and “no privatization” clause for 2008: Building Trades also received the two

guarantee clauses. And it does not stop there. The Machinists and the Technicians, Engineers and Architects also received the guarantee clauses for a total of four of the five settled units. The fifth unit, the Attorneys, did not receive such guarantees. Contrary to the assertion by the County, the five settlements are not identical. In addition, the Deputy Sheriffs are in arbitration but the County's final offer in that case does not include the two guarantees. And, of course, the Health Care Professionals, the Nurses, was not offered such guarantees. The score at this point is four units with the guarantees to three units with no guarantees.

Thus, as Arbitrator Engmann points out, for those units that settled voluntarily, the percentage increases in wages reflect, in large part, the trade-off for "no-layoff" and "no privatization" clauses. For the County to argue that the Fire Fighters did not require "no-layoff" and "no privatization" clauses for this contract term misses the point that those wage settlements that were voluntarily agreed to by the other bargaining units were based in part on an economic wage trade-off for those job protections.

While the County correctly points out that the Fire Fighters' cumulative percentage wage increases from 2005 through 2008 are higher than those of the other internal comparables, that is due, of course, to the catch-up adjustment awarded by Arbitrator Yaeger and should not be counted against the Union's Offer. The overall internal settlement "pattern" must therefore be viewed in this context.

Because the external County comparables support the Union's Offer and the internal comparables do not clearly support either Offer, the undersigned finds that the Union's Offer on the across-the-board percentage wage increases is more reasonable.

RESTRUCTURING THE SALARY SCHEDULE

The Union also seeks to compress the wage schedule by eliminating steps 5 and 6, because, the Union asserts, the average number of steps in the salary schedule for all the external comparables is seven. Proposing to reduce the steps in the schedule from ten to eight is a substantial change in the salary schedule. In the future the less senior Fire Fighters would benefit significantly. While the proposal may more closely mirror some of the external comparable salary schedules, such a substantial restructuring should, in the view of the undersigned, contain a quid pro quo. However, no such proposed tradeoff

was included in the Fire Fighters' Offer. The County's Final Offer (to maintain the status quo on the steps in the salary schedule) is therefore preferable.

PEHP

The Union seeks a PEHP for its members. Under the proposed PEHP the County would set pre-tax money aside to be used to pay health insurance premiums upon retirement. It would be administered through Nationwide Retirement Solutions and require the County to pay \$21/pay period for all employees without a length-of-service requirement, with the contribution increasing by the same percentage as that which wages are increased.

As with other benefits, it is important to examine whether other internal comparables have such a plan. They are summarized below:

PEHP - INTERNAL COMPARABLES

UNIT	POST-EMPLOYMENT HEALTH PLAN
Trades	No Provision
Attorneys	No Provision
Nurses	No Provision
District 10, IAM	No Provision
TEAMCO	No Provision
Deputy Sheriffs	Retiree Health Trust – (Effective 1/1/06) Greater than 6 years less than 10 years of service - \$150 Greater than 10 years less than 15 years of service - \$275 Greater than 15 years less than 20 years of service - \$335 Greater than 20 years of service - \$395
District Council #48	No Provision
Non-Represented Employees	No Provision
Fire Fighters Local 1072	County Offer: Status Quo (No Post Employment Health Plan) Association Offer: Participate in PEHP with County Paying \$21/pay period, with the contribution increasing by the same percentage as that which wages are increased.

But for the Deputy Sheriffs, no other internal comparable has a pre-retirement health insurance funding benefit. Moreover, the Deputy Sheriffs' plan has substantial differences. An employee must have at least six years of service to participate; the contributions are far less generous; and the Deputy Sheriffs union is responsible for any risks.

The PEHP, on the other hand, places the ultimate risk on the County should Nationwide Retirement Solutions default on its financial obligations. Although the Union contends that the County's risk factor is negligible, given the precarious current

state of this country's financial and insurance industries, the County's concerns are well-founded.

Turning to the external comparables, the following table reflects that none of those comparables enjoy such a plan:

PEHP - EXTERNAL COMPARABLES

MUNICIPALITY	PEHP PLAN
Cudahy	None
Franklin	None
Greendale	None
Greenfield	Upon retirement an amount equal to a maximum of 35% of accumulated sick leave (2700 maximum accumulation x 35% = 945 hours of sick leave) is either paid in cash to retiree or used to cover post-retirement health insurance premiums.
City of Milwaukee	None
North Shore	None
Oak Creek	None
St. Francis	None
South Milwaukee	None
Wauwatosa	None
West Allis	None
Fighters Local 1072	County Offer: Status Quo (No Post Employment Health Plan) Association Offer: Participate in Post Employment Health Plan with County Paying \$21/pay period, with the contribution increasing by the same percentage as that which wages are increased.

Greenfield's sick leave accumulation provision cannot be equated with the Union's PEHP proposal.

In addition, such a new economic benefit requires the well-accepted three-criteria test. While the undersigned appreciates that all retirees often have a concern about funding health insurance, the Fire Fighters are not substantially behind either the internal comparables or the external comparables in this regard. Moreover, a quid pro quo was not proffered by the Union. For the Union to argue in support of this proposal that its wages are substantially behind the comparable wages misapplies the quid pro quo principle. In order to obtain a new benefit under the quid pro quo test, the proposing party should trade or relinquish something during the negotiations for the new provision. That was not offered here. As the County notes, the Deputy Sheriffs gave up their longevity pay in order to secure their Retiree Health Trust plan.

Accordingly, the County's proposal to retain the status quo on this issue is found more reasonable.

ATTENDANCE AT COUNTY MEETINGS

The Union proposes that authorized Fire Fighters be allowed to attend County meetings. The “Local Union President and/or his/her designee” would be considered as “authorized employees.” The Union argues that the provision is necessary in order to ensure that its concerns are properly considered. Again, it is useful to review whether the bargain units within the County have similar provisions. The following table summarizes the internal comparables:

INTERNAL COMPARABLES

UNIT	NUMBER OF EMPLOYEES	ATTENDANCE AT COUNTY MEETINGS
Attorneys	50	No contract provision.
Trades	91	No contract provision.
Deputy Sheriffs	493	No contract provision.
AFSCME, District Council 48	3,823	Authorized employees at certain County meetings.
Nurses	341	One representative at certain County or Civil Service meetings.
District 10, IAM	6	No contract provision.
TEAMCO	38	Authorized employees at certain County meetings.
Non-represented	866	No provision.
Fire Fighters	17	County Offer: Status quo (No contract provision). Union Offer: Authorized employees at certain County meetings.

AFSCME District Council 48 (the largest bargaining unit - 3,823 employees), the Nurses (341 employees), and TEAMCO (38 employees), allow for attendance of authorized employee(s) at certain County meetings.

While the Union contends the provision is necessary, the evidence reflects that in the past, the Fire Chief has allowed the Local’s President to attend certain meetings during paid time. In addition, the provision, as worded, might reasonably be interpreted to require that more than one Fire Fighter be allowed to attend a particular meeting during paid time. Furthermore, as the County points out, AFSCME District Council 48 and the Nurses have large numbers of employees so that coverage while those employees attend meetings would not cause difficulties. TEAMCO has more than twice the number of employees as the bargaining unit here. This bargaining unit is too small, and the proposal would potentially generate overtime. Moreover, the Fire Fighters provide a critical public safety function, which is not required of the employees in the other units.

Therefore, the County's proposal to maintain the status quo on this issue is found more reasonable.

HEALTH INSURANCE

The parties' health insurance proposals are identical, but for the implementation date. The Union proposes that the implementation take effect on January 1, 2008, while the County proposes an effective date of January 1, 2009. Although the County contends the Union is attempting to gain an advantage by having the earlier implementation date, the record does not reflect that. Rather, as described above, the parties held only one negotiation session. The Union's health insurance proposal, which substantively mirrors the County's proposal, would have resulted in implementation after the parties' sole negotiation session.

Nonetheless, given the timing of this arbitration proceeding, administrative efficiencies support the County's January 1, 2009 proposed date of implementation for the health insurance. Therefore, the County's proposal is found somewhat more reasonable.

CONCLUSION

While the Union's Offer is favored on the across-the-board percentage wage increases, the Union is seeking far too many additional costly economic improvements, but giving up nothing in return. The Union's proposed PEHP stands out in particular as a substantial economic burden to the County that will escalate over the years. Furthermore, Section 111.77(6)(g), Stats. requires that the arbitrator consider: "Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings." Over the past several months we have moved into a severe recession, which must be considered and further weighs against the Union's Offer. The County's Offer is thus more reasonable.

Accordingly, having considered the statutory criteria, the evidence and arguments presented by the parties, the Arbitrator, based on the above and foregoing, concludes that the County's Final Offer for the January 1, 2007 through December 31, 2008 collective

bargaining agreement is favored over the Union's Offer, and in that regard the Arbitrator makes and issues the following

AWARD

That the January 1, 2007 through December 31, 2008 collective bargaining agreement shall contain the County's Final Offer, along with those provisions agreed upon during their negotiations, as well as those provisions in their prior agreement which they agreed were to remain unchanged.

Dated in Madison, Wisconsin, on December 29, 2008, by

Andrew M. Roberts, Arbitrator