

BEFORE THE ARBITRATOR

In the Matter of the Arbitration  
of a Dispute Between

WISCONSIN COUNCIL 40, AFSCME, AFL-CIO,  
LOCAL 2486

and

WOOD COUNTY (COURTHOUSE)

Case 128  
No. 52231  
MA-8881

Appearances:

Mr. Dean R. Diedrich, Ruder, Ware and Michler, S.C., 500 Third Street, P.O. Box 8050,  
Wausau, Wisconsin 54402-8090, on behalf of the County.

Mr. Jeffrey R. Wickland, Staff Representative, Wisconsin Council 40, AFSCME,  
AFL-CIO, P.O. Box 44, Stevens Point, Wisconsin 54481-0044, on behalf of  
Local 2486.

ARBITRATION AWARD

According to the terms of the 1992-94 collective bargaining agreement between Wood County (hereafter County) and Wood County Courthouse Employees Local 2486, Wisconsin Council 40, AFSCME, AFL-CIO (hereafter Union), the parties jointly requested that one of several Wisconsin Employment Relations Commission staff members act as impartial arbitrator of the instant dispute. The WERC then selected Sharon A. Gallagher from among those jointly selected by the parties to hear and resolve a dispute between the parties regarding the County's decision to subcontract its Printing Department functions effective December 31, 1994, which resulted in the elimination of one job, that of the Printing Supervisor, A. Bruce Sprague. The scheduling of a hearing in this case was delayed due to Personnel Director Douglass Maurer's decision to leave County employment in April, 1995, for a job in the State of Texas. A hearing was scheduled for June 19, 1995 but it was later postponed to August 29, 1995. Thereafter, the hearing was postponed again and was held on December 5, 1995. No stenographic transcript of the proceedings was taken. By agreement, the parties submitted their initial briefs and reply briefs by April 1, 1996. The record was thereupon closed.

Issues:

Although the parties stipulated to the wording of the procedural issue quoted below, the Union objected to the County's raising this issue for the first time at the instant hearing:

- 1) Is the grievance arbitrable?

The County and the Union could not agree upon a stipulated substantive issue for determination in this case. The Union suggested the following issue for determination:

- 2) If the grievance is arbitrable, did the County violate the contract? If so, what is the remedy?

The County suggested the following substantive issue:

- 3) If the grievance is arbitrable, did the County violate the collective bargaining agreement when it discontinued the printing operation in the County? If so, what is the appropriate remedy?

The parties agreed that the undersigned could frame the substantive issue based upon the relevant evidence and argument in this case should she first find that the grievance is arbitrable. As I have concluded infra that the grievance is arbitrable, based upon the relevant evidence and argument, I find that the following substantive issue shall be decided in this case:

Did the County violate the collective bargaining agreement when it eliminated the Wood County Printing Department by County Board Resolution?

If so, what is the appropriate remedy?

Relevant Contract Provisions:

Article 1 - Management's Rights

- 1.01 Except as otherwise specifically provided in this Agreement, the Employer retains all rights and functions of management that it has by law.
- 1.02 Without limiting the generality of the foregoing, this includes:
  - 1.02.01 The management of the work and the direction and arrangement of the working forces, including the right to hire, discipline, suspend or discharge for just cause or transfer. The right to relieve employees from duty because of lack of work or for other legitimate reasons is left exclusively to the Employer, provided that this will not be used for purposes of discrimination against any member of the Union because of union

activity;

1.02.02 The location of the Employer work activities, including the establishment of new units and the relocation or closing of old units;

1.02.03 The determination of the layout and the equipment to be used in the Employer's activities; the determination of the processes, techniques, and methods of conducting the Employer's activities, including any changes or adjustment of any machinery or equipment, the determination of materials to be used, and the right to contract out work when it is economically feasible;

...

1.02.06 The determination of the size of the working force, the allocation and assignment of work to workers, determination of policies affecting the selection of employees, establishment of quality standards and judgment of workmanship required;

...

1.03 The application of management's rights as contained in this Article may be grieved by the Union if such application is in violation of the remainder of this agreement.

## Article 2 - Recognition

2.01 The Employer hereby recognizes the Union as the exclusive bargaining representative for all regular full-time and regular part-time employees of the Wood County Courthouse and annexes including all regular full-time and regular part-time non-professional and clerical employees of the Department of Social Services, regular full-time and regular part-time dispatcher/matron, regular full-time and regular part-time Sheriff's Department cooks, regular full-time and regular part-time Corrections Officers, all regular full-time and regular part-time non-professional employees of Unified Services, regular full-time and regular part-time Emergency Government employees, but excluding elected officials,

department heads, supervisory personnel, custodial and maintenance personnel, law enforcement personnel, and registered nurses for the purposes of conferences and negotiations on questions of wages, hours and condition of employment.

...

Facts:

Grievant A. Bruce Sprague (hereafter Sprague) was employed as Print Shop Supervisor by Wood County in its Printing Department for eighteen years prior to the elimination of the Printing Department by County Resolution dated October 18, 1994. As Print Shop Supervisor, Sprague's position was in the bargaining unit and his Supervisor at all times relevant herein (prior to December 31, 1994) was County Insurance and Purchasing Administrator Dale Villeneuve. Sprague's duties in the Print Shop included operating the two County photocopying machines when other County departments requested that documents be copied, demonstrating the use of copy machines to County employes from other departments who wished to use the machines on their own, performing printing, publishing and binding duties using the County's printing press and performing some clerical work including filling in on the switchboard. 1/

On June 18, 1990, Villeneuve issued a memo regarding 1991 copier and printing rates which read in relevant part as follows:

...

At the June 12, 1990 meeting of the Public Property Committee, the following copier and printing rates were approved for the Printing Department.

<u># of Copies</u>	<u>Cost Per Copy</u>
1 - 10	0.10
11 - 30	.085
31 -250	.055
251 - 1,000	.05

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1/ Sprague was the only unit employe employed in the Printing Department on October 18, 1994.

1,000 - Over .045

Additionally, the labor rate charged for printing work done by the Printing Department will be charged at a rate of \$16.00 per hour. 2/

These rates go into effect on January 1, 1991 so please budget accordingly.

...

By memo dated March 22, 1994 to the Public Property Committee of the County, Administrator Villeneuve submitted the Printing Department annual report for 1993:

...

Each year, I submit the annual report for the operations of the Printing Department to the Public Property Committee for their review. This is that report.

The Printing Department budget for 1993 was as follows:

Description	Appropriation	Actual	Over/Under
Salaries	23,284.61CR	23,258.93	25.68CR
Fica	1,781.27CR	1,722.27	59.00CR
Worker's Comp.	349.27CR	348.90	.37CR
Retirement	2,817.44CR	2,814.41	3.03CR
Health Ins.	6,136.68CR	6,171.00	34.32
Life Ins.	17.04CR	17.35	.31
Postage	15.00CR	2.74	12.26CR
Telephone	175.00CR	102.80	72.20CR
Copy Expense	1,200.00CR	278.79	921.21CR
Rent	6,183.00CR	6,183.00	.00
Prop. & Liab. Ins.	55.00CR	49.31	5.69CR
Xerox Expense	17,550.00CR	11,293.12	6,256.88CR
Printing Supplies	6,200.00CR	5,588.02	611.98CR
Paper Supplies	3,700.00CR	2,634.27	1,065.73CR
Leased Equipment	5,451.00CR	5,450.52	.48CR
Total	<u>74,915.31CR</u>	<u>65,915.43</u>	<u>8,999.88CR</u>

2/ After January 1, 1991, the County never changed the above-quoted copying and printing rates.

Total Outlay:	300.00CR	277.51	22.49CR
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There are two revenue accounts assigned for the Printing Department. They are as follows:

Description	Appropriation	Actual Over/Under	
Printing Dept.	48,000.00	50,513.87CR	2,513.87CR
Xerox	26,000.00	22,827.33CR	3,172.67
Total Revenues	74,000.00	73,341.20CR	658.80

I believe the shortfall in Xerox revenue is due in part to the fact that more departments have their own photo copy machines.

The Printing Department Revenue was generated by such work as follows:

- \$ 8,182.64 includes paper sales and work done by the Printer such as lettering, paste up work, hole punching and other miscellaneous work.
- \$11,852.90 includes work done on the printing press.
- \$29,326.65 includes work done by the Printer on the newest photo copier with charges billed to department requesting the work to be done.
- \$ 1,151.68 includes work done by the Printer on the older photo copier with charges billed to department requesting the work to be done.

These figures indicate that of the total Printing Department revenues of \$50,513.87, the amount of \$30,478.33 was generated by the Printer running photo copies for different jobs. The remaining \$20,035.54 was generated by the Printer for such items as paper sales and work done such as lettering, paste up, hole punching and work done on the printing press.

The Xerox Revenue was generated as follows:

\$18,804.19 was generated by different departments making their own photo copies on the newest photo copier.

\$ 4,023.14 was generated by different departments making their own photo copies on the older photo copier.

The total Xerox revenues are \$22,827.33 for departments making their own photo copies on the copiers in the Printing Department.

. . .

On August 31, 1994, the County's Public Property Committee (PPC) met in closed session to consider and discuss the costs of continuing to have an in-house Printing Department at the County. Minutes from that meeting read in relevant part as follows:

Bill Goodness called the meeting to order at 9:00 a.m. and explained that John Dove would not be present due to John having some medical tests done on that day. All other committee members were present. Doug Maurer and Dale Villeneuve were also present.

Doug Maurer presented handouts to those present regarding a cost analysis study he did of the printing function at the Courthouse. Handouts included a budget summary from 1993 that was prepared by Dale Villeneuve and the cost analysis study done by Doug.

The cost analysis study showed figures for the review of Printing Dept. costs from the 1993 budget, including Printing Revenue, Printing Expense and Profit/Loss figures. This showed that the Printing Dept. operated at a loss of \$20,269 for the printing function only.

The study also included figures for Copy Revenue, Copy Expense and Profit/Loss. This showed that for copy work done, the department had a profit of \$27,695.

Reconciliation with the actual budget figures showed the combined printing and copying functions had a \$7,426 profit.

The study also included a Projected Cost of a "Copy Only"

Function. Using copy volume of 1,087,377 and copy charges of .0313 per copy would generate revenue of \$34,035. Expenses would be \$33,975 for a profit of \$60. (Departments have to budget money for copy charges). We could operate at a lesser cost per copy charge and still nearly break even.

The potential savings under a "copy only function" would be \$19,270 plus the expense not incurred by having an internal printing function of \$40,305, for a total savings of \$59,575.

Doug Maurer and Dale Villeneuve answered questions the committee members had. The committee decided to pursue the idea of eliminating the printing function at the Courthouse and will be having an open meeting sometime in September 1994.

. . .

Attached to the minutes of this August 31, 1994, closed session were the following documents which the PPC considered during its discussions on August 31, 1994:

REVIEW OF PRINTING DEPARTMENT COSTS - 1993 BUDGET

<u>Item</u>	<u>Printing Revenue</u>	<u>Printing Expense</u>	<u>Profit (Loss)</u>
A.			
Paper, Paste-up,	\$ 8,183.00		
Hole Drilling,	11,853.00		
Lettering Printing			
Press Work			
Salaries		\$23,259.00	
FICA		1,722.00	
Workers' Compensation		349.00	
Wisconsin Retirement			
System		2,814.00	
Health Insurance		6,171.00	
Life Insurance		17.00	
Postage		3.00	



Telephone		103.00	
Rent (6183)			
Liability Insurance (49)			
Printing Supplies		5,588.00	
Copy Expense	<u>                    </u>	<u>279.00</u>	
TOTALS:	\$20,036.00	\$40,305.00	(\$20,269.00)

<u>Item</u>	<u>Copy Revenue</u>	<u>Copy Expense</u>	<u>Profit (Loss)</u>
B. Work Done by Printer	\$30,478.00		
Work Done by Others	22,827.00		
Rent		\$ 6,183.00	
Liability Insurance		49.00	
Xerox Expense		11,293.00	
Paper Supplies		2,634.00	
Leased Equipment		<u>5,451.00</u>	
TOTALS:	<u>\$53,305.00</u>	<u>\$25,610.00</u>	<u>\$27,695.00</u>

RECONCILIATION WITH ACTUAL BUDGET NUMBERS

<u>Item</u>	<u>Revenue</u>	<u>Expense</u>	<u>(Over) (sic) (Under)</u>
Printing	\$20,036.00	\$40,305.00	
Copy	<u>53,305.00</u>	<u>25,610.00</u>	
TOTALS:	<u>\$73,341.00</u>	<u>\$65,915.00</u>	<u>\$7,426.00</u>

PROJECTED COST OF "COPY ONLY" FUNCTION

<u>Revenue</u>	<u>Expense</u>	<u>Profit (Loss)</u>
Rent (@ \$10/foot)	\$ 6,870.00	
Liability Insurance	55.00	
Xerox Expense	17,550.00	
Paper Supplies	4,000.00	
Leased Equipment	5,500.00	

Copies Made by Others  
at Our Cost Per Copy  
Using 1993 Volume of  
1,087,377 Copies

@ 3.13 cents \_\_\_\_\_  
 TOTALS:     \$34,035.00   \$33,975.00   \$60.00

POTENTIAL SAVINGS UNDER PLAN

<u>Item</u>	<u>Detail</u>	<u>Potential Savings</u>
1993 Copy Cost to Departments	\$53,305.00	
Less: Projected Cost Under Plan	<u>34,035.00</u>	\$19,270.00
Expense Not Incurred by Having an Internal Printing Function		40,305.00
		_____
	TOTAL:	<u>\$59,575.00</u> 3/

On September 13, 1994, 4/ Sprague received a FAX stating that on September 16, 1994, the PPC would discuss "retention or elimination of Wood County Printing Department". Also on the afternoon of September 13th, Supervisor Villeneuve told Sprague that the PPC would discuss this topic at their meeting on September 16th. Sprague and Jeffrey Wickland (Sprague's AFSCME Representative) attended the September 16th meeting. The minutes of this meeting read in relevant part as follows:

...

5. The committee had a discussion relating to the retention or elimination of the Wood County Printing Department. Clarence Molepske, Bruce Sprague, County Printer, and Jeff Wickland, AFSCME representative joined the meeting.

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3/ The above-quoted budgetary and costing information which begins with "Review of Printing Department Costs -- 1993 budget" and continues through "Potential Savings Under Plan" was attached to the County Board's resolution of October 18, 1994.

4/ Unless stated otherwise, all dates are in 1994.

Douglass Maurer reviewed some documents with the committee including a cost analysis done reviewing the printing and copying functions of the Printing Department.

Clarence Molepske questioned the committee regarding outside printing costs and turn around time for getting printing jobs done. Douglass Maurer and Dale Villeneuve will prepare some information on outside printing costs.

Bruce Sprague talked to the committee regarding printing and copying costs. He presented a hand-out to everyone present at the meeting regarding the Wood County Printing Department costs for printing press work and copying cost charges. He also talked about the printing press being old and other departments that have their own copiers, and his thoughts on how to build up revenues in the department. He also provided a comparison of three jobs including County costs and outside costs. He also suggested the purchase of new equipment for the department.

...

The handout referred to above, authored by Sprague, read as follows:

Cost of printing on the Press	2.5/copy
Cost of copying	.045 - 10 cents/copy
1-10 copies	.10
11-30 copies	.085
31-250	.055
251-1,000 copies	.05
1,000 & over	.045

It is cheaper to run jobs on the Press. I have been changing things over to the Press since Dale began employment with the County. Saving department money.

Some things are more economical to run on the copy machine; short runs, and one-time runs.

The equipment in the Print Shop is old. The Press was purchased in May 1974 at a cost of \$6,381.98. I have asked to get a new Press because registration is not very good.

Many County offices have their own copy machines. Those offices are not coming to the Printing Department to use the copier. Does the budget reflect that loss?

When the Child Support Agency used the Printing Department copier (\$2,126.87 in 1990; \$3,251.72 in 1991; \$2,530.91 in 1992). In 1993 they received their own copier. The Health Department and Sheriff's Department also have copiers.

Some thoughts to build up revenues:

1. Increase charge back rate from the rate of \$16.00 per hour as of January 1991. Other printers charge \$38.00 per hour.
2. Look into doing work for cities and towns.
3. Again tell people to use the Printing Department instead of outside agencies. Price comparisons:

<u>effective August 1, 1994</u>	<u>County</u>	<u>Other</u>
10,000 #10 envelopes	\$214.58	\$318.00
3,000 letterhead	69.06	117.45
3,000 postcards	34.33	119.07

4. Purchase computer, laser printer, software to do more up-to-date document layout, publishing, and print jobs.

The PPC gave Sprague and Wickland copies of the 1993 budget figures for the Printing Department which Villeneuve and Personnel Director Maurer had prepared previously for the Committee. After the September 16th meeting, Villeneuve asked Sprague to research the amount of time he spent on photocopying and the amount of time he normally spent performing printing duties in the Printing Department. In response to this request, Sprague submitted a detailed document to Villeneuve on September 19th which indicated that he normally spent 41 percent of his work time making photocopies and 59 percent of his work time performing printing duties.

On September 26th, the PPC met again to discuss the retention or elimination of the County's Printing Department. Present at this meeting were five County Board members, Personnel Director Maurer, Villeneuve, Sprague, Union Representative Wickland, Central Labor

Council Representative Jerry Krohn and County Clerk Reusch. Minutes of this meeting read in relevant part as follows:

. . .

2. The committee continued the discussion relating to the retention or elimination of the Wood County Printing Department. Dale Villeneuve explained a cost comparison between the Printing Department and an Outside Printing Firm that was prepared. Douglass Maurer explained the union contract. Jeff Wickland presented a handout outlining advantages of retaining the Printing Department. Bruce Sprague talked to the committee and provided a comparison between costs to print jobs and costs to copy jobs. Anthony Ruesch also talked to the committee about copy work and the possibility on (sic) the County Printing Department doing work for other municipalities. Jerry Krohn pointed out that it is possible to have materials of a sensitive nature that perhaps should not be seen by others.

Moved by Dennis Schulhauser, second by William Goodness to present a resolution to the County Board to close the Wood County Printing Department effective December 31, 1994 and that outside printers will be used for printing work that cannot be done economically on a copy machine. Motion carried unanimously.

. . .

Union Representative Wickland's handout to the PPC at this meeting reads in relevant part as follows:

. . .

RE: ADVANTAGES OF RETAINING WOOD COUNTY  
PRINTING DEPARTMENT

MEMORANDUM

As your Committee contemplates the future of the Wood County Printing Department, I would like to raise a few points about your current printing operation. The cost data are based on materials

distributed to your Committee at the September 16, 1994 meeting.

1. The total budget appropriation for this function was \$74,915.31 in 1993. the total actual expenditures for this function was \$65,915.43 in 1993.
2. The Printing Department made 1,087,377 photocopies in 1993. Mr. Sprague estimates that the Printing Department made about 553,100 press copies in 1993 (This estimate is based on a doubling of the total number of press copies that have been made during the first six months of 1994 - 276,550). The total number of pages copied and pressed is about 1,640,447.
3. The average cost per page (copied and pressed) in 1993 is about 4.0 cents (\$65,915.43/1,640,447). This rate is based on the actual expenditures for 1993.
4. The average price per page (4.0 cents) is lower than the price charged to departments for even the largest copy run (1,000+ pages).

In addition to the certain cost advantages of retaining the printing capabilities "in-house", the County's Printing Department offers the benefits of speed, quality, control and convenience. These are benefits that the County's employees and its taxpayers are certain to support.

In addition, at the September 26th meeting, Villeneuve and Maurer presented copies of the following document for everyone present:

COST COMPARISON BETWEEN COUNTY PRINTING DEPARTMENT  
AND OUTSIDE PRINTING FIRM

JOB # AND Description	At \$16/hr.		At \$32.14/hr			
	Cty. Printer 1st Run	Re- Run	Outside Prtng. 1st Run	Re- Run	Cty. Printer 1st Run	Re- Run
JOB 1. Nutri. Prog. Meal for 4,000	106.50	88.32	173.00	165.00	137.43	119.25
JOB 2. Cash						

Record Envel. for 1,000	98.56	80.38	110.00	94.00	118.73	100.55
Job 3. Letterhead For 2,000	67.13	48.95	67.00	59.00	83.27	65.09
Job 4. Ack. of Rights - 2 part for 1,000	78.08	59.90	96.00	88.00	99.59	81.41
Job 5. Same as job 4, 1 part for 2,000	52.46	34.28	67.00	59.00	71.29	53.11
Job 6. #10 Regular envel. for 1,000	42.07	23.59	58.00	50.00	50.14	31.96
Job 7. Requis. on storekeeper for 6,000	87.35	69.17	106.00	96.00	134.43	116.25
Totals for jobs	532.15	404.59	677.00	611.00	694.88	567.62
			(with 14% off) 582.22	525.46		

Note: The totals shown for Outside Prtng. reflect the normal pricing. There is a 14% discount if the OUTSIDE PRINTER does all of the County's Printing. That cost is also shown.

Note: Projected Printing Department costs for 1994 are expected to be \$42,098.05. The County Printer works 2015 hours per year. He estimates that he spends 59% of his time doing printing work. Therefore, 59% of 2015 hours is 1188.85 hours. Dividing \$42,098.05 by 1188.85 hours produces an hourly rate of \$35.41.

In an effort to give our internal printing function sufficient latitude in this comparison, we assumed that 65% of the time is spent in the printing function thus resulting in a lowered hourly rate of \$32.14. The costs at a \$32.14 hourly rate are shown in the far right columns. It takes about 10 hours, 5 minutes to complete the seven jobs shown. 5/

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5/ This document was also attached to the County Board's resolution dated October 18, 1994.



Sprague stated that the seven jobs listed in the above-quoted document are representative of the County's printing jobs.

By memo dated September 26th, Villeneuve requested Sprague's assistance in estimating the cost of modernizing the Printing Department, as follows:

. . .

The Public Property Committee wants to see a report relating to the modernization of the Printing Department. To accomplish this, I ask that you obtain price quotes to modernize the Printing Department and submit a report to me showing the costs associated with modernization.

The first thing to look at would be the press. Does the County need a new one, two or four color press in order to truly modernize? In other words, pick the type press that would be best for Wood County. Will a new press be able to run all sizes of paper? Will new dark room equipment be needed to be compatible with a new press? What would be the costs for a computer system and laser printer? What else do you think is necessary to modernize the Printing Department?

I'll need the brand name, model number, vendor and cost for each piece of equipment. I'll also need to know the costs involved for any maintenance or service agreements.

I would like your report by October 6, 1994.

. . .

On September 27th, Sprague sought quotes from six area printing shops regarding what they would charge for jobs one through seven listed on the handout the County had given Sprague and others at the meeting of September 26th. The quotes which Sprague obtained were generally higher than those which appeared on the September 26th County handout under the section "outside printing" 6/

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6/ The County apparently used quotes it received from "The Print Shop" in Wisconsin Rapids, for all figures listed on its September 26 handout except for job number three. There is no evidence to show where the County got a quote of \$67 for job three which it listed on the September 26th handout. Sprague's research indicated that this job could cost from \$64 to \$110.

On October 8th, Villeneuve sent a memo to the Public Property Committee regarding Sprague's research into the cost of modernizing the Printing Department. This memo read in relevant part as follows:

. . .

The purpose of this memo is to share with you some cost figures I received from Bruce Sprague to modernize the Printing Department.

I thought you could look, these figures over prior to the Public Property Committee meeting and we can discuss this further at the meeting.

Please note the material dated October 5, 1994 includes cost figures for various single and two color presses and also several plate makers. Also with the October 5, 1994 material are the cost figures for a new computer system.

The October 6, 1994 memo from Bruce contains the costs for the equipment Bruce feels would modernize the department. Note that the cost of the equipment alone would be \$28,090.00. The cost for a service agreement on the press would be an additional \$2,300 per year as shown.

As you can see, the press Bruce selected is a single color press. Therefore, he would not be able to do any multi-color jobs. I am not certain that is significant because I do not know if there are many multi-color jobs that need to be done.

. . .

Between September 26th and October 18th (the date of the full County Board meeting regarding the elimination of the Printing Department), Sprague called and/or wrote to many of the County Board members, urging that they reject the PPC's recommendation to close the Printing Department. On October 12th, Sprague sent letters to County Board members which read in relevant part as follows:

. . .

The Public Property Committee is sending a resolution to County Board on October 18, 1994. The resolution is about closing the Wood

County Printing Department.

I am the only employee in the Printing Department. My name is Bruce Sprague and I have been employed by Wood County for the past eighteen (18) years.

I have been told that closing the Printing Department is a matter of economics. If this department is closed, it will not save the county taxpayers money; in all likelihood, it will cost them more. All printing will have to be sent out to be done. That means someone will still have to get in contact with print shops to get the work done, and then bill it to those departments, or each department will go to a printer and voucher their own bills. Who is going to take the orders to the print shop? It will have to be done during normal working hours and mileage will have to be paid to that person(s). If it is done outside normal working hours, the county will be paying overtime in addition to mileage. If the outside printer does not deliver the finished work to the Courthouse, be prepared to pay the same overtime and mileage.

Turn-around time in the Printing Department is now five (5) days. Some work is done the same day it is brought to me in order to get the information to the public sooner. Would an outside print shop give the same service? If so, at what additional cost?

It has not been discussed as to what will happen to me or the equipment in the Printing Department. Will I be allowed to "bump" another less senior county employee? Will I be given another job in the county at the same rate of pay I am currently receiving? Apparently, eighteen years of service to Wood County means nothing. Will you do the same to other long-time employees? Will the equipment in the department remain there to be used by other offices? Who will take care of maintaining it and keeping copy paper in supply? Are you prepared to buy copy machines for each department in the county and maintain them?

In 1993 the budget revenue was \$74,000. The Printing Department actual revenue was \$73,341.20. The budgeted revenue does not reflect the loss from other departments who purchased their own copiers.

The Wood County Printing Department is not set up to print every job that comes in. This could be because of the size or the special nature

of the job. Outside printers send some of their work to specialty printers. It would not pay to purchase a numbering machine at \$6,000 to do \$300 worth of numbering each year. It would not be practical to purchase a large color press (\$100,000 and above) to run two jobs per year.

Annually at budget time I have asked my department head for a new press and a computer and was told that he could not justify them. The AB Dick press was purchased in 1974 and needs service. It is also a small press with a maximum size of 9-1/2" x 13". If this department's equipment had been replaced when requested, this situation would not be facing us now. Funds should have been placed in a savings account over the years so the money would be available when the equipment needed replacing.

Attached you will find price quotes on various jobs from other print shops. The first column is what I would charge using 1991 figures. Please review them and you will see that it will not be cheaper to send the printing out. This chart represents only seven (7) jobs out of hundreds that are done in the Printing Department.

I would like you to consider keeping the Printing Department open and modernizing it. Thank you for your time and consideration in reading this letter.

. . .

The County Board met on October 18th. Sprague was present and handed out the following spread sheets, representing his research regarding printing costs to the County from the six different printing shops from which he (Sprague) had received quotes regarding the seven jobs contained in the September 26th County handout.

Job#	Wood County		Outside Printer by committee		Outside Printer 1		Outside Printer 2	
	1st run	re-run	1st run	re-run	1st run	re-run	1st run	re-run
1-Nutri Prog. Meal	106.50	88.32	173.00	165.00	229.78	229.78	173.00	165.00
2-Cash Record Env.	98.56	80.38	110.00	94.00	89.11	89.11	110.00	101.00

3-Letter-head	67.13	48.95	67.00	59.00	97.63	97.63	107.75	99.75
4-ACK of rights-2 pt.	78.08	59.90	96.00	88.00	98.99	98.99	96.00	86.00
5-ACK of Rights-1 pt.	52.46	34.28	67.00	59.00	52.06	52.06	67.00	59.00
6-#10 Env.	42.07	23.59	58.00	50.00	46.71	46.71	58.00	50.00
7-Req. on store keeper	87.35	69.17	106.00	96.00	156.17	156.17	106.90	96.00
TOTAL	532.15	404.59	677.00	611.00	770.45	770.45	717.75	656.75

	Outside Printer 3		Outside Printer 4		Outside Printer 5		Outside Printer 6	
	1st run	re-run	1st run	re-run	1st run	re-run	1st run	re-run
1-Nutri Prog. Meal	270.75	230.75	135.00	115.00	172.74	162.74	250.00	250.00
2-Cash Record env.	218.00	158.00	108.00	98.00	120.93	105.93	80.00	80.00
3-Letter-head	105.80	85.80	64.00	58.00	81.77	71.77	80.00	80.00
4-ACK of Rights-2 pt.	167.80	127.80	91.00	80.00	103.85	93.85	90.00	90.00
5-ACK of Rights-1 pt.	128.90	88.90	58.00	52.00	72.04	62.04	55.00	55.00

6-#10									
Env.	87.30	72.30	42.00	40.00	60.69	50.59	45.00	45.00	
7-Requ.									
on store	169.00	139.00	98.00	88.00	117.49	107.49	99.00	99.00	
keeper									
TOTAL	1147.55	902.55	596.00	531.00	729.51	654.41	699.00	699.00	

Also at the October 18th meeting, the County Board considered the following letter from Jerry Krohn of the Wisconsin Rapids Central Labor Council:

. . .

At the October 18, 1994 meeting of the Wood County Board of Supervisors, a resolution will be presented to close the Wood County Print Shop.

We at Central Labor Council would (sic) like you to consider this resolution carefully. By closing the print shop, you are giving up a service to all county departments and yourselves.

The monthly packet you receive is run in the county print shop. It arrives at 8:30 a.m. and is in the mail by 2:30 p.m. County offices use the print shop and need the fast and reliable service they receive.

Are other offices and departments in the county making money? Are you going to close the doors on the whole county? What is to become of the employee in that department? He has been a faithful, reliable employee for 18 years. Are other long-term employees going to be subjected to this same treatment?

The print shop has a press that was purchased in 1974 and is in need of replacement. Cost of the original was \$6,700.00; replacement cost is \$15,000.00 to \$20,000.00. The department is also in need of a computer and software at a cost of \$2,199.00. A direct plate maker is also needed to modernize the print shop. The department has asked for a new press and updated equipment for many years *but the request has always been denied by the department head.*

The Public Property Committee was given figures from the print shop

and from another outside printer (Exhibit A). As you can see, the Wood County Printing Department is less expensive than the outside printer. Enclosed is a copy of price quotes from other printers in Wood County (Exhibit B). Is the County Board willing to give up a convenience, service, and lower prices so some other print shop can make money off the taxpayers?

Please consider keeping the Wood County Print Shop open and update and replace the equipment so the department can provide up-to-date service to you and the taxpayer.

. . .

Attached to Krohn's letter was the document Sprague presented to the PPC on September 16th regarding the County costs of printing and copying, quoted above, as well as the spread sheet which Sprague gave to the County Board on October 18th, showing the costs for six area printers to do seven representative jobs.

On October 18th, majority of the County Board voted in favor of "eliminating the County Printing Department" by County Board resolution of the same date which reads in relevant part as follows:

. . .

FISCAL NOTE:

Approximate annual savings (based on 1993 numbers) of \$59,575.

Source of Money:                      Contingency \_\_\_\_                      Budget \_\_\_\_

WHEREAS, the Wood County Public Property Committee has periodically discussed the viability of an internal printing function over a five year period, and

WHEREAS, based on information which has been assembled

and reviewed, it appears that the cost effectiveness of an internal printing function no longer exists, and

WHEREAS, the printing equipment owned by Wood County is out-of-date and in need of replacement and up-dating, at substantial cost to the County, and

WHEREAS, a comparison of printing costs from outside vendors shows that use of an outside printer could save the County more money over the cost to continue operating an internal function at a deficit, and

WHEREAS, outside printing costs in 1993 totaled \$65,503.25, in addition to the internal printing charges, now therefore be it

RESOLVED that the Wood County Printing Department be eliminated effective December 31, 1994, and that the Public Property Committee hereby be given authority to make whatever arrangements it deems in the best interest of Wood County for delivery of the County's printing needs in 1995 and beyond. 7/

The Union filed a grievance on Sprague's behalf of October 19, 1994, and during the processing thereof it requested all supporting data/information upon which the County had based its decision to eliminate the Printing Department. 8/

By letter dated November 14, 1994, Local Union Representative Arndt forwarded the information which had been attached to the County Board's resolution of October 18th to CPA Mary Wolosek and sought Wolosek's opinion on the following issues:

Can economic feasibility be proven based on the information presented

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7/ Attached to this resolution were the documents quoted above, entitled "Cost Comparison Between County Printing Department and Outside Printing Firm," and "Review of Printing Department costs - 1993 Budget", et seq.

8/ It is significant that at no time during the processing of the grievance did the County argue that the grievance was not substantively arbitrable pursuant to Article I. It was by letter dated June 5, 1995 that the Employer's counsel first raised this issue.



by the County? If not, what additional information is required to make that determination?

By a memo dated December 6, 1994, while Wolosek concluded that the County's use of \$32.14 per hour to estimate printing costs for the County Printer in 1994 was based upon an incorrect assumption: That non-printing work would either become unnecessary or could be done by other employees at no extra cost to the County. Wolosek concluded that by not valuing the copying service, the County had overstated the hourly printing costs by \$9.10 per hour. Hence, Wolosek calculated that a more reasonable figure for projected hourly printing costs for 1994 should be \$23.04. Ms. Wolosek also concluded that the data regarding the potential savings to the County by eliminating the Printing Department, failed to quantify the costs of outside printing and the cost of replacing 826 work hours per year which Sprague had spent in 1993 performing photocopying functions. According to Wolosek, by failing to quantify these costs, the County had overstated the amount of potential savings to it. Thus, Wolosek concluded that the loss from the County's printing function should reasonably be reduced from approximately twenty thousand dollars to just over six thousand dollars, while the County profit from the copying function should be reduced from twenty-seven thousand dollars to approximately fourteen thousand dollars.

Both former Personnel Director Maurer and Supervisor Villeneuve stated that the County did not hire any additional employees to perform photocopying duties after the elimination of the Printing Department, that the decision to eliminate the Printing Department was an economic one, and that the County had been getting a lot of its printing done by outside printers prior to September, 1994. 9/

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9/ The evidence showed that Douglass Maurer has a B.A. with a business minor and an M.B.A. with an emphasis in marketing but that he is not a CPA.

Positions of the Parties:

Union:

The Union asserted that the grievance is arbitrable, and that the County has mis-read Section 1.02.03 of the agreement. Initially, the Union argued that the County's reading of Section 1.02.03 of the contract is too narrow, allowing arbitration of issues contained in Article 1 only if another specific provision of the contract is allegedly violated. The Union noted that Section 7.01 of the agreement broadly states that grievances may be filed if they involve disputes ". . . concerning the interpretation or application of this contract." In addition, the Union noted that the County's approach would also render the phrase "economically feasible" meaningless in Section 1.02.03, and run contrary to the accepted arbitral principles of reading the contract document broadly and as a whole, giving each word affect to determine the true intent of the parties and to avoid harsh or absurd results.

The Union also asserted that the instant grievance is arbitrable because the County's decision to eliminate the Printing Shop violated many other sections of the contract, as alleged in the grievance (Section "1.02.03 and all others that apply . . ."). The Union noted that the grievance sought a full make-whole remedy which also brought many provisions of the contract into consideration. In the Union's view, such provisions as Article 6 - Layoffs, Article 1 - Section 1.02.01 (Discharge for just cause), Article 3 - Seniority, Article 2 - Recognition, Article 26 - Entire Memorandum of Agreement, and Schedule A - Wages and Classifications, were all violated by the County's elimination of the Printing Department. Finally, the Union observed, the County failed to raise the issue of arbitrability until after the case had been scheduled for a late-June, 1995 hearing and just two weeks prior to that original hearing date.

On the merits of the case, the Union urged that although there was no agreement between the parties upon the meaning of the term "economically feasible," it is reasonable to conclude that the term relates to saving money. The Union observed that the data relied on by the County to evaluate the economic feasibility of subcontracting the printing functions at the County was inadequate to actually make that decision and that these data did not establish that the County would save money by contracting out the printing function. In this regard, the Union's expert witness, C.P.A. Mary Wolosek, stated that the County 1) failed to analyze the cost of replacing the non-printing services provided by Sprague, 2) failed to quantify the cost of having services performed by a subcontractor, and 3) overstated the potential savings of providing only an in-house photocopying service.

The Union contended that the County's analysis of hourly printing costs for 1994, at an estimated \$32.14, was also fundamentally flawed. The Union observed that the County's analysis constituted an attempt to write off all of the Grievant's payroll, all printing and photocopying costs (including postage, telephone and supplies) against only those hours the Grievant spent printing (65 percent of his time). This approach, the Union noted, wrongly fails to recognize the

Grievant's copying services (35 percent of his work time), and assumes that these copying services are either unnecessary or could be absorbed at no additional cost by other County employees. The Union urged that the County should have calculated the cost of printing services using only the personnel cost and operating cost associated with the printing function (\$26,229 dollars over the time the Grievant spends on printing (1,188.85 hours) to arrive at a 1993 rate of \$22.06 per hour and an estimated 1994 rate of \$23.04 per hour (assuming a 4.45 percent annual general increase). Based on these figures, with a \$23.04 hourly rate, the Union showed that the County Printing Department first run printing costs would be below all quotes given by outside printers. The Union pointed out that the 14 percent discount on outside printing costs if all work had been given to one firm is irrelevant in this case because the County has used several printers since it eliminated the Printing Department.

If the County had offset the costs of non-printing services against revenues for non-printing services, this would reduce the \$20,269 "loss" the County found for non-printing services to a loss of \$6,193, thus causing the "profit" figure for photocopying to decrease from a profit of \$27,695 to a profit of \$13,619. The Union urged that the artificially low County printing cost of \$16 per hour should have been raised to the break-even point of \$23.04 per hour (a figure still below outside printing rates), to offset the printing "loss". The Union also asserted that the County could raise its photocopying cost to 3.65 cents per page or use photocopying profits generated by a higher copy price to fund both photocopying and the purchase of new printing equipment.

In the Union's view, the County's comparison of the total cost for the Printing Department (\$65,915) to the expected cost of running a copy-only function (\$34,035) to show savings is misleading. The difference, \$31,880, must be further reduced by the cost of outside printing services and the cost of replacing photocopying services formerly performed by Sprague. Using the \$23.04 hourly rate for 1,188.85 hours annually and assuming that the same County printing needs will exist in the future, the annual printing costs would be \$27,391, which would reduce the County's potential saving figure to less than \$4,500. As the County could not absorb the cost of making the 1.1 million photocopies per year, in the Union's opinion, with existing staff and without incurring additional costs, these facts would result in the further apparent erosion of the County's potential \$4,500 in "savings". Thus, the Union asserted that because the County lacked the proper information and analysis to reasonably determine that subcontracting the County's printing function would be economically advantageous, the grievance must be sustained and the Grievant must be reinstated and made whole.

## County

Initially, the County urged that because the grievance is not arbitrable, it must be summarily dismissed. The County observed that the issue of arbitrability can be raised at any time during the grievance procedure according to arbitrable precedent. The determination of arbitrability should include inquiries whether the dispute falls within the scope of the arbitration clause, whether any provision of the contract expressly excludes this type of dispute from being

arbitrated, and whether there is any strong evidence that the parties intended such an exclusion.

Thus, in the County's view, Sections 1.02.01, 1.02.03 and 1.02.06 address the County's management's rights relevant to this case and preclude the undersigned from reaching the merits herein. The County contended that the Union overlooked the portion of Section 1.02.03 which requires that management rights issues can be grieved only if the application of those rights "is in violation of" another provision of the contract. Pursuant to the restriction contained in Article 7 - Grievance Procedure, the undersigned must give effect to the above-quoted limitation to avoid modifying, adding to, etc. the terms of the contract. As the present grievance is outside the scope of the arbitration clause and is specifically excluded from arbitrability by the terms of Section 1.02.03, it should be dismissed for lack of arbitrability. The County also asserted that the Union had another appropriate remedy -- it could have filed a prohibited practice alleging a violation of the contract under Section 111.70(3)(a)5, Stats., but the Union chose not to do so.

Regarding the merits of the case, the County urged that the Union's arguments herein would require the term "economically feasible" to be read to mean "economically advantageous". The County noted that the Union offered no bargaining history to show that the parties intended the term economically feasible to have a meaning different from the usual and ordinary meaning given these words by a reliable dictionary. The County quoted from Webster's New Word Dictionary, 2nd College Edition (1980) which defines "feasible" as:

- 1) capable of being done or carried out, practicable, possible; 2) within reason, likely,

The County asserted that the Union's insistence that to subcontract the printing function with impunity, the County had to show that it would thereby save money would require a higher standard of proof than should be actually required in this case.

Nevertheless, the County contended that the record evidence clearly showed that the County's decision to subcontract the printing function was not only economically feasible, but also that it would be economically beneficial to the County. The County observed that the data collected and analyzed by Personnel Director Maurer and Administrator Villeneuve was extensive and showed that the cost of retaining the printing function in-house would be greater than if the printing function were subcontracted. The County pointed out that a \$32.14 hourly rate for printing used in Maurer's analysis did not include various costs relating to Sprague's employment such as his health insurance coverage, FICA, WRS and unemployment compensation costs. Nor did the County's analysis take into consideration other County costs such as departmental heat and lighting, equipment maintenance expenses, the cost of outside printing work that had been done during Sprague's employment and the potential costs of new equipment to modernize the department if the department had not been eliminated. Thus, the County urged that it had proven that subcontracting the printing function would economically benefit the County.

The County contended that absent a specific contractual standard, the proper standard of

review in this case should be whether the County's decision to subcontract the printing function was a reasonable business decision made in good faith, or whether that decision was arbitrary, capricious and/or made in bad faith. The County cited several cases which indicated that an employer need only have an expectation of cost savings due to subcontracting show that its decision was based upon the employer's good faith judgment, to prove that its subcontracting decision was appropriate and reasonable. The County noted that in these cases, an employer's costing data need not be completely accurate in order for the employer's decision to subcontract to be found reasonable and appropriate. Finally, the County urged that the undersigned should not substitute her analysis or conclusions for those of the County. In the County's view, because the Union failed to prove any violation of the contract, the County sought denial and dismissal of the grievance in its entirety.

#### Reply Briefs:

##### Union:

The Union asserted that the County mis-stated several facts in its initial brief. In this regard, the Union pointed out that the County failed to prove the dollar amount of outside printing work (listed as \$65,503.25) done while Sprague was employed in the Printing Department and that the County's figures regarding "profit" "loss" and "costs" should not be considered facts. Furthermore, the Union noted that the above-quoted outside printing figure was never referred to in the information that the Union received from the County in this case and it remained unexplained throughout these proceedings. The Union also observed that the information regarding modernization of the Printing Department was only Sprague's "wish list" and because it was not considered by the PPC when it decided to close the Printing Department, this information should not be considered herein. In addition, the Union contended that the County's assertion that it had not considered Sprague's fringe benefits when considering the costs of running the Printing Department was also inaccurate.

The Union took issue with the County's arguments that its analysis of data had been exhaustive and that therefore the County's judgment must stand regarding the economic feasibility of closing the Printing Department. The Union argued that its primary argument herein was that because the County had based its decision on inaccurate and incomplete data, the County could not reasonably decide whether the elimination of the Printing Department would or would not be economically advantageous to the County. Thus, in the Union's view, the County failed to meet its obligation to fairly and responsibly exercise its management rights in this case.

##### County:

Because Sprague was the only employe in the Printing Department and Article 6 of the labor agreement provides for layoff and recall of employes by departmental seniority, the County urged that its failure to recall Sprague to another position to date is unremarkable. In this regard, the County specifically noted that it has hired no new employes to perform photocopying work. The County also noted that although Article 7 defines grievances broadly, the specific language of Section 1.03 should control the more general language of Article 7.

The County contended that the proper reading of Section 1.02.03 must give effect to the clause following the word "if" as a condition precedent to the arbitrability of subcontracting decisions. Because no evidence of past practice or bargaining history was presented in this case, the County urged that no evidence of the parties' true intent in including the words "economically feasible" in the contract is available. Thus, the County asserted that the ordinary meaning of the quoted words must be recognized and applied in this case. The County noted that Section 7.02 of the contract also requires that grievances make specific reference to the sections of the contract violated. Thus, in the County's view, references in the grievance to ". . . and any other provisions" and the Union's request for a make-whole remedy are insufficient to meet the requirements of Section 1.02.03 and Section 7.02. The County also took exception to the Union's attempt to equate the term "economically feasible" with economically advantageous or beneficial.

The County pointed out that Section 1.02.02 allows the County the unfettered right to relocate or close "old units". The County contended that the Printing Department was such an "old unit". The County also argued that the Union's expert, Ms. Wolosek, lacks public sector experience and that Wolosek's objections to the County's analysis were fully answered by the record evidence. On this point, the County answered that it had no responsibility to quantify future non-printing costs, as no employees were hired to perform these duties; that the County thoroughly considered future outside printing costs before it made its decision; and that the County actually understated the potential savings from the elimination of the Printing Department because its analysis failed to include Printing Department modernization costs, Sprague's fringe benefits, and the potential future savings due to use of Printing Department space by another County Department. The County observed that even under the Union's costing analysis, the Printing Department would have potentially suffered future losses of over \$6,000 per year. The County argued that the Union's contention that had the County continued the in-house printing function, it could merely have charged more for copies to cover Printing Department equipment and printing losses, would merely have spread the losses generated by the Printing Department across the County's budget. The County asserted that based upon this record, it was privileged to decide to eliminate the Printing Department in order to avoid future losses and the need to absorb them.

#### Discussion:

The initial question to be determined herein is whether the grievance is arbitrable. In all of the circumstances of this case, I find the grievance is arbitrable. On this point, I note that this grievance is the first grievance between the parties dealing with a decision to contract out under Section 1.02.03. In addition, Section 7.01 broadly defines grievances as disputes which concern the interpretation or application of the contract. This language is certainly broad enough to cover this case, which concerns, at its heart, the proper interpretation and application of the term "economically feasible" to management's right to contract out work. The County's major procedural contention herein is that Section 1.03 prohibits arbitration of any grievances concerning management rights, unless the application of those rights also violate another specific provision of the contract. In my view, the County has gone too far with this contention.

Section 1.03 contains general language limiting arbitration of the application of

management rights to situations where such application is in violation of the "remainder of this agreement". Had the parties wished to require the Union to allege and prove that in addition to violating Article 1, the County had thereby also violated another specific provision of the contract, they could have clearly stated this intent. The parties did not do this. Thus, it is reasonable to conclude that the general reference in Section 1.03 to the "remainder of this agreement" does not require the Union to allege and prove (essentially) two separate violations of the contract -- a violation of Article 1 and a violation of a different, stated, specific provision of the contract -- in order to be entitled to a ruling on the merits. Thus, where, as here, Section 1.02.03 contains its own limitation on when and how the management right to subcontract may be properly exerted (i.e., when it is economically feasible), the Union did not need to cite any other section and it could properly grieve whether the County's decision to eliminate the Printing Department was economically feasible.

It is significant that the Union's grievance was written by a local union officer (not a labor relations professional) and it alleged a violation of "Article 1.02.03 and all others that apply." It would be an overly strict application of the relatively relaxed language of Section 1.03 to interpret it as cutting off the Union's right to arbitrate the County's decision to eliminate the Printing Department and contract out printing services because the local union representative did not list other Sections of the contract as being violated. The reasonableness of a broader reading of the contract to allow arbitration of this case is further supported by the fact that the County failed to raise the arbitrability issue until very late in the processing of this grievance, after the initial hearing date in this case had been secured.

The County has argued that because Section 7.02 requires that grievances make specific reference to the sections of the contract that have been allegedly violated, this section should re-enforce a decision to cut off the Union's right to arbitrate the merits of this case. It is extremely hard to believe that the parties actually intended Section 7.02 to have this harsh affect. Provisions such as Section 7.02 are generally intended to set out the "how-to's" of the grievance procedure and to assure that the charged party (normally the employer) knows, at a minimum, what the crux of each dispute will be in advance so that meaningful settlement discussions can occur, and failing settlement, so that an adequate defense can be prepared. There can be no doubt, based upon the grievance documents and other evidence submitted herein, that the County was fully aware of the nature of the instant grievance at the time it was filed, that the County answered the merits of the grievance, that the County negotiated regarding a settlement prior to the instant hearing, and that the County has fully defended against the grievance in this case. Thus, the County has suffered no harm by the local Union representative's inartful drafting of the grievance. Based upon the above analysis and the record evidence, I find that the grievance is arbitrable.

Turning now to the merits of this case, the central question in this case is the proper interpretation and application of the term "economically feasible". I note that no evidence of bargaining history or past practice regarding the parties' intent in using the disputed term was offered in this case. Therefore, it is appropriate to consider the common or ordinary meaning of the words in dispute, as a layman would understand and use them. The Random House Dictionary of the English Language, College Edition (1968, Random House), defines the word "economical" as follows: "1. Avoiding waste or extravagance; thrifty. 2. Economic." This

volume also lists synonyms for the term "economical", as follows:

1. saving, provident, sparing, parsimonious. ECONOMICAL, THRIFTY, FRUGAL imply careful and saving use of resources. ECONOMICAL implies prudent planning in the disposition of resources so as to avoid unnecessary waste or expense: *economical*

*in budgeting household expenditures.* THRIFTY is a stronger word than economical, and adds to it the idea of industry and successful management: *a thrifty housewife looking for bargains.*

FRUGAL emphasizes being saving, sometimes excessively saving, esp. in such matters as food, dress, or the like: *frugal almost to the point of being stingy. . . .*

This volume also defines the adverb "economically" as "1. in a thrifty or frugal manner; with economy. 2. as regards the efficient use of income and wealth. . . ." This dictionary defines the adjective "feasible" as "1. capable of being done or accomplished. . . 2. suitable . . . 3. probable; likely . . .". The synonyms for the word feasible are: "workable, practicable, suited, useable." Considering these points together, it is appropriate to conclude that if the decision to contract out is going to be found "economically feasible" it must be capable of being done or put into practice with care and prudence, avoiding unnecessary waste of resources. Therefore, in my view, the term economically feasible necessarily implies that the County must have reasonably concluded that it would avoid unnecessary waste of its resources by contracting out the printing function based upon facts and a good faith analysis thereof which would lead a reasonable and prudent manager to such a conclusion. 10/

In making important decisions involving whether an employe of eighteen years will lose his job, employers should get the very best professional advice available and fairly consider arguments from all sides. In the instant case, the PPC and the full County Board received and discussed documents and listened to opinions from Sprague, Union representatives and representatives of the community. The County also considered and shared documents prepared by managers Maurer and Villeneuve and their opinions with Sprague and his representatives. 11/ The evidence also

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10/ I do not believe that it is fair to equate the term "economically feasible" with the term economically advantageous. The latter term implies greater profitability connected with a management rights decision such that the County would be in a better position economically.

11/ I note that although Maurer is not a C.P.A., he possesses an advanced degree in business



showed that County Board members considered and analyzed all of the data offered them to the best of their ability. There was no evidence offered herein to show that the County Board had any ulterior or bad faith motives in deciding to close the Printing Department, that the Board harbored any animus against Sprague, or that it sought

to discriminate against Sprague as a Union member. In addition, it is significant that the Union did not submit a C.P.A.'s opinion/analysis to the County Board regarding the proposed elimination of the Printing Department prior to the Board's October 18, 1994 Resolution thereon. 12/

Thus, based on the information the County Board had as of October 18, 1994, the ultimate question in this case is whether the County could have reasonably concluded that it would avoid unnecessary waste of resources if it eliminated the Printing Department. The Union has argued that the County failed to give a dollar value to the cost of photocopying work which other County employes would have to do after elimination of the Printing Department. It is true that the County assumed no extra cost would be incurred by having current County employes perform photocopying duties. The Union is correct that some additional costs would be incurred in each department whose employes perform would be assigned to photocopying duties formerly done by Sprague. However, it is likely that these departments would assign their least skilled and lowest paid employes to perform these duties. Sprague's pay rate would certainly have exceeded that of these other County employes assigned to perform photocopying. Thus, some savings would be involved in eliminating the Printing Department even on this basis. 13/ I note that Sprague was paid the same hourly rate while photocopying as he was printing, so that his skills were greatly under-utilized while performing simple photocopying duties. I also note that several of the

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and at the time he rendered his advice to the County he had had some years of experience in the personnel and labor relations fields.

12/ Thus, Wolosek's opinion testimony and her written analysis, although informative, lack the greater impact they would have had on this case had Wolosek's written analysis and/or Wolosek's oral opinion been considered by the PPC and the County Board in reaching the decision to eliminate the Printing Department.

13/ Sprague stated that he spent approximately 826.15 hours performing photocopying work in 1993. Sprague's salary for the 2,015 hours he worked in 1993 was \$23,259. Thus Sprague's hourly rate of pay in 1993 was approximately \$11.54. The labor agreement lists Clerk Typist I pay rates in 1993 as ranging from \$7.55 to \$8.88 per hour and the agreement lists Clerk Typist II rates in 1993 as ranging from \$8.29 to \$9.68 per hour. The cost of Sprague's performing copying duties for 826.15 hours at his 1993 rate of pay would equal \$9,536.19, or from \$1,540.51 to \$3,299.89 more than it would cost Clerk Typist II's and Clerk Typist I's to perform the same work.

County's departments had previously purchased their own photocopying equipment and had been performing their own photocopying duties, yet these figures, which were in the thousands of dollars per year, were not listed as losses for the Printing Department. In all of these circumstances and in light of the fact that the County did not hire any additional employees to perform photocopying duties after it eliminated the Printing Department, the County's failure to analyze the cost of replacing photocopying services provided by Sprague does not necessitate a conclusion that the County's decision to eliminate the Printing Department was therefore unreasonable, arbitrary or capricious.

The Union also argued that the County's failure to quantify the cost of having printing work done by subcontractors showed that the County possessed inadequate and inaccurate data upon which to make a reasonable decision regarding subcontracting. In this regard, I note that Sprague stated that the seven jobs which the County selected as representative of the printing work in the Department were, in Sprague's opinion, representative of his printing work. Thus, in evaluating the document made available at the PPC meeting of September 26, 1994 "Cost comparison between County Printing Department and outside printing firm", I note that this document failed to clearly show a savings by use of an outside printer, even using the County's \$32.14 per hour rate for both the first run and re-run printings, unless the County received a 14 percent discount by contracting with one outside printer for all of the County's printing. At the time the PPC made its recommendation and later when the County Board issued its October 18th resolution, the County had not made any decision regarding whether to place all of its outside printing work with one printer at a discount, or to place the work with various printers without any discount.

However, the County's inquiries went further than making a cost comparison between outside printers and the County printer. By memo dated September 26, 1994, Villeneuve requested Sprague's assistance in estimating the cost of modernizing the Printing Department. As a result, Sprague indicated that the printing equipment that would be necessary for the County to truly modernize its printing function would cost in excess of \$28,000 and the maintenance/service costs would be an additional \$2,300 per year.

Arbitral precedent has clearly set the standard of review in subcontracting cases: Whether the employer's decision to subcontract constitutes a reasonable, good faith business decision, based upon the facts and circumstances known at the time the decision is made. The record in this case demonstrated that for an undisclosed period of time, the County has subcontracted some printing work on a regular basis. On this point, I note that in its resolution, the County Board stated that the total value of such subcontracting for 1993 had been \$65,503.25, while the County Printing Department performed \$20,036.33 of printing work during this same period of time. In addition, the Printing Department's photocopying services have also been eroded over the years. In 1993, the County Printer performed photocopying duties for which the County received \$30,478 in revenues. The County's purchase of individual copying machines for the Sheriff's Department, the Child Support Agency and the Health Department also meant the loss of an unknown amount of revenue to the Printing Department over a period of years. The performance of photocopying

duties on the Printing Department's machinery in 1993 by County employes other than Sprague, resulted in \$22,827 in County revenues. The effect of all this on the bargaining unit has been that the County printer has worked no overtime hours, that he worked less than 2,080 hours per year, and that the Printing Department has not been expanded, despite a growing demand for both photocopying and printing work. The County's failure to expand the Printing Department, its subcontracting of some printing work, its use of other County employes to perform Printing Department work as well as its purchase of competing photocopying machinery in other departments, have not drawn any grievances or complaints from the Union in the past, according to this record.

It is undisputed that the County studied and reviewed the internal printing function over a period of five years prior to deciding to subcontract this function. It is also undisputed that prior to October 18, 1994, the County's printing equipment had become outdated and needed to be replaced. The PPC and the full County Board considered Printing Department employe Sprague's analysis of the new equipment the County would need to modernize its printing function at the time these bodies decided that elimination of the Printing Department would be advisable. Sprague's investigation (undisputed by the County on this record) showed that the cost of new equipment (including a less expensive two-color press) would be in excess of \$28,000 with an additional annual maintenance/service fee of \$2,300, for a total of \$30,390 in initial outlay. This initial outlay is 66 percent greater than the 1993 printing revenues.

It is in this context that the disputed portions of the County's October 18th Resolution must be judged. The County found that it stood to save \$59,575 by eliminating the printing function, based upon its use of a \$32.14 hourly cost for County printing services. Although this figure was disputed by Sprague and the Union in general terms prior to the issuance of the County's Resolution, neither Sprague nor the Union offered the County any specific alternative figures or analysis prior to October 18, 1994. Thus, even though it might have been more reasonable to use a different method to calculate the costs of printing services to the County and the potential savings to the County by the elimination of the Printing Department, 14/ this does not mean that the County's analysis, based on the facts before it on and before October 18, 1994, could not form a

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14/ Based upon the 1993 budget document which Villeneuve submitted to the County, and assuming that Sprague performed printing duties 59 percent of his time and photocopying 41 percent of his time, Sprague's total salary for 1993 (including salary, FICA, worker's compensation, retirement, health insurance, and life insurance) would have equalled \$34,332.86. Multiplying that figure by 59 percent would equal \$20,256.39. Adding the cost of printing supplies for 1993 to this figure, would equal \$25,844.41. If we then add the postage, telephone, rent, and the property and liability insurance amounts for 1993 and multiply these by 59 percent, we get a figure of \$3,739.33 which when equal \$29,583.74. Thus, it appears, that the hourly cost of providing printing functions in the County in 1993 should more properly have been valued at \$24.88 per hour, not \$32.14 per hour.

part of the basis upon which a reasonable business decision to eliminate the Printing Department could be made. Assuming that the Union's figures and analysis performed after October 18, 1994 are correct that the County overstated the potential savings of eliminating the Printing Department and understated the cost of internally replacing photocopying services, the Union admitted that the County stood to save several thousand dollars per year by eliminating the Printing Department altogether.

In its Resolution, the County Board found that based upon a comparison of printing costs from outside vendors the use of "an outside printer could save the County more money over the cost to continue operating an internal function at a deficit . . ." (emphasis supplied). It appears that this portion of the Resolution refers to the potential 14 percent discount the PPC had found was available if only one printing vendor were used to perform all printing work in the future. Clearly, the realization of this discount was only a possibility and not a certainty at the time the PPC considered it as well as at the time the County passed its Resolution. Notably, the Resolution failed to select a specific vendor and instead authorized the PPC to "make whatever arrangements it deems in the best interest of Wood County . . ." for the delivery of printing services in 1995 and thereafter. Whether or not one vendor would be employed in the future at a discount does not alter the fact that the County printing function was losing money, that it had not met County printing needs such that substantial printing subcontracting had been going on for some time, and that the printing function could not meet the County's needs in the future unless substantial capital investments were made. 15/

Based on the record evidence and the specific circumstances of this case, I do not believe the County was unreasonable in finding that the "cost effectiveness" of maintaining an internal printing function no longer existed as of October 18, 1994. I note that the term "cost effectiveness" is not used in the labor agreement. The ordinary meaning of the term cost effectiveness is to take a certain action, adequate to accomplish a purpose in regard to cost, or to take action that would produce an intended or expected cost result. Here, it appears that the

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15/ The Union argued that the County could have decided to raise the per page photocopying charge the County charges departments in order to cover printing losses and to pay for new printing equipment. Although this is true, the County would still have to absorb these increased costs. Here, the County decided instead to eliminate the Printing Department, a decision made no less reasonable by the fact that the County Board could have made other reasonable alternative decisions such as the one suggested by the Union.

County expected revenues to at least meet appropriations in the Printing Department. Continued support of the internal printing function was not reasonable, given the fact that outside vendors were available to provide the same or better services, that the elimination of the Printing Department required the elimination of only one County position and did not require the hire of any additional employees, and that the County would save the additional outlay of capital for new equipment and the maintenance thereof, if it eliminated the Printing Department. Furthermore, I note that the County also stood to realize an additional savings in supervisory costs by eliminating the Printing Department, as Mr. Villeneuve would be released from his duties supervising Sprague and the Printing Department, allowing Villeneuve to perform other supervisory duties for the County.

This is an unusual case. Most municipal functions cannot be replaced so readily as the printing function involved in this case, with so little effect on the status and integrity of the bargaining unit -- the loss of only one position but the continued employment of unit employees to perform photocopying work. Furthermore, the fact that in the past County departments have regularly received outside printing services more often and at greater County expense than they have received internal printing services and the fact that updating the County's printing equipment would have been very costly, also support the County's decision that eliminating the Printing Department would avoid unnecessary waste of County resources. Therefore, based upon the specific facts and circumstances of this case I issue the following

AWARD 16/

The grievance is arbitrable. The County did not violate the collective bargaining agreement when it eliminated the Wood County Printing Department by County Board resolution. The grievance is therefore denied and dismissed in its entirety.

Dated at Oshkosh, Wisconsin this 24th day of June, 1996.

By Sharon A. Gallagher /s/  
Sharon A. Gallagher, Arbitrator

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16/ At the hearing, no argument or evidence was offered by the Employer regarding the possible application of Section 1.02.02 to this case. The County argued a violation of this section in its reply brief. Thus, the Union did not have a chance to respond to this argument. The evidence and argument herein, therefore, was insufficient to show that the County was privileged to eliminate the Printing Department pursuant to the language of Section 1.02.02.

