

OCT 17 1984

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

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**In the Matter of the Mediation/Arbitration Between**

EAU CLAIRE COUNTY JOINT COUNCIL OF UNIONS, AFSCME, AFL-CIO, LOCALS 254 HIGHWAY/PARKS AND FORESTS, 1744 CENTER OF CARE AND LPN'S, 1744-1 RN'S, 2223 COURTHOUSE PROFESSIONAL, HUMAN SERVICE PROFESSIONAL, COURTHOUSE CLERICALS, HUMAN SERVICE CLERICALS	Decision Nos. 21551-A 21552-A 21553-A 21554-A 21555-A 21556-A 21557-A 21558-A 21559-A
and	
EAU CLAIRE COUNTY	

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Appearances: Christel Manz, Staff Representative, for the Union  
Keith R. Zehms, Corporation Counsel, for the Employer

The Eau Claire County Joint Council of Unions, AFSCME, AFL-CIO, Locals 254 Highway/Parks and Forests, 1744 Center of Care and LPN's, 1744-1 RN's, 2223 Courthouse Professional, Human Service Professional, Courthouse Clericals, Human Service Clericals, hereinafter referred to as the Union, filed a petition with the Wisconsin Employment Relations Commission, hereinafter referred to as the Commission, wherein it alleged that an impasse existed between it and Eau Claire County, hereinafter referred as to the Employer, in the collective bargaining for nine bargaining units. They requested the Commission to initiate mediation/arbitration pursuant to Section 111.70(4)(cm)6 of the Municipal Employment Relations Act.

The Union is the exclusive collective bargaining representative of certain employees of the Employer in collective bargaining units covering employees employed in the Park and Forestry Department (Local 254), Human Services Department (Professional-Local 2223), Highway Department (Local 254), Human Services Department (Support Staff-Local 2223), Courthouse (Non-Professionals Local 2223), Courthouse (Professionals-Local 2223), Center of Care (Registered Nurses-Local 1744-1), Center of Care (Licensed Practical Nurses-Local 1744) and Center of Care and all other Non-Professionals (Local 1744). The Union and the Employer have been parties to a collective bargaining agreement covering wages, hours and working conditions of the employees in the nine bargaining units and that agreement expired on December 31, 1983. On September 30, 1983 the parties exchanged their initial proposals on matters to be included in a new collective bargaining agreement and thereafter the parties met on ten occasions in efforts

to reach an accord. Subsequent to the Union filing a petition with the Commission, a member of its staff conducted an investigation on February 15th, 16th, 17th and March 8th, 1984 and that investigation reflected that the parties were deadlocked in their negotiations. On March 8th, 1984 the parties submitted their final offers involving two separate disputes including a special stipulation covering the two distinct issues which are to be decided by the mediator/arbitrator with a separate decisions to be rendered for each issue.

Issue No. 1 is a dispute over the amount of health insurance premium contributions that the Employer should make vis-a-vis the employees for calendar years 1984 and 1985 in all nine bargaining units. Issue No. 2 is a dispute over the wage rates to be paid for calendar years 1984 and 1985 to the employees in three separate bargaining units at the Employer's Center of Care. Those employees are the Registered Nurses, the Licensed Practical Nurses, and all other non-professionals at the Center of Care.

The Commission determined that an impasse within the meaning of the Municipal Employment Relations Act existed between the parties with respect to negotiations leading toward a new collective bargaining agreement affecting the employees in the aforementioned bargaining units which encompasses the two separate issues set forth herein. The Commission certified that the conditions precedent to the initiation of mediation/arbitration as required by Section 111.70(4)(cm)6 of the Municipal Employment Relations Act had been met and it ordered the initiation of mediation/arbitration. The parties selected Zel S. Rice II of Sparta, Wisconsin as the mediator/arbitrator and the Commission issued an order appointing him on April 16, 1984.

A mediation session was conducted at Eau Claire, Wisconsin on June 26, 1984 commencing at 10:00 a.m. and continued until approximately 2:30 p.m. The parties failed to reach a voluntary settlement and the mediator/arbitrator advised the parties of his intent to resolve the dispute by final and binding arbitration. Neither party elected to withdraw its final offer or mutually agree upon modifications. Thereupon the mediator/arbitrator began the arbitration proceedings.

The first issue between the parties involves the amount of health insurance premium to be paid by the Union and the amount to be paid by employees. It involves all nine bargaining units of the Employer represented by the Union. The Union's final offer proposes that the collective bargaining agreement remain status quo with respect to insurance and the Employer would continue to pay 100% of the health insurance premium for the standard health insurance plans. The Employer proposes that it should provide the standard health insurance plan for eligible full time employees and pay up to a monthly premium cost of \$152.46 for family coverage and \$55.60 for single coverage in 1984 and the Employer would assume 50% of any premium increase in the standard plan in 1985. The collective bargaining agreement being negotiated is a two year agreement.

The Union relies on a comparable group, hereinafter referred to as Comparable Group A, consisting of four counties that it considers comparable to the Employer. They are Chippewa, Dunn, Fond du Lac and Manitowoc Counties. Chippewa County had a population of 53,587 people and a 1982 assessed valuation of \$1,071,949,800.00. Its 1982 per capita assessed valuation of all taxable property was \$20,004.00 and its mill rate was .01785. Dunn County had a population of 35,430 and a 1982 assessed valuation of taxable property of \$751,014,690.00. Its 1982 per capita value of taxable property was \$21,197.00 and the mill rate was .02102. Both Chippewa and Dunn Counties are contiguous to the Employer although somewhat smaller in size. Like the Employer each of those counties has one large city that more or less dominates the labor market. Fond du Lac County had a population of 89,603 in 1982 and an assessed valuation of \$2,109,484.00. Its per capita valuation in 1982 was \$23,543.00 and its mill rate was .01813. Manitowoc County had a population of 83,340 in 1982 and an assessed valuation of \$1,757,370,100.00. Its 1982 per capita assessed valuation was \$21,096.00 and its mill rate was .01922. Fond du Lac and Manitowoc Counties are located in the eastern part of the state and are part of different labor markets than the Employer. Both counties are comparable to the Employer in size and each has a major city in the county that dominates the labor market. The Employer had a population of 81,987 in 1982 and its assessed valuation was \$1,524,745,370.00. The 1982 per capita valuation of taxable property was \$18,597.00 and the mill rate was .02178.

The Employer has paid 100% of a standard health plan for its employees since January of 1962. At least since 1969 the amount of the health insurance premium to be paid by the Employer has been an issue every time a new collective bargaining agreement was negotiated. It was a major item because of the economic impact. The Employer has provided 100% of the health insurance premium and the Union always insisted on continuing that provision while bargaining away other benefits such as rates of pay for the various classifications. The insurance premium was always an issue to be considered along with wages.

In 1983 the Employer paid 100% of the family and single premium for the basic Blue Cross-Blue Shield plan for all of the employees in the nine collective bargaining units. The family premium was \$152.46 per month and the single premium was \$55.60 per month. In addition to the basic Blue Cross-Blue Shield plan the Employer offered 3 optional plans with the employee paying any additional premiums. Dunn County paid 95% of the family premium and 100% of the single premium and it offered the Blue Cross-Blue Shield plan. The cost of the family premium was \$183.88 per month and the county's cost was 95% of that or \$174.69 per month. Its cost for the single premium was \$70.82. Chippewa County paid 80% of the family health insurance premium and 100% of the single premium. The cost of the family premium in the highway department is \$184.06 and the county's share was \$147.24. The cost of the family premium for all other employees was \$166.82 and the county's share was \$133.46. The cost of the single premium for all employees in Chippewa County in 1983 was \$66.14. Manitowoc County paid 100% of the health insurance premium for family coverage and single coverage in 1983. The cost of the family coverage was \$154.11 a month and \$60.45 for single coverage. The cost of single coverage for employees over 65 was \$43.71. Some employees received family coverage at a cost to the county ranging from \$104.25 per month to \$145.89 depending upon the size and age of the family. Fond du Lac County paid 96% of the health insurance premium for family coverage and 98% of the premium for single coverage for all employees other than the HCC in 1983. It paid 80% of the family premium and 97% of the single premium for HCC employees. The cost of the highway employees' family premium was \$177.22 per month and the Employer's share was \$170.13 per month. The cost of the single premium for highway department employees was \$63.11 per

month and the Employer's share was \$61.85 per month. The cost of the family premium for all other employees was \$179.61 per month and the Employer's share of that cost was \$143.69 per month. The cost of single coverage was \$65.00 per month and the Employer's share was \$63.05 per month.

The Employer has 182 employees eligible for family coverage and 114 employees eligible for single coverage. In the highway department 58 employees receive family coverage and 5 receive single coverage. 37 of the employees in the courthouse unit receive family coverage and 41 have single coverage. The Human Services Department provides family coverage for 25 employees and single coverage for 7. The Center of Care provides family coverage for 49 employees and single coverage for 53 employees. 7 employees in the unit consisting of RN's and LPN's receive family coverage and 7 receive single coverage. In the Parks and Forest Department 6 employees receive family coverage and 1 receives single coverage. The Employer has 36 professional employees in the Human Services Department and 45 clerical employees. There are 7 employees in the Parks and Forest Department and 63 employees in the Highway Department. The Courthouse Unit has 76 employees and the Courthouse Professional Unit has 8 employees. The Employer's total number of employees other than the Health Care Center is 235.

The cost to the Employer of the family plan is \$152.46 per month for each employee. 126 employees outside of the Health Care Center receives the family coverage and the total cost for them is \$19,209.96 per month. 54 employees outside of the Health Care Center receive the single plan and the cost is \$55.60 per month and the total monthly cost is \$3,002.40. The total cost of the health insurance program for employees outside of the Health Care Center is \$22,212.36. The 235 full time positions outside of the Health Care Center make the cost per employee of the health insurance program \$94.52 per month. The Employer has 154 employees in the Health Care Center but some of them are part time so the full time equivalent employees total is 124.3. 56 of those employees are eligible for the family plan that has a cost of \$152.46 and the total cost is \$8,537.76 per month. 60 employees in the Health Care Center are eligible for the single coverage and the monthly cost of \$55.60 makes the total cost of the single plan \$3,336.00 per month. The total monthly cost of the health insurance program in

the Health Care Center is \$11,873.76. The cost per employee is \$95.53 per month.

The Employer has reached agreement with the Supervisory Unit of the Sheriffs Department and that agreement provides that the Employer will provide a standard health insurance plan for eligible full time employees and pay up to a monthly premium cost of \$152.46 for family coverage and \$55.60 for single coverage in 1984. The Employer agrees to assume 50% of any premium increase in the standard plan in 1985. That is its proposal to the 9 bargaining units involved in this arbitration. The Employer has reached a similar agreement with the Union representing regular full time and regular part time maintenance employees at the airport. The Employer has 88 employees in the 9 bargaining units participating in the single health insurance plan and 220 participating in the family plan. The monthly cost of the single plan for the 9 bargaining units is \$4,892.80 and the family plan costs \$33,541.20 per month. The total monthly cost is \$38,434.00 and the annual cost for the 9 bargaining units is \$461,208.00.

The Employer has surveyed the standard health insurance plans for a comparable group, hereinafter referred to as Comparable Group B, consisting of the labor market counties (LaCrosse, Wood and Portage), the contiguous counties (Buffalo, Chippewa, Trempealeau, Dunn, Pepin, Jackson and Clark), four area public employers (Board of Education, City, Vocational School and University), three private employers, and the local area hospitals (Luther Hospital and Sacred Heart Hospital). The survey covers the period from 1980 to 1984. In the labor market counties the cost of the average family premium has risen from \$72.53 per month in 1980 to \$165.33 in 1984. The counties' share of the cost has risen from an average of \$66.63 a month in 1980 to \$149.35 in 1984. The average increase during that period has been \$82.72 which is a 124.1% increase. The average cost in cents per hour has increased from just over 38¢ an hour in 1980 to slightly over 86¢ per month in 1984. The labor market counties were paying an average of 91.8% of the total premium in 1980 and in 1984 the average paid is 90.3%. In the contiguous counties the cost of the family premium has risen from an average of \$90.58 in 1980 to \$189.66 in 1984. During that same period the counties' average cost for the family premium has risen from \$72.63 a month to \$161.44 per month. The average cost of the increase in the family pre-

mium from 1980 to 1984 is \$84.32 or 116.11%. The average cost of the family premium has risen from just under 42¢ per hour in 1980 to just over 94¢ per hour in 1984. In 1980 the contiguous counties were paying an average of 80.1% of the total premium and by 1984 that had risen to 85.1% of the total premium. The area public employers surveyed by the Employer had family premiums averaging \$93.55 per month in 1980 and that figure had risen to \$188.74 by 1984. The public employers' average cost was \$83.61 per month in 1980 and that figure had risen to \$145.16 per month by 1984. The average increase during that period was \$55.54 per month or 66.4%. The average cost of the insurance per hour was just over 48¢ in 1980 and just over 77¢ in 1984. In 1980 the public employers were paying an average of 89.3% of the premium and by 1984 the average paid was 76.9%. Included in the survey were three private employers in the Eau Claire area. The family premium for these employers had risen from an average of \$93.37 per month in 1980 to \$179.45 by 1984. The private employers' cost in that period had risen from an average of \$90.60 to \$175.45 per month. That was an average increase of \$83.06 per month or 91.6%. The cost per hour of the health insurance premium had risen from an average 52¢ in 1980 to \$1.01 in 1984. In 1980 the private employers were paying an average of 97% of the premium and by 1984 the average was 97.7%. The hospitals in Eau Claire had family premiums averaging \$83.44 per month in 1980 and that had risen to \$157.44 per month by 1984. The hospitals' average cost had risen from \$35.25 per month in 1980 to \$62.82 by 1984. That was an average increase of \$27.56 per month or 78.1%. The average cost per hour was just over 20¢ in 1980 and by 1984 it was just over 36¢. In 1980 the hospitals paid an average of 44.2% of the premium and by 1984 it was paying 39.9%. The overall survey revealed that the average family premium in 1980 was \$86.69 per month and by 1984 it had risen to \$176.12 per month. The employers' cost in 1980 averaged \$69.74 per month and by 1984 it had risen to \$138.84. The average increase was \$66.64 a month or 95.2%. The average cost per hour of the survey was 40¢ in 1980 and 79¢ by 1984. The average payment by the employer was 80.4% in 1980 and it was 77.9% by 1984. The Employer's family premium was \$75.12 in 1980 and it had risen to \$152.46 by 1984. The cost per hour had risen from just over 43¢ to almost 88¢ and the Employer had continued to pay 100% of the premium.

The Employer has reached agreement on wages with all of its employees other

than the 3 bargaining units consisting of the Registered Nurses, Center of Care employees and Licensed Practical Nurses. The agreement reached between this Union and the Employer for the other 6 bargaining units calls for an increase of 25¢ per hour on January 1, 1984, a 2% increase on July 1, 1984 and a 4% increase on July 1, 1985. That is the salary proposal of the Union for the 3 bargaining units it represents on the wage issue of this arbitration. The Employer proposes that the employees in these 3 bargaining units receive 2 1/2% in 1984 and 3% in 1985. In 1983 the Employer paid its Center of Care employees salaries ranging from a low of \$5.96 an hour to a high of \$7.92 an hour. It paid its Licensed Practical Nurses almost \$7.75 per hour and its Registered Nurses \$10.25 per hour. Dunn County paid its Health Care employees salaries ranging from a low of \$6.90 per hour to a high of \$8.23 per hour. It paid its Licensed Practical Nurses \$8.16 an hour and its Registered Nurses \$10.13 an hour. Chippewa County paid its health care employees salaries ranging from a low of \$5.53 an hour to a high of \$7.72 an hour. It paid its Licensed Practical Nurses \$8.24 per hour and the Registered Nurses received \$10.23 per hour. Manitowoc County paid its health care employees salaries ranging from a low of \$5.63 per hour to a high of \$7.58 per hour. It paid its Licensed Practical Nurses \$6.90 per hour and its Registered Nurses received \$8.68 per hour. Fond du Lac paid its health care employees salaries ranging from a low of \$5.97 an hour to a high of \$8.91 per hour. Its Licensed Practical Nurses were paid \$7.02 per hour and its Registered Nurses received \$10.73 per hour. Dunn County gave its health care employees increases on January 1, 1984 of 5% minus the bargaining unit average cost of the group state life insurance plan. The total increase amounted to 4.3%. On July 1, 1984 the employees received another 2% and on January 1, 1985 they will receive 5% and on July 1, 1985 they will receive another 2-1/2%. Chippewa County gave its health care employees an increase of 42¢ an hour on January 1, 1984 and they will receive another increase on January 1, 1985 of 44¢ per hour. It is still in negotiations with its Registered Nurses and Licensed Practical Nurses and clerical employees. Manitowoc County gave all its health care employees increases of 6.5% on January 1, 1984. The Registered Nurses received 6% on January 1, 1984, another 1.2% on July 1, 1984, and will receive 4.6% on December 31, 1984. By 1985 its Registered Nurses will be receiving salaries ranging from \$8.86 an hour to \$9.75 an hour. Fond du Lac

County gave its employees increases of 20¢ per hour on January 1, 1984 if they had been employed for at least 3-1/2 years. All other employees received an increase of 10¢ per hour. Non-union employees in Fond du Lac County received increases of 3%.

The Employer has 80 full time employees and 74 part time employees at its Center of Care. The 1983 weighted average of salary for Registered Nurses was \$10.25 per hour. The Employer's proposal would increase that salary by almost 26¢ on January 1, 1984 and the 1984 weighted average salary would be \$10.51. The Employer's proposal would provide a weighted average increase effective January 1, 1985 of 31¢ making the 1985 weighted average salary for Registered Nurses \$10.82. The Union's proposal would provide Registered Nurses with 25¢ on January 1, 1984 raising the weighted average salary to \$10.50. On July 1, 1984 they would receive another 21¢ making the 1984 weighted average salary \$10.71. On January 1, 1985 the Union proposal would provide the Registered Nurses with another increase of almost 43¢ an hour which would make the 1985 weighted average salary \$11.14 per hour. The Employer's 1983 weighted average salary for Licensed Practical Nurses was \$7.50 per hour. Its proposal would increase that by almost 19¢ on January 1, 1984 making the 1984 weighted average salary \$7.69 per hour. Another increase of 23¢ per hour on January 1985 would make the 1985 weighted average salary \$7.92 per hour. The Union's proposal would increase the weighted average salary by 25¢ to \$7.75 on January 1, 1984. Another increase of 15¢ an hour would take effect on July 1, 1984 making the 1984 weighted average salary \$7.90 an hour. The Union's proposed increase on January 1, 1985 would make the 1985 weighted average salary for Licensed Practical Nurses \$8.22 per hour. The 1983 weighted average salary for other Center of Care employees was \$6.49 an hour. The Employer's proposal would increase that 16¢ an hour on January 1, 1984 making the 1984 weighted average salary \$6.65. The Employer's proposal would provide another increase of almost 20¢ on January 1, 1985 making the 1985 weighted average salary for Center of Care employees \$6.85 an hour. The Union's proposal of 25¢ on January 1, 1984 would increase the weighted average salary of Center of Care employees to \$6.74. Its proposal would provide another increase of 13¢ on July 1, 1984 making the 1984 weighted average salary \$6.87. On January 1, 1985 the Union's proposal would provide another increase of more than 27¢ making the 1985 weighted average salary just under \$7.15 per hour.

The minimum wage for Registered Nurses in the contiguous counties of Clark, Jefferson, Trempealeau, Dunn and Chippewa Counties range from a low of \$7.36 an hour to a high of \$9.49 an hour in 1983 with an average minimum of \$8.41. The maximum salary for Registered Nurses in those counties during 1983 ranged from a low of \$8.66 an hour to \$10.23 an hour with an average maximum wage of \$9.58 per hour. In the labor market counties of LaCrosse, Wood and Portage the minimum salary for Registered Nurses ranged from a low of \$7.51 to a high of \$8.67 with an average of \$8.19. The maximum salary for Registered Nurses in those counties ranged from a low of \$9.11 to a high of \$10.42 with an average of \$9.89 per hour. The minimum salary for Registered Nurses in Eau Claire area hospitals in 1983 ranged from a low of \$8.00 per hour to a high of \$8.80 an hour with an average of \$8.45 per hour. The maximum salary for Registered Nurses in the labor market counties ranged from a low of \$9.04 an hour to a high of \$10.72 an hour with an average maximum of \$9.87 per hour. The average 1983 minimum salary for the entire comparable group of contiguous counties, labor market counties and local hospitals was \$8.45 an hour during 1983 and the maximum was \$9.87 per hour. These figures should be compared with the Employer's 1983 minimum salary for Registered Nurses of \$9.50 per hour and maximum salary of \$10.25 per hour.

The Union's 1984 proposal would make the average rate for Registered Nurses \$10.60 an hour and the final rate would be \$10.71 per hour. The Employer's proposal would provide a 1984 rate for Registered Nurses of \$10.50 per hour. In 1985 the Union proposal would make the final rate for Registered Nurses \$11.13 per hour which would be an 8.59% increase over the 2 years. The Employer's proposal would make the final 1985 rate \$10.82 which would be a 5.57% increase over the 2 years.

The 1983 minimum wage for Licensed Practical Nurses in the contiguous counties ranged from a low of \$5.52 an hour to a high of \$7.50 an hour with an average minimum of \$6.69 an hour. The maximum rate ranged from a low of \$6.99 per hour to a high of \$8.24 an hour with an average maximum rate of \$7.59 an hour. The minimum for the labor market counties ranged from a low of \$6.47 an hour to a high of \$7.25 an hour and the 1983 average was \$6.74 an hour. The 1983 maximum salary for Licensed Practical Nurses in the labor market counties ranged from a low of \$6.68 an hour to a high of \$7.95 an hour with an average of

\$7.29 per hour. The minimum salary for Licensed Practical Nurses in the hospitals located in Eau Claire ranged from a low of \$6.00 an hour to a high of \$6.29 an hour with an average minimum of \$6.18 per hour. The 1983 maximum salary for Licensed Practical Nurses in the Eau Claire hospitals ranged from a low of \$7.09 an hour to a high of \$7.61 an hour with an average of \$7.35 per hour. The average 1983 minimum salary of the survey group for Licensed Practical Nurses was \$6.53 per hour and the maximum was \$7.43 per hour. This should be compared with the Employer's 1983 minimum wage for Licensed Practical Nurses of \$6.70 an hour and maximum of \$7.75 per hour.

The Union proposal would increase the Employer's 1984 average rate for Licensed Practical Nurses to \$8.08 per hour which is a 4.26% increase. This rate should be compared to the average labor market county rate for 1984 of \$7.75 per hour. The Employer's proposal would make its 1984 rate for Licensed Practical Nurses \$7.94 per hour. The Union's proposal would make the 1985 final rate for Licensed Practical Nurses \$8.49 per hour which would make the two year increase 9.55%. The Employer's proposal would make the 1985 rate \$8.18 per hour which would be a 5.55% increase over the two years.

The average minimum salary for Health Care employees other than Registered Nurses and Licensed Practical Nurses in the comparable group surveyed by the Employer was \$5.01 during 1983 and the maximum was \$5.93. The Employer's 1983 minimum for employees in the Center of Care was \$5.79 per hour and its maximum was \$6.29 per hour. Under the Unions' proposal the 1984 average rate would be \$6.60 per hour which is an increase of 5.01%. The final rate for 1984 under the Union's proposal would be \$6.67 per hour. The Employer's proposal would provide a 1984 final rate of \$6.45 per hour which is 6% over the average of the comparable group surveyed by the Employer. The Union's proposal would provide a 1985 rate for Center of Care employees of \$6.94 which would be a 10.3% increase in the 2 years from 1983 to 1985. The Employer's proposal would provide a final 1985 rate of 6.64% which would provide an increase over the 2 years of 5.56%.

#### DISCUSSION OF HEALTH INSURANCE ISSUE:

The Union relies on a comparable group consisting of the counties of Chippewa, Dunn, Fond du Lac and Manitowoc, hereinafter referred to as Comparable

Group A. There is a substantial amount of validity in the comparable group because their populations and assessed valuations are quite similar and all four counties have a large community that dominates the labor market. In this respect they all compare rather favorably to the Employer. Dunn County and Chippewa County are contiguous to the Employer and in the same geographic area and more accurately reflect regional characteristics and wage patterns than Fond du Lac and Manitowoc, which are located in the eastern part of the state and are part of different labor markets. The Employer relies upon a large comparable group, hereinafter referred to as Comparable Group B, consisting of labor market counties, contiguous counties, four area public employers, three private employers and the local area hospital. On its face Comparable Group B would appear to be preferable to Comparable Group A. Close examination reveals some defects in it. LaCrosse, Wood and Portage, which the Employer considers to be in the same labor market, are not really in the same labor market as the Employer. They might very well be considered part of the regional labor market, but their impact on the wage patterns of the Employer is only slightly greater than the impact of Fond du Lac and Manitowoc Counties. The seven contiguous counties in the group include Chippewa and Dunn, which the Union includes in its comparable group, and five other counties which are contiguous but substantially smaller and do not impact the wage patterns of the Employer or reflect them. The four area public employers included in the Employer's comparable group strengthen its validity. The names of the three private employers included in the comparable group are unknown so it is difficult to determine their contribution to the validity of the comparable group. The local area hospitals contribute to the validity of the comparable group since a number of their employees perform duties similar to those performed by many employees of the Employer. The Employer's comparable group is somewhat better from a geographical point of view while that of the Union is superior when the size of the counties and the types of employees being compared are considered.

The thrust of the Union's argument on the health insurance issue is that the health insurance premium contribution is a major component of an employee's overall economic compensation package and Section 111.70(4)(cm)7f directs the arbitrator to consider the overall compensation received by municipal employees including wages, vacation, holidays, excused time, insurance and pensions, medi-

cal and hospitalization benefits and all other benefits. Employer contributions toward the health insurance of employees are an integral part of the total economic compensation package and are among the criteria that an arbitrator should properly consider. A review of the Union exhibits reflects that the Employer pretty much falls into the pattern of Comparable Group A with respect to both wages and fringe benefits. Its wages seem to lag somewhat behind the wages paid by the four counties in Comparable Group A in most categories. The fringe benefits fit into the pattern of Comparable Group A but there is no clear pattern in the comparable group with respect to health insurance. Dunn County pays 95% of the family premium, Chippewa County pays 80% of the family premium and Manitowoc pays 100% of the family premium. Fond du Lac pays 96% of the family premium for all employees, except those in the health care center, for which it pays 80%. These contributions should be compared with the 100% of the family premium paid by the Employer. A more pertinent comparison is the actual number of dollars paid towards the health insurance premium. Eau Claire pays \$152.46 per month for the family premium. Dunn County pays \$174.69 per month toward the family premium. Chippewa County pays \$147.25 per month toward the family premium. Manitowoc County pays \$154.11 per month toward the family premium. Fond du Lac County pays \$172.42 toward all of the employees family premium except those in the health care center, for which it pays \$143.64 per month. Thus the Employer's 1983 monthly contribution toward the family health insurance premium of its employees was lower than that of all of the employers in Comparable Group A except for Chippewa County which was \$5.00 per month per employee less.

The Employer points out that its health insurance costs have increased almost 103% since 1980. In 1984 its cost per employee is 88¢ an hour. During the period from 1980 to 1984 the labor market counties of LaCrosse, Portage and Wood Counties have had increases in their health insurance costs averaging 124% and the average cost per hour in 1984 is 90.3¢. The contiguous counties have had increases averaging 116.11% during that same period and their cost per employee per hour in 1984 averaged about 85¢. The three private employers included in Comparable Group B had health insurance costs that increased an average of 91.6% and the average cost per hour per employee was almost 98¢. The public employers in the comparable group consisting of the City of Eau Claire,

its school system, the vocational technical institute and the University of Wisconsin-Eau Claire have had health insurance increases during the period from 1980 to 1984 ranging from 0% to 92.1%. During that period the cost per hour of the City of Eau Claire clerical employees remained at slightly over 34¢ per hour but the Board of Education had a cost per employee per hour in 1983 of more than 88¢ and the vocational school had a cost per employee per hour of over 81¢ in 1983. In 1984 the City of Eau Claire laborers and the University of Wisconsin - Eau Claire had cost per employee per hour of 99.5¢ and 97.7¢ respectively. The two hospitals in Comparable Group B have had health insurance costs substantially below that of the Employer and the rest of Comparable Group B during the period from 1980 to 1984 and their cost per employee per hour has risen only slightly. The hospitals have always paid less than half of the entire premium. While most of the employers in Comparable Group B pay less than 100% of the health insurance premium, most of them pay as much or even more per employee than the Employer. By including the two hospitals and the City of Eau Claire clerical employees in Comparable Group B, the Employer is able to come up with an average overall cost for Comparable Group B that shows a lower average increase in percentage points and a lower cost per employee per hour than the Employer. If the hospitals and the City of Eau Claire clerical employees are excluded from Comparable Group B, and only the labor market counties, the contiguous counties, the public employers in Eau Claire County and the private employers are included, it has a higher average payment per month per employee towards health insurance than the Employer and the average percentage increase is greater. While most employers in Comparable Group B require employees to make a contribution toward the cost of the standard family health insurance, those same employers actually pay more dollars per employee toward the cost of health insurance than the Employer does. It is difficult to understand why the Employer should require its employees to make a contribution toward the health insurance premium and thus reduce its actual cost per employee per hour to an amount lower than that of most of the employers in Comparable Group B. If the Employer was paying more dollars per employee toward the cost of its health insurance than other employers in the comparable group, and particularly comparable employers in its immediate geographic area, there would be some justification for requiring its employees to make a contribution toward the cost of

their health insurance. But the reverse is true. Even though most of the employees in the two comparable groups make contributions toward the health insurance premiums, most of their employers pay as much or more per employee than the Employer pays. Thus the comparabilities do not support a contribution toward the health insurance premium by the employees of the Employer as long as the Employer's actual cost per employee is lower than that of most of the other employers in Comparable Groups A and B.

The Employer argues that health care cost containment is a matter of state wide and national concern and it contends that employee premium contributions are an effective means of cost containment. However, the statutory criteria in Section 111.70 of the Wisconsin Statutes does not contain that factor as one of the criteria that an arbitrator should consider in making his recommendations. The Employer seems to argue that as long as the majority of employees in the comparable groups make contributions to health insurance premiums, it should require its employees to make contributions even though it is paying less per employee toward the cost of health insurance than most of the other employers in the two comparable groups. If the Employer was paying a substantially larger amount per employee toward the cost of health insurance than most of the employers in Comparable Groups A and B, there would be strong justification for requiring the Employer's employees to make a contribution too. However, as long as the Employer continues to have health insurance premium costs per employee that are comparable to those of the employers in the two comparable groups, the arbitrator will not require health insurance premium contributions by the employees. If the Employer feels bound by principle to require a contribution toward the health insurance premium by the employees in order to become part of what it describes as a state wide and national trend, then that result should be obtained at the bargaining table. Over the years the Union has obtained a 100% contribution toward the health insurance premium by the Employer through collective bargaining and it has yielded on other items in order to maintain that contribution. If the Employer is really interested in obtaining a contribution by the employees, it might very well yield on some item or make tradeoffs with the Union in order to obtain it. If the issue of employee contributions towards the health insurance premium is of such great significance to the Employer, it ought to be willing to pay a price to the Union and its employee in

order to have them give it up. The employees have paid a price in the past in order to retain it. In the absence of a showing by the Employer that its actual out of pocket health insurance cost per employee is greater than that of employers in the two comparable groups, the arbitrator will not impose a health insurance contribution requirement on the employees of the Employer.

The Employer points out that it has reached voluntary agreements with its sheriffs department supervisory unit and its airport maintenance employees requiring those employees to make contributions toward their health insurance premiums such as it has proposed to the Union. It argues that to maintain this established pattern of internal consistency and parity concerning health insurance premium payments, the arbitrator should adopt its proposal and impose a requirement of a contribution toward the health insurance premium by the employees represented by the Union. It should be pointed out that the airport agreement covers five employees and the supervisory sheriffs agreement covers seven employees. If those twelve employees can impose a bargaining pattern on the 359 employees in the nine bargaining units represented by the Union, it is not a case of the tail wagging the dog - its a case of the tip of the tail wagging the whole dog. The Employer has paid 100% of the premium for a standard health plan since 1962 and the Employer has failed to establish a need for the employees to be required to make a contribution toward the health insurance premium. Its actual out of pocket dollar contribution per employee toward the health insurance premium is no larger than, if as large as, the contribution of most employers in Comparable Groups A and B even though the employees of those employers make some contribution toward the health insurance premium.

The Employer points out that over 60% of the bargaining unit employees involved in this proceeding pay part of their health insurance premium because they have elected to participate in HMO's that provide benefits over and above the standard plan. Certainly that is not a justification for reducing the Employer's contribution and increasing that of the employees. As long as the Employer's health insurance cost per employee is not out of line with the health insurance costs of other employers in Comparable Groups A and B, there is no reason to increase the employee contributions.

In making a decision a mediator/arbitrator is required to 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 employer to meet the costs.
- d. Comparison of wages, hours and conditions of employment of the employees involved and other employees doing similar work in the same community and comparable communities and in private employment.
- e. The cost of living.
- f. The overall compensation presently received, including wages, vacations, holidays, excused time, insurance and pensions, and medical and hospitalization benefits.
- g. Changes in any of the foregoing during the pendency of the arbitration.
- h. Such factors that are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through collective bargaining.

There is no issue between the parties about the lawful authority of the municipal employer, the stipulations of the parties, the financial ability of the Employer to meet the costs of any proposed settlement, the cost of living and any changes in circumstances. The only factors remaining are the comparison of wages, hours and conditions of employment, the overall compensation presently received by the employees and the factors normally taken into consideration in determining wages, hours and conditions of employment. The Employer's costs per employee for health insurance are comparable to those of employers in the comparable groups, even in situations where the employees make a contribution toward the cost. The overall compensation received by the municipal employees, including the contribution toward medical and hospitalization benefits, is not out of line compared to other employees in Comparable Groups A and B. When an employer's health insurance costs are not excessive when compared to the health insurance costs of comparable employers, it is not normal or traditional to

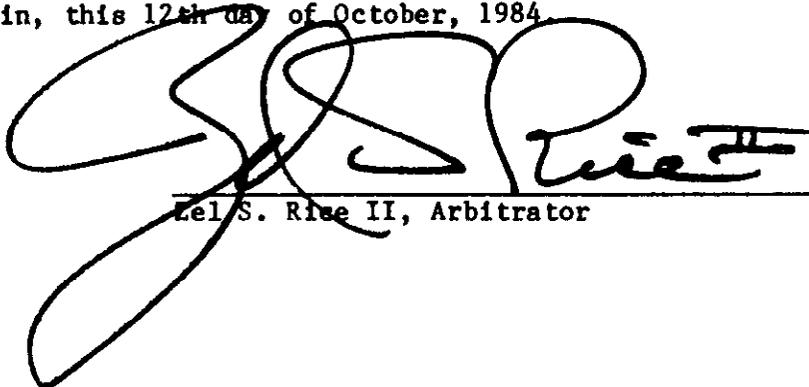
reduce those costs by requiring the employees to make a contribution towards them.

It therefore follows from the above facts and discussion thereon that the undersigned renders the following

AWARD

After full consideration of the criteria listed in the statute and after careful and extensive examination of the exhibits and briefs of the parties the arbitrator finds that the Union's final offer more closely adheres to the statutory criteria than that of the Employer and directs that the Employer continue the status quo as spelled out in the Union's health insurance proposal, attached hereto and marked Exhibit A, and pay 100% of the health insurance premium for the employees in the nine bargaining units involved in the issue.

Dated at Sparta, Wisconsin, this 12th day of October, 1984.



Mel S. Rise II, Arbitrator

DISCUSSION OF WAGE ISSUE:

In the discussion of the insurance issue the arbitrator found a degree of similarity between the Employer and each of the comparable groups suggested by the two parties. There is a trace of common ground between Comparable Group A and the Employer and Comparable Group B and the Employer. As a result, valid comparisons can be made with each of them.

The Employer takes the position that the only relevant statutory factor to be considered by the arbitrator is that of comparability. It points out that the fringe benefits in the two comparable groups are almost identical. The Union does not seem to take issue with this position, although it does point out that part time employees at the Center of Care receive less compensation than some employees of the Employer in certain departments who have fringe benefits prorated or receive compensation in lieu of benefits.

The Employer points out that the 1983 average wage for registered nurses in

contiguous counties is lower than that of the Employer. The average minimum was \$8.41 an hour and the average maximum was \$9.58 an hour. This compares with the Employer's 1983 minimum of \$9.50 an hour and 1983 maximum of \$10.25 an hour. However the average includes Clark County, Jackson County and Trempealeau County, which are substantially smaller than the Employer, and include no major urban area. Both Dunn County and Chippewa County, which are contiguous to the Employer and more closely approximate in size, had 1983 wage rates for registered nurses that were very close to those of the Employer. Dunn County had a minimum of \$9.49 an hour and a maximum of \$10.12 an hour while Chippewa County had a minimum of \$9.09 an hour and a maximum of \$10.23.

The Employer makes the same argument for licensed practical nurses. In 1983 the average minimum wage for licensed practical nurses in the contiguous counties was \$6.69 an hour and the maximum was \$7.59 an hour. The Employer had a minimum of \$6.77 an hour and a maximum of \$7.75 an hour. However Dunn County and Chippewa County, which are the contiguous counties that are most comparable to the Employer, had 1983 minimum and maximum wages for licensed practical nurses that were higher than the Employer. Dunn County had a minimum wage of \$7.44 an hour and a maximum of \$8.16 an hour and Chippewa County had a minimum of \$7.50 an hour and a maximum of \$8.24 per hour.

The Employer makes the same comparison with respect to nursing home employees. It compares its 1983 average minimum wage in nursing homes of \$5.79 per hour with the contiguous counties average minimum of \$5.36 per hour and its average maximum of \$6.20 an hour with the contiguous counties average maximum of \$6.33 an hour. If the most comparable counties in the contiguous group are considered, the comparison is not favorable for the Employer. Dunn County had a 1983 average minimum wage of \$6.49 an hour and an average maximum of \$7.26 an hour for its nursing home employees. Chippewa County had an average minimum wage in its nursing home of \$6.00 an hour and an average maximum of \$6.83 an hour. While the Employer's comparative wages for nursing home employees in 1983 are comparable to the averages of five contiguous counties, its salaries compare rather unfavorably with those paid by the two most comparable contiguous counties of Dunn and Chippewa. The Employer is a wage leader when compared to the averages of the contiguous counties, but its wages are substantially lower than

the averages of the two comparable contiguous counties. Its argument that its wages are higher than the contiguous counties does not appear to be very strong when the two most comparable counties are considered. The 1983 wages of the Employer were the result of negotiations and included consideration of the fact that the entire health insurance premium was being paid by the Employer. While the two most comparable contiguous counties both paid their health care employees higher salaries than the Employer, neither of them paid 100% of the employees health insurance premiums; but Dunn County contributed more dollars per employee toward the cost of health insurance than the Employer.

The actual increases proposed by the Union and the Employer should be considered. Arbitrators are inclined to not disturb existing relationships between the wage rates of comparable employees in comparable or adjoining counties unless there is a specific need for a "catch up" or some other valid reason for changing the relationships between the wage rates of comparable communities. The Union proposes an average increase of 35¢ an hour in 1984 for its registered nurses. The average percentage increase would be 3.46%. The Employer's proposal of a 2½% increase in 1984 would provide registered nurses with an increase of about 25¢ per hour. The Employer considers the 1984 market average increase in the area to be about 5% which is about double the Employer's proposal. The Union's 1985 proposal of a 4% increase would provide the registered nurses with a total lift over two years of 8.59% while the Employer's 1985 proposal of a 3% increase would provide a total lift over the two years of 5.57%. Obviously the Union's proposal for registered nurses is more realistic and more closely approaches the increases being paid by other municipal employers. Even though the Employer's 1983 average wage per hour exceeds the contiguous county average, its 1984 proposal only brings it up to the 1983 average of the two most comparable of the contiguous counties.

The Union's proposal for 1984 would raise the Employer's average rate for licensed practical nurses by about 34¢ an hour, which would be a 4.26% increase. Its 1985 proposed increase of 4% would provide a total lift for the licensed practical nurses over the two year period of 9.55%. That compares quite favorably with the Employer's projected market average increase of 5% per year. The Employer's proposal would provide a 2½% increase in 1984 and a 3% increase

in 1985 which would provide a total lift over the two years of 5.55%. That is only slightly higher than the Employer's projected average increase in wages in the market area for 1984.

The Union proposes a 1984 increase of about 31¢ an hour for its Center of Care employees. The 1984 increase would be about 5.01%. The Union proposed an additional 4% increase in 1985 of 4% or about 34¢ per hour. The total lift over the two years would be 10.3% which is slightly over the Employer's projected average increase in the area for the two year period. The Employer's proposal of 2 1/2% or 16¢ an hour in 1984 and 3% or 19¢ an hour in 1985 would provide a total lift over the two years of 35¢ an hour or 5.56%. That is substantially below the Employer's projected market area increase of 5% per year and it would apply to 120 of the 134 employees involved in this issue.

The Employer compares its registered nurse salaries with the three labor market counties of Wood, Portage and LaCrosse. Its 1983 minimum and maximum salaries were higher than the averages for the three labor market counties. However, its maximum salary in 1983 for registered nurses was 17¢ an hour less than Wood County and only 9¢ an hour more than Portage County, but it was \$1.14 an hour higher than LaCrosse County. The labor market counties of LaCrosse, Wood and Portage had 1983 minimum salaries for licensed practical nurses that averaged 3¢ an hour less than the Employer's minimum and 46¢ an hour less than its maximum. Wood County had a maximum salary for licensed practical nurses that was 20¢ an hour higher than the Employer. Portage County had a maximum 50¢ an hour lower than the Employer and LaCrosse County had a maximum salary \$1.07 an hour lower.

The Employer compared its 1983 salary with the salaries of two hospitals and two nursing homes located in the City of Eau Claire. The Employer's 1983 minimum salary for registered nurses was \$9.50 an hour while the average minimum for the two hospitals and two nursing homes was \$8.45 an hour. The Employer's maximum salary for 1983 for registered nurses was \$10.25 per hour while the average for the two hospitals and two nursing homes was \$9.87 per hour. It should be noted that while the average maximum salary for registered nurses of the four employers was lower than the Employer's maximum, one hospital had a maximum

salary 47¢ higher than that of the Employer and the other was 40¢ higher. The 1983 average of those same four employers for licensed practical nurses was \$6.18 compared to the Employer's minimum of \$6.70 per hour. The Employer paid its licensed practical nurses a maximum salary of \$7.75 per hour while the average of the four employers was \$7.35 per hour in 1983. Those same four employees paid nursing home employees 1983 minimum salaries that averaged \$4.68 an hour while the Employer's average minimum salary for the same classifications of employees was \$5.79 an hour. The 1983 average maximum for the four employers was \$5.75 per hour compared to the Employer's average maximum salary of \$6.29 during that year. Clearly the Employer paid its non-licensed nursing home employees a higher rate of pay than the two nursing homes and hospitals paid those same classifications that year.

The Employer argues that it is the wage leader in the relevant labor market. That is not quite true. The Employer paid higher rates to its licensed and unlicensed nursing home personnel than a substantial number of the employers in the relevant labor market. However, in many respects, the contiguous counties of Dunn and Chippewa County pay their nursing home personnel more than the Employer does, as do the labor market counties of Wood and Portage. The two hospitals in the City of Eau Claire pay substantially higher maximum rates to the registered nurses than the Employer.

The Employer argues that its leadership position concerning wages is maintained by its final offer. It contends that its proposals for registered nurses, licensed practical nurses and other nursing home employees will maintain its position above the market rate established by the other employers in the area that employ comparable employees. Certainly this is true with respect to the overall market averages. However it is not true with respect to the counties of Chippewa and Dunn, which are contiguous to the Employer and most comparable to it by almost any measurement, and the two labor market counties of Wood and Portage. Dunn and Chippewa Counties paid higher rates than the Employer in almost all of the nursing home personnel classifications. The same is true to a lesser extent with Wood and Portage Counties. The Employer projects the market average increase in the area for 1984 to be 5%. The Union's proposal for 1984 in every classification is very close to 5%. Its 1985 propo-

sal of a 4% increase appears to be very close to the average increase being projected by the Employer for that year.

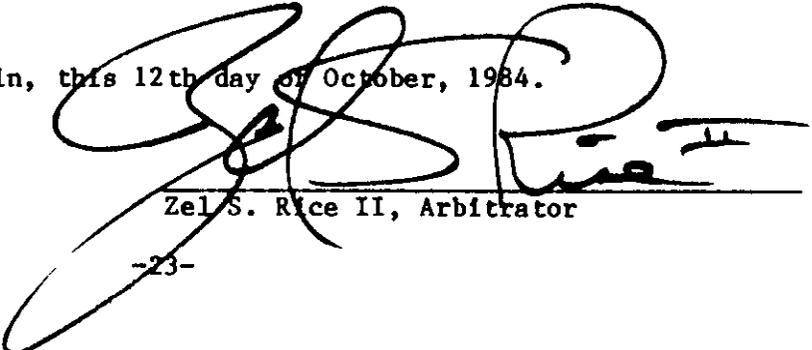
The Union points out that the Employer totally neglects to consider internal comparables. It has negotiated a wage agreement with the Employer for six bargaining units other than the three involved in this dispute. The wage settlement in each of the negotiations involving the other six bargaining units was the same as the proposal that the Union has included as part of its last offer. A settlement pattern has been developed by the Employer and the Union in the negotiations with the other six bargaining units and it is unrealistic to expect the Union to accept anything less for the three bargaining units involved in this proceeding. The evidence introduced by the Employer does not indicate a need to treat the members of these three bargaining units differently than the other six. It is true that the Employer is a wage leader in some categories when compared to some employers in the contiguous counties. However it lags behind both Dunn County and Chippewa County in most classifications and they are the most comparable contiguous counties. Wood County and Portage County, two of the labor market counties on which the Employer relies, pay salaries slightly higher than the Employer. It is only when the Employer compares itself to Clark County, Jackson County and Trempealeau County and includes their rates in determining average wages that it is able to establish itself as a wage leader.

It therefore follows from the above facts and discussion thereon that the undersigned renders the following

AWARD

After full consideration of the criteria listed in the statute and after careful and extensive examination of the exhibits and briefs of the parties the arbitrator finds that the Union's final offer more closely adheres to the statutory criteria than that of the Employer and directs that the Employer include the final proposal of the Union, attached hereto and marked Exhibit C, in the collective bargaining agreement for 1984 and 1985.

Dated at Sparta, Wisconsin, this 12th day of October, 1984.



Zel S. Rice II, Arbitrator

## EXHIBIT A

The following constitutes the Union's final offer for the purpose of mediation-arbitration pursuant to Section 111.70(cm)6 of the Municipal Employment Relations Act. A copy of such final offer has been submitted to the other party and the undersigned has received a copy of the final offer of the other party.

1. All items remain status quo as in the present agreement with the exception of tentative agreements reached during the course of negotiations.

2. ~~Union issues in dispute are as follows:~~

Appendix F

Registered Nurses - Wages

~~1-1-84: 25¢ per hour  
7-1-84: 2%  
1-1-85: 4%~~

Appendix G

Center of Care - Wages

~~1-1-84: 25¢ per hour  
7-1-84: 2%  
1-1-85: 4%~~

Appendix H

Licensed Practical Nurses

~~1-1-84: 25¢ per hour  
7-1-84: 2%  
1-1-85: 4%~~

UNION'S POSITION ON:  
HEALTH INSURANCE PREMIUMS  
(-9 bargaining units)  
R. Mc Cormick  
Investigator, 3/16/84

Respectfully submitted

*Christel Manz*

Christel Manz  
Staff Representative  
AFSCME - Council 40

EXHIBIT B

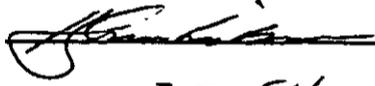
The attached Master Contract and Appendices thereto represent the County's final offer. Incorporated therein are all agreed changes from both Union and County proposals with the following exceptions:

Master Agreement

Article 7 - Sub. 7.05 - Section 1

County Proposal

7.05 Health Insurance Section 1. The Employer shall provide a Standard Health Insurance Plan for eligible full-time employees and shall pay up to a monthly premium cost of \$152.46 for family coverage and \$55.60 for single coverage in 1984. The Employer will assume fifty percent (50%) of any premium increase in the Standard Plan in 1985.

  
\_\_\_\_\_  
3-5-84  
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Appendix F

Registered Nurses - Wages

1-1-84:	25¢ per hour
7-1-84:	2%
1-1-85:	4%

Appendix G

Center of Care - Wages

1-1-84:	25¢ per hour
7-1-84:	2%
1-1-85:	4%

Appendix H

Licensed Practical Nurses

1-1-84:	25¢ per hour
7-1-84:	2%
1-1-85:	4%

Respectfully submitted

*Christel Manz*

Christel Manz  
Staff Representative  
AFSCME - Council 40

EXHIBIT D

Listed below is the County's final offer on Wages for employees at the Health Care Center:

Appendix F  
Registered Nurses

Wages

County: 2½% - 1984  
3% - 1985

Appendix G  
Center of Care

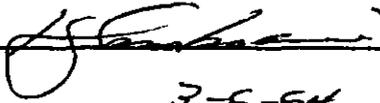
Wages

County: 2½% - 1984  
3% - 1985

Appendix F  
Licensed Practical Nurses

Wages

County: 2½% - 1984  
3% - 1985

  
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3-8-84  
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