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BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

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 In the Matter of the Arbitration :
 of an Impasse Between :
 LAFAYETTE COUNTY :
 :
 and : Decision No. 24388-A
 :
 LAFAYETTE COUNTY EMPLOYEES :
 LOCAL 678, AFSCME :
 :
 ----- :

Appearances:

Mr. Laurence S. Rodenstein, Staff Representative, for
 the Union.
 DeWitt, Porter, Huggett, Schumacher & Morgan, Attorneys-
 at-Law, by Mr. Howard Goldberg, for the County.

ARBITRATION AWARD

The above-captioned parties selected, and the Wisconsin
 Employment Relations Commission appointed, the undersigned
 Arbitrator (Case 30, No. 37837, ARB-4136, Decision No.
 24388-A) to issue a final and binding award, pursuant to
 Sec. 111.70(4)(cm)6 and 7 of the Municipal Employment
 Relations Act, to resolve an impasse existing between said
 parties by selecting either the total final offer of the
 Union or the total final offer of the County.

An arbitration hearing was held in Darlington,
 Wisconsin, on July 7, 1987. No transcript was made. Final
 briefs were exchanged on August 25, 1987.

The collective bargaining unit represented by the Union
 consists of all regular full-time and regular part-time
 workers, registered nurses, professional employees of the
 United Services, and professional accountants employed by
 the County, excluding confidential, supervisory, and craft
 employees and excluding all other employees of the County.
 There are approximately 54 employees in this unit.

The parties are at impasse in their negotiations for a
 collective bargaining agreement to cover 1987 and 1988.

THE UNION'S FINAL OFFER

The following are the proposals to amend the parties'
 1984-1986 agreement which constitute the Union's final
 offer.

1. Modify Article XIV, Section 14.9,
 Wisconsin Retirement Fund to read

as follows: The Employer agrees to pay the total employee contribution, not to exceed six percent (6%), of annual compensation to the Wisconsin Retirement Fund for each employee covered by this Agreement.

2. Modify Exhibit A, Salary and Classification Schedule by increasing the wage rates thereto of all existing employees by:
 - a) 1.0% effective February 1, 1987, and an additional 2.0% effective August 1, 1987.
 - b) An amount equal to 3% of the then unit average of all employees effective January 1, 1988.
3. Modify Article XXX, Termination Clause by providing a contract term which begins January 1, 1987 and continues through December 31, 1988.

THE COUNTY'S FINAL OFFER

The following are the proposals of the County which constitute its final offer.

1. Two year contract (January 1, 1987-December 31, 1988)
2. Retroactive to January 1st.
3. 1.9% increase in wages across the board for 1987. 3.0% increase in wages across the board for 1988.
4. Retirement cap increased by \$1000 in 1987 and another \$1000 in 1988 (\$17,500; \$18,500).
5. First dollar deductible on medical insurance.
6. County Health Plan Administrator to set usual and customary prices of medicines, drugs and medical devices.

Article XIV, Section 14.9 of the earlier contract, which both offers would amend, stated as follows:

The Employer agrees to pay the total employee contribution up to \$14,500.00 (\$15,500 in 1985 and \$16,500 in 1986) of annual compensation to the Wisconsin

Retirement Fund for each employee
covered by this Agreement.

The Union's third item and the County's first and second item read together seem to moot any dispute over the term of the prospective agreement.

Additionally, the Union contends that there is also a dispute between the parties over whether a letter of agreement dated February 22, 1984, and appended to the 1984-1986 agreement will be continued. Both parties apparently desire the maintenance of this letter, but the Union argues that the Employer has not adequately presented this position formally.

DISCUSSION

Whereas the Employer offers to raise the ceilings on employee earnings for which it will make a full employee contribution by \$1000 per year to \$17,500 and \$18,500, the Union would provide "a retirement ceiling not to exceed six percent (6%) of the annual contribution". So, while under the Employer's offer an employee earning above the ceiling would contribute to cover the amount above the ceiling, under the Union's proposal the Employer would pay for all of the employee's share.

In support of its position the Union asserts "an absolutely uniform practice on retirement contributions among comparable county units". Columbia, Crawford, Grant, Green, Iowa, Richland, Sauk, Vernon and Juneau County contracts are offered as evidence.

Also, the Union stresses, "all nonrepresented management employees of Lafayette County have had their entire retirement contribution paid by Lafayette County", and the County's units (highway department and sheriff's department) represented by the Teamsters Union receive wage rates that "are not impacted by the . . . ceiling". Indeed, the Union calculates that the County's position will affect only ten professional employees in the instant unit.

Moreover, the Union urges, it has "included a substantial buyout in order to secure its retirement proposal". By proposing an incremental wage increase for 1987 when it could justify a higher rate of increase for the entire year by comparisons, the Union argues, it has supplied "a reasonable quid pro quo for its retirement proposal".

The County emphasizes that its proposal offers to maintain the "long standing practice of dollar caps" whereas the Union would cap the rate of contribution. It

argues that "the net effect of this change would be to adversely impact all employees who make less than the dollar cap if the contribution rate is set by the state at an amount in excess of 6%". On the other hand, "those few employees who are making more than the dollar cap" would benefit from the Union's position.

The County compares itself to Grant, Iowa, Richland and Green counties which comprise a region according to the Department of Development. It recognizes that it is the only county in this region to provide dollar caps, but stresses that others have put caps on contribution rates.

The Employer urges that its method should not be found to be inferior only because it is different, and that its method is preferable because it may be "used to control its total dollar output".

The County also stresses its use of dollar caps with other represented units of its employees, and urges that its management employees are not comparable.

In rebuttal, the County emphasizes that the Union's reference to other counties does not disclose the uniformity that the Union seems to weigh so heavily. The County points out that these other counties address this issue in some cases by providing for 100% employer payment of the employee contribution and in other cases by providing a fixed contribution rate with no dollar cap. The County also asserts that there is impact by these provisions in its other represented units when overtime earnings are considered, and in its hospital unit which the Union's brief did not consider.

The Union, on the other hand, replies that the consistency it seeks is in outcomes, not methods; and that this unit should not be unique among its counterparts in nearby counties by being the only one with members whose shares are not paid by their employer.

In its brief the County details its calculations of costs respecting the wage offers and concludes as follows.

"As can be seen, there is very little difference, economically, between the County offer and the Union offer during the first year. (The difference is only \$2200.) Even for the entire two year period, there is virtually no significant difference between the two offers." (Footnotes deleted.)

On this basis the Employer reasons it is not necessary to engage in careful analysis of wage rates where there is comparable employment, but that it should be stressed that the parties' offers do affect non-wage provisions.

The Union emphasizes that the difference between the wage offers according to the County's calculations is \$7,752.43, while the difference in retirement provision costs is \$1,622.54. It contends further that when the wage levels are compared among the appropriate counties on a classification basis, the County's wages are often among the very lowest.

In the view of the undersigned, although as the County states there is not a great deal of difference between the parties' positions, the offers of the Union regarding wages and retirement are preferable. This arises out of the combination of the somewhat inferior wage levels received by some unit members when compared to their counterparts in surrounding counties and the fact that the method preferred by the County "to control its total dollar output" in the case of the retirement benefit also seems to treat some of the members of this unit less well than any of their counterparts in such counties.

In other words, on these two key issues, even though there is not a wide disparity between the Employer and the Union, the Employer's offer maintains some unit members at a materially inferior level compared to similar employees of comparable counties. On the other hand, the Union's offer provides some correction, bringing these employees closer to the norm.

The Arbitrator recognizes that the Employer has described its position on the health insurance issues as "pivotal". It also describes its proposals as "two changes which would not cost the employees anything and would certainly benefit the Employer", an assertion which the Union contests.

Regarding the Employer's proposal to provide "that the deductibles should be first dollar deductibles", it explains that it is only addressing a "bookkeeping problem" and that this measure "would not result in one single additional cent of expense to any County employees in the plan". Rather, the Employer urges, it "would be able to save the time, expense and hassle related to its being required to maintain two separate deductible lists", which would be the case if the provisions of the preceding agreement were continued.

At the base of the Employer's proposal is the combination of two \$100 deductibles, in the family plan, which cover medical expenses and hospital expenses, into a single \$200 deductible. It asserts that "a study of the

data revealed that there would be no loss of benefits or extra expense to employees" by this combination. That study is described as "a comprehensive review of all the claims submitted under this plan since the day it was first adopted".

Without suggesting any lack of integrity in the Employer's study, the Arbitrator does not see how it overcomes the contentions by the Union that "with the consolidation of deductibles, employees who do not use the hospital component of \$100 per year will be adversely impacted", and that this proposal doubles the deductible for those employees who only require medical care. Perhaps the conclusions in the County's study were aggregated so as to obscure such cases. In any event, this matter seems of lesser materiality than those discussed above, and insufficiently resolved as to its facts to contribute determinatively to the instant outcome.

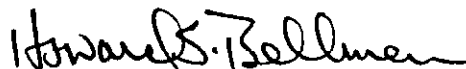
Likewise, the County's position respecting usual and customary prices for pharmaceutical items appears to be a relatively minor matter. The Employer attributes this proposal to "a bad experience with one pharmacy in the County regarding its charges". Overpricing by this pharmacy apparently led to complications for all concerned when claims based on such prices were discounted. This measure is offered to avoid this situation which the County regards as "potentially inflammatory". Again, the Arbitrator does not believe that this item should be very influential respecting the overall outcome herein.

Finally, the adoption by the undersigned of the Union's final offer moots the "issue" between the parties over the continuation of the February 22, 1984, letter of agreement.

AWARD

On the basis of the foregoing and the record as a whole, it is the decision and award of the undersigned Arbitrator, that the final offer of the Union should be, and hereby is, adopted.

Signed at Madison, Wisconsin, this 11th day of November, 1987.



Howard S. Bellman
Arbitrator