STATE OF WISCONSIN

BEFORE THE ARBITRATOR

In the Matter of the Petition of	Case 185 No. 45217 INT/ARB-5924
MARATHON COUNTY	Decision No. 27035-B
To Initiate Arbitration Between Said Petitioner and	Sherwood Malamud Arbitrator
MARATHON COUNTY HIGHWAY DEPARTMENT LOCAL 326, AFSCME	

APPEARANCES:

Ruder, Ware & Michler, Attorneys at Law, by Dean R. Dietrich, 500 Third Street, P.O. Box 8050, Wausau, Wisconsin 54402-8050, appearing on behalf of the Employer.

Phil Salamone, Staff Representative, AFSCME, Council 40, P.O. Box 1981, Wausau, Wisconsin 54402-1981, appearing on behalf of the Union.

ARBITRATION AWARD

Jurisdiction of Arbitrator

On November 21, 1991, the Wisconsin Employment Relations Commission appointed Sherwood Malamud to serve as the Arbitrator to issue a final and binding award pursuant to Sec. 111.70(4)(cm)6.c., Wis. Stats., with regard to an interest dispute between Marathon County, hereinafter the County or the Employer, and Marathon County Highway Department Local 326, AFSCME, hereinafter the Union. An arbitration hearing was conducted on January 21, 1992, at the Marathon County Courthouse in Wausau, Wisconsin. Additional exhibits and data were submitted by February 18, 1992. Briefs and reply briefs were exchanged on April 6, 1992. By letter dated April 29, 1992, the Union moved to strike reference to secretarial notes appended to the County's reply brief. By conference call, the parties agreed that the account of the hearing attached by the County to its reply brief represents the County's understanding of the testimony presented at the hearing. However, the determination of what was said at the hearing will be made by the Arbitrator on the basis of his recollection of the testimony presented, as may be aided by his notes of the hearing. Based upon a review of the evidence, testimony, and arguments submitted and upon the application of the criteria set forth in Sec.

111.70(4)(cm)7.a.-j., Wis. Stats., to the issues in dispute herein, the Arbitrator renders the following Award.

SUMMARY OF THE ISSUES IN DISPUTE

Both the County and the Union propose a two year successor Agreement covering the 1991 and 1992 calendar years. There are four matters in dispute.

1. Health Insurance Deductibles

County Offer

The County proposes that effective January 1, 1992, the deductibles under its self-insured health insurance plan increase from $100 per person, $200 aggregate per family to $200 per person/$600 aggregate per family.

Union Offer

Effective January 1, 1992, the single deductible would remain at $100. The aggregate family deductible would increase to $300 based on $100 deductible per family member with an aggregate to $300.

2. "Managed Care" Program Penalty

County Offer

Effective January 1, 1991, the County proposes that the penalty for failure to use the "Managed Care" Program will be $500.

Union Offer

Effective January 1, 1991, the penalty for failure to employ the "Managed Care" Program established under the County's health insurance program and the pre-certification procedures incorporated therein will be $100.

3. Wages

County Offer

The County proposes that the wage rates in effect on December 31, 1990, be increased by 3% January 1, 1991, and that the December 31, 1991, rate be increased by an additional 1% effective July 1, 1991. In addition, effective January 1, 1991, the County proposes to increase the level 1 rates by 46¢ per hour. In addition, the County proposes that the rate

established as a result of the 3% and 1% increases on July 1, 1991, be increased by 14¢ per hour across the board.

In addition, effective January 1, 1991, the County proposes to reallocate the Screed Operator to level 3.

Effective January 1, 1992, the County proposes to increase the December 31, 1991, rates by 3%. In addition, effective July 1, 1992, the County proposes to increase all rates by an amount equal to 2% of the December 31, 1991, rates.

The County proposal is structured so as to avoid the effect of compounding by the mid-year July increases.

Union Offer

Effective January 1, 1991, the Union proposes that the December 31, 1990, rates be increased by 4%, and that the rates so established be increased by an additional 1% effective July 1, 1991. In addition, effective January 1, 1991, the Union proposes to increase the level 1 rates by 46¢ per hour just as proposed by the County. The Union, like the County, proposes to reallocate the Screed Operator to level 3, effective January 1, 1991.

Effective January 1, 1992, the Union proposes that the December 31, 1991, rates across the board be increased by 4%. The rates so established by the 4% increase be increased by an additional 1% effective July 1, 1992.

In addition, the Union proposes that rates of the classifications at level 2 increase by 23¢ per hour, effective January 1, 1992. Of the 74 employees in this bargaining unit, 18 are classified in positions allocated to level 2 of the contractual wage schedule. Sixteen of the eighteen are Equipment Operators III. These individuals operate the largest and most complex of the Highway Department's road machinery; such as, bulldozers, large backhoes and graders. The other two classifications at this level are the Supply Clerk and Traffic Maintainer.

4. Family Illness Leave

County Offer

The County proposes to limit the use of sick leave days for family illness to two days per year. The County proposes to limit the discretion to approve the leave, but limit the amount of leave that may be taken to two days.

Union Offer

The Union proposes to retain the language as is. The present language provides for the use of two days of sick leave for each incident of serious illness of a family member. It permits the use of additional sick days, if the illness of the family member is substantiated by a physician's certificate.

STATUTORY CRITERIA

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

a. The lawful authority of the municipal employer.
b. Stipulations of the parties.
c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
d. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes performing similar services.
e. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes generally in public employment in the same community and in comparable communities.
f. Comparison of the wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes in private employment in the same community and in comparable communities.
g. The average consumer prices for goods and services, commonly known as the cost-of-living.
h. The overall compensation presently received by the municipal employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

i. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

j. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

BACKGROUND

Marathon County is located in the center of the state of Wisconsin. It is the state's tenth most populous county. For the most part, the counties immediately contiguous to it are much smaller in population. This has made the identification of comparables more difficult. In an interest arbitration proceeding in 1981 involving the Social Services Professional unit, Arbitrator Kerkman first identified the counties contiguous to Marathon as its comparables.

Subsequently, in 1985, the wages, hours, and conditions of employment of Marathon County Highway Department employees were determined through the interest arbitration process by Arbitrator Krinsky. Also, he identified the contiguous counties as the comparables to Marathon County. However, he indicated that his determination should not be binding on the parties or in future proceedings.

In 1990, Arbitrator Stern, in his determination of the wages, hours, and conditions of employment of the Social Services and Courthouse professional units, altered the comparables and included counties which in size, population and assessed value of land more closely approximate Marathon County. Arbitrator Stern stated that his identification of comparables should not bind the parties in future negotiations. Both arbitrators, Krinsky and Stern, encouraged the parties to identify a group or groups of comparables for purposes of collective bargaining. The parties have failed to heed that advice.

For many years through the summer or fall of 1987, the City of Wausau and Marathon County maintained a joint personnel office. Since 1987, the City of Wausau and Marathon County have maintained separate personnel and labor relations offices.

In its brief, the Union emphasizes that the health insurance deductibles issue is the primary dispute in this case. The Union observes at page 24 of its brief that:

> There can be little doubt that the health insurance deductible question is the major disputed issue in this proceeding. This was also true for the negotiations and it is likely that had it not been for this matter the parties would not be engaged in interest arbitration.

Initially, in approaching the decision making process in an interest arbitration, this Arbitrator provides equal consideration to all matters in dispute. After all, the inclusion of a matter as an issue in dispute indicates to the Arbitrator that the matter is of sufficient importance as to require arbitral determination. The statutory criteria do not specify whether any criterion is to be given greater weight than any other criterion. Similarly, the statute does not establish that certain kinds of proposals are more important than other proposals. After careful application of the statutory criteria to the totality of the offers, one issue may, in fact, have greater bearing and weigh more heavily in the determination of the final offer to be selected.

However, in the experience of this Arbitrator, oftentimes, but for a variety of reasons, the arguments of the parties offset each other on what they view as the central issue in dispute, and the matter is determined on the basis of issues which the parties may identify as having little or no import. If an issue is not to serve as a basis for distinguishing between the positions of the parties, the parties may include that matter in their stipulations. Of course, either party may argue that the impact of the stipulations on the totality of the offer supports one offer over that of the other. At the arbitration hearing, the parties may identify and remove certain issues from arbitral analysis. In this case, the parties note that in their respective offers the adjustments made effective January 1, 1991, to classifications at level 1 and to the Screed Operator are identical. Consequently, those adjustments do not serve as a basis for the determination of this case.

The Union introduced testimony concerning the sequence of events which occurred when the President of Local 326 circulated a letter among County Board Supervisors noting the City of Wausau's decision to give up its self-funding program and to adopt the "big apple" plan, the North Central Health Protection Plan. The County filed a prohibited practice complaint against the Local and its President. After hearing, the Wisconsin Employment Relations Commission Examiner dismissed this complaint. The Arbitrator provides no weight to the give and take in which the parties engaged in the course of their negotiations. It is the view of this Arbitrator that, once certified by the Wisconsin Employment Relations Commission, the final offers of the parties are evaluated solely on the basis of the statutory criteria. Except under the most unusual circumstances, does this Arbitrator give any weight to the history of bargaining. If in the view of one side arbitration is premature, certainly, either party is in a position to so advise

the Commission's investigator. If unlawful conduct has been engaged in by one party or the other, that is a matter for the Commission to decide and for which it may fashion a remedy. The interest arbitrator can only select the final offer of one party and identify that offer together with the stipulation of agreed upon items for inclusion in a successor Agreement.

A word about the presentations of the parties. Both the Union and the County have presented an extensive record on the matters in dispute. Their arguments are well focused and have been of significant assistance to the Arbitrator in making his decision.

The record in this case includes a deposition taken by the parties of David Radke, the Vice President of Frank F. Haack and Associates, the consultant hired by the County to evaluate the claims which it paid under its self-insurance program from 1987 through June 1990. The deposition was taken with the purpose of using same in each of the six units represented by AFSCME and which are in arbitration. Those units are the Parks Department, the Highway Department, the Courthouse Nonprofessional Employees, the Social Service Professional Employees, the Social Service Nonprofessional Employees, and the Health Department Employee units. Of the approximately 560 employees employed by Marathon County and who are covered by a collective bargaining agreement, 495 of those employees are represented by AFSCME. One AFSCME unit, the Courthouse Professional unit, did reach an agreement with the County and is not in arbitration.

In addition to the deposition of Radke concerning the multi-page report provided by Frank F. Haack and Associates in September 1990 to the Marathon County Board of Supervisors, the deposition of Personnel Director Brad Karger was taken on January 6, as well.

The parties presented the awards of Arbitrators Colleen Burns and David Shaw, both of the staff of the Wisconsin Employment Relations Commission, who interpret the family leave language found in slightly different forms in the Courthouse and Social Service Professional units. The language in the Highway unit was not subject to arbitral determination or the subject of any grievance since its inclusion in 1977-78 Agreement.

DISCUSSION

Introduction

In the discussion which follows, the Arbitrator first addresses the comparability issue posed by the parties. It should be noted at the outset that no matter what comparables are identified, the determination of that issue is not central to the ultimate decision in this case. On several of the issues, the statutory criteria may be applied and the same results obtain no matter what comparables are looked to or addressed.

After determining the comparability issue, the Arbitrator then turns to apply each of the statutory criteria to the matters in dispute. The wage issue is first addressed. The County argues that its proposal for a 14¢ per hour "bump" effective July 1, 1991, is offered as a quid pro quo for its proposal to increase the amount of the single and family deductible by $100 and $400 respectively, effective January 1, 1992. By reviewing the wage proposals of the parties, the Arbitrator is better able to identify whether the 14¢ per hour "bump" may be treated as a quid pro quo for the Employer proposal to increase health insurance deductibles.

In addition, the Union argues that the 14¢ per hour "bump" is insufficient to offset the County's proposal on the health insurance deductible issue. The Union argues that in the three units where settlements were achieved, in the Deputy Sheriff's Unit represented by the Wisconsin Professional Police Association/LEER Division, the AFSCME Courthouse Professional unit and the Teamster unit of employees at the Central Wisconsin Airport operated by Marathon County, the adjustments provided in those agreements were considerably greater than those offered in this unit. As a result, the County reached agreements in those units. The Arbitrator addresses these wage adjustment issues under the wage proposal. By addressing that issue first, the matter of the health insurance deductible is easier to analyze.

Comparables

Arbitrator Krinsky identifies those counties contiguous to Marathon as comparables to Marathon County. In this regard, the 1985 decisions of Arbitrator Krinsky, not only in Highway[1] but in the Park Department[2] mirror the decision of Arbitrator Kerkman on the comparability issue. Marathon County has a population of approximately 114,000. The contiguous counties of Langlade, Lincoln, and Clark have populations of 20,000, 27,000, and 32,000 respectively. Wood County which includes the City of Wisconsin Rapids, and Portage county which includes the City of Stevens Point, are smaller in population and assessed valuation of property than Marathon. Wood County has a population of in excess of 76,000. Portage, slightly more than 62,000. The assessed valuations of property located within those counties is $1,600,000,000 for Portage, and $1,8000,000,000 for Wood. The assessed valuation of property in Marathon County is $2,894,000,000.

The Union suggests the following comparables, those employed by Arbitrator Stern in his determination in 1990 of the interest disputes involving the Professional Courthouse, and Social Services employees at

---

[1]Marathon County (Highway Department), Decision No. 22431-A (Krinsky, 12/85).

[2]Marathon County (Park Department), (Krinsky, 12/85).

Marathon County (Social Services Department) Case 148, No. 42014, INT/ARB-5219 and the professional unit Case 150, No. 42016, INT/ARB-5221 both decided in 2/90. Those comparables are LaCrosse, Portage, Chippewa, Winnebago, Outagamie, Fond du Lac, and Eau Claire.

Professor Stern, in the two arbitration cases concerning the Courthouse Professional unit and Social Services Professional unit, substituted LaCrosse, Chippewa, Winnebago, Outagamie, Fond du Lac, and Eau Claire counties for several of the smaller contiguous counties considered as comparables to Marathon.

Professor Stern had before him professional units. It is well recognized that the labor market in the case of professionals is geographically larger than that for blue collar workers. Lafayette County, Dec. No. 18000-A, (Hutchison, 2/81); Vernon County Social Services, Dec. No. 17716-C, (Haferbecker, 9/80). Professional employees will move from one area to another to take a higher paying job. More frequently, blue collar workers, such as the employees in the Highway Department, will seek employment in the immediate area in which they reside. Consequently, the Fox River Valley counties of Winnebago, Outagamie, and Fond du Lac are inappropriate and are not included by this Arbitrator in the determination of this arbitration case involving a blue collar unit.

The counties of Eau Claire and Chippewa are larger in size and more closely approximate the population and full market value of land in Marathon County. It is appropriate to add these larger counties to partially offset the number of much smaller counties which are contiguous to Marathon and which have been identified by both Arbitrators Kerkman and Krinsky as comparable to Marathon County.

The Union points to nine employees in the highway department who have sought employment in the street departments or crews of the suburban communities in the vicinity of Wausau. The fact that county Highway employees and heavy equipment operators on these crews work together in plowing snow and in performing road maintenance work in the summer also supports the Union's assertion that these communities should be included as comparables to the Marathon County Highway Department unit.

The Arbitrator rejects the suggestion by the Union that the suburban municipalities of Rothschild, Kronenwetter, Mosinee, Schofield, and Weston serve as comparables to Marathon County. This Arbitrator has often observed that it is inappropriate to include units of unorganized employees as direct comparables in the determination of interest arbitration disputes. Unorganized units fail to reflect the give and take of the collective bargaining process present in organized units. It is difficult to identify the total increases provided by employers whose employees are not organized. Furthermore, the municipalities suggested by the Union employ far fewer

employees in their street departments than Marathon County employs in the Highway Department.

The City of Wausau should be and is included as a comparable to the Highway unit. Prior to 1987 the Highway unit and the "Street Department" were subject to labor relations policies which emanated from a joint City-County personnel office. The City of Wausau's Street Department more closely approximates the size of the Marathon County Highway Unit than the other municipalities suggested by the Union. In addition, the two units work with similar equipment and perform similar functions. The Arbitrator rejects the County's argument that City and County units should not serve as comparables to one another . The cases cited by the County in support of its position relate to sheriff's departments cases in LaCrosse[3] and Winnebago[4] counties. In those cases, Arbitrators Bilder and Gundermann, respectively, rejected the comparison of a sheriff's department to a police department. They note that the two units performed different functions and should not serve as comparables to one another. This Arbitrator finds that the Street Department of the City and the Highway unit were the object of jointly formed policies for an extended period of time. The equipment operated and the functions performed differ more as to location than as to the precise duties and responsibilities performed by employees of the two units.

The Union's suggestion of LaCrosse as a comparable is not accepted by the Arbitrator. LaCrosse County is geographically more distant than Chippewa and Eau Claire and is in a different labor market than Marathon County. The Arbitrator finds the contiguous counties of Lincoln, Langlade, Shawano, Portage, Waupaca, Wood, and Clark, as well as, Eau Claire and Chippewa counties and the City of Wausau are the appropriate comparables to Marathon County, in this case.

WAGES

d. Comparability: Other Highway Department Employees

The Union's argument on wages is premised upon its comparability groupings. It argues that the suburban municipalities in the Wausau metropolitan area, in addition to the City of Wausau, enjoy hourly wage rates which average $12.37 per hour while the County's offer is $11.49 and the Union's $11.81. In this regard, the Union identifies the 14¢ bump provided mid-year in 1991 as catch-up.

The Union points to the reallocations and elimination of testing barriers achieved in the sheriff's department unit and the large increases

---

[3]Decision No. 26493-A (Bilder, 12/90).

[4]Decision No. 19378-A (Gundermann, 7/82).

enjoyed by each deputy sheriff as a result thereof to justify a wage catch-up in this unit of highway employees, as well.

In addition, the Union points to the comparables employed by Arbitrator Stern in determining the Courthouse and Social Service Professional units in 1990. The average wage increase among the Heavy Equipment Operator rates among the comparables of LaCrosse, Portage, Chippewa, Winnebago, Outagamie, Fond du Lac, and Eau Claire is $11.17 per hour in 1991. The County offer is $10.91 per hour and the Union's is $11.25 per hour. The Union argues on that basis that catch-up is appropriate, in the Highway unit.

The Arbitrator has identified a comparability pool of the eight contiguous counties, inclusive of the smaller counties and the counties of Eau Claire and Chippewa as well as the City of Wausau. Nineteen of the seventy-four employees are classified as Equipment Operators III. The average rate among the comparables in this classification is $10.94 per hour. The Arbitrator did not include the City of Wausau rate for 1991 in this computation, inasmuch as that rate was not provided in the record. The County offers an end year rate at that classification of $11.16. The Union rate is $11.12.

In 1992, the rates among the comparables at this classification, including the City of Wausau for which data is available, is $11.56. The County offer is an end year rate of $11.71 at this classification. Under the Union's offer, the rate is $11.91. It is noteworthy that if the rates proposed by the County are reduced by 14¢, the 14¢ bump which the County identifies as a quid pro quo for its health insurance deductible proposal, the end year rates for 1991 at the Equipment Operator III classification remain in 1991 approximately 10¢ above the average of the comparables, selected by the Arbitrator, and 1¢ above that average in 1992.

The offers of the County and the Union at the Equipment Operator II and Highway Worker classifications suggest little variance from the average of the comparables or change in rank under either the County or Union offers.

The above comparability criteria suggest that the County offer not only maintains its rank and generates increases equal to or more than those provided by comparable employers, but it also suggests that the 14¢ per hour "bump" in July 1991 may be considered as a quid pro quo. The 14¢ may be identified as a sum above and beyond what comparable employers are providing as increases to their employees, at least in 1991.

e. and j. Comparability Highway Department Employees to Other Employees of Marathon County

The internal comparables support the County's final offer. The County proposes increases of 3% January 1 and an additional 1% on July 1 for calendar year 1991. For calendar year 1992, it proposes a 3% increase effective January 1 and an additional 2% increase on July 1 (the July bumps are not compounded). The County has consistently presented this final offer in the other units which are in arbitration. In addition, the units which have settled, have settled along this pattern.

With regard to the pattern of settlement, the Union goes to great lengths to demonstrate that the County has provided reallocations, which are enjoyed by all but a few of the employees in the three units which have settled voluntarily. The Union argues that these adjustments are so large that they more than offset the cost of deductibles and explain why these units settled voluntarily. The Union argues that had the County made adjustments in this unit similar to those in the other units it would have settled the dispute between the County and the Highway Department employees, as well.

In this regard, the Union submits a copy of the County's brief to Arbitrator Stern in the proceedings which he conducted in the Courthouse Professional and Social Service Professional units. In those cases, the County argues that adjustments are made as needed. In its brief to Arbitrator Stern, the County argues against providing increases across the board of a magnitude where one wage rate may require a larger adjustment. The County asserts it more appropriate to adjust the rate which is out of line.

The evidence suggests that these individual reallocations and adjustments to specific classifications, are not charged by the County to the total package across-the-board increase. Although the cost of such adjustments appear in the total costing of the package, it is not included as part of the across-the-board percentage which it offers to each unit. The County is consistent when it identifies its 3% plus 1%; 3% plus 2% as its pattern of settlement. Here, in the Highway unit the adjustments to the level 1 classifications in the highway unit and to the Screed Operator are not costed against its percentage increase.

The Union's proposal of a 4% plus 1%; 4% plus 1% increase pattern (compounded) is inconsistent with the proposals of all the other units in arbitration. The final offers of the other units in arbitration fall into the 3% plus 2%; 3% plus 2% range with disputes between the County and individual unions over the extent to which classifications are to be reallocated in each of these disputes. Nonetheless, the 4% plus 1% offer generated by the Union differs only slightly from the pattern of offers of other unions which are in arbitration with Marathon County in this round of bargaining for the 1991 and 1992 calendar years.

The application of these two criteria to the wage issue provides some support to the County's rather than the Union's final offer.

Cost of Living

The Arbitrator uses the total package increase as the figure to be compared to the increase in the cost of living. The cost of living is a market basket figure. It measures the increase in costs of health care and rent, etc. The total package increases reflect the increases in wages and insurance which permit an employee to meet the increases in costs which the employee finds as she/he goes about purchasing items necessary for living.

In this regard, the total package percentage increase proposed by the County's economic offer is 8.8% in 1991 over 1990 costs and 4.5% in 1992 over 1991 costs. The Union proposes a 9.1% increase and 4.8% in 1991 and 1992, respectively. Both the 1991 and 1992 proposals of the County more closely approximate the increase in the cost of living of 6.1% (as contrasted to the County's 8.8% and the Union's 9.1%) in the small metro area index for calendar year 1990, and 3.7% increase (as contrasted to the County's 4.5% and the Union's 4.8%) over the entire 1991 calendar year as a basis for computing the cost of living for 1992.

The cost of living increase among the non-metropolitan urban wage earners and clerical workers for calendar year 1990 supports the County's final offer. The annual increase in the CPI for 1990, the year preceding the one at issue here, was 5.9%. The increase in the cost of living for all of 1991 was 2.7% under the non-metro area index. The data for 1992 supports the County final offer. Accordingly, the Arbitrator finds that this criterion supports the lower total package final offer, that of the County, for both years of the Agreement.

The differences between the final offers of these parties are not great. This criterion provides some support for the selection of the County final offer.

Summary of the Application of Criteria on the Wages Issue

The data and arguments of the parties permit the application of four of the ten statutory criteria to the wage issue. The Arbitrator concludes that the comparability criteria, both the internal and external comparables, as well as the criteria "such other factors" and the "cost -of-living" support the selection of the County's final offer on the wage issue. In addition, this analysis suggests that the 14¢ bump does serve as a quid pro quo for the County's health insurance deductible proposal.

HEALTH INSURANCE DEDUCTIBLES

Introduction

By far the most data, arguments, and articles for review were submitted on this issue. The County proposes increasing the deductibles from $100 per person for single coverage and $100 per person to a $200 aggregate maximum per family to a $200 up front deductible for single coverage and $200 per person deductible to an aggregate of $600 per family, effective January 1, 1992. The Union proposes keeping the individual deductible at $100, but increasing the aggregate per family to $300.

As additional background to this issue, the County began to self-insure the health insurance benefit which it provides to its employees in 1983. At that time, the Employer established a reserve fund to finance the payment of claims made under its self-insured health insurance program. At present and in the immediate past, the health insurance plan has been administered by Wisconsin's Physician Service. The structure of the health insurance plan was established by Marathon County.

The most important factor to be noted in considering the County's proposal is that it pays the full cost of what it identifies as the single and family "premium" for health insurance coverage.

Many of the insights provided by the Haack report to the Marathon County Board of Supervisors and the articles presented by both the Union and County in the many exhibits presented at this hearing speak to the macro issues underlying the skyrocketing increases in health care costs experienced by Marathon County and its employees and indeed by the nation, generally. Some data which the Arbitrator has culled from these reports serves as a backdrop for consideration of this issue.

The United States, at present, spends approximately 12.4% of its Gross National Product on health care costs. The finger of blame for these increases is often pointed at the prospective payment system adopted by Medicare to reimburse hospitals. As a result of the use of this system, the shortfall generated by this reimbursement system is charged by hospitals to insured patients.

In its brief, the Union notes that other commentators blame increasing costs on malpractice awards and the absence of structural elements which would restrain cost increases. The health insurance issue is one of several on the national agenda in this presidential election year. Needless to say, these macro issues, although noted herein, cannot be resolved in this interest arbitration proceeding. Nonetheless, the County through its proposal attempts to restrain the rate of increase of the cost of health insurance and the "premium" which it must establish under its self-

insurance program to offset these increasing costs. The parties do not agree as to the method to be used to restrain these costs. They do not agree as to who should bear the brunt of these cost increases.

The County suggests in its argument that its proposal to increase health insurance deductibles will make employees better consumers of health care services. As better consumers of these services, the increase in the cost of claims should moderate.

The Union points to some of the articles which it introduced into the record which include Union generated data to its membership and staff concerning the effect of various proposals to restrain health care costs. These articles indicate that cost shifting from the Employer to the employee is the effect of many of these proposals. However, these articles are short on specific suggestions on how to effectively restrain the increase in health insurance costs.

The study funded by the County and made by Frank F. Haack and Associates of the increase in County's cost of claims yields the following information. The cost of health insurance claims experienced by Marathon County's self-insurance plan for all its employees increased by 50% in 1989 over 1988. The increase in cost was 42% in 1990 over 1989. But in 1991 the increase in the cost of claims was 1% over that experienced in 1990.

The Haack study identifies elements of the County's health insurance plan which encourage additional costs. For example, the limited co-insurance which was part of the County's health insurance program kicked in when a hospitalized employee would enter a skilled nursing home. Hospital costs were covered at 100%, but the skilled nursing home care would be covered at 80% by insurance. This provided a disincentive to the use of less costly medical services. In addition, there was no provision for home health care services or for hospice care. The consultant found that the benefits provided for mental health and alcohol treatment of 365 days, again, encouraged cost increases rather than cost containment.

Both the Union and the County present arguments concerning cost containment devices which are not part of either proposal nor are they part of the agreed upon "Managed Care" Program. Despite the serious problems which impact upon the increasing cost of health care in the United States, the parties, in their documentary evidence and arguments, are able to identify a number of proposals to contain costs. Unfortunately, those proposals do not appear in either final offer. As a result, those proposals receive little consideration in the analysis which follows.

a. The Lawful Authority of the Employer

In its presentation, the Union establishes that over the time that the self-insurance program has been in effect from 1983 through 1991, the

County has placed approximately $772,000 of general funds into the self funded reserves for the health insurance benefit, but it has removed approximately $800,000 from the fund reserves and transferred those funds to the County general accounts. Finance Director Karow, who was not employed by the County at the time that the self-insurance fund was established, was unable to fully explain the activity of the fund. However, it appears from the record that the self-insurance fund is not a segregated fund. Although stop loss and reinsurance coverage has been obtained by the County, in this age of the instability of some insurance carriers, the question of taxpayer liability for reserve shortfalls should a reinsurance carrier fail was not addressed by the parties. It was suggested by the Union in its attack on the withdrawal of reserves by the County. This issue is a concern. However the specific issue of taxpayer exposure in the absence of a segregated fund and the failure of a stop loss carrier is not directly addressed by the parties in their arguments, nor do the offers of the parties differ on this point. The Arbitrator give this factor no consideration in his determination of this issue. This issue was not raised with sufficient specificity so as to provide a basis for arbitral determination.

The issue of the establishment of a segregated fund and the County's right to withdraw reserves from that fund is an issue which focuses on the question of the advisability of self-insurance. However, the Union bases its proposal on the continuation of the County's self-insurance program. In this regard, the Union's arguments concerning the City of Wausau and its decision to terminate its self-insurance program and obtain a Preferred Provider Option program, the North Central Health Protection Plan, is not proposed by the Union as an alternative to the County's increase in health insurance deductibles. Therefore, this criterion does not serve to distinguish between the final offers submitted by the parties.

b. Stipulations of the Parties

Both the Employer and the Union present identical "Managed Care" Programs , with the exception of the amount of penalty to be assessed against an employee who fails to use the "Managed Care" pre-certification procedures. Frank F. Haack and Associates indicate that a "Managed Care" Program of pre-certification review and concurrent utilization review may generate savings in the cost of claims amounting to approximately 1.8%.

The Union argues that its agreement to employ a "Managed Care" Program and its use of pre-utilization review will generate savings which will make the County's health insurance deductible program unnecessary. There has been insufficient time for the implementation of the "Managed Care" Program for the parties to ascertain the amount savings which would be generated by such a program. However, the consultant's report suggests that "Managed Care" will generate some savings.

The Arbitrator finds that this criterion, "the stipulations of the parties" provides some support to the Union argument.

c. Interest and Welfare of the Public

The Union argues that large increases in deductibles will discourage employees from obtaining necessary care. Minor health problems will not be treated until they become major problems which must receive expensive treatment. The Union cites a study which demonstrates that with the decrease in the amount of a deductible, poorer employees are able to obtain vision and dental care. The Arbitrator is not persuaded by this argument. The County pays the full "premium". It thereby saves money for employees who have no health problems. The Arbitrator is not convinced that under this arrangement employees will not obtain the medical attention which they and their families require.

Arguments and data were presented concerning the health insurance problem in the United States. However, those arguments are of such general application that the specific matters at issue, here, are not subject to analysis on the basis of this criterion.

This criterion does not serve to distinguish between the final offers of the parties.

Comparability

The Union argues that the increase to $600 in health insurance deductibles for the family up will not materially decrease the cost of health insurance claims. The Union points to the article in Consumer Reports which cites the experience of the Travelers Insurance Company where it found that an increase in deductibles did not generate any significant savings in health insurance claims.

The Union demonstrates that whatever comparables are identified, none have in place an aggregate family deductible as high as $600. Most do have a $300 aggregate deductible. However, among the contiguous counties, only two of these comparables pay the full premium cost for both single and family coverage. Only in Lincoln County and the basic plan in Taylor County does the Employer pay 100% of the plan's cost.

The City of Wausau changed to a Preferred Provider Option, the North Central Health Protection Plan. The City was able to significantly lower its costs to $114 for a single plan and $352 for a family plan. The Union notes that a Preferred Provider Option would generate at least a 6.8% savings according to the Haack study conducted on behalf of the County. The City of Wausau similarly pays 100% of the employee's cost of single and family coverage under the PPO plan. In 1992, the cost of that plan is $123 for

single coverage and $378 for family coverage. Yet, the Union does not propose a change from the self-insured fund to the PPO plan.

The comparability data presents a mixed picture. On the one hand, only three of the above comparables pay 100% of the premium. On the other hand, the maximum aggregate deductible for family coverage is $300. In fact, the Haack study suggests that a savings which approximates the size of the savings which would be generated by switching to a Preferred Provider Option is approximately the same as increasing the deductible from $200 aggregate per family to $400 aggregate per family. The study did not precisely identify the savings generated by a $600 deductible. Despite the extensive documentation presented, here, it is unclear why the Employer chose to incorporate a $600 rather than a $400 deductible. The Arbitrator finds that the comparability criterion provides strong support to the Union's position.

(h) Overall Compensation

Both parties identify health insurance coverage as one of the most important benefits provided by an employer to its employees. In this regard, the Employer argues that its proposal to increase the amount of the up front family deductible to an aggregate of $600 is a cost containment measure which will make its employees better consumers of health insurance services.

Its consultant, Frank Haack and Associates, suggests that the increase in health insurance deductibles is a cost sharing proposal. It tends to shift some of the costs of health care benefits to employees. The Arbitrator agrees with the consultant in its description of the County's proposal. Nonetheless, not all employees will pay under this cost sharing proposal. Employees who make no claims under the health insurance program will not incur any additional costs. This contrasts with cost sharing proposals where employees pay a percentage of health insurance premiums for single and/or family coverage. Under that scenario, all employees would pay some cost of coverage, whether or not they use the benefit.

In addition, the Employer's Exhibit No. 44 demonstrates that the health insurance plan in effect in Marathon County has a very limited co-insurance feature. As a result, the employee exposure to health care costs is much more limited than it is under the health insurance programs in place in comparable employers. The County plan is more comprehensive and better insulates employees from incurring health insurance costs.

The Employer proposal is constructed in a manner so that the maximum exposure to increased costs in those limited situations where the co-insurance kicks in is not increased. The maximum exposure is $500 per person or $1200 to the family even with the increase in the up front deductible to the $600 aggregate.

The Arbitrator finds this criterion supports the Employer's position.

j. Such Other Factors

This criterion is the most significant in the analysis of the health insurance deductibles issue. For it is under this criterion that the need for the change proposed by the County as contrasted to that proposed by the Union on the deductibles issue is to be assessed. The cost of the self insured health insurance program is comprised of the cost of claims plus administrative fees to administer the health insurance plan, plus the cost of re-insurance and stop loss, and any additional reserves necessary to offset anticipated costs of claims which remain uncovered by the amounts in reserves set aside to pay claims. The County establishes the sum necessary to offset these costs when it establishes a "premium" amount for single and family coverage. In 1991, the "premium" for single coverage under the County's self-insured health insurance plan increased from the 1990 rate of $135.60 per month to $207.63 per month. At the same time, the family rate increased in 1991 from the 1990 rate of 317.89 to $456.08 per month.

The County proposes a $400 increase in the up-front deductible for family coverage. The $400 increase to $600 to an up-front deductible of $600 is offset by the 14¢ per hour increase offered by the County six months prior to the effective date of the $600 health insurance deductible. This quid pro quo as identified in the above analysis of the wage issue, together with the payment of 100% of what is identified under the self-insurance program, generate the necessary sum to offset the cost in the proposed increase in the family aggregate health insurance deductible, in the first year the increased deductible is in effect.

On the other hand, the Union points out, that in the study of the cost of claims prepared by Frank F. Haack and Associates, the percentage of the insured in the Marathon County health insurance plan who had no claims increased 14.8% in 1988 and by 9.7% in 1989. Those with claims between 0 and $2,000 constitute approximately 92% of the participants in the plan. The remaining 8% incur approximately 38% of the costs of claims and the remaining 1% incur approximately the balance of the claims. It is apparent from this data that those with serious illnesses are the ones who are consuming the bulk of the costs of claims made against the County's self-insurance program. In addition, the data collected by Haack and Associates indicates that the average length of hospital stays has steadily decreased from 5.74 days in 1987 to 4.4 days in 1989.

The County justifies the $400 increase in the up-front deductible for family coverage by asserting that this increase in deductible will make the employees of Marathon County better consumers of health care services.

The Union successfully rebuts this assertion. First, the above data suggests that the participants in the Marathon County health insurance plan are not ill advised consumers. Secondly, the data demonstrates that the consumers of health care services are not in a position to evaluate the costs which are incurred in providing health care. If a physician makes a decision to place a patient in the hospital, the employee by him/herself is not in a position to second guess or dispute that decision. The patient is not in the position to compare the cost of outpatient versus inpatient services. There must be in place procedures which permit or require the employee to obtain additional information and to base the decision on the kind of care the patient needs on the basis of that additional information. The "Managed Care" Program which both the Employer and the Union have agreed to will provide the procedures for pre-admission and second opinion consultation to provide the employee with information on which an intelligent decision may be made. The use of utilization review will provide information and impetus to the decision maker, the physician, to keep hospital stays at a minimum and encourage outpatient care. The adoption of the 100% coverage for hospice and home health care services will encourage employees to leave the hospital when they are able to recuperate at home or at a lower cost facility than a hospital. These procedures, rather than increased deductibles, will make the participants in the health insurance plan better consumers.

The purpose of health insurance, whether it be a "rich" plan, as the County's consultant Radke describes the Marathon County plan, or whether it is a plan with large co-insurance and up-front deductible features, all agree that, at minimum, a health insurance program must insulate the individual and/or the family from the catastrophic effects of large health care bills. It is apparent from the above data, that the significant percentage of the costs incurred by the County self-insured health insurance plan are the result of the large health care costs incurred by a small number of participants in the plan. Yet, no matter what plan is devised, it is the purpose of such a plan to insulate employees from the catastrophic effect of such large health care bills. The increased deductible will certainly have these employees absorb $600 rather than $200 of up-front costs, but it will not decrease the amount of health care services which these employees and/or their families will consume.

The above analysis suggests that the Employer proposes an increase of $400 to a $600 aggregate in health insurance deductibles which is based upon an argument which it has failed to sustain. The increased deductibles will not necessarily make the participants in the health insurance program better consumers. Other agreements reached by the parties on "Managed Care" will in all likelihood result in the participants becoming better consumers of health care services. The proposal to increase the deductible is a cost sharing proposal. It shifts some of the costs of health care from the Employer to the employee. However, it does so in a manner such that only

the consumers of health care benefits will incur the additional costs. Those who do not consume the services will not incur those costs.

Yet, it is the employer which underwrites all of the cost of providing health insurance for employees. It is the employer that offers a quid pro quo for the increase in health insurance deductibles. In the course of the last six months of 1991 and the 1992 calendar year, employees will earn in excess of the $400 in deductible costs which employees with family coverage will incur. Sixty-seven of the seventy-four employees in this unit have family coverage. The Employer has made a better case for an increase in deductibles to $200 per person and $400 for family coverage. It has not made a convincing argument to sustain the extent of the increase which it proposes. Nonetheless, the County is the party which underwrites most of the cost associated with health insurance coverage. It pays the full "premium" associated with such health insurance. The plan has limited co-insurance features. It is a very inclusive program. The full payment of "premium" is the basis for the Arbitrator's providing the Employer with some additional latitude in establishing the contours of its broad insurance plan. The Arbitrator concludes that this factor slightly supports the County's position on this issue. If the employees paid any part of the "premium", the Arbitrator would have concluded that this criterion supports the Union position.

Summary on Health Insurance Deductibles

The criterion "the Lawful Authority of the Employer" does not serve to distinguish between the positions of the parties. The "stipulations of the parties" supports the Union's position. The comparability factor provides strong support to the Union's position. The criterion, "overall compensation" supports the Employer position. The final criterion "Such other Factors" to which the Arbitrator gives substantial weight slightly supports the Employer's position. On the basis of this summary, the Arbitrator concludes that the countervailing forces on this issue offset one another. The Arbitrator concludes that the Employer's offer includes a greater increase in the deductible than can be justified. On the other hand, it underwrites most but the cost of the deductibles of the cost of health care services and benefits enjoyed by its employees and their families, and it provides some quid pro quo in support of its offer.

Accordingly, the Arbitrator concludes that the statutory criteria equally support the adoption of either offer on the matter of health insurance deductibles.

Family Leave for Serious Illness

j. Such Other Factors

The Union proposes maintenance of the status quo on this issue. It notes through uncontroverted testimony of Local Union President Schlund that there has been no problem, grievance or dispute associated with this language since its introduction into the collective bargaining agreements covering this unit of employees. This language was first introduced in the 1977-78 agreement. Its inclusion predates the adoption of the interest arbitration statutory procedures in Wisconsin.

The County's argument that the language is ambiguous and susceptible to problems of interpretation may apply to other units. However, the County has not demonstrated the existence of any problem with the administration of this provision in this Highway unit.

The Union has demonstrated that there are slight differences in the Family Leave language among the various County units. The language in the Teamster agreement for employees at the airport differs from the language in place in the Courthouse Professional unit. In fact, the language in the Social Service Professional unit differs slightly from the language on family leave which appears in the Social Service Paraprofessional unit. One contains an example of a factual scenario when the benefit may be used, the other does not set an example in the language of the Agreement.

The Arbitrator reviewed the well reasoned opinions of grievance arbitrators Burns and Shaw. However, this Arbitrator need not reach the question of whether the language of family leave is ambiguous and difficult to administer. Here, in the Highway unit, there is no such problem. Accordingly, the Arbitrator concludes that the sole statutory criterion applicable to this issue strongly supports the Union's status quo position.

The "Managed Care" Penalty

The County proposes a $500 penalty be assessed against an employee who fails to use the pre-admission and utilization review procedures put in place under the agreed to "Managed Care" Program. The Union argues that the $500 penalty is draconian in nature. For blue collar employees, the $100 assessment is sufficient to insure compliance with the "Managed Care" procedures.

j. Such Other Factors

It is this criterion which is determinative of this issue. The internal comparables strongly support the Employer's position on this issue. Not only have the units which have settled with the County for wages, hours, and conditions of employment for calendar years 1991 and 1992 agreed to the

$500 penalty, but the other five units in arbitration have all agreed to the $500 penalty. It is only the Highway unit which proposes a $100 penalty.

The Union presents a reasonable argument that $100 may well be sufficient to assure that employees comply with the "Managed Care" requirements prior to incurring medical costs. Those who do not comply will do so out of ignorance rather than their devaluation of the size of the penalty. Nonetheless, the Highway unit stands alone among all the units of Marathon County, including other AFSCME units, on this issue.

SELECTION OF THE FINAL OFFER

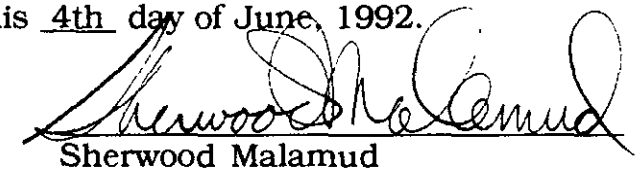
In the above analysis, the Arbitrator concludes that the application of statutory criteria to the record evidence supports the County position on the issue of wages and the "Managed Care" penalty. The Union's position is preferred on the issue of the Family Leave language. The application of the statutory criteria to the issue of the health insurance deductibles results in equal support for the Union and County position. Accordingly, on the basis of the totality of the record, the County final offer is to be preferred. In future bargains, the savings generated by the changes included in the County's final offer may result in significant cost savings which the parties will have to address and deal with in their future bargaining.

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

AWARD

Based upon the statutory criteria found in Sec. 111.70(4)(cm)7.a.-j. of the Wis. Stats., upon the evidence and arguments of the parties, and for the reasons discussed above, the Arbitrator selects the final offer of Marathon County, a copy of which is attached hereto, together with the stipulations of agreed upon items, to be included in the successor Agreement for calendar years 1991 and 1992 between Marathon County and Marathon County Highway Department Local 326, AFSCME.

Dated at Madison, Wisconsin, this 4th day of June, 1992.



Sherwood Malamud
Arbitrator

SUMMARY OF THE
MANAGED CARE SERVICES
PROVIDED TO
MARATHON COUNTY
BY
EMPLOYERS HEALTH INSURANCE COMPANY

Those employees who have properly certified may be offered the following enhancements to benefits covered by the major medical portion of the County's health plan:

1. Hospice Care: When hospice care is in lieu of a covered confinement in a hospital or convalescent home and has the prior approval of EHIC, benefits are payable at 100 percent. The up-front deductibles and co-payment will not apply;

2. Home Health Care: When home health care is in lieu of a covered confinement in a hospital or convalescent nursing home and has the prior approval of EHIC, benefits are not subject to the up-front deductibles, co-payments, and the limit on the number of visits per year is removed.

Case Management

If you or your covered dependents, become seriously/chronically ill or injured, your Plan provides Case Management Services to help you use your benefits under the Plan more effectively. This is accomplished by working with you and your qualified practitioner, to assist in planning and implementing health care alternatives to meet your needs.

Case Management is designed to work with you and your physician to effectively utilize your health benefits by assisting in planning and implementing care alternatives.

Case Management also helps to control costs and utilize your benefits by promoting health care alternatives that are acceptable to you and your qualified practitioner.

Case Management is a program with a proven track record for managing cost and care associated with catastrophic illness or injuries. A chronic or catastrophic illness or injury can generate claims that could easily exhaust your benefits if not carefully managed. With Case Management, we can conserve benefit dollars by making sure that your care is handled as efficiently as possible.

For Case Management Services Telephone 1-800-558-4444.

DRD
6/12/01

13/91

SUMMARY OF THE MANAGED CARE SERVICES PROVIDED TO MARATHON COUNTY BY EMPLOYERS HEALTH INSURANCE COMPANY

The purpose of this document is to summarize the managed care services which will be provided by Employers Health Insurance Company (EHIC) under the name of Care Plus. The managed care program is designed to provide cost containment and control of medical expenses by eliminating unnecessary hospitalizations and guiding employees toward lower cost services such as outpatient surgery and home health care without compromising the quality of treatment.

Pre-Certification

Pre-certification is required when:

- -- Your physician recommends hospitalization, however, if admission is on an emergency basis, notification is required within 24 hours after admission or the first business day following admission;
- -- Inpatient or outpatient surgery is being considered for yourself or an eligible family member;
- -- You or an eligible family member becomes pregnant;
- -- Hospice or home health care is required.

The required procedure for pre-certification is to contact EHIC in writing or by telephone (1-800-647-4477) at least seven (7) days prior to admission or the time of outpatient non-emergency surgery. If necessary, EHIC may certify your admission or surgery by telephone on twenty-four (24) hours notice.

Upon notice, EHIC will:

1. Review your qualified practitioner's recommended treatment plan;
2. Advise you and your qualified practitioner if the proposed confinement or outpatient surgery is certified as medically necessary;
3. Advise you and your qualified practitioner for how many days the confinement is certified.

If your admission or surgery is not certified, benefits for the qualified practitioner are paid after a $500 penalty deduction per occurrence, subject to the plan lifetime maximum. The penalty deduction is not applied to the co-payment, regular up-front deductibles, or out-of-pocket maximums.

DHD
6/10/91

APPENDIX A - SALARY SCHEDULE

Effective July 1, 1992

LEVEL	CLASSIFICATION	STEP A	STEP B
1	Equipment Services Mechanic Blacksmith Equipment Operator IV Trades Technician II	$11.65	$12.26
2	Equipment Operator III Supply Clerk Traffic Maintainer	$11.12	$11.71
3	Equipment Operator II Highway Patroller Trades Technician Equipment Services Worker	$10.91	$11.48
4	Highway Worker Janitor	$10.74	$11.31
5	Laborer	$10.40	$10.95
	Blaster Rate		$14.14

DRO
6/10/91

APPENDIX A - SALARY SCHEDULE

Effective Janaury 1, 1992

LEVEL	CLASSIFICATION	STEP A	STEP B
1	Equipment Services Mechanic Blacksmith Equipment Operator IV Trades Technician II	$11.43	$12.03
2	Equipment Operator III Supply Clerk Traffic Maintainer	$10.92	$11.49
3	Equipment Operator II Highway Patroller Trades Technician Equipment Services Worker	$10.70	$11.26
4	Highway Worker Janitor	$10.54	$11.09
5	Laborer	$10.20	$10.74
	Blaster Rate		$13.87

DMD 7/24/91

DMD
6/10/91

APPENDIX A - SALARY SCHEDULE

Effective July 1, 1991

LEVEL	CLASSIFICATION	STEP A	STEP B
1	Equipment Services Mechanic Blacksmith Equipment Operator IV Trades Technician II	$11.10	$11.68
2	Equipment Operator III Supply Clerk Traffic Maintainer	$10.60	$11.16
3	Equipment Operator II Highway Patroller Trades Technician Equipment Services Worker	$10.38	$10.93
4	Highway Worker Janitor	$10.23	$10.77
5	Laborer	$9.91	$10.43
	Blaster Rate		$13.47

DMD 7/29/91

DMD
6/20/91

APPENDIX A - SALARY SCHEDULE

Effective Janaury 1, 1991

LEVEL	CLASSIFICATION	STEP A	STEP B
1	Equipment Services Mechanic Blacksmith Equipment Operator IV Trades Technician II	$10.86	$11.43
2	Equipment Operator III Supply Clerk Traffic Maintainer	$10.36	$10.91
3	Equipment Operator II Highway Patroller Trades Technician Equipment Services Worker	$10.16	$10.69
4	Highway Worker Janitor	$10.00	$10.53
5	Laborer	$9.68	$10.19
	Blaster Rate		$13.20

DRD 7/29/91

DRD 6/10/91

Effective July 1, 1991	- 1% increase (based on 12/31/90 rates) to all rates plus an additional $.14 per hour increase with Step A adjusted accordingly
Effective January 1, 1992	- 3% increase
Effective July 1, 1992	- 2% increase (based on 12/31/91 rates)

DNO 7/29/91
DNO 6/12/91

FINAL OFFER
OF
MARATHON COUNTY
TO
MARATHON COUNTY HIGHWAY DEPARTMENT EMPLOYEES
AFSCME 326
FOR A
1991-92 LABOR AGREEMENT

1. Article 13 - Sick Leave, Section 5 - Illness in Family, revise to read as follows:

"Employees will be allowed to use sick leave in cases of illness in the immediate family for a period of two (2) working days per year. Immediate family is defined as the employee's spouse, children, parents, brother, sister, or other member of the employee's household.

2. Article 19 - Medical, Hospitalization, Dental and Life Insurance, revise paragraph 1 - Medical and Hospitalization Benefits by adding the following new paragraphs:

Managed Care: Effective January 1, 1991, or as soon as possible thereafter, Marathon County will implement a Managed Care Program in accordance with the attached Summary. A five hundred dollar ($500) penalty will be assessed for failing to follow procedures for precertifying medical treatments.

Deductibles: Effective January 1, 1991, deductibles are on hundred ($100) per person, two hundred ($200) per family per year. Effective January 1, 1992, deductibles are two hundred dollars ($200) per person, six hundred dollars ($600) per family per year.

3. Appendix A - Salary Schedule, revise to provide for the following wage adjustments and new equipment listings:

A. Add the assignment of "Screed Operator" to Level 3 of the Salary Schedule effective January 1, 1991.

B. Revise wage rate for Level 1 by adding $.46 to the 1990 rate effective January 1, 1991 prior to implementing any percentage increase.

C. Revise all wage rates to provide for the following wage adjustment:

Effective January 1, 1991 - 3% increase

7/24/91
DRD

DRD
8/20/91