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IN THE MATTER OF ARBITRATION)
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 between)
)
 Wisconsin Professional Police)
 Association, Law Enforcement)
 Employee Relations Division,)
 Lincoln County Deputy Local)
)
 -and-)
)
 Lincoln County)
 (Sheriff's Department))
))

COMPULSORY FINAL OFFER)
 INTEREST ARBITRATION)
 OCT 26 1983

WISCONSIN EMPLOYMENT)
 RELATIONS COMMISSION)

Case XLIII No. 31320)
 MIA-761)
 Decision No. 20737-A)

October 24, 1983

APPEARANCES

For Wisconsin Professional Police Association, Law Enforcement
Relations Division, Lincoln County Deputy Local

Pat Coraggio, LEER Administrator
Richard T. Little, LEER Research Analyst
Tom Koth, Deputy
Jerry L. Schroeder, Detective
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For Lincoln County (Sheriff's Department)

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Marynell White, Research Analyst, Mulcahy & Wherry
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Victor R. Ouimette, President, Wisconsin Insurance Associate, Inc.,
Minocqua, Wisconsin

JURISDICTION OF ARBITRATOR

On March 11, 1983, the Wisconsin Professional Police Association, Law Enforcement Employee Relations Division, Lincoln County Deputy Local, (hereinafter "Association") filed a petition with the Wisconsin Employment Relations Commission requesting the Commission to initiate final and binding arbitration pursuant to Section 111.77(3) of the Municipal Employment Relations Act, with regard to an impasse existing between the Association and Lincoln County (Sheriff's Department) (hereinafter "County" or "Employer") with respect to wages, hours and conditions of employment of law enforcement personnel for the years 1983-84; that an investigation having been conducted on April 26, 1983, by Mary Jo Schiavoni, a member of the Commission's staff; and that said Investigator having advised the Commission on June 7, 1983, that the Parties are at impasse on the existing issues as outlined in their final offers transmitted along with said advice and that said Investigator has closed the investigation on that basis.

The Wisconsin Employment Relations Commission, having on June 8, 1983, issued an Order that compulsory final offer arbitration be initiated for the purpose of issuing a final and binding award to resolve an impasse arising in collective bargaining between the Parties on matters affecting wages, hours and conditions of employment of non-supervisory law enforcement personnel in the employ of the County; and on the same date the Commission having furnished the Parties a panel of arbitrators from which they could select a sole

arbitrator to issue a final and binding award in the matter; and the Parties having advised the Commission that they had chosen Mr. Richard John Miller, New Hope, Minnesota, as the arbitrator.

The arbitration hearing convened on Wednesday, August 17, 1983, at 9:30 a.m. in the Lincoln County Sheriff's Department Complex, Merrill, Wisconsin. Following receipt of positions, contentions and evidence, the Association on August 30, 1983, submitted a copy of the revised exhibits prepared by the Association for the hearing. On the same day, the County filed revised copies of Exhibit #6 (Exhibits 6a and 6b) submitted on behalf of Lincoln County, after which the hearing was considered closed.

The Parties filed post hearing briefs, which were received on October 5, 1983. The Parties also submitted reply briefs, which were received on October 14, 1983.

POSITIONS OF THE PARTIES

There are three issues in this arbitration. They involve wages, health insurance and duration. The final offers of the Parties are as follows:

Wages

County Final Offer: Effective January 1, 1983, increase wage rates 3.0%. Effective July 1, 1983, increase wage rates 3.0% over 1982 year end rates.

Association Final Offer: Effective January 1, 1983, increase wage rates 3.0%. Effective January 1, 1984, increase wage rates 4.0%.

Health Insurance

County Final Offer: All regular full-time employees shall be eligible for the County's group hospitalization surgical care insurance plan. Each employee shall have the option of selecting a plan providing the 1982 level of health insurance coverage or a second health insurance plan with deductible provisions. Effective January 1, 1983, the County agrees to pay ninety percent (90%) toward the family monthly insurance premium and ninety percent (90%) toward the single monthly insurance premium for the hospital and surgical insurance plan with the 1982 level of health insurance coverage. Effective July 1, 1983, the County shall pay the full cost of the single monthly premium and family monthly premium for the health insurance plan with deductible provisions. The employees will pay the additional cost if the employee selects the insurance plan providing the 1982 level of health insurance coverage. Employees may change from the insurance plan with the 1982 level of coverage to the insurance plan with deductible provisions on July 1, 1983 and December 31, 1983.

Any change in benefits shall be subject to the approval of the Personnel Committee, County Board and agreed to by the Union. No employee shall make any claim against the County for additional compensation in lieu of or in addition to his insurance premium contribution because he does not qualify for the family plan.

Association Final Offer: Maintains the health insurance language of the 1982 Labor Agreement with County paying 90% of premiums.

Duration

County Final Offer: Provides for a one year Agreement effective January 1, 1983 until December 31, 1983.

Association Final Offer: Provides for a two-year Agreement effective January 1, 1983 until December 31, 1984.

ANALYSIS OF THE EVIDENCE

Wisconsin Statute 111.77(6) sets forth the criteria which the arbitrator must consider in determining which final offer is more reasonable. It reads as follows:

- "(6) In reaching a decision, the arbitrator shall give weight to the following factors:
- (a) The lawful authority of the employer.
 - (b) Stipulations of the parties.
 - (c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.
 - (d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
 - 1. In public employment in comparable communities.
 - 2. In private employment in comparable communities.
 - (e) The average consumer price for goods and services, commonly known as the cost of living.
 - (f) The overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
 - (g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
 - (h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment."

A. The lawful authority of the employer.

This factor is not an important consideration in that neither Party alleged that the participation of the County in this matter, or its lawful authority to commit the economic resources to fund either final offer, as a result of this arbitration, are in dispute.

B. Stipulations of the parties.

The Parties have stipulated the item found in Employer Exhibit #1 (Probationary Period - Article 5) shall become part of the successor Labor Agreement. In addition, all other items of the 1982 Labor Agreement shall remain unchanged for the successor Labor Agreement, except those items contained in the final offer of each Party.

C. The interests and welfare of the public and the financial ability of the unit of government to meet these costs.

An important consideration under this factor is whether the final offers meet or defeat the public's demand for quality law enforcement work by qualified officers. The health and well being of law enforcement employees in the County is an important factor (if not paramount) in the performance of their assigned work duties. This is underscored by Article 7, Training of the 1982 Labor Agreement, which provides that "each employee agrees to maintain a level of professional competence and reasonable physical and mental fitness necessary to perform the work assigned." The burden is on the law enforcement employee to remain fit and healthy for the job, which everyone knows is a stressful one.

The County's final offer regarding health insurance continues the terms of the 1982 Labor Agreement through June 30, 1983, and provides Association members the option of selecting either a plan (Plan I - Joint Exhibit #2) providing the 1982 level of health insurance coverage or a second health insurance plan (Plan II - Joint Exhibit #3) with deductible provisions on July 1 or December 31, 1983. Effective July 1, 1983, the County proposes to pay the full cost of the single monthly premium and family monthly premium for the health insurance plan with deductible provisions and, if the employee selects the insurance plan providing the 1982 level of health insurance coverage, the additional cost will be borne by the employee.

The incorporation of the County's final offer may effectively force law enforcement employees not to take the necessary steps to correct health problems associated with their job stress. The Association's final offer, which maintains the status quo, will insure the health and well being of the law enforcement officer and his family and similarly will guarantee the interests and welfare of the public in the County's maintenance of its excellent level of law enforcement.

The Association, in recognition of this fact, has offered to make considerable concessions, primarily relative to wages, in order to maintain and financially secure this health plan. Employer Exhibit #6A compares the total cost to the County of the final offers submitted by the Parties. The cost of the County's final offer exceeds the cost of the Association's final offer for 1983. Wage and fringe benefit increases amount to a total package cost of 6.28% under the County's offer and 5.86% under the Association's offer. For 1984 the cost of the Association's final offer is estimated to be 6.26%, still less than the County's offer of 6.28% for 1983.

The foregoing clearly shows that the interest and welfare of the public and the financial ability of the County to meet these costs would be best served if the Association's final offer is adopted by the arbitrator.

- D. Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:
1. In public employment in comparable communities.
 2. In private employment in comparable communities.

In most interest arbitration cases, the issue of what constitutes a valid comparability group is present. There is no exception to that rule in this case. The criteria serving as indicia of comparability have been clearly delineated by arbitrators. These criteria include: geographic proximity, size of population, equalized valuation and full value tax rates. Thus, counties that are most similar to Lincoln County with respect to these variables will be considered most comparable to one another. The County submits that by taking into consideration the factors outlined above, Lincoln County is comparable to ten other counties in Wisconsin; these being: Clark, Forest, Langlade, Marathon, Oconto, Oneida, Portage, Price, Taylor and Vilas. Langlade, Oneida, Price and Taylor are considered most comparable by the County.

In addition to these ten counties, the County maintains the City of Merrill as extremely significant in the comparison of wages, hours and conditions of employment of other public sector employees with Lincoln County employees. Merrill employees are part of the same labor pool and reside in the same geographic area as Lincoln County employees. These employees compete for the same goods and services and are affected by the same variations in the labor market and the cost of living. Ten of the fourteen employees have established residences in Merrill. Merrill is also the most comparable underlying jurisdiction of Lincoln County. Merrill is both the Lincoln County seat and the City in which the Sheriff's Department headquarter is located.

The Association, on the other hand, proposes that the counties of Langlade, Marathon, Oneida, Price and Taylor are the most comparable. In addition, the cities of Antigo, Merrill, Rhinelander, Tomahawk and Wausau should be included in the Association's comparability group based upon geographic proximity and size of population to Lincoln County.

Based upon similarities in geographic location, population, equalized property value and full value tax rates, the arbitrator finds that the ten counties proposed by the County and the City of Merrill provide reliable measures of comparability in the comparison of wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services.

In 1982, Lincoln County Deputies received wages which exceeded Merrill Policeman by \$25.00 per month. Under the Association's final offer of 3%, Lincoln County Deputy wages would fall below Merrill Policemen by \$8.00 per month. (Employer Exhibit #24) In contrast, the year end monthly wage rate offered by the County (4.5% or \$1559) would continue to be above Merrill Policeman monthly rate (\$1523).

Employer Exhibit #29 illustrates the fact that the monthly Deputy rate in Lincoln County is \$79.00 above the average monthly rate for comparable counties in 1982. Under the County's offer for 1983, the Deputies maintain this position by remaining approximately \$80.00 above the average monthly rate. In contrast, the Association's offer for 1983 would result in the County falling to \$36.00 above the average monthly rate.

Employer Exhibit #30 indicates the 1983 across-the-board average wage increases at the maximum rate for Deputies among comparable counties of Clark, Forest, Langlade, Marathon, Oconto, Oneida, Portage, Price, Taylor and Vilas. The average dollar per month and percent increase of the comparable counties is \$67.00 and 4.7% respectively. The County's offer of \$66.00 per month or a 4.5% increase is much closer to the average of the comparable counties than the Association's offer of \$45.00 per month or a 3.0% increase.

The above shows that the County's offer of a split increase of 3% January 1, 1983, and 3% July 1, 1983, allows Association members to receive close to the average increases (dollars per month and percent increases) while maintaining their relative position in the comparables.

None of the comparables have settled contracts for 1984. The Arbitrator, therefore, is compelled to review other settlements across the state for wisdom. While a few public employers in the state have settled for 1984, those employers' wage increases are comparable and reasonable to that offered by the Association on page 13 of its Exhibits.

BASE WAGE PERCENTAGE INCREASE
1983-1984

<u>DEPARTMENT</u>	<u>PERCENTAGE</u>
1. Baraboo	4.2%
2. Butler	5.0%
3. Calumet	5.0%
4. Cudahy	5.0%
5. Cudahy	5.0%
5. Delavan, City of	5.0%
6. Grafton	5.0%
7. Jefferson County	4.0%
8. Marshfield	5.0%
9. Peshtigo	5.0%
10. St. Francis	5.0%
11. Shorewood	4% + 2%
12. Tomahawk	4% + 2%
13. Trempeleau County	5% + 2%
14. Waupaca P.D.	7.6%
15. West Allis	4.5%

The Parties admit that wages is an ancilliary issue with health insurance being the paramount issue in this arbitration. The County's health insurance premiums and contribution amounts for Lincoln County Deputies were second highest among comparable counties in 1982. (Employer Exhibit #34) The County's 1983 health insurance premium for the 1982 health insurance coverage (HMP-Plan I) ranks first among comparables and exceeds the average by over \$78.00. (Employer Exhibit #35) The County's final offer to insert deductibles and co-insurance provisions in the Basic Plan (Plan II) will reduce that average from \$78.00 to \$14.00 and rank from first to third.

To emphasis the impact of the County's proposal, the Employer is offering an additional wage increase, which totals \$3,288 more than the Association's for the second six months of 1983. (Association Exhibits, page 5) This is an average increase of \$252.93 per

Deputy (\$3288 ÷ 13). Under the Association's final offer, each Deputy would continue to pay 10% of the full premium for Plan I. The real cost to each employee, if they opted for Plan I under the County's final offer, would actually be \$73.32 rather than \$129.00 for single coverage and \$247.74 rather than \$387.50 for family coverage (i.e., single: \$85.22 - \$73.00 = \$12.22 x 6 months = \$73.32, family: \$208.89 - \$167.60 = \$41.29 x 6 months = \$247.74).

A married Deputy would receive additional wages after premium contribution of only \$5.19 (\$252.93 - \$247.74) if he chooses to maintain Plan I. If a single employee maintains the same insurance plan, wages would increase by \$179.61 (\$252.93 - \$73.32).

An employee voluntarily changing to Plan II (deductible plan) would maintain the full wage increase of \$252.93. In addition, he would make no contribution toward health insurance premiums, thus receiving additional wages of \$56.82 (\$9.47 x 6 months) under the single plan and \$139.26 (\$23.21 x 6 months) under the family plan for a total additional wage increase of \$309.75 (\$252.93 + \$56.82) for single and \$392.19 (\$252.93 + \$139.26) for family plan.

In evaluating the tradeoff between the County's final offer of 4.5% for wages in 1983 and Plan I or Plan II for the remaining six months and the Association's offer of 3.0% for wages and Plan I as in 1982 Labor Agreement, the County has not compromised. It is not legitimately "buying out" a benefit from the Association.

In the final analysis, the County has not presented substantive evidence that warrants a change in the mutually negotiated current health insurance package even in light of a higher than average premium cost to Lincoln County. The Association has offset those costs by virtue of its reasonable wage increases of 3.0% and 4.0%.

If awarded, the Association's offer would be the first 1984 settlement within the County (Employer Exhibit #14) and within the comparability group (Employer Exhibit 33). One year settlements dominate for 1983 and the few two-year agreements include reopeners on wages. The County's duration offer of one year, therefore, is more reasonable in light of the pattern of settlements.

However, the date of this award is October 24, 1983. By the time the County finally implements the award, it is likely to be near year end 1983. Nevertheless, the County's final offer includes a December 31, 1983, contract termination date. In contrast, the Union's final offer extends that date to December 31, 1984.

Even in light of the settlement pattern, the interests and welfare of the public will be best served by a two-year duration period. Given the length of time transpired in current negotiations, no useful purpose will be served by having the Parties begin to negotiate a 1984 Labor Agreement as the terms of the 1983 Labor Agreement expire.

Further, acceptance of the County's duration offer would of necessity result in additional time and expense to the Parties, neither of which lend harmony to the labor relationship between them.

E. The average consumer price for goods and services, commonly known as the cost of living.

Another of the factors to be utilized by the arbitrator under Wisconsin Statutes is the cost of living. The total package increase provided by the County (6.28%) generously exceeds the cost of living of 2.4% for June, 1983 CPI Annual Increase. (Employer Exhibit #60) However, the Association's final offer total package cost (5.86%) is closer to the CPI increase than the County's offer. Accordingly, the Association's final offer is more reasonable in light of the cost of living factor.

- F. The overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

As shown above in factor (d), the overall total compensation package of the Association, regarding wages and health insurance, remains comparable to that received in other counties. Further, the County compares favorably among surrounding counties on life insurance, holidays, sick leave accumulation and vacation. (Employer Exhibits #38-41)

Additionally, the Association's final offer generates an increase that is more reasonable in light of state trends. Employer Exhibit #72 indicates that more than 90% of the Wisconsin manufacturing employers, responding to a survey, reported adjustments including employment reductions, layoffs and shortened workweeks and pay cuts, freezes and smaller than originally planned raises. The Wisconsin Employment and Compensation Survey, reported by the Public Expenditure Research Foundation (Employer Exhibit #73), indicates that "while the continued sluggishness of the economy has meant difficult times for U.S. industry generally, the Midwest states perhaps are the hardest hit because of their industrial make up."

The County's final offer mirrors national trends in bargaining by the Bureau of National Affairs. (Employer Exhibits #70 and #71) The median first year wage increase was reported at 5.3% (CBNC's Survey of Collective Bargaining Contracts) and 5.4% (Employment Cost Index) in the first quarter of 1983 with a 6.4% gain over the year ended March, 1983. Therefore, the County's wage and total package increases of 4.5% and 6.28% respectively better reflect the wage and total compensation increases granted to private sector businesses on a national basis but on a local and state basis, the Association's final offer is more reasonable.

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

For purposes of this factor, the Parties were allowed to submit revisions of Exhibits introduced by them during the hearing. On August 30, 1983, the Association submitted a copy of numerous revised documents in their Exhibits. On the same day, the County submitted revised copies of Employer Exhibit #6 (Exhibits #6a and #6b). Thereafter, the hearing was considered closed for any further additions, subtractions or modifications.

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

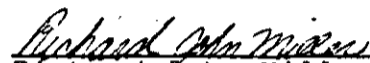
State and local malaise has created record high unemployment. (Employer Exhibits #64-68) Similarly, Lincoln County has had high unemployment in 1982 and 1983. (Employer Exhibits #61-63) Therefore, the Association's final offer, which is less costly than the County's final offer represents a more reasonable award in light of the serious unemployment situation in the County compared to the comparability group of counties and the statewide average.

In conclusion, the Association's final offer regarding wages, duration and health insurance is more reasonable in light of the above factors. The award should not be used by the Association as a "whipsawing" device when successor negotiations occur between the Parties. It must be remembered that the reason for the lower wage increases is for retention of Plan I health insurance as it now exists in the 1982 Labor Contract. Any "catchup" argument made by the Association in future negotiations must be reviewed in light of retaining the current health plan.

The award represents a rarity in interest arbitration. It is unusual that an arbitrator's award in favor of a labor organization has less financial impact on the taxpayers. In this case, the Association's offer is less than the County's offer and, therefore, better serves the interests and welfare of the public, and the financial ability of the County to meet these costs.

AWARD

Based on the above, the Association's final offer best satisfies the interest of the compulsory binding arbitration law and also best satisfies the factors required to be considered by the arbitrator under such law. Therefore, any and all stipulations entered into by the Parties and the Association's final offer shall be incorporated into the 1983-84 Labor Agreement effective January 1, 1983 until December 31, 1984.


Richard John Miller

Dated this 24th day of October, 1983

New Hope, Minnesota