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WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

WISCONSIN EMPLOYMENT RELATIONS COMMISSION  
BEFORE THE MEDIATOR/ARBITRATOR

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In the Matter of the Petition of :  
LAW ENFORCEMENT EMPLOYEE :  
RELATIONS DIVISION OF THE :  
WISCONSIN PROFESSIONAL POLICE : ARBITRATION AWARD  
ASSOCIATION, DANE COUNTY :  
LOCAL 179 : Case XCVIII  
: No. 32801 MIA-865  
For Final and Binding Arbitration : Decision No. 21713-A  
Involving Law Enforcement :  
Personnel in the Employ of :  
DANE COUNTY :  
(SHERIFF'S DEPARTMENT) :  
:

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APPEARANCES

Mr. Patrick J. Coraggio, Bargaining Consultant, for the Association.

Mulcahy & Wherry, S.C., Attorneys at Law, by John T. Coughlin, for the County.

BACKGROUND

By order dated June 19, 1984, the Wisconsin Employment Relations Commission appointed the undersigned as the impartial arbitrator to issue a final and binding award in the matter pursuant to Section 111.77(4)(b) of the Municipal Employment Relations Act.

Pursuant to the agreement of the parties, a hearing on the issues at impasse was waived and the parties submitted exhibits and post-hearing briefs to the arbitrator by mail.

FINAL OFFERS OF THE PARTIES

The County and Association final offers on the three issues presented for resolution are as follows:

" 1. Wages

County Offer:

"(a) A group hospital, surgical, major medical and dental plan as agreed to by the parties shall be available to employees. In the event the Employer shall propose a change in this plan, this Contract shall be reopened for purposes of negotiations on such a proposed change. For group health insurance the Employer shall pay up to sixty nine dollars and forty four cents (\$69.44) per month for employees desiring the 'single plan' and up to one hundred eighty six dollars and sixty three cents (\$186.63) per month for employees desiring the 'family plan' and up to one hundred ninety two dollars and four cents (\$192.04) for the spouse credit family plan. Employees with a spouse on Medicare Plus will receive a payment not to exceed that paid by the Employer for family coverage. For group dental insurance the Employer shall pay up to fourteen dollars and seven cents (\$14.07) per month for employees desiring the 'single plan', up to thirty seven dollars and eighty three cents (\$37.83) per month for those desiring the 'family plan' and thirty seven dollars and eighty three cents (\$37.83) for the spouse credit family plan. The Employer agrees that employees and their dependents may elect to become members of any health plan made available and approved by the Employer. There shall, however, be only one (1) thirty (30) day enrollment period per year during which time employees may change plans. The Employer agrees to pay costs for employees and dependents choosing other plans equal to the dollar amounts stated above. The Employer further agrees to continue to provide such coverage for each employee retired because of age and their eligible dependents until that retired employee reaches the age of 65 years or dies, but provided that the retired employee shall be required to pay all amounts of said premiums in excess of \$51.84 per month for family coverage and \$18.03 per month for single coverage to the Employer prior to the 10th day of the month preceding the month of coverage. Failure to make timely payments by a retired employee to the Employer shall be grounds for termination of coverage of that retired employee and their dependents."

Association Amended Offer:

Retain Section 13.01(a) to read:

(a) The employer shall pay the full premium cost of group hospital, surgical, major medical and dental insurance for each employee and their eligible dependents. Employer further agrees to continue to provide such coverage for each employee retired because of age and their eligible dependents until that retired employee reaches the age of 65 years or dies, but provided that the retired employee shall be required to pay all amounts of said premiums in excess of \$51.48 per month for family coverage and \$18.03 per month for single coverage to the Employer prior to the 10th day of the month preceding the month of coverage. Failure to make timely payments by a retired employee to the Employer shall be grounds for termination of coverage of that retired employee and their dependents.

3. Duration

County Offer:

Article XXII, Terminations; change dates to reflect a one year agreement.

Association Amended Offer:

\*Article XXII Terminations, change dates to commence on December 25, 1983 and remain in full force and effect until 12-21-85.

Provide for a reopener on or about October 1, 1984 to discuss three issues, wages, work week under Article VII, and discipline under the grievance procedure in Article VI."

## DISCUSSION

In this case the arbitrator is required to select the total final offer package of one or the other parties by application of the criteria specified in Section 111.77 (6) of the Wisconsin Municipal Employment Relations Act.

### DISCUSSION ON WAGE ISSUE

The Union used criteria of population, geographic proximity, mean income of employed persons, overall municipal budget, and other comparability criteria to select what they deemed to be those most comparable communities to which comparison should be made in this type case. They concisely set forth their rationale and conclusions at pages 10-11 of their brief as follows:

"Based on these criteria, the Association selected 4 of the largest counties within the State of Wisconsin, and the 8 largest cities and villages in Dane County. (See Association Exhibit B, Page 3). These villages and cities have a day-to-day relationship with county government and the officers within Dane County interact on a daily basis with the police personnel of these governmental units.

"As shown in Association Exhibit B, Pages 4 thru 8, the top deputy classification is consistently ranked at the bottom of the comparison group even though Dane County contains the largest population. The Association's final offer does not attempt to gain supremacy above the comparables, nor does its offer maintain the officers' base pay in relation to the average comparable wages. (Association Exhibit B, Page 14). It should be noted that even with the selection of the Association's Final Offer, the difference between Dane County and the comparable counties will increase to a difference greater than it has been in the past 5 years. (\$182.00 below average.) Dane County officers, when compared to similar positions within the County, reflect this same loss of stature. The Association has historically been paid more than the municipalities within Dane County. In looking at Association Exhibit B, page 14, it can be determined that over the last four years, 1980-1983, the Association has averaged approximately \$134 above the other municipalities within Dane County. The Association's final offer places them only \$117 above the average, again losing relative positioning in the area. The County offer would reduce this average to \$94.

"Furthermore, the average percent increase of the comparables is 5.1% as opposed to the County's proposal of 1.7% (See Association Exhibit B, page 15.) The Association proposal at 3% is still 2.1% below the average increase of the comparables.

"In summary, the Association is not attempting to gain relative positioning on its comparable communities but, instead, is attempting to not lose a significant amount of ground. This demonstrates that the Association has recognized the significance of the economic times and avers that its final offer is more reasonable in light of the comparables."

Although contending that comparisons to State employees is not meaningful and should be given no weight, they point out

that the State nevertheless gave both Union and non-union workers a raise equivalent to approximately 3.84% for 1984. Such percentage increase is more comparable to the Association wage offer than it is to that of the county.

In commenting on the Madison police as a comparable, the Union observes that although the City of Madison police officers received a 1% pay increase for 1984, other increases consisting of an additional paid holiday and the payment of the increase in health insurance premium of 2.5% being picked up by the City, that the total package cost of the 1984 settlement with the City of Madison was approximately 3.9%. They state in their brief that:

"Therefore, in summary, the Association takes the position that the State employees who are receiving the 3.84% wage increase at a minimum and the Madison police officers who have received a total package of 3.9% magnify the fact that the Association's final offer is more reasonable. The Association is asking for 3% across the board and with the County saving money on the change in health insurance benefits, which will be addressed later, the actual wage cost to the County is 2.5%. Therefore, put into perspective, the Association's final offer is more reasonable than the County's when viewed in light of the settlement of the Madison police and State employees."

The County presented exhibits utilizing those counties that are contiguous to Dane County, the 13 counties most similar in size to Dane County, excluding Milwaukee County, law enforcement agencies in municipalities located in the contiguous Dane County area, Dane County private sector employers and the State of Wisconsin. The County comments on the respective weight which they feel should be given to the various groups of comparables as follows:

"...Relative to the salary, insurance and duration issues, the County would rank order the selection of comparables as to the weight to be accorded by the Arbitrator as follows:

- (1) Other Dane County bargaining units;
- (2) Dane County private sector employers;
- (3) State of Wisconsin and City of Madison;
- (4) Other County employers statewide;
- (5) Underlying municipalities in Dane County."

The County argued that it is more appropriate to make comparison on the basis of total compensation rather than the comparisons made by the Union of wages only.

In reviewing its exhibits, the County contended that there comparative analysis of other comparable police departments and contiguous police departments shows that the County employees ranked high in comparison to those contained in its Exhibit No. 23.

The County further argued that settlements for 1984 in the City of Madison and the State of Wisconsin support the County's position. They pointed to the status of the relationship between the Oscar Mayer Company and the Union wherein there had been negotiations which served to freeze or delay certain wage increases or payments during the approximate time period covered by the contract involved in this proceedings.

The County further entered data and contended that when comparing settlements of wages only for 1984, data shows that

six bargaining units of State of Wisconsin employees settled for a zero percent wage increase on wages only for 1984. Seven bargaining units settled with the City of Madison for 1984 for a 1% increase on wages only. The County contends that their offer of 1.7% increase on wages only is therefore more comparative to the percentage level of wage settlements with employees in the immediate local area and with employees employed by the State of Wisconsin.

Finally, the County places apparent greatest emphasis on the contention that other employees of Dane County, both in other bargaining units represented by unions and non-represented employees, have reached settlements with the County for increases ranging from 1% to 1.4% on wages only for 1984. They state in their brief that,

"The settlements to date in the County covering 1,178 of 1,487 County employees, or 79% of the workforce, support the County offer of 1.7% wages only. The Association demand of 3% is the highest wage offer presently in arbitration and is not supported by the documentation on the record."

Both parties addressed the cost of living factor in relationship to their respective proposals. The Union argued that the Association's 3% wage offer is directly in line with the rise in the Consumer Price Index and is clearly more compatible than is the Board's final offer. As of August 22, 1984, the Union points out that the rate of inflation for 1984 as of that date was 3.1%. At the time the Union's brief was being written, the CPI increase was at 4.2% for 1984. The Union contends that the Association's offer is more reasonable than the Board's offer when considered in light of the cost of living factor.

The Board addressed the cost of living factor and argued that the merit or longevity step increases that will be paid to employees during 1984 amounting to an average increase in wages of 1.3% should be added to the County's offer of 1.7% so as to show an effective increase to the average deputy of 3% for 1984 under the County's offer. They argue that the 3% increase to the average deputy is reasonable when compared to the 3.8% CPI increase from January of 1984 to November 1984.

The Board also compared the wage increases to the increases in the CPI over the three-year period of 1982, 1983, and 1984. According to their computations, the total increase of the CPI over the three-year period was 11% compared to a total wage increase over the same three-year period of 17.2%. The County contends that their offer is reasonable when compared with the CPI factor.

Both parties have presented persuasive evidence and argument in support of their respective final offers.

Each party utilized essentially the same support data in their respective analysis. Each engaged in a normal type analysis commonly used by parties in mediation/arbitration cases to support their respective positions. There is nothing unique about the analysis employed by either the Union or the County. The analysis of the Union fully supports the Union's final offer as being reasonable. The County's analysis likewise fully supports their final offer as being reasonable.

It would appear that when one compares the level of settlement for 1984 in other County law enforcement agencies to the wage offers in this case, one must conclude that the

Union offer is more comparable to the average settlement level of other county agencies. If one also considers the CPI increases as indicating the increase in one's earnings necessary to maintain the same buying power, one would conclude that a four percent CPI increase would then require a four percent wage increase so as to maintain that same buying power. Such analysis would then seem to also favor the Union's final offer as preferable in that aspect.

The County utilized a three-year analysis of the annual increase in CPI compared to the corresponding wage increases. Such analysis revealed that wage increases granted in both 1982 and 1983 were approximately two times greater than the increase in the CPI in the same years.

It would seem that there is nothing wrong with negotiating wage increases in excess of CPI in view of the 1982 and 1983 settlements. Is there something wrong about the opposite result? The County's wage proposal for 1984 would yield such opposite result. The approximate CPI increase for 1984 is 3.8%. The County's wage offer is 1.7%. The Union's wage offer of 3% would also yield such opposite result.

It would appear to the arbitrator that the statutory reference to such factor at paragraph (e) specifies no parameters or limitations. The two final offers of the parties would indicate that neither party interprets the CPI statutory factor as being a limiting minimum. It would appear that such factor is but one of many that one is to consider. Additionally, the CPI index cannot be taken literally. I commented in the prior case of North Central VTAE,

"the more relevant reflection of the impact of inflation upon employees in a given area of the county is more accurately reflected by that level of contract settlements that evolve during the period under consideration."

I still believe such statement to be accurate. It therefore appears that the level of settlements in a particular area or industry more accurately reflect the weight afforded CPI index statistics compared to other forces and considerations. In 1982 and 1983 it is clear that other forces caused the level of wage settlements to exceed the CPI increase by the resulting amounts. It is clear that both parties recognize the existence of outside forces in 1984 sufficient to cause both parties to make a wage offer below the increase in the CPI.

One then comes to an analysis of those other considerations responsible for the wage offer of both parties being below the CPI annual increase.

The Union presented exhibits comparing the top monthly base rate of deputies and patrol classifications from 1980 to 1984 with the pointed to result being that the differential between the rate paid Dane County officers and the average paid officers of comparable counties would increase dramatically under even the Union's wage proposal and unreasonably so under the County's offer.

The County presented comparative data covering a multi-year period but included inclusion of the cost of all fringes and made comparison based on total compensation to comparable counties. The County argued, in the first instance, that Dane County officers enjoy total compensation that is significantly above average due principally to fringe benefits that are substantially better than most comparables. They compute longevity

pay to be an additive of 5.45% to base pay and incentive pay to be an 11.84% additive. The County computes the total hourly rate of Deputy Sheriff I - II under the County offer as being \$12.80 and under the Association's offer at \$12.96. Only police officers of the City of Madison are paid higher as compared to the counties of Brown, Racine, Rock and Waukesha and as compared to the four contiguous municipal police departments.

The statutory factors that the arbitrator is directed to afford weight in reaching a decision includes factor (d) involving comparison of wages, hours, and conditions of employment and factor (f) involving the overall compensation received by employees. The statute gives no direction to the arbitrator concerning the respective weight that is to be given one or the other factor. It would therefore appear that the weight to be afforded each is to be determined by the quality and relevance of the available evidence as to each of such factors. There certainly is no magic formula as it undoubtedly will vary in each case depending upon the availability of more data for one factor as opposed to the other.

It seems to the arbitrator that the total record evidence on this issue fairly shows that the total compensation comparison should be afforded slightly greater weight in most instances than should a comparison of wages only. It may be that a wages only comparison could be afforded greater weight where a substantial disparity in wage rates among comparables is shown to exist. It is generally recognized that the total fringe benefit cost is worth something more to employees than its face value cost. That is so because some benefits are purchased with before tax dollars and more value is obtained for the same dollars. Different groups of employees may place different emphasis upon the value of fringe benefits as opposed to wages and such differences should be considered in any comparative analysis.

On an evaluation of the total record evidence and arguments of the parties on this issue, the arbitrator finds that the level of compensation payable to Dane County employees is at a favorable level when compared to those comparables utilized by both the County and Union. The arbitrator further finds that neither the offer of the Union or the County would alter that relative comparative standing so significantly as to warrant a marked preference of one final offer over the other. Neither final offer does significant damage to the relative comparative standing of Dane County officers to other comparables.

It seems to the undersigned that in the absence of there being persuasive reasons to grant one final offer over that of the other as to wages based on the comparative considerations above discussed, that the most relevant and persuasive factor that bears on this issue concerns the patterns of settlement that are already in place among other County employees. The record evidence shows that Oscar Mayer Company, the largest private sector employer in the County, has engaged in cutback bargaining with their union in the meat industry. There is no doubt but that the meat industry has gone through a traumatic period of adjustment and that Oscar Mayer was severely impacted by that trauma. There is no doubt but that the status of negotiations in that industry exerted a significant impact upon the level of wage offers and negotiations that subsequently occurred in the Dane County area. Secondly, the evidence shows that the State of Wisconsin settled with its employees on

a zero percent wage increase for 1984. The bargaining units in the City of Madison settled on wages only of 1%. Three other bargaining units made up of County employees settled, two at 1% and one unit at 1.4%.

From an analysis of such events, it seems to the undersigned that the local forces that were existent in the immediate Dane County and City of Madison area influenced the levels of settlement to a far greater extent than did levels of settlement and comparability factors that developed in other areas of the State. It appears that local conditions were dominant in forging the levels of settlement that developed in the immediate Dane County area. In the considered judgment of the arbitrator, such factor in this specific case is entitled to substantial weight because of the number and consistency of the local settlement comparables. For the above reasons, it would appear that on the issue of wages only, the final offer of the County is entitled to slight favorability.

#### DISCUSSION ON HEALTH INSURANCE ISSUE

This issue appeared to the arbitrator to be one of emotion to a large extent. The County's proposal on this issue simply goes directly contrary to all principles of the Union. The Union negotiates many years and long and hard to achieve certain benefits and improvements in their contract for the benefit of employees. It is extremely difficult and contrary to all Union principles and aims to be asked to give up a benefit that they had fought long and hard to obtain. It seems to the arbitrator that this issue is in such category.

From the County's viewpoint, they have been faced with an ever escalating cost of insurance for employees. Each time there has been an increase, the Employer has been required to pick up and pay such cost without there being any negotiations thereon. It is their position that by such process, employees simply are not fully aware and simply do not appreciate the tremendous cost of hospital insurance.

The following excerpts contained in the Union's brief set forth its position and argument on the insurance issue as follows:

"It is the position of the Association that the County has not set forth sufficient evidence to justify changing a contract provision which has been in effect since 1969. There is no member of this Association or any employee who works for the County who has not been made aware of the fact that health insurance is a major issue in collective bargaining and that the increasing medical costs must be taken into consideration when negotiating. Certainly, all of the employees in Dane County can stand up and acknowledge the fact that health insurance has and is playing a major role in their lives.

"It is commonplace in the world of collective bargaining that when the employer wants to change a long-standing condition of employment, an attempt is made to buy out the benefit. In this case, the County has not shown any desire to buy out the benefit and, in fact, has put forth a wage increase which is one of the lowest in the State of Wisconsin. Except for the City of Madison, we find no other law enforcement agency in the State of Wisconsin that received a 1.5% wage increase.



"...It would appear that the real issue becomes whether or not the County has set forth its position to such a degree as to merit a substantial change in the status quo which has prevailed for at least 14 consecutive years. The Association avers that to change the status quo it must be substantiated by clear and convincing evidence. The County has not brought forth this clear and convincing evidence. The County's contention that there is a need for change from the status quo is unsubstantiated."

The County sets forth the following conclusions in its brief based on detailed discussions in the main body of its brief on each of the conclusionary statements.

"4. Internal comparisons with Dane County bargaining units reveal that 83.1 percent of Dane County employees have dollar caps on their health insurance premium contributions.

"5. Internal comparisons with Dane County bargaining units reveal that 100% of all Dane County bargaining units have dollar caps on their dental insurance premium contributions other than the WPPA. These comparisons overwhelmingly support the County's offer to change the expression of the dental insurance premiums to dollar caps.

"6. The substantial change in the method of health care delivery within Dane County and the demonstrated cost savings experience of both the State of Wisconsin and the City of Madison clearly support the County's offer to change the expression of the health insurance contribution to dollar caps.

"7. Pertinent scientific evidence supports the County's position on the expression of health insurance premium contributions in the contract in the form of dollar caps.

"8. The Employer offer results in the continued payment of the full cost of health and dental insurance premiums for Association members.

"9. The preponderance of the evidence from comparable county contracts relative to health insurance contributions weighs heavily in favor of the County's offer."

The County pointed out that in 1982 and 1983 the premiums for health insurance increased by 26.2% and 28.5% respectively for employees in this bargaining unit. They argued that the over 50% increase in the insurance premiums in two years mandated that the County take steps to halt or change such trend. Some action other than what they had been doing was necessary. The method proposed by the County was based on several scientific studies on the subject and on early results that emerged from the State of Wisconsin's efforts to create alternative health care choices. Through the State's efforts competitive health care plans emerged consisting of a number of HMO plans. the HMO plans were generally less expensive than the conventional free access fee-for-service plan.

The County described the contribution formula negotiated by the State with the Union by which incentives were created that were intended to persuade employees to shop for and choose the less expensive health plans as follows:

"...In the 1983-84 contract, the State negotiated a change to pay 90% of the standard plan or 107% of the lowest priced alternative in an area, which ever is less (Employer Exhibit No. 10 at page 114-115, and Employer Exhibit No. 3). In 1984-85, the State payment will decrease to 90% of the standard plan or 105% of the lowest priced alternative in an area, whichever is less.<sup>11/</sup>

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"<sup>11/</sup> While the State contract does express the contribution level as a percentage, the percentage formula is based on dollar value of the least costly health insurance plan. Therefore, the State has established incentives for employees to 'shop' for the least expensive plan."

The County argued that because of the State's efforts, a number of HMO plans are now available for Dane County employees, all of which are cheaper than the standard fee for service family plan which in 1984 cost \$185.00 per month for the family plan. The cheapest HMO plan available for 1984 was \$164.80 per month for a family plan.

The County recited the changes in participation of the different insurance plans by State employees as a result of the State having generated increased competition and having obtained choices for employees of a number of plans and as a result of the economic incentives under the Employer's proposal for employees to shop amongst the available plans drastic changes in employee participation have resulted. They state that in 1983, only 12,000 of approximately 45,000 State employees or 26% utilized alternative health care plans while 74% were in the standard free access fee for service plan. During the one-year enrollment period under the 1983-84 plan a number of employees participating in alternative health care plans increased to 88%. The County argues that such results clearly show that savings in health care costs can be generated through a contract provision that provides an incentive for employees to shop for more economical plans. They contend that the amount of out of pocket cost to employees has a direct and demonstrable impact on employee participation in health care plans. The State experience clearly demonstrates such fact.

The County also presented statistics concerning the experience of the City of Madison and its employees that was similar to that of State employees. In 1984 the percentage of City employees participating in the less expensive HMO plans was at 94.9% compared to slightly over 50% of the employees participating in 1983.

The County offers the following observations and statistics as to the selection of insurance by employees in this bargaining unit as follows:

"The experience of the City and the State, where a combination of competition and cost incentives encouraged employees to select more cost effective plans, contrasts dramatically with that of Dane County. A vast majority of Association members selected coverage under the free access fee-for-service plans in 1984. Among the 169 employees carrying health insurance in this bargaining unit, 98.8% were with the fee-for-service plan in 1983 and 95.9% of those employees were still in the fee-for-service plan in 1984 (Employer Exhibit No. 19). The 95.9% Deputy

Sheriff participation in the free access plan compares poorly with the State participation level at 12% and the City experience at only 5.1% (Employer Exhibit No. 10 at p. 124; Employer Exhibit No. 13B.)

The County points out that in 1983 there were two plans available to County employees, namely the WPS fee-for-service plan and the GHC or Greater Health Cooperative (an HMO). In 1984 three additional HMO's became available. The cost of the WPS fee-for-service plan is \$185.00 per month for family coverage for 1984. The three alternative HMO plans vary in cost from \$164.80 to \$179.80 per month for family coverage. The County contends that the State and City experience and the results of such experience clearly indicate a need to take similar type action in this bargaining unit with the aim to achieve the same results and savings of insurance dollars paid.

The County also introduced numerous conclusions contained in various publications resulting from studies of insurance costs and methods of cost containment. They point out that most medical experts agree that the free access/fee-for-service plans encourage health care consumers and providers to overutilize and overprescribe available services. They point out that where users are required to assume part of the cost of care, the amount of usage declines. Secondly, the studies revealed that reduced utilization of medical services by users had no significant impact on the health of users.

Finally, the County contends that comparisons with other Dane County employee groups compel adoption of the County offer. They point out that out of four arbitration awards on the issue in 1983, two arbitrators ruled in favor of the Employer and awarded dollar caps on insurance contributions. To date in 1984, of three arbitration awards issued in Dane County, all have awarded the County's proposal of dollar caps on insurance. At present, 1236 or 83.1% out of 1500 Dane County employees are subject to dollar caps on their insurance coverage.

In the considered judgment of this arbitrator, the total record evidence submitted on this issue supports a finding that the County has substantiated by substantial evidence the need for an approach on cost containment of insurance different from what they had utilized in prior years. What the County has proposed in their final offer will effectively result in no monetary impact on the employees for 1984. The dollar cap is factually higher than the premium charged by any of the available carriers. The County's approach, however, is directed to move toward that same type of incentive language that was utilized by the State and City and which has been successful based on the statistics in factually persuading employees to move to carriers with lesser costs and therefore effectuate savings in the cost of insurance. This arbitrator agrees with the statement of Arbitrator Howard Bellman in his decision involving the same insurance issue between the County and Local 65 of AFSCME wherein he stated:

"The device of specifying dollar amounts may not serve to lower costs. Nonetheless, the matter seems of alarming proportions and worthy of an experiment that has some promise, and very little foreseeable risk."

It also seems to the undersigned that the insertion of insurance dollar caps into the contract as proposed by the County would not pose a discernable shift in the bargaining power between the two parties. In the first instance, it

appears that the market place of insurance has changed significantly. As a result of such change, it appears that there is substantially more competitiveness among providers seeking the insurance dollars of users. Additionally, because of the clear greater cost consciousness that has been generated among users, providers, and insurers, the emphasis on care and treatment has changed significantly. There has been a tremendous shift from long hospital stays or in-hospital treatment to treatment and in-office surgeries requiring no hospital stay. Such changes in treatment has significantly reduced the cost of treatment. It would therefore appear that in the foreseeable future one will not see the large increases in health care costs represented by increased premium costs to the extent that any delay in reaching agreement between the Employer and Union could result in employees shouldering the increased cost of insurance premium increases during the pendency of negotiations. In those cases where the insurance costs increased at double digit rates delays in negotiation under a dollar cap structure could have placed pressure on the Union to settle quickly. It would appear that the increased competitiveness of providers and the major changes in treatment and hospitalization methods will serve to hold down the costs in the immediate future. In those years when insurance costs increase minimally or not at all, no pressure because of the pressure of dollar caps would impact on either party.

It therefore is the finding of the undersigned on the basis of the total record evidence on the insurance issue, that the County has supported by substantial evidence the need to engage in an incentive type approach that may encourage and lead to reduced insurance costs without significant reduction in coverage and benefits to covered employees. It appears to the arbitrator that the County's proposal is reasonably designed and directed toward achieving desired goals in that respect and is therefore to be favored in this proceedings.

#### DISCUSSION ON TERM OF CONTRACT

The Union has proposed a two-year contract with a limited reopener at the beginning of the second year on three issues. The County has proposed a one-year contract. At the time of this award, the term of the one-year contract has passed.

The Union argues that the granting of a one-year contract would break a longstanding tradition of multi-year agreements which the parties have engaged in as far back as 1977. Additionally, the Union argues that as of the issuance of this award the first year of the contract will have already passed. They contend that the interests and welfare of the public will be better served by the final offer of the Union in this respect.

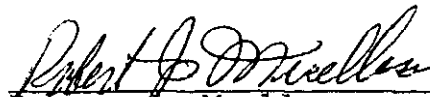
The County argues that the Union has offered no evidence indicating any reason why negotiations should be limited to only three issues for the second year of the proposed two-year contract. While the County and this bargaining unit have in the past entered into multi-year contracts, all other collective bargaining units within the County are covered by one-year agreements. The County argues that insurance has been a volatile issue and one of dominant concern to both parties and that it will continue to be of dominant concern. The County suggests that the parties should be in a position to address whatever changing conditions may arise with respect to insurance issues on a yearly basis rather than be locked in on a multi-year agreement and be unable to address problems that may arise during such longer term in an area that is not subject to negotiations under a limited reopener.

While the term of the contract is of concern to both parties, and each party makes argument that contains merit in this case, the undersigned is of the judgment that the term of the contract issue is of less importance to the relationship of the parties than are the other two issues hereinabove discussed. If the arbitrator were to determine upon which final offer were to be chosen on the basis of the term of the contract issue, it would amount to a case of the tail wagging the dog. Such result would not be realistic.

It therefore follows on the basis of the above facts and record and consideration and application of the factors specified in Section 111.77(6), Wis. Stats., it is awarded as follows:

AWARD

The 1984 agreement between the Association and the County shall include the final offer of the County as and for the terms of the labor agreement as to those issues in dispute along with all other stipulations and agreements of the parties as to the terms of the 1984 labor agreement.

  
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Robert J. Mueller  
Mediator/Arbitrator

Dated at Madison, Wisconsin  
this 21st day of February, 1985.