

APR 08 1985

WISCONSIN EMPLOYMENT  
RELATIONS COMMISSION

BEFORE THE ARBITRATOR

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 In the Matter of the Petition :  
 of :  
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 ONEIDA COUNTY DEPUTY SHERIFF'S :  
 ASSOCIATION, WISCONSIN :  
 PROFESSIONAL POLICE ASSOCIATION/ :  
 LEER DIVISION : Case XL  
 :  
 : No. 33104 MIA-901  
 For Final and Binding Arbitration :  
 Involving Law Enforcement : Decision No. 21827-A  
 Personnel in the Employ of :  
 :  
 ONEIDA COUNTY :  
 :  
 -----X

APPEARANCES: PATRICK J. CORAGGIO, WPPA/LEER Administrator,  
 appearing on behalf of the Association

LAWRENCE R. HEATH, Corporation Counsel, appearing  
 on behalf of the County.

ARBITRATION AWARD

Oneida County, hereinafter referred to as the County or Employer, and Oneida County Deputy Sheriff's Association, Wisconsin Professional Police Association/LEER Division, hereinafter referred to as the Association, were unable to voluntarily resolve certain issues in dispute in their negotiations for a new 1984-1985 Collective Bargaining Agreement to replace their expired 1982-1983 Collective Bargaining Agreement. The Association, on March 23, 1984, petitioned the Wisconsin Employment Relations Commission (WERC) for the purpose of initiating municipal interest arbitration pursuant to the provisions of Section 111.77 of the Wisconsin Statutes. The WERC investigated the dispute and, upon determination that there was an impasse which could not be resolved through mediation, certified the matter to compulsory final offer arbitration by order dated June 22, 1984. The parties thereafter selected the undersigned from a panel of arbitrators submitted to them by the WERC and the WERC issued an order, dated July 31, 1984, appointing the undersigned as arbitrator. A hearing was held at Rhinelander, Wisconsin on October 11, 1984, at which time the parties presented their evidence. A verbatim transcript of the hearing was prepared and received on November 9, 1984. The parties filed post-hearing briefs which were exchanged on January 28, 1985 and, on February 13, 1985, the undersigned was notified that no reply briefs would be filed. Full consideration has been given to the evidence and arguments presented in rendering the award which follows.

THE ISSUES IN DISPUTE

In their negotiations the parties resolved six disputed issues which were reduced to a tentative agreement dated May 21, 1984. The remaining issues in dispute relate to the wage increases to be granted during the two-year term of the agreement and certain proposed changes in the health insurance plan provided for employees.

## I. WAGES

The bargaining unit includes 27 employees working as investigators, sergeants, deputies or patrol officers, jailors, and clerk/matrons. The largest number of employees work as deputies or patrol officers. There are 12 such patrol officers, 11 of whom are at the top, fourth year rate. There are 3 investigators, 5 sergeants, 4 jailors and 3 clerk/matrons. The jailors were recently added to the bargaining unit and all are currently working at the starting rate of their classification. By agreement between the parties the 1984 increase for jailors arising out of this proceeding is to be retroactive to August 1, 1984. Two of the clerk/matron employees are also currently receiving the starting rate for their classification and one is currently receiving a "seventh year" rate higher than that provided for in the agreed to salary schedule. The agreed to salary schedule for 1982 and 1983 is attached hereto and marked Appendix "A".

### COUNTY'S OFFER

In its final offer the County proposes an across-the-board wage increase of 3.25% effective on January 1, 1984 and an across-the-board increase of 4.4% effective on January 1, 1985. Based on 1983 payroll data, the County estimates that its wage offer will cost \$14,761 in the first year and \$20,624 in the second year of the agreement. When the cost of these wage increases is added to the cost of the County's health insurance proposal, discussed below, the total cost of the County's proposal for wages and health insurance will be \$28,945 in the first year of the agreement. This represents an overall increase in the cost of wages and health insurance of 5.73% in the first year, according to the County. The second year cost is discussed below.

### ASSOCIATION'S OFFER

In its final offer the Association proposes an across-the-board increase of \$58.50 for all classifications, effective July 1, 1984, and an across-the-board increase of 5% for all classifications effective January 1, 1985. The Association estimates that in the first year of the agreement the additional cost of its proposal on wages will be \$9,477, which is equal to approximately 2% for that year. The Association acknowledges that the cost of its first year proposal in subsequent years will be more than double that amount, but indicates that its proposal is designed to relieve some of the cost pressure caused by health insurance premium increases during the first year of the agreement. The Association estimates that the cost of its second year wage proposal will equal \$23,681.28. The total cost of the Association's proposal, including the cost of its health insurance proposal discussed below, is estimated by the Association to equal \$55,927.56 or \$2,071.39 per unit member. This cost is compared by the Association to the total cost of the Employer's proposal which it estimates to equal \$46,987.76 or \$1,740.29 per unit member. These calculations were based on the assumption that there would be no increase in the cost of health insurance during the second year of the agreement, a fact which was not known at the time the final offers were formulated or at the time of the hearing. Fortunately for both parties, the Association's assumption proved to be correct.

The parties are in essential agreement concerning the total first year cost of the Association's proposal, based on health insurance participation figures provided by the County. That

cost is equal to \$31,196 or 6.18%, compared to \$28,945 or 5.73% for the County's first year proposal. When the projected second year increase in the cost of health insurance is eliminated from the County's calculations, the cost of the Association's second year proposal is \$23,183 (which figure is slightly less than the wage figures projected by the Association) or 4.3%. When the assumed increase in health insurance costs is eliminated from the County's estimate of the cost of its second year proposal, the cost of that proposal is roughly the same as the cost attributed to it by the Association (\$20,676) and the percentage increase for wages and health insurance is reduced from the 5.04% estimate made by the County to 3.9%.

## II. HEALTH INSURANCE

Both parties agree that the health insurance issue is more important than the wage issue in this proceeding. Although there are one or two other aspects of the parties' proposals on health insurance which are also in dispute, the gravamen of the dispute relates to the County's proposal to substantially increase the size of the annual deductible figure for single and family participants.

For a number of years the County has experienced substantial increases in the premium cost of the health insurance policy provided for its employees. Thus, in the years 1981, 1982, and 1983, the single premium increased from \$41.35 to \$60.06 to \$70.66. During those same three years the family premium increased from \$120.04 to \$174.13 to \$204.86. These increases occurred in spite of the fact that, prior to 1983, there was a \$50 deductible and a requirement that employees pay 10% of the cost of the premiums. When the insurance carrier notified the County of its intention to substantially increase the premiums for 1983, the parties agreed to increase the deductible amount to \$100 and to adopt a co-payment feature whereby the employee or each of the dependents could be required to pay 20% of the first \$2,000 in covered charges. With these changes the premiums for 1983 were held to \$70.66 and \$204.86 respectively. Nevertheless, based upon adverse claims experience, the County's insurance carrier notified the County of its intention to increase the single and family premiums in 1984 to \$100.84 and \$292.34 respectively. The County did seek alternative bids but was unable to substantially cut the premium costs and ultimately concluded that the best way to reduce the premium costs was to substantially increase the deductible amounts.

### COUNTY'S PROPOSAL

The County proposes that the deductible amount be increased from \$100 to \$500. In the case of single coverage this increase would mean that employees with single coverage would have a maximum exposure of \$900 of uncovered health insurance costs. This is so because the first \$500 of health insurance costs which are subject to the deductible would have to be paid by the employee and 20% of the next \$2,000 in covered charges would have to be paid by the employee. The maximum exposure for an employee with single coverage under the old agreement was \$500 (\$100 plus \$400). In the case of family coverage, the County proposes to increase the deductible to \$500 as well. However, since the policy limits the maximum number of deductibles per family to two, the total deductible per family would be limited to \$1,000, regardless of the size

of the family. The co-payment feature of the family coverage would remain the same, i.e., 20% of the next \$2,000 per family member. However, because the policy also has an \$1,800 maximum per family exposure, no more than two family members could be required to make such co-payments. Under the old policy, more than two family members could be required to make co-payments and therefore the maximum exposure for a family of four could still equal \$1,800 (\$100 plus \$100 plus 4 times \$400).

Under the County's proposal it has offered to pay the entire premium of the insurance plan as it existed under the terms of the 1982-1983 agreement through June 1984. As of July 1, 1984, the County has proposed to pick up the entire premium of the new plan for both family and single coverage. The County's proposal was agreed to and has been implemented in the case of courthouse and highway department employees who are represented by a different union and in the case of unrepresented employees. The plan has not been implemented in the case of employees in the bargaining unit represented by the Association. Therefore, since at least July 1, the County has paid an amount equal to 100% of the 1983 premiums, which premiums are substantially less than the new premiums for the same coverage. The difference of \$30.18 in the case of the single plan and \$87.48 in the case of the family plan, is currently being deducted from the paychecks of the employees with such coverage.

#### ASSOCIATION'S PROPOSAL

The basic thrust of the Association's proposal on health insurance coverage is to continue the same coverage with the same deductible amounts for the two-year term of the agreement, with the Employer paying 100% of the premium for both years and thereafter. (Under the old agreement the County had agreed to pay 90% in 1982 and 100% in 1983.) In so doing the Association has proposed to reword Section 14.01 of the old agreement to reflect these requirements and the continuation of certain other requirements. However, the reworded provision would also eliminate the following sentence which was contained in old Section 14.01:

"If a change in the insurance carriers is grieved, the sole issue to be determined is the comparability of benefits expressed in total dollar value to the insured."

The proposed wording for Section 14.01 under the Association's final offer, including a new last sentence along with the other changes discussed, reads as follows:

#### "Section 14.01 - Hospitalization

"All Deputies who desire hospital and sickness insurance, shall be included in the regular County program of hospital and sickness insurance now in force, or as same may be hereinafter modified or

improved, with the County to pay the full premium. The employees agree to pay a one hundred dollar (\$100.00) deductible for the single plan per year and one hundred dollars (\$100.00) per person, maximum two (2) per family per year, for the family plan. Deputies who have retired at age 55, shall be allowed to be continued by paying one hundred percent (100%) of the premium if this does not raise the premiums for the balance of the Oneida County employees and subject to its approval by the insurance carrier for the County. The present medical and hospitalization benefits will not be reduced but the County may from time to time change the insurance carrier if it elects to do so. The County agrees to notify the Association before any such changes is implemented and to advise the Association of the terms of the proposed change."

According to the Association, the total monthly cost of its health insurance proposal, which is basically a continuation of the status quo, would be equal to \$1,897.44. However, this stated cost is slightly higher than the actual cost because it is based on the assumption that there are 21 employees on the family plan and 4 employees who do not have insurance coverage, whereas in fact there were 20 employees on the family plan and 5 employees who had no insurance coverage as of September 1984. Utilizing the Employer's estimate of the first year cost of the Association's proposal, which is based upon the corrected data the cost is \$1,809.92 per month or \$21,719 per year. This compares to a total first year cost under the County's proposal, which consists of six months at the higher rates for the old deductibles followed by six months of the higher rates at the new deductibles, of \$1,189.50 per month or \$14,274 for the year. The increased cost during the second year of the agreement under the Association's proposal would be the same as the increased cost during the first year of the agreement. However, in the case of the County's proposal the increased cost would be equal to the cost incurred during the second six months which is fairly nominal, i.e., \$308 for the entire 12 months.

#### COUNTY'S POSITION

According to the County, there are two principal issues in dispute, wages and health insurance. However, according to the County, the wage issue is really of "secondary importance" and should be considered as a part of the total comprehensive package rather than being of equal importance to the health insurance issue. Also, the Employer sees a "third issue" based upon the changed wording of Section 14.01 proposed by the Association. As the County interprets the Association's proposal, it would affect the duration of the County's responsibility to pay health insurance premiums and more strictly limit the County's ability to seek alternative health insurance programs.

At the outset of its argument, the County argues that its proposed grouping of comparables should be utilized rather than the proposed grouping of comparables advanced by the Association. According to the County, the grouping of comparables should be limited to counties and should not include other municipalities, with the one possible except of the City of Rhinelander which is the County seat. The County acknowledges that arbitrators have frequently utilized comparisons with the County seat even though the dispute involves County employees. The County proposes a grouping of comparables consisting of

seven contiguous or nearly contiguous counties (Forest, Langlade, Lincoln, Price, Shawano, Taylor and Vilas) and suggests that the five counties which are contiguous (Forest, Langlade, Lincoln, Price and Vilas) should be deemed the most comparable. According to the County, Florence and Iron Counties should be excluded because of their smaller population and because they have been historically linked or associated with a different grouping of counties.

The County objects to any consideration being given to municipal police departments in Merrill, Antigo, Tomahawk and the Town of Minocqua, as suggested by the Association. This is so because of the smaller population served, the different form of municipal government involved and the fact that none of those municipalities enjoy the unique status that Rhinelander does, as the Oneida County seat. In connection with this argument the County also lists a number of municipalities which the Association logically could have but did not include in its proposed comparables, and suggests that the Association has been selective in that respect. Overall, the County argues for the exclusion of cities, towns and villages because of differences in constitutional and statutory responsibilities of law enforcement officers employed by county sheriff departments and such other departments, notwithstanding the fact that the various departments may sometimes call on each other for help in emergency situations as the Association contends.

In its brief, the County reviews what it describes as the "tremendous increase" in the cost of health insurance for the County in recent years and argues that the increase in question justifies its proposal which is designed to encourage employee participation in efforts to contain costs. Notwithstanding the parties' joint efforts to hold down such cost increases through an increase in the deductible and the adoption of a co-payment arrangement in prior years, the County was faced with very substantial increases going into the 1984 negotiations, even with a continuation of the \$100 deductible and co-insurance feature. Specifically, the County was faced with a proposed increase in the monthly family premium from \$204.86 to \$292.34, which amounted to an increase of \$87.48 or 42.7%. It was only after seeking alternative bids and learning that the only effective way to reduce the premium cost was through an increase in the deductible, because of the County's experience record, that the determination was made to make such a proposal to the three bargaining units the County deals with.

The County points out that under its proposal the \$500 deductible represents an increase in the potential financial cost to employees, whereas the Association's proposal represents a real added cost to the County of \$1,049.76 per year per family plan. Further, according to the County, an employee with a family of four suffers no greater potential exposure under the County's proposal than existed under the plan which the Association asks be continued unchanged.

According to the County, it was "fortunate" in its ability to reach agreement with the other two bargaining units with which it deals. They accepted the new plan along with the wage adjustments for 1984 which were equal to the equivalent of 3.25%. Making apparent reference to the extensive testimony given at the hearing concerning the timing of those settlements, the County points out that the other two bargaining units

involved reached tentative agreements on the evening of May 14, 1984, prior to the last mediation meeting conducted by the WERC investigator in this case on May 15, 1984. Thus, even though the final offers in this case were exchanged on June 6, 1984, prior to the ratification of the tentative agreements in question, there can be no doubt that the representatives of the Association were fully aware of the existence of those agreements and their ramifications. This is so because the Association's representatives were so advised on May 15, 1984 and were invited to attend a meeting conducted for purposes of explaining the new plan.

Referring to a number of exhibits which it introduced at the hearing, the County argues that its proposal is consistent with a trend in the case of Employer provided health insurance plans to increase deductibles and include higher co-pay provisions in an effort to curb ever increasing costs. The County acknowledges the difficulty presented to employees posed by a potential contribution requirement of \$1,800 per family but argues that "the time has come when it should also be acknowledged that annual family health insurance protection plans should not have to cost an employer in excess of \$3,500."

Citing the authorities referred to in its exhibits and the decisions of several arbitrators, including the undersigned, the Employer argues that the facts in this case provide a compelling basis for changing the "status quo" with regard to health insurance, which the Association seeks to maintain. Further, according to the County, the "status quo" which the Association seeks to maintain will result in the imposition of an extreme increase in the financial burden on the County which will be extended "indefinitely" under the wording of the Association's proposal. For this reason, the County argues that its proposal is not only supported by circumstances justifying a change, but that its proposal has a net result which more closely approximates the status quo, than does the Association's.

The County argues that it should not be required to "buy" its proposal based on the claim that it is unsupported by comparables, since there are no true comparables in the sense that no other employer has been faced with premiums as high as those faced by the County. Among its own comparables Lincoln County is the closest with the Employer being required to pay \$216.47 which is \$916 less per year than under the Association's proposal. Further, changed circumstances have been found to justify changes of the type proposed here, according to the County. Nevertheless, the Association has taken the consistent position that it does not object to the increased deductible, so long as the County agrees to pay for it through self funding or other means. The County points out that the Association takes this position notwithstanding the fact that all other County employees are subject to the new deductible. Further, even though the Association expresses concern about increased health insurance costs, the County points out that none of its offers in negotiations would have required employees to participate in cost containment efforts. Thus, selection of its offer, will send a message to the employees represented by the Association that they need not become more actively involved in efforts at cost containment.

In its brief, the County also draws the arbitrator's attention to certain changed circumstances since the hearing

herein.<sup>1/</sup> Subsequent to the hearing, the County was notified by its insurance carrier that there would be no increase in insurance premiums for 1985. That information, which is consistent with the Association's claim at the hearing, has served as a basis for a County proposal in its negotiations with the other bargaining units for 1985, wherein it has offered to rebate the "last \$100 of the \$500 deductible" under the new plan. The County also notes that it has taken certain other affirmative actions to encourage wellness. This evidence demonstrates, according to the County, its willingness to consider and negotiate with regard to the concerns of its employees to the extent that its efforts at cost containment are actually successful.

Citing certain CPI data, including data released since the hearing herein, the County argues that changes in the Consumer Price Index reflect an annual rate between 3.5% and 4%. According to the County, the Association's proposal for 1984 is substantially in excess of the most recent available information concerning changes in consumer prices. On the other hand, it argues that its own proposal, which is also in excess of those changes, is more in line with such changes. Further, when it formulated its offer for 1985, it did so based on the realistic assumption that there would be a further increase in health insurance premiums, particularly if the Association's proposal on health insurance was accepted. Under these circumstances, the County argues that its 4.4% wage proposal for 1985 should likewise be found to be more in line with available information concerning changes in consumer prices, than is the Association's 5% wage adjustment proposed for 1985.

As a separate argument, the County maintains that the Association's health insurance proposal not only fails to involve employees in cost containment efforts, but also encourages the opposite result by its alteration of previously negotiated agreements. Under the old agreement, the County was responsible for payment of 100% of the premium for calendar year 1983. That language was consciously negotiated to limit the County's exposure to "unknown increases" for periods beyond the term of the agreement. Given the history of huge increases in health insurance costs, the County's felt need for such language is understandable, it is argued. Nevertheless, even though the Association agreed to such language and has lived with it for several years, it proposes, as part of its final offer, to change the language in question. Under the Association's proposal the County would be obligated to continue to pay the full insurance premium with the lower deductibles, whatever that premium might be. On the other hand, under the present contract language the County has agreed to pay 100% of the premium costs for any given contract year. This limitation not only protects the County but encourages employees to negotiate an early settlement out of recognition that they will have to, at least temporarily, subject themselves to the payment of additional premium costs pending negotiation of the new agreement. The fact that this incentive did not work for the contract year 1984 does not render the argument invalid, according to the County.

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<sup>1/</sup> Even though the Association had the right to file a reply brief, it waived its right to do so and made no formal objection to consideration of these changed circumstances, which in certain respects support the Association's offer as well.



With regard to the Association's proposed change in this regard, the County notes that it is the Association which seeks to change the "status quo" and argues that it has failed to demonstrate a justification for such change.

The County also notes that the Association's proposal would delete the last sentence of Section 14.01 as it read in the prior agreement. That provision as well was negotiated voluntarily by the Association and its representatives who, unlike the Association itself, have not really changed in recent years. This provision gives the County important flexibility in its efforts to contain costs. According to the County, it is commonly known that insurance plans offered by competing carriers often have similar dollar limitations but contain language which is slightly different. If the Association's proposed change is accepted it will effectively hamstring the County in its efforts to contain costs through the seeking of competitive bids in the future, it is argued. Also, the County points out that the interpretation and application of its language has never been a source of dispute between the parties and argues that the Association has again failed to establish the need for a change in the "status quo" in this regard.

The County acknowledges that arbitrators, including the undersigned, have been willing to recognize the need for employee participation in the containment of health care costs but have also been reluctant to enter decisions which would involuntarily alter the existing financial exposure experienced by employees. However, it is argued that the existing arrangement can no longer be continued in view of its failure to contain costs and the intolerable increases in insurance premiums experienced by the County. Citing a decision of Arbitrator Frank Ziedler<sup>2/</sup>, the County argues that the containment of health care costs is a matter which has been found to be linked to the interest and welfare of the public under the statutory criteria. According to the County, it has demonstrated a real need for change and argues that it is "absolutely essential" that employees be required to become more financially involved in their own health insurance protection in order to contain costs. This argument is even more compelling in the case of employees in this bargaining unit who in general are compensated at higher levels than those other County employees who have already voluntarily agreed to assume such responsibilities.

In conclusion, the County argues that the record in this proceeding establishes that deputy sheriffs in the County are compensated at rates well above the average of comparable law enforcement agencies in the area and the County's proposal continues that practice; the total package submitted by the County is more in line with changes in the Consumer Price Index during 1984 and will remain consistent with such changes during 1985; the unreasonably high increases in the cost of health insurance protection over the past several years requires a

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2/ Dane County Decision No. 21458-A, July 30, 1984.

greater financial involvement on the part of employees of the County; and the proposal submitted by the Association for the deletion of significant provisions of the contractual language pertaining to health insurance are not justified and would significantly alter the historical relationship between the parties. For all of the these reasons, and based upon the evidence submitted at the hearing, the County argues that its offer should be accepted as the more reasonable one under the statutory criteria.

#### ASSOCIATION'S POSITION

In its brief, the Association presented its arguments in relation to each of the statutory criteria found in Section 111.77(6) (a) of the Wisconsin Statutes. Its arguments will be discussed in the order presented.

According to the Association, there is no evidence in this case that the County lacks the lawful authority to implement either final offer. Further, since this argument was not raised during the negotiations, the Association argues that no further consideration should be given to this criteria other than to observe that both proposals would appear to be within the lawful authority of the County.

The Association reviews the six stipulated items agreed to by the parties and notes that only one of those agreements has a potential cost impact. Citing testimony given at the hearing, it is the Association's position that the agreement to provide employees with "acting pay" when designated to assume the duties of an officer of a higher rank will not cost the County anything unless it so designates employees and the maximum cost of such a provision during 1983 would have been \$156.

With regard to the County's financial ability to pay, the Association points out that no evidence was presented by the County in support of a contention that it lacked the financial ability to pay the costs of the Association's proposal and argues that the absence of such evidence precludes any such argument. Further, there is no evidence that the County's ability to pay differs in any significant way from that of the other comparable employers relied upon by the Association. The Association takes the position that the interests and welfare of the public would best be served by its proposal because the morale of employees can be adversely affected by the realization that their wages or fringe benefits are inferior to those of employees of comparable employers, with whom they come in contact. In support of this latter argument the Association cites a number of authorities in the field of arbitration and a number of arbitration awards, wherein the importance of such comparisons is recognized, in part on the basis of such morale considerations.

Next, with regard to the comparability criteria, the Association argues that its offer compares more favorably to comparable communities within the County, near the County, and throughout the State of Wisconsin. According to the Association, it does not seek, in its offer, to improve its relative relationship to other comparables. Instead, its offer would cause the Association to lose ground slightly in relation to its comparables. Further, the Association points out that the delayed implementation of the first year increase reduces the cost of its proposal during the first year by 50%.

According to the Association, the consensus of opinion is to the effect that while comparisons are a very important criteria in interest arbitration disputes, the selection of appropriate comparables is not based upon exact measurements.

The consensus is that population, geographic proximity and a number of other factors, should be given consideration in determining appropriate comparables. Based upon those criteria, the Association argues that the six contiguous counties identified in its exhibits (Forest, Iron, Langlade, Lincoln and Price) and certain municipalities in and around Oneida County which have bargaining rights and fairly substantial populations (Antigo, Merrill, Minocqua, Rhinelander and Tomahawk) should be found to be comparable. Referring to its own exhibits which rank the top deputy rates among those comparables, the Association argues that it has consistently ranked a few dollars over the average of the comparison group for the last several years. According to the Association, its final offer does not attempt to gain "supremacy" among those comparables and contends that its offer would cause its rate for such officers to decrease to an average lower than it has been in the last four years. Thus, for the last four years the Association has averaged approximately \$15 above the other comparable municipalities, but its offer causes officers to fall to only \$7.64 above average. On the other hand, the County's offer would reduce the rate to \$3.36 below average, according to the Association. The Association also points out that the average percentage increase among its comparables is 4.59% for 1984, compared to the County's proposal of 3.25%. It argues that its proposal of \$58.50 for the last six months has an impact of only 4% on the base pay for top deputy, which is still below the average increase among the comparables it relies upon. According to the Association, these comparisons demonstrate that the Association is not attempting to gain relative position and has recognized the significance of the "economic times."

Contrary to the County's position, the Association contends that the use of cities and towns within the County and within the other comparable counties is appropriate under the statute. This is especially true in the case of communities within Oneida County itself, according to the Association. Given the fact that there are only two deputies on patrol at certain times in Oneida County, such comparisons are not at all unreasonable, notwithstanding the smaller size of some of the communities included in its list. According to the Association, a number of arbitrators who have considered the matter have concluded that comparisons for counties should not be limited to other counties but may legitimately include comparisons of communities within the County as well.

According to the Association, the County's final offer with regard to health insurance also lacks support among the comparables. Therefore, if an increase in the deductible amount is to be substantially increased as proposed by the County, such change should be negotiated, not arbitrated, according to the Association.

Also, in support of this latter contention, the Association contends that the County took a "hard line" and "inflexible" attitude toward the deductible issue in negotiations. According to the Association, it acquiesced in the County's request to delay bargaining for purposes of dealing with the problem of health insurance premiums because of representations by the County that it was seeking alternatives to resolve the problem. Finally, at the meeting in March, the Association was no longer willing to accept the County's refusal to discuss economics. Recognizing that the issue of health insurance and wages were and have been a serious problem in recent years, the Association

attempted to put together a voluntary agreement by offering "numerous alternatives" to the County. However, according to the Association, the testimony at the hearing herein demonstrates that the County simply rejected the Association's efforts out of hand. It was only because of the County's inflexibility that arbitration was required, according to the Association.

In particular, the Association points out that it offered the County the opportunity to "self fund" the increased deductible amount through a proposal to use part of the wage increase for 1985 for such purpose, but that the County insisted upon deducting the increase in premiums from deputies' pay checks instead. According to the Association, it has always taken the position that it has no objection to the County's obtaining a lower premium through the increased deductible, provided it would agree to some method of self funding. However, when the highway department and courthouse employees agreed to the higher deductibles the County's position became inflexible. Even a "last ditch effort" on June 6, 1984 to reach a voluntary settlement was rejected by the County, according to the Association.

The Association acknowledges that the 1984 health insurance premiums are well above the comparables. However, according to the Association, this is so only because the County has not elected to reduce the premium voluntarily by assuming part of the deductible. This is so even though the deductibles in comparable communities are all much lower than those proposed by the County. The average deductible among the Association's comparables for single coverage is \$64. The average deductible among the Association's comparables for family coverage is \$152. Therefore, it is argued, that the existing \$200 deductible is already above average.

The Association also argues that the impact of the deductible negates the wage increase offered by the County. Relying upon exhibits comparing the potential cost to the employee of the higher deductibles and the value of the increases offered by the County's proposal, the Association argues that the 10.35% increase in earnings over the two years could be reduced to 2.6% in the case of an employee who is required to pay the maximum toward the deductibles and co-insurance requirements. Other employees who are only required to pay a portion of those maximums would receive actual increases ranging from a low of 2.6% to a high of 10.35% over the two years of the agreement under the County's offer.

Seeking to justify its proposal to change the wording of the agreement with regard to grieving changes in health insurance carriers, the Association argues that its ability to grieve health insurance issues is impaired by the current language. This is so because the current sentence is "vague and ambiguous," Assuming that the issue of health insurance may prove to be a "focal point" of collective bargaining in the future, the Association argues that it does not wish to agree to language which may hinder it from pursuing a grievance involving a change in health insurance carriers. Therefore, the fact that no grievance has ever been filed on the issue is unpersuasive since prudence would support the deletion of the language before it becomes "problematic."

According to the Association, the parties' final offers on wages during the second year of the agreement are "virtually the same." The Association's 4.4% across-the-board increase

would generate an increase of \$66.41 per month for the top patrolmen whereas the County's proposal of a 5% increase would generate an increase of \$76.02 per month. Nevertheless, the Association argues that its proposal more accurately conforms to wage settlements around the state for 1985. Further, according to the Association, its offer parallels the expected rate of inflation which, according to its exhibits, will more closely approximate 5% than 4%. In spite of these arguments, the Association acknowledges that the wage offer for 1985 is so close that it ought not be the determining factor in this proceeding. The Association agrees with the County that the crucial issue of health insurance deductibles should determine the outcome in this regard.

With regard to the cost of living criterion, the Association argues that an assumed rate of 4% for 1984 and an assumed rate of 5% for 1985 are justified based upon the record. Further, the rate for non-metropolitan urban areas in 1984 was closer to 4.9%, it is argued. According to the Association, this data further supports the reasonableness of its 5% across-the-board proposal for the second year of the agreement.

Based upon the foregoing analysis, the Association argues that its offer should be found to be the more reasonable under the statutory criteria and asks that the arbitrator select the Association's offer in this proceeding.

#### DISCUSSION

The parties are in agreement that the issue of wages is of less consequence to the outcome of this proceeding than is the issue of health insurance. However, the issue of wages will be discussed first, at least insofar as the comparative data is concerned, since that data must be given consideration in assessing the question of the overall reasonableness of the two offers under all of the statutory criteria.

The parties are not in agreement as to the appropriate comparables to utilize for purposes of evaluating the wage issue. Nevertheless, there is considerable overlap in their list of proposed comparables. Further, the undersigned must agree with the Union that there is no fixed formula which makes it possible to determine with precision which comparables should be utilized for purposes of evaluating wage issues. Suffice it to say that the proposed comparables which are geographically proximate, similar in population size, economic condition, governmental structure and employment have much greater persuasive value than do other proposed comparables.

Without concluding that they constitute "the comparables" for Oneida County, the undersigned has reviewed the statistical data provided by both parties for those governmental units which are included in both sets of proposed comparables -- five counties (Forest, Langlade, Lincoln, Price and Vilas) plus the City of Rhinelander. The proposed top rate for deputies or patrol officers under both offers is probably the most representative rate for purposes of comparison and both parties have provided the undersigned with exhibits which focus on that rate.

The undersigned's review discloses that the County has historically paid a rate which is slightly above average for the group but not equal to the top rate. Under the Association's offer, there would be little change in this regard, in spite of the fact that certain other governmental units (some starting from a lower base) have granted larger

percentage increases than 4% for 1984. (Price County, which granted its top patrol officers 6% would move to second place, ahead of the County.) Under the County's offer of 3.25% the rate would remain above average and there would be no greater loss of relative rank. On the other hand, the amount by which the County would then be above average would be reduced from approximately \$41 to approximately \$30 per month.

The internal comparisons in this case clearly favor the County's offer. The only other bargaining units which the County bargains with have both accepted across-the-board increases of 3.25% for 1984.

Based on this comparative data alone, the undersigned would be inclined to find that the County's offer for wages for the first year should be favored on the comparability criteria, but only slightly so. The Association has provided statewide data covering the percentage increases granted by various law enforcement departments for 1985, expressed in percentage terms. None of the departments in question are included on both sets of proposed comparables. However, a few are located in somewhat close proximity to Oneida County. Those figures range from a low of 2.0% to a high of 6%, in terms of rate increases or "lift." The figures in question include a number of split increases utilized to help achieve the 5 and 6% figures. The average lift for this group is 5%.

Because this data does not include any of the comparables which are included on both parties' list of proposed comparables and because it generally represents a diverse group of municipal employers throughout the State, the undersigned believes that it is inappropriate to place great reliance on it. Nevertheless, this data does tend to lend greater support to the Association's proposed increase of 5% in the second year, as opposed to the County's proposed increase of 4.4%. This tentative conclusion finds further support when it is recalled that, under the County's first year proposal, the percentage increase granted is below the percentage increase granted by the external comparables.

This analysis convinces the undersigned that the question of the comparative reasonableness of the two offers on the isolated question of wages should indeed carry very little weight in this proceeding. Given the statutory requirement that the total final offer of one party must be selected in toto, there is no doubt that an evaluation of the issues related to health insurance and an overall evaluation of the two offers under the statutory criteria should be allowed to control the question of which wage proposal should be implemented.

The Association's position on the basic health insurance issue, i.e., the size of the deductible, is supported by the fact that the Association, by that limited aspect of its proposal, merely seeks to maintain the existing level of benefits. The data covering the size of the deductible found in policies covering external comparable employee groups also supports the Association's position. However, as the County points out in its arguments, in the past it has only agreed to pay 100% of the cost of health insurance with the existing deductibles for one year -- 1983. If that practice were to be continued for 1984 without change, the County would be required to pay an extraordinarily large increase

in monthly premiums, far higher than any of the external comparables. The annual premium for the family plan would then exceed the rather extraordinary sum of \$3,500 per year and, under the Association's proposal to reword the provisions of Section 14.01, the County would be obligated to pay 100% of that premium and any subsequent increases during the term of the agreement and thereafter, at least until it was able to negotiate a reduction after the expiration of the agreement.

The Association argues that the County could "self fund" the increased amount of the deductible and thereby incur less cost than if it were to pay the larger premiums. While this argument is factually correct, such a practice would arguably serve to defeat the purpose of such requirements, as reflected in the literature and the rationale of the arbitration awards relied upon by the County.

Also supporting the County's position on the health insurance issue, is the fact that the other two employee groups with which it bargains have voluntarily agreed to accept the new higher deductibles, along with the same percentage wage increase offered to the Association here. Also, internal comparables dealing with benefits are generally given great weight because of the recognized need of an employer to seek to pursue internally consistent policies in that area.

While the undersigned is admittedly reluctant to involuntarily impose such a reduction in the level of existing benefits, particularly in the absence of external comparables supporting the change, he concludes that the unusual conditions present in this case combined with the internal comparables, justify the proposed change. While there are few employers who cannot advance a claim that they have been faced with substantial increases in the cost of health insurance in recent years, the situation here goes far beyond that common complaint. At least until some other means is developed which will help bring into control the cost of health care insurance for its employees, the County should be permitted to insist that those employees who utilize the service the most should be required to help underwrite its cost. Contrary to the Association's argument, most employees will not suffer the erosion of wage gains anticipated in its "worst case" analysis. Admittedly, the burden that the County seeks to increase, i.e., a deductible increase of \$400 per employee or dependent, does have the potential to be substantial in individual cases. However, that burden is strictly limited to the dollar figures in question and is backed up by nearly unlimited coverage after the requirements of the deductible and the co-pay features have been met.

The conclusion that the Employer's position on health insurance should be favored over that of the Association, also finds support in the other proposed change in language included in the Association's proposal. The provision which the Association seeks to eliminate is no more ambiguous or fraught with potential for dispute than are other, similar provisions, including the one advanced by the Association herein. Further, there has never been a grievance under the existing language nor is there any evidence in the record that it has caused problems in the past. For these reasons, the conclusion is reached that the Association has failed to establish that the status quo in this regard should be disturbed.

When the parties' proposals on wages and health insurance are considered together, a number of additional conclusions can be easily drawn. First, there would appear to be no issue presented concerning the County's lawful authority to implement either offer, but the interests and welfare of the public would probably be better served under the County's proposal because of its position on the health insurance issue. The stipulations of the parties do not lend much support to either offer and the available data concerning changes in the cost of living, as measured by the Consumer Price Index figures cited by the parties, would likewise not tend to lend much support to either party's proposal.

The comparative data relied upon by the parties, which is discussed in detail above, provides some support for both offers, but comparisons of the actual cost of health insurance and internal comparisons help tip the balance in favor of the County's offer on the crucial issue of health insurance. There is no evidence that the overall compensation received by the employees in question will be substantially out of line with internal or external comparables, when appropriate consideration is given to the actual cost of providing health insurance coverage to the County's employees. Finally, while the cost of such health insurance coverage will apparently not increase during 1985, that fact does not so reduce the overall value of the County's two-year proposal so as to require the conclusion that it is less reasonable than the Association's offer under all of the circumstances present here. On the other hand, that fact does tend to support the County's claim that an increase in the size of the deductible may help to bring the cost of providing health insurance coverage to its employees under control.

For the above and foregoing reasons the undersigned concludes that the County's final offer should be selected and renders the following

AWARD

The County's final offer, submitted to the Wisconsin Employment Relations Commission, shall be included in the parties' 1984-1985 Collective Bargaining Agreement, along with all of the other provisions which were agreed to by the parties for inclusion therein, including those provisions of the prior agreement which are to remain unchanged under the County's offer.

Dated at Madison, Wisconsin this 5th day of April, 1985.

*H. ... ..*



APPENDIX "A" WAGES

Effective January 1, 1982, 7% across the board, which will provide a wage scale as follows:

<u>CLASSIFICATION</u>	<u>START</u>	<u>1ST YR.</u>	<u>2ND YR.</u>	<u>3RD YR.</u>	<u>4TH YR.</u>
Investigator	\$ 1,430.00	\$ 1,467.59	\$ 1,488.08		
Sergeant	\$ 1,410.28	\$ 1,419.26	\$ 1,439.75		
Patrolman	\$ 1,229.50	\$ 1,288.57	\$ 1,316.60	\$ 1,349.45	\$ 1,393.53
Clerk/Matron	\$ 787.31	\$ 820.16	\$ 827.89	\$ 848.37	

Effective January 1, 1983, 4.9% across the board, which will provide a wage scale as follows:

<u>CLASSIFICATION</u>	<u>START</u>	<u>1ST YR.</u>	<u>2ND YR.</u>	<u>3RD YR.</u>	<u>4TH YR.</u>
Investigator	\$ 1,500.07	\$ 1,539.50	\$ 1,561.00		
Sergeant	\$ 1,479.38	\$ 1,488.80	\$ 1,510.30		
Patrolman	\$ 1,289.75	\$ 1,351.71	\$ 1,381.11	\$ 1,415.57	\$ 1,461.81
Clerk/Matron	\$ 825.89	\$ 860.35	\$ 868.46	\$ 889.94	

