

Leave Termination Bank Benefit. The final offers of the parties on these issues are shown below.

ISSUE

FINAL OFFER OF THE COUNTY:

Appendix A - 1990 Salary Schedule

1/1/90: + 2.5% across-the-board, all positions

7/1/90: + 2.5% across-the-board, all positions

FINAL OFFER OF THE ASSOCIATION

APPENDIX "A" Increase all classifications by the following:

Effective 1-1-90, 3.0%

Effective 7-1-90, 2.0%

Effective 12-31-90 1.0%

SECTION VII - SICK LEAVE - Amend to Read:

- G. Termination Bank Benefit: All employees covered by this Agreement who actually retire from County service at the age-of-fifty-five (55) normal retirement age as provided by the Wisconsin Retirement Fund or over with at least twenty (20) years of continued service with the County, . .

DISCUSSION

The County and the Association agree that the primary external comparable is the City of Stevens Point, the county seat of Portage County and the city in which the headquarters of the County Sheriff's department is located. The County and the Association also agree that the other comparables are the adjoining counties of Wood and Marathon and the nearby cities of Marshfield, Wausau and Wisconsin Rapids.

The County and the Association also were very close to agreement on wages with the difference in cost of the two offers, according to County Exhibits 28 and 29, being less than three thousand dollars on a total compensation budget in 1989 of slightly over one and one-quarter million dollars. The selection of either offer is further complicated by the existence of split increases and end of year adjustments. Comparisons of annual base salaries will yield a

different result than comparisons of end of year salaries. And wage increases granted in 1990 give different results from gains made in 1990. Illustrations of these problems are shown below.

Association Exhibit 28 shows that the annual increases for Marathon County and the City of Marshfield are the same. In each case, the employees received a 2% increase on 1/1/90 and a second increase of 2% on 7/1/90. However, Association Exhibit 27 shows that the total monetary gain when the annual 1989 base is compared with the 1990 annual base is \$1362 or 5.53% for the Marathon employees but only \$723 or 3.02% for the Marshfield employees. The arbitrator believes this difference arises because Marathon employees received a split increase in 1989 while Marshfield employees did not. In evaluating 1990 increases, the question then becomes, which comparison should be used.

This arbitrator believes that the most sensible comparison to make is between the end salary in the former year and the total increase in salary gained in the year in question. County Exhibits 20-26 show the annual wages as of the end of 1989 and 1990 for the County and the comparables. Association Exhibit 28 shows the timing and the amount of the increases for the same groups. From these data, as shown in the table below, the arbitrator calculated the dollar increases and the percent lifts in salaries. It should be noted that the arbitrator adjusted the Stevens Point 1989 end of year salary by subtracting the 18 cents per hour increase granted at 11:59 p.m. on December 31, 1989 and counting it as a part of the 1990 wage increase.

<u>RANKING</u>	<u>12/31/89</u>	<u>12/31/90</u>	<u>GAIN</u>	<u>LIFT</u>
1. Wisconsin Rapids	\$26,685	\$27,686	\$1,001	3.75%
2. Wood County	26,190	27,248	791	4.04
3. Stevens Point	25,500	27,240	1,740	6.82
4. Marathon County	25,212	26,232	761	4.05
5. Portage County	24,868			
County Proposal		26,141	940	5.12
Assoc. Proposal		26,413	1,003	6.21
6. Wausau	24,192	25,272	1,080	4.46
7. Marshfield	23,907	24,873	722	4.04
<u>AVERAGE (Exc. Port.)</u>	<u>\$25,281</u>	<u>\$26,425</u>	<u>\$1,016</u>	<u>4.53%</u>

The first point that struck the arbitrator while examining this table was the stable ranking of the six comparables. The rank order in 1990 was the same as in 1989. If the County offer is selected, the rank order of the seven units, including Portage County will remain the same. If the Association offer is selected, the Portage County deputies will move ahead of Marathon County. On the other hand, if the County offer is selected, the Portage County deputies will fall even further behind the Stevens Point patrolmen than they would under the Association offer.

The arbitrator believes that, in so far as external comparables are concerned, the Association offer is preferable to the County offer because the Association offer provides for a wage gain which, although lower than the average, is closer to it than the County offer. Also, the arbitrator believes that the comparison with Stevens Point, the primary comparable should be controlling in a close situation. The arbitrator believes that these reasons outweigh a preference for the County offer because the lift under its offer is closer to the average than the Association offer. These reasons also outweigh the additional arguments of the County to the contrary which are considered below.

The County cites the internal comparisons in support of its offer. The County notes that the four other units which have settled provide a weighted average gain of 3.56% and a weighted average lift of 4.18% (See County Ex. 15). However, these units are relatively small compared to the non-professional AFSCME Local which had not settled. Also, there is considerable variation among these four settlements.

Even so, internal comparisons support the choice of the County offer over the Association offer. In this instance, this arbitrator is persuaded that external comparisons are more important than internal ones because of the history of bargaining and the variations among the internal settlements. In particular, it appears from the exhibits that the primary comparables have been the external comparables and that the internal comparisons are secondary.

The County stresses a total package approach in its brief, citing various arbitration awards that have relied principally on total compensation comparisons in selecting the preferable offer. The arbitrator does not believe that the evidence supports any reliance on the total compensation comparison in this dispute. Although total compensation of the Portage County deputies has increased by more than the total compensation of its comparables, the increase is attributable primarily to an unexplained large increase in the cost of health care rather than the expansion of a fringe benefit or the addition of a new fringe.

Reliance on total compensation comparisons makes sense when the parties have negotiated new or expanded fringes and as a quid pro quo for these new benefits have agreed to a smaller wage increase than is common among the comparables. For example, the employer might agree to pick up the employee share of the health premium or give additional holidays or longer vacations in

return for union acceptance of a slightly lower than average wage increase. But to take that theory and apply it to increased costs of health insurance has drawbacks which lead this arbitrator to reject it in this dispute.

The primary reason that the arbitrator rejects the use of total compensation comparisons in this dispute is that he suspects that if he did he would be allowing catastrophic health care expenses of one or two employees to affect the salaries of the entire bargaining unit. It is important to note that no explanation was given for the increases in health care costs and the arbitrator is forced to theorize about the reasons that the total compensation increase of Portage County Deputies far exceeds those of the comparables under both the County and the Association offer --- keeping in mind that the salary increase is less than the average of the comparables under either offer.

County Exhibit 28 shows that the aggregate increase in health insurance for the entire bargaining unit was from \$82,869.60 in 1989 to \$142,175 in 1990, an increase of 72%. The dollar increase in health insurance cost of about \$59,300 far exceeds the \$ 33,235 increased wage cost under the County offer or the \$35,420 under the Association offer. Presumably, it is this large increase in health care costs in 1989 which has led the Association and the other Portage County unions to agree in January, 1990 on the cost containment program summarized in County Exhibit 39, such as an increase of \$1000 in the amount subject to co-payment. Also, Exhibit 20 indicates that the employee contribution to the health insurance premium was increased slightly in 1990.

Therefore, in this instance the arbitrator gives no weight to the County argument based on the large increase in total compensation because it is attributable to unexplained increases in cost not to trade offs for expanded or new benefits. It should be kept in mind also that although the Portage

County increase in the 1990 family health care premium of 33% exceeded the average 21% increase in the premiums of the comparables (calculated from County Exhibits 20-26), the situation next year may reverse itself if several employees in one or more of the comparable units incur catastrophic costs or if the cost containment program of Portage County is more successful than attempts by the comparables to contain costs. In any event, one year surges in health care costs for unexplained reasons do not provide sufficient grounds to disturb traditional wage relationships.

The second issue in dispute is the Association proposal to change the age at which an employee who retires will be eligible for his termination bank benefit. This benefit is based on the value of an employee's accumulated unused sick leave and may be used to pay the retired employee's health insurance premium. Currently the Agreement requires that an employee attain the age of 55 and have at least 20 years of service in order to be eligible for the benefit. The County proposes no change in this benefit.

The Association proposes that the eligibility age be changed to the normal retirement age provided for in the Wisconsin Retirement Fund, which presumably is less than 55 although no testimony was offered on this point. Association Exhibit 34 shows that three of the comparables (Marshfield, Wisconsin Rapids and Wood) have no contract language on this point and that two (Marathon and Wausau) specify age 55 and one (Stevens Point) specifies age 50. The Association notes also that the two requiring age 55 are in contracts that have not been renegotiated since the change in the State law.

County Exhibit 30 differs from Association Exhibit 34 in several respects. County Exhibit 30 shows 50 as the minimum conversion age for Wausau and Marathon as opposed to the age 55 which Association Exhibit 34 shows for

those two comparables. Also, County Exhibit 30 shows Wood with the WRF age minimum while the Association shows that Wood has no contract provision on this point. If the County Exhibit is correct, none of the comparables require age 55 as the minimum; if the Association exhibit is correct, only the two comparables that have not yet had a contract opener since the law was changed still retain the age 55 minimum.

The County argues that the Association provides no quid pro quo for this change in a benefit, that no other County employees have this benefit and that there is no clear-cut pattern among the external comparables. The Association argues that its proposal modifies the benefit only to the extent permitted under the changed law.

The arbitrator believes that this benefit will become common among law enforcement officers covered by the State retirement program and that it is only a question of when Portage County deputies will gain this benefit. At this juncture, however, if this issue were standing alone, the arbitrator probably would not grant it because of the lack of a quid pro quo and because of the conflicting evidence and failure of the Association to make a strong argument on this issue. However, the arbitrator believes that the wage issue overshadows the termination bank benefit issue. Therefore, the arbitrator will base his decision on the relative merits of the two wage offers rather than their positions on this second issue.

From the above analysis, the arbitrator concluded that the Association offer was marginally preferable to the Association offer in terms of the criteria enumerated in Section 111.77 (6) of the Wisconsin Statutes. Although the arbitrator has focussed his attention on the comparability criteria, as

have the Association and the County in their exhibit, testimony and briefs,, his selection takes into account all of the criteria to the extent that they are relevant.

AWARD

After a thorough review of the testimony, exhibits and briefs of the Association and the County, the arbitrator finds for the reasons explained above that the offer of the Association is more in line with the criteria listed in Section 111.77 (6) of the Wisconsin Statutes and therefore selects the final offer of the Association and orders that it be implemented along with the stipulations.

11/16/90
November 16, 1990

James L. Stern
James L. Stern
Arbitrator