ARBITRATION OPINION AND AWARD

In the Matter of Arbitration Between	
GENERAL TEAMSTERS UNION LOCAL 662	
and	Case 101 No. 50775 MIA-1893 Decision No. 28187-A
PIERCE COUNTY (Sheriff's Department)	

ARBITRATOR: John W. Friess
Stevens Point, Wisconsin

UNIT: Pierce County Sheriff's Department Employees
33 protective services employees

HEARING: February 3, 1995
Elsworth, Wisconsin

RECORD CLOSED: March 10, 1995

AWARD DATE: April 24, 1995

APPEARANCES:

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ARBITRATION OPINION AND AWARD

Pierce County Sheriff's Department Employees
and
Pierce County

BACKGROUND AND JURISDICTION

This dispute concerns the negotiation of a collective bargaining contract between the Pierce County Sheriff's Department Employees represented by General Teamsters Local 662 (Employees, Union) and Pierce County (County, Employer) to replace their old contract which expired on December 31, 1993.

The parties commenced negotiations on matters to be included in a successor agreement in October, 1993 and met thereafter on several occasions in an effort to reach an accord. On March 24, 1994, the Union filed a petition with the Wisconsin Employment Relations Commission (WERC, Commission) requesting arbitration pursuant to the Section 111.77(3) of the Wisconsin Statutes. On June 2, 1994, Zelotes S. Rice, acting as a member of the Commission's staff, conducted an investigation which revealed that the parties were deadlocked in their negotiations. By September 14, 1994, the parties had submitted their final offers and Investigator Rice notified the Commission that the parties remained at impasse and the dispute was certified by the Commission for arbitration. On October 14, 1994, the Commission submitted a panel of arbitrators to the parties. John W. Friess of Stevens Point was selected as Arbitrator and was appointed by the Commission on October 28, 1994.

An arbitration hearing was held on February 3, 1995 in the County Board Room at the Pierce County Courthouse in Elsworth, Wisconsin. At that hearing exhibits were presented and testimony was heard. It was agreed that briefs would be exchanged through the Arbitrator and mailed by the parties postmarked by February 24, 1995. Reply briefs, if any, would be sent to the Arbitrator and each party postmarked by March 10, 1995. Briefs were filed with the Arbitrator as agreed, the last one of which was received March 1, 1995. Subsequently, no other reply briefs were received and the record was closed on March 10, 1995.

The Arbitrator is granted authority to hear the evidence and issue an arbitration award under Section 111.77 of the Wisconsin Municipal Employment Relations Act. The Arbitrator is obligated under the terms of the statute to choose the entire final offer of the Employer or the Union. Section 111.77(6) sets forth 8 criteria the Arbitrator is obligated to utilize in making the decision. These criteria are itemized in the statute and are quoted verbatim in "Appendix A." For this award, these criteria will be identified as: (a) lawful authority; (b) stipulations; (c) interests and welfare of the public; (d) comparisons--1. public employees, and (d) comparisons--2. private employees; (e) cost of living; (f) overall compensation; (g) changes; and (h) other factors.

The employees involved in this proceeding are composed of a collective bargaining unit represented by the Union which consists of certain employees of Pierce County. Specifically, all law enforcement personnel in the employ of Pierce County. There are 33 protective service employees in the unit.

STIPULATIONS AND FINAL OFFERS

STIPULATIONS

During the certification process the parties submitted the issues to which they agreed. These issues are stated in a document entitled "Stipulation of Tentative Agreements Pierce County Law Enforcement Negotiations July 13, 1994" and made part of the record as Employer Exhibit 3 and Union Exhibit 1. (Hereafter, exhibits will be identified as: Er.Ex. = Employer Exhibits and Un.Ex. = Union exhibits.)

FINAL OFFERS

Both parties have submitted proposals covering a period of two years--1994 and 1995. Based upon the final offers there are two issues involved in this dispute: wages and health insurance. The following are the positions of the parties on the wages and health insurance issues:

Wages

The County final offer proposes to increase all wage rates in Exhibit A of the contract as follows:

1/1/94 -- 3%
7/1/94 -- 5 cents
1/1/95 -- 3%
7/1/95 -- 5 cents

The Union proposes in its final offer to increase all rates of pay by 3.5% effective 1/1/94; and another 3.5 % effective 1/1/95.

Health Insurance

The County wishes to revise Section 1 of ARTICLE 24 - HEALTH AND WELFARE BENEFITS - PENSION (first paragraph, first sentence) to require the employees to contribute to their health insurance premium costs beginning in July of the first year (1994) of the contract. Specifically, the County is proposing:

"Revise ARTICLE 24 - HEALTH AND WELFARE BENEFITS - PENSION, Section 1, first paragraph, first sentence, to read:

Effective January 1, 1994, the County shall pay up to a dollar amount equal to 100% of the cost of County's self-funded (currently administered by CC System) health insurance plan for each employee who has been employed 30 days or more. Effective July 1, 1994, the County shall pay up to a dollar amount equal to 95% of the cost of County's self-funded (currently administered by CC System) health insurance plan for each employee who has been employed 30 days or more."

The Union wishes to keep the current contract language of Section 1, ARTICLE 24 - HEALTH AND WELFARE BENEFITS - PENSION, which reads as follows:

"ARTICLE 24

HEALTH AND WELFARE BENEFITS - PENSION

Section 1. Health and Welfare. The Employer agrees to continue present health insurance plan, or its equivalent, and to assume one hundred (100%) percent of the cost thereof for each employee who has been employed thirty (30) days or more. The County may from time to time change the insurance carrier if the level of benefits remain the same or better, or self-fund health care benefits if it elects to do so. The County shall notify the Union prior to any changes in carrier."

ISSUES SUBJECT TO ARBITRATION

As mentioned above, there are two issues in dispute related to the final offers of the parties: wages and health insurance. During the briefing process the parties raised another issue relevant to this arbitration that will be addressed in this decision: the appropriate comparables to be used by the Arbitrator for this award, and subsequently by the parties during collective bargaining. These issues will be addressed individually in the DISCUSSION below.

DISCUSSION

INTRODUCTION

The Arbitrator in these cases is charged with determining the more reasonable of two offers, and to order the implementation by the parties, in full, either one or the other. In this case the parties both have certainly developed very reasonable offers--ones that are fairly close both in terms of economics as well as principle. While certainly not identical, the wage increase proposals are very close and the difference would not have a very big financial impact on the employer. Of most concern by both parties in this dispute is the changes proposed by the Employer regarding the health insurance. The crux of the proposed change is the amount of employee contribution to the insurance premium, which the Union believes to be a significant change from the status quo (no employee contribution). So, the job of the Arbitrator will be to decide which of two fairly reasonable offers is more reasonable in relation to the eight statutory criteria.

The report of my thinking and decisions will be accomplished in this DISCUSSION section. I will provide a brief summary of each of the parties arguments and positions (headed "The Union" and "The Employer") as I discuss the issue. "Discussion:" follows the summary of the parties' positions and indicates the start of my analysis and opinion. Before discussing the substantive issues, the parameters for the analysis of the evidence and argument will be established.

EVALUATION OF EVIDENCE

I would like to begin this section by commending the parties on the amount (small) and type (professional) of evidence that was presented in this case. Too often parties submit reams and reams of evidence that could take literally weeks

to read. I am very impressed in the amount and quality of both exhibits and written argument the parties prepared for this case. Very professional charts and graphs made understanding the parties positions a lot easier. Both sides in this dispute should be proud of the case each presented to this Arbitrator.

The Union in its brief objects to the inclusion in the record of two sets of Employer's exhibits: Employer Exhibit 41 (teacher health insurance statistics for Pierce County school districts); and Employer Exhibits 43-46 (private sector employer health insurance statistics). I will deal with these two evidence issues here.

Submitted Evidence

Employer Exhibit 41 (teacher health insurance statistics)

The Union, in its brief (p.3), objects to the submission by the Employer of health insurance data for teachers in Pierce County. The Union states that for years unions have been told at the bargaining table that teacher salary increases were not valid comparables for other public employees. And further, to use teacher comparables on health insurance without considering total compensation is not a fair comparison.

The County points out that the Statute requires the Arbitrator to consider "other employees generally" in "public employment in comparable communities." The County therefore believes that it is relevant to examine the pattern of employee cost sharing for health insurance among the very large group of public sector employees--the school districts.

Discussion: The Union makes a very good point here. It is true that years ago (and maybe even today) many employers refused to allow comparisons to teachers (especially when teachers were obtaining double digit percentage increases at the bargaining table). If five, ten or fifteen years ago teachers were not comparable to sheriff's deputies or other public employees for wage and benefit comparisons, what makes them comparable today?

On the other hand, perhaps the County isn't really asking the Arbitrator to compare wages and benefits--or even to compare the amount of contributions teachers make to their health insurance benefits. Maybe the County is asking the Arbitrator to look at the "pattern of employee cost sharing for health insurance" among teachers and other public sector employees (like city workers). Isn't this more like a "whether or not" question, rather than a "how much" question? In other words, isn't the actual question the County is asking the Arbitrator to answer really: Do other public sector employees make contributions to their health insurance benefits? and not: How much of a contribution do other public sector employees make to their health insurance premiums?

The bargaining history of the parties (as indicated by the Union) dictates that the Arbitrator not use school districts for direct comparisons of wages and benefits. However, I believe that other public sector employers, such as cities and school districts, make up the "industry" in which the employees of the Pierce County Sheriff's Department work. And an important criteria arbitrators use when determining the fairness of an offer is how it compares to the "industry standard." Therefore, I find that the use of the data presented in Er.Ex. 41 may

be helpful in determining whether or not employee contributions to health insurance premiums are a standard in the "industry", but that data will not be use for direct wage and benefit comparisons.

Employer Exhibits 43-46 (private sector employer statistics)

The Union also in its brief (p. 3) objects to the inclusion of Employer Exhibits 43-46: private sector comparables. The Union states that the data collected (by use of a survey) are not reliable and complete. The Union further maintains that the data do not reveal the total compensation package--whether there are bonuses, profit sharing, etc. The Union points out that until a method is found to provide reliable total compensation information for private sector employees, the importance of this category cannot be considered a major factor.

Discussion: Regarding the data on private employers in Pierce County (Er.Ex. 43-46), notwithstanding the Union's objections, I would like express my appreciation to the Employer for the work in obtaining this data. Arbitrators are often criticized for not paying close enough attention to what is happening in the private sector. The fact is most arbitration records are void of good, comprehensive private sector data. The exhibits presented here were prepared from a professionally developed and conducted survey of area private sector businesses. It is hard <u>not</u> to pay attention to evidence when it is so professionally prepared!

Still, the Union does make some valid points here regarding these data. An important criteria of 111.77(6) is the "overall compensation" standard, which ought to carry over to the comparisons with other employee groups--private as well as public. To compare only one aspect (in this case, health insurance) of a total compensation package does not seem to be a very complete comparison. On the other hand, I believe the trends in benefit levels in the private sector, especially locally, are considered regularly by the parties during the bargaining process, despite differences in wage rates and wage adjustments. That is, the parties themselves, tend to look at benefit packages isolated from other compensation, such as wages, profit sharing, bonuses, etc.

There is also the point (made above with the teachers) as to whether or not private employers make up the "industry" in which Pierce County Deputies work. It is easier for me to see the "industry" connection between public sector workers like teachers and sheriff's deputies, as opposed to private sector workers like a check-out person at Dick's IGA or a press operator at River Falls Journal. It is just not clear to me how private sector workers in grocery work or print media could be classified in the same "industry" as public sector protective service workers. Perhaps my most concern has more to do more with the job classifications that are being compared, rather than the sector--public vs. private. For instance, teachers and social workers seem to be on a more comparable level professionally with deputies, as opposed to checkers or press operators. Had the data been confined to more comparable employee groups (more professional employees, like middle managers, nurses, or counselors), I think the comparisons would be more valid.

Therefore, because of the valid, expressed concerns of the Union, and the lack of an "industry" connection between private sector workers and sheriff's department workers, relatively little weight will be placed on comparisons with private sector employees as presented in Er.Ex. 43-46.

REASONABLENESS TESTS

Normally the eight statutory criteria are sufficient for determining the reasonableness of the final offers, but when a language change is proposed by one or both parties, criteria and level of burden of proof need to be established by the Arbitrator. Therefore, two reasonableness tests' criteria will be discussed in this section: change tests and comparative tests.

Change Tests

Health Insurance Language Change

The County argues that in recent years, arbitrators have come to the conclusion that the economic impact of ever increasing health insurance premiums upon employee wages has reduced the burden of establishing a need for a change and requiring a quid pro quo. The County points out that Arbitrator Rice (Walworth Co. Handicapped Children's Ed. Bd., Dec. No. 27422-A [5/93]), Arbitrator Oestreicher (City of Beaver Dam [Police Department], Dec. No. 26548-A [1/91]), and even Arbitrator Friess (Howards Grove School District, No. 43261 INT/ARB-5483, 9/90 [Howards Grove] and Chippewa County, Dec No. 27325-A. 1/93 [Chippewa County]), all agree that premium contributions are economic issues in contract negotiations and require a lesser burden of proof than other critical changes that may be proposed. And the County further suggests that, as a result, the commonly recognized criteria for changing the status quo--namely, demonstrating a need and providing a quid pro quo--has become less significant with respect to changes in health insurance provisions. The County maintains that the change proposed here is an "ordinary" change as defined by the instant Arbitrator (in Chippewa Falls) and therefore requires only the comparative tests contained in the eight statutory criteria.

The Union believes the Employer has the burden of showing a compelling need to require the employees to make this kind of concession regarding the health insurance contribution. The Union points out that this proposal of the County is clearly a kind of change in the contract that will go on forever and will have ever increasing financial impact on the employees. The Union suggests that the change could be even more far reaching when considering that the County could change its policy of supplementing its plan from the general fund--something that could drastically affect the premiums of the plan.

Discussion: By the parties admissions, the main issue in this case is the language change being proposed by the Employer for the County's health insurance plan. Usually the party proposing a language change is required to demonstrate (to prove) that its proposal is reasonable. Different burdens of proof are required depending on whether or not a change is actually being proposed, and then, if so, the kind (or degree) of change it is.

The Employer in its brief made reference to a previous decision of mine (Howards Grove) in which I discussed in detail the idea of change in collective bargaining and arbitration. The County and the Union also make reference to another decision of mine which involved different parties, but nearly the same issue and the same representatives (Chippewa County). I think the parties' attention to my thoughts as expressed in those decisions is very germane to this

case, or any other case in which a party is proposing some kind of language change. I will not repeat my lengthy discussions and explanations here, but will rely on the principles described there for deciding what, if any, change test is needed in this case. The questions are: Is a change actually being proposed? If so, what kind of change is being suggested? And based on this, what level of burden of proof is required by the proposing party?

Based upon the established criteria and analysis (of Howards Grove and Chippewa County) I find the following:

The Employer is proposing to change only the level of contribution the Employer will make to the health insurance premium. The proposed language is specific, clear and addresses directly the concern (of sharing the costs of health insurance). The proposed change is essentially economic in nature. Therefore, the Employer's proposed change is an ordinary change and the comparative tests contained in the eight statutory criteria are a sufficient burden of proof for implementation through arbitration.

Comparative Tests

Primary Comparable Group

Both parties agree that eight counties, primarily north and east of Pierce County, that have been used by the parties and arbitrators in the past should continue to be the primary comparable group for comparisons with other public sector professional employees. However, the Employer proposes to add to this group the counties of Pepin and Buffalo. Therefore, the Arbitrator will need to establish the counties that will make up the primary comparable group for Pierce County for this arbitration.

The County argues that Pepin and Buffalo counties should be considered part of the comparable pool because of their geographic proximity and relevance to the local labor market. The County states that each of these counties, one being contiguous to Pierce (Pepin) and the other adjacent to that county (Buffalo), competes for the same labor pool of qualified applicants. The County points out that the Union even included these two counties in its comparable pool in a 1988 arbitration proceeding.

The Union takes the position that both Buffalo and Pepin Counties are not comparable because of their total rural make up and lack of industry.

Discussion: It is important for parties in their bargaining to have a consistent set of comparables to which they can make wage and benefit comparisons. It is equally important for an arbitrator to have a set of comparables, that the parties have used previously in their negotiations, in order to be able to apply the statutory criteria (111.77(6)(d)). It is important that this pool be large enough so that during bargaining (and arbitration) there are enough (6 to 8) settled contracts in order to see a pattern. That usually means that pool should be some where around 10 to 12 municipal employers (cities, counties or school districts).

In this case the parties have agreed to eight: Burnett, Washburn, Polk, Barron, Rusk, St. Croix, Dunn, and Chippewa. While this is usually a workable

number, it is somewhat on the low side. I concur with the Employer here that it would be helpful (now, but mostly in the future) to expand the pool somewhat. Since there is a disagreement regarding the inclusion of Pepin and Buffalo counties, I must consider whether or not these counties are indeed comparable and should be allowed into the pool and thus, into the comparisons for this arbitration.

To respond to the Unions objections of that the two counties are too rural and lack industry, I've developed the following chart:

Chart I[1]

Statistical Comparison of Proposed Comparable Counties

County	Pop[2]	Acres[3]	Ratio[4]	Rnk	% Resid[5]	Rnk	% Indus[6]	Rnk	% Rural[7]	Rnk
Barron	41,525	559,551	13.48	4	61.54	5	16.59	4	21.87	6
Burnett	13,463	538,390	39.99	11	79.64	1	6.62	11	13.74	11
Chippewa	53,191	645,843	12.14	3	61.40	6	20.02	2	18.58	8
Dunn	36,458	545,900	14.97	6	49.24	10	20.43	1	30.33	3
Polk	35,541	497,605	14.00	5	68.28	3	10.31	8	21.41	7
Rusk	15,189	573,470	37.76	10	57.26	8	15.13	5	27.61	4
St. Croix	52,039	470,485	9.04	1	66.43	4	17.05	3	16.52	9
Washburn	14,136	516,990	36.57	9	73.67	2	10.20	9	16.13	10
Buffalo	13,729	455,700	33.19	8	41.80	11	8.50	10	49.70	1
Pepin	7,156	151,700	21.20	7	49.31	9	11.66	7	39.03	2
Pierce	33,344	375,600	11.26	2	61.02	7	13.30	6	25.68	5

[1] Major source of this chart is Er.Ex. 24.

[2] 1993 county population (Er.Ex. 21).

[3] Total land area only (excluding water) in acres, Wisconsin Blue Book 1993-94, p. 680.

[4] Ratio (acres per person) = area in acres divided by population.

[5] Residential equals "residential" (Er.Ex. 24).

[6] Industrial equals "commercial" plus "manufacturing" (Er.Ex. 24).

[7] Rural equals "agriculture" plus "swamp and waste" plus "forest (Er.Ex. 24).

In order to analyze the "ruralness" of the counties, I combined the percentages of the real estate classifications of "agriculture", "swamp and waste", and "forest," thereby obtaining one ("rural") percentage from Er.Ex. 24. For "industrialness", I followed the same procedure and combined "commercial" and

"manufacturing" to obtain one ("industrial") percentage. In order to respond to the concerns of the size and populations of the counties as compared to Pierce, I calculated the ratio between land area (acres) and population which results in the figures of acres per person.

Based on these comparisons and analysis, I believe Pepin County to be comparable to Pierce County. It is contiguous, which is of great significance. Contrary to the Union's assertion, Pepin County (at 11.66%) is also very close to Pierce County (at 13.30%) regarding level of industry. Pepin County is not far from some of the other counties that are in the comparable pool regarding the ratio or population to land area and the percentage of residential, with some of those counties being even less comparable. The Union's belief that Pepin County is rural is accurate: 39.03% compared to Pierce County's 25.69%. Still, all in all, I believe Pepin County is as comparable as the other 8 counties accepted by the parties.

Buffalo County is another story. Not only is it not contiguous (although certainly in close proximity), but it does not compare very well on all the other criteria either. For instance, if accepted, it would be the most rural of all the other comparables: 49.70% compared to Pierce County's 25.69%. Buffalo County is almost 10% more rural than Pepin County and almost 20% more rural than the next closes county (Dunn). On this alone I believe Buffalo should be eliminated. But Buffalo County makes a week comparable on the other criteria also: industry 8.50% compared to Pierce County's 13.30%; and residential 41.80% compared to Pierce County's 61.02. For these reasons I believe Buffalo County should not be included in the comparable pool.

Thus, the comparable pool for this arbitration shall consist of the original eight counties plus Pepin County. The nine counties that make up the comparable pool are: Burnett, Washburn, Polk, Barron, Rusk, St. Croix, Dunn, Chippewa, and Pepin.

Weighting of Issues and Criteria

Issues

Of the two issues that make up this dispute, by far the most important one, according to the parties, is the health insurance issue. Both the parties acknowledge the over-whelming importance of this issue, and also spend the majority of their written argument (briefs) on this issue. Therefore, the health insurance issue will have the vast majority of the weight, and will be the controlling issue, in this decision.

Relevant Statutory Criteria

The parties presented little or no evidence relating to some of the criteria. Thus, these criteria will receive little or no weight in this arbitration decision: (a) lawful authority of the Employer; (c) the public interest and ability to pay; (g) changes; and (h) other factors.

Regarding how the remaining criteria should be ranked, the parties suggest the following.

The County argues that the comparisons with other public sector groups, principally the other Pierce County bargaining units (internal comparables) should given controlling weight. The Employer points out that numerous arbitrators have held that where an internal pattern exists, that pattern should not be ignored; for doing so, could have a grave, disruptive effect upon the future bargaining environment with other units. The County suggest that arbitrators have concluded that an arbitration award that overturns an already existing settlement pattern discourages prompt voluntary settlements as units "hold out" for more in arbitration. And further, that arbitrators have consistently placed the burden on the "hold out" party to demonstrate why they should be an exception to the settled pattern.

The Union argues that while internal settlement patterns are given considerable weight under interest arbitration, greater weight should be given to whether or not the Employer's final offer on health insurance is justified. The Union suggests that the fact that most of the other units accepted the Employer's offer does not settle the question of whether or not there is justification for the County to require the employees of the County to make contributions to their health insurance premiums. The Union believes this unit, and the other "hold out" unit, should not be penalized for wanting to be proactive in exploring serious alternatives for reducing healthcare costs, and not just shifting them onto the employee.

Discussion: I think the County has an extremely strong (perhaps classic) case for the Arbitrator to place controlling weight on the internal settlement pattern. The fact that four out the six organized units settled (and 5 of 7 county employee groups) with the exact same offer as being put forth here to this unit is extremely important. Given that the other "hold out" unit is represented by the same union is also an important factor. The negative impact on the future bargaining environment of an arbitration award that goes against this voluntary settlement pattern cannot be over stressed.

Yet, the Union makes a good point about the County's offer in relationship to the problem of controlling healthcare cost: Does it really impact the increasing costs of healthcare? Or does the County's proposal only serve to push those costs onto the employee. The Union wants credit for being "proactive" in the healthcare arena, and actually trying, during contract bargaining, to explore other insurance alternatives that actually could impact on costs.

I think the Union should be commended for taking a stand in the shadow of such opposition and mediocrity. Someone should be championing the cause of healthcare reform and be in there "fighting" for substantive changes that can get to root causes. The trouble that I have with the Union's position here is that its final offer does not contain anything which could be in any way viewed as an alternative. Actually just the opposite--the Union here, despite its work in negotiations and great rhetoric, has chosen, with its final offer, to maintain the status quo! If the Union had a plan that indeed could significantly have impacted the costs of healthcare, why wasn't that plan proposed by the Union in its final offer? It is the final offer of the parties the Arbitrator must consider and must order--not the proposals made by the parties during negotiations. If a party wishes an arbitrator to consider a new approach, a different method, a better way, that party had better put it before the arbitrator in the form of a final offer. Otherwise, it cannot be considered.

Based upon the above discussion, and the opinions of the parties from the evidence and argument, I rank and place weight on the remaining criteria this way: (d) comparisons--1. public employees (internal comparables) (highest/major); (d) comparisons--1. public employees (external comparables) (next/considerable)(b) stipulations (next/moderate); (h) overall compensation (low/fair); (d) comparisons--2. private employees (lower/fair); and (g) cost of living (lowest/minor). Most of the discussion and emphasis of this decision will be place on the criteria of highest priority and weight.

ANALYSIS AND OPINION

In this section I will discuss the health insurance and wages issues using the criteria enumerated above.

Health Insurance

The major, controlling issue in dispute in this case is the change in the health insurance language being proposed by the County. Each party presents its case as follows:

The Employer believes it has established a common pattern of settlement within the County bargaining units which militates acceptance of the County offer. The County points out that an internal settlement pattern has existed in Pierce County since at least as far back as 1987. It is undisputed, the County goes on to say, that equity in the treatment of its employees is a County goal, and it is unreasonable to allow the Sheriff's Department Union to break, through arbitration, the settlement pattern. The County argues that there is absolutely no evidence which indicates the this unit is more deserving of fully paid health insurance than the other County employees. Indeed, special treatment of the County's law enforcement unit will likely create problems for the County in negotiating with its other units. The other County employees have recognized the impact of health insurance costs on the economic package and have made corresponding concessions, which is proof of the reasonableness of the County's proposal.

The County argues that its offer on the health insurance is consistent with the pattern with the external comparables. The Employer maintains that the support among the comparable counties is overwhelming! Only one county in the group still provides fully paid health insurance--with the others requiring contributions ranging from as high as 20% to a low of 5%, with the majority requiring at least a 7% employee contribution. The County believes the dollar contribution toward health insurance premiums is even more telling--with the monthly contributions ranging from $3.86 to as much as $126.52. The $20.15 per month Pierce County is requesting of its employees is clearly on the low end of the spectrum and demonstrates the reasonableness of the County's offer.

The County further points out that other public sector employers, such as county school districts and cities, overwhelming support an employee contribution toward health insurance premiums. In addition, and perhaps most revealing, private sector employers in the area overwhelming require some employee contribution to health insurance premiums if, indeed, a health insurance plan is offered at all. The County goes on to say that, since the Union has presented no

justification why it should receive preferential treatment over all the public and private employees groups in the area by maintaining fully paid health insurance, the County offer is more reasonable and should be selected by the Arbitrator.

The Union raises the question of whether or not the Employer has a compelling need to require the employees to make concessions of a 5% contribution towards the health insurance premium for a 5 cent an hour quid pro quo--and answers with a resounding NO! The Union believes the Employer's final offer will have a significant impact on the real wage gains of the bargaining unit for the past two years. But more importantly, the Union states that the kind of concession being proposed will go on forever. With the employees having no control over the level of insurance premiums, the impact of the County's offer could be far reaching, and could be implemented at any time during the term of the agreement.

The Union states that the County offer is also unreasonable when compared with the comparable communities. Nine counties have premium rates higher than Pierce County, which raises question as to the need of this County to further reduce its costs by shifting them to the employees. The Union believes that by implementing a 5% premium contribution versus investing some time and resources to explore the managed care concept and the potential savings there, the County has taken the easy way out. Looking at the comparables on health insurance, it is clear that many counties have followed the path of managed care standing alone or in combination with standard plans. The Union thinks these efforts truly curb healthcare costs and let the consumer make choices of level of service as well as cost participation for the service itself. And as long as the Employer made the choice to do "business as usual" in the insurance arena, so states the Union, there should have been a corresponding quid pro quo--for which a nickel an hour does not classify.

The Union concludes by suggesting that the solution to one of the major problems facing our country--health insurance--is not going to be solved by shifting the cost from the employer to the employee. To place further financial burden on the employees will not have an impact on premium levels; it will not create more responsible healthcare providers and administrators; it will not change the cost of the administration of the insurance program; and it will not give the employees any control over the County's political body that determines the annual increases in the premiums. The Union maintains that the County's offer does not do any of that, and therefore its offer is more reasonable and should be selected by the Arbitrator.

Discussion: This health insurance proposal is a very important issue for both the Employer who currently funds completely the expensive insurance plan and the employees who face the possibility of significant contributions to their health insurance premiums. Important in the decision here is that there appears to be a long history of strong internal consistency, and a very substantial pattern of internal and external settlements.

Health Insurance

I believe the County in this case has presented overwhelming evidence in support of its offer on health insurance, while the Union has not adequately responded to the County's question as to why their units (Sheriff's and Human

Services Professionals) should be treated any differently. Regarding the most important criterion, the internal comparables, the record shows four out of six units having voluntarily agreed to the Employer's language and wage package. As indicated above, internal consistency is very important, and has received major weight in this case. On this criterion alone, the Employer's offer could be selected.

Yet further support for the County's offer can be found in the external comparables. When comparing this unit to other sheriff's deputy units among the other comparable counties, the evidence clearly shows overwhelming support for the County's proposal to require a contribution of its employees (Er.Ex. 34-35). Every county excepting one (St. Croix, which actually requires a contribution for its HMO!) requires the employees to contribute to the premium of their family health insurance policy. And looking at the range of contributions required, it is apparent that Pierce County, at 5% or $20.15 and $22.15 per month, is on the bottom of pack regarding the amount it requires for a contribution. Further in support of the Employer's offer is the fact that, with only one exception, all other workers in the public sector in the area (teachers and city workers) contribute something to their health insurance premiums.

In light of this overwhelming supportive evidence, the County's offer on the health insurance is by far the more reasonable.

Wages

On the lesser issue of wages there is support for both the Union and Employer offers.

The internal comparables, the other four settled units in the county, support the County's offer. Every other unit settled for the same thing: the County's exact offer here. Another non-organized employee group also accepted the Employer's proposal on wage increases. On this criterion which has the majority of the weight, the County's offer is preferred.

Regarding the external comparables, the evidence show support for both the parties' offers. The average of the percentage increases for the nine settled comparable units for 1994 is a little less than 3.5%. With the Union proposing a 3.5% increase and the County at about 3.1%, the Union's offer is closer to the average. For 1995, the story is a bit different. With only 7 units settled among the comparables, the average increase is about 2.5%, which is a lot closer to the County's offer of about 3.1% than the Union's 3.5% offer.

The little amount of cost of living (CPI) data that was provided (Er.Ex. 47) also show support for the County's offer--showing the monthly annual inflation ranging from 2.5% to 3.2% for 1994 (the period preceding 1994--1993): and 2.1% to 3.0% for 1995.

Regarding the lower weighted wages issue, with more weight being placed on the internal comparables, the Employer's wage offer is found to be more reasonable.

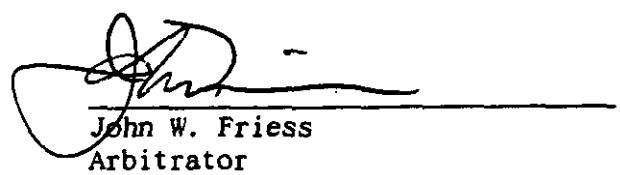
CONCLUSION

Based upon the reasons stated above, and taking into consideration all the evidence before me, weighing the statutory criteria, and deciding the reasonableness of each of the parties' proposals on the issues in dispute, I find the County's offer is more reasonable than the Union's offer and make the following:

AWARD

The final offer of Pierce County, along with the agreed upon stipulations, shall be incorporated into the 1994-1995 collective bargaining agreement between the parties.

Dated this 24th day of April, 1995 at Stevens Point, Wisconsin.



John W. Friess
Arbitrator

STATUTORY CRITERIA

The criteria to be utilized by the Arbitrator in rendering an award under Section 111.77 of the Wisconsin Statutes are as follows:

"(6) In reaching a decision the arbitrator shall give weight to the following factors:

(a) The lawful authority of the employer.

(b) Stipulations of the parties.

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

(d) Comparison of wages, hours and conditions of employment of the employes involved in the arbitration proceeding with the wages, hours and conditions of employment of other employes performing similar services and with other employes generally:

1. In public employment in comparable communities.
2. In private employment in comparable communities.

(e) The average consumer prices for goods and services, commonly known as the cost of living.

(f) The overall compensation presently received by the employes, including direct wage compensation, vacation, holidays and excused time, insurance and pension, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

(g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

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