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 In the Matter of the Petition of
 APPLETON CITY EMPLOYEES UNION
 (WATER WORKS DIVISION), LOCAL
 73, WCCME, AFSCME, AFL-CIO
 For Mediation - Arbitration
 Involving Employees of
 THE APPLETON WATER COMMISSION
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Case XIV
 No. 22524 MED/ARB - 22
 Decision No. 16125-A
 Arbitration Award

INTRODUCTION

The Appleton City Employees Union (Water Works Division), Local 73, WCCME, AFSCME, AFL-CIO (hereafter Union) petitioned the Wisconsin Employment Relations Commission for mediation-arbitration pursuant to Wis. Stat. Sec. 111.70 for the purpose of resolving an impasse between the Union and the Appleton Water Commission, City of Appleton (hereafter City). Arlen Christenson of Madison, Wisconsin was appointed mediator-arbitrator and, after mediation proved unsuccessful, an arbitration hearing was held in Appleton, Wisconsin on March 30, 1978. At the hearing both parties had full opportunity to present evidence and argument. Post-hearing briefs were filed by April 25, 1978.

APPEARANCES

LeNore J. Hamrick, Business Representative appeared for the Union.

David F. Bill, Personnel Director appeared for the City.

FINAL OFFERS

The final offers of the parties on the issue in dispute were as follows:

For the City:

1. Wages: 44¢ per hour effective January 1, 1978
44¢ per hour effective January 1, 1979
2. Dental Insurance: Effective January 1, 1979, the Commission agrees to pay an amount equal to the full premium for single coverage for Dental Insurance but not to exceed \$6.28 per month for each permanent employee. (Based on WPS - Such dental policy shall be the same as the policy in effect at the Appleton Waste Water Division, Local 73).

For the Union:

- I. Wages: 35¢ per hour effective January 1, 1978
15¢ per hour effective July 1, 1978
41¢ per hour effective January 1, 1979
2. Dental Insurance: Effective January 1, 1978, the Commission agrees to pay an amount equal to the full premium for single coverage for Dental Insurance but not to exceed \$6.28 per month for each permanent employee. Effective January 1, 1979, the Commission agrees to pay an amount equal to the full premium for family coverage for Dental Insurance but not to exceed \$19.41 per month for each permanent employee (based on WPS - such dental policy shall be the same as the policy in effect at the Appleton Waste Water Division, Local 73).

ARGUMENTS OF THE PARTIES

The final offers of the parties are relatively close. At issue is whether fully paid dental coverage at a total cost of \$19.41 per employee should be phased in over the next two years or delayed beyond that time and whether the employees in the bargaining unit should receive a basic wage increase of 88 cents or 91 cents over the next two years.

The Union's argument with respect to dental coverage is that most city employees now have full coverage and there is no rational basis for distinguishing the water works employees from the others in this respect. The City responds that 125 of 500 city employees do not now have dental coverage and an additional 75 have recently obtained it as a direct trade off for a longevity provision contained in previous contracts.

With respect to wages the City argues that the employees involved are well paid in comparison with other employees comparatively employed in comparable communities when all fringe benefits are taken into account. When fringe benefits are included these employees rank a close second among the eight communities agreed upon as comparable. Moreover, the City argues it has settled with all other city bargaining units at a figure equal to or less than what it has offered this bargaining unit and it would be unwise to disturb this pattern. Finally the city argues that its wage offer exceeds the increase in cost of living over the past year and that the increase in this bargaining unit over the past six years also exceeds the increase in the cost of living over that time period.

The Union responds that in base wages the bargaining unit ranks third from the bottom (or 6th overall) among the 8 comparable communities. The Union contends further that the city's inclusion of the contractual double pay for Sunday work as a fringe benefit is inappropriate according to the analysis of a fact finding report issued in 1967 relating to a dispute involving the same bargaining unit. If fringe benefits are to be considered, the Union argues, all should be included including longevity payments; a category in which Appleton lags behind comparable communities and which was not included in the City's calculations. Finally the Union argues that the fact that the City has settled with other bargaining units at the figure adopted in its final offer should not be controlling where, as here, there is a need for this unit to catch up due to past inequities. The Union cites the fact that meter readers who are employed by the same department but in a different bargaining unit have received significantly greater increases during the past 6 years bringing them from a position of substantially less pay than the operators to one of equality. The Union also emphasizes on this point that while the meter readers and others have received wage increases exceeding cost of living increases in the last 6 years, the operators have failed to keep pace with cost of living.

DISCUSSION

In part because the final offers of the parties are so close I find it exceedingly difficult to determine which final offer should be chosen. Both parties have made persuasive arguments and cited persuasive statistics. In the end, however I am persuaded that the City's final offer should be chosen. I reach this conclusion primarily because I am convinced that all fringe benefits must be considered in making comparisons and otherwise evaluating the acceptability of an offer. Fringe benefits are a cost to the employer and money in the pockets of the employees. In many instances the exact cost and the exact value of fringe benefits are difficult to compute but they are nevertheless valuable.

In this arbitration a major dispute is whether or not the double pay for Sunday work provision of the contract should be considered when comparing the compensation of bargaining unit employees with others. In some circumstances such a benefit probably should not be considered because its cost and value would be too difficult to compute. In this instance, however, due to the 24 hours a day seven days a week nature of the water works operation, all the operators receive Sunday work and consequently double pay on a regular basis. The increased income to the employees and cost to the employer can readily be calculated. When this fringe benefit is included the members of this bargaining unit fare relatively well in comparison with others with whom they are appropriately compared. This is true even if, as the Union urges, the longevity compensation provided in the comparable communities is included.

If longevity payments are calculated at their maximum level the City's offer would provide a total compensation package only slightly lower than the highest paying city among the eight agreed upon as comparable and considerably higher than any of the other six. The Union's offer would result in a total compensation package which, in 1978, would be higher than any of the other seven comparable cities.

(This calculation includes the following fringe benefits which are the only ones I am aware of from the record: longevity payments, shift differential, hospital/surgical insurance, dental insurance, Sunday pay.)

In summary, the parties have both presented reasonable final offers and supported them with persuasive arguments. I have chosen the City's final offer because it provides compensation at a level that is not out of line with comparable employment and which provides an increase which reflects cost of living. The Union's proposal, on the other hand, while not out of reason, would result in total compensation beyond that paid in comparable communities and therefore beyond what I believe should be awarded in arbitration.

AWARD

The City's final offer is hereby adopted as the Award in this arbitration.

Arlen Christenson /s/

Arlen Christenson
Arbitrator

Madison, Wisconsin
June 6, 1978