

FEB 28 1989

STATE OF WISCONSIN
BEFORE THE ARBITRATOR

WISCONSIN EMPLOYMENT
RELATIONS COMMISSION

In the Matter of the Petition of		
HEART OF THE VALLEY SEWERAGE		
EMPLOYEES, LOCAL 130 B,		
AFSCME, AFL-CIO		Case 6
To Initiate Arbitration Between		No. 40070 INT/ARB-4767
Said Petitioner and		Decision No. 25719-A
HEART OF THE VALLEY METROPOLITAN		
SEWERAGE COMMISSION		

Appearances:

Mr. James W. Miller, Staff Representative, Wisconsin Council 40, AFSCME, appearing on behalf of the Union.
Mr. Donald B. Green, Attorney at Law, appearing on behalf of the Employer.

ARBITRATION AWARD:

On November 3, 1988, the undersigned was appointed to serve as Arbitrator by the Wisconsin Employment Relations Commission pursuant to Section III.70 (4) (cm) 6 and 7 of the Municipal Employment Relations Act, to resolve an impasse existing between Heart of the Valley Sewerage Employees, Local 130 B, AFSCME, AFL-CIO, referred to herein as the Union, and Heart of the Valley Metropolitan Sewerage Commission, referred to herein as the Employer. Hearing was conducted at Kaukauna, Wisconsin, on December 15, 1988, at which time the parties were present and given full opportunity to present oral and written evidence and to make relevant argument. The proceedings were not transcribed, however, briefs were filed in the matter, which were exchanged by the Arbitrator on January 11, 1989.

THE ISSUE:

The sole issue in dispute between the parties is the amount of the Employer contribution toward a new dental insurance program. The Employer proposes:

The Employer agrees to contribute to a dental insurance program for the employees on the basis of \$9.00 per month for single coverage and \$24.00 per month for family coverage with a \$25.00 deductible.

The Union proposes: ". . . 95% payment by the employer and 5% payment by the employee, single or family."

DISCUSSION:

The relevant statute at 111.70 (4) (cm) 7 directs the Arbitrator, in making his decision, to give weight to the factors enumerated at subsections a through j. The undersigned, therefore, in arriving at his decision in this matter will consider all of the statutory criteria, focusing particularly on those criteria to which the parties have directed evidence and to which they have made argument.

For the first time the Contract will include dental insurance coverage, which becomes effective when this Award is issued. The parties impasse over the amount of premium contribution on the part of the Employer for the newly negotiated benefit of dental insurance. The Union bases its position that the Employer should contribute 95% of the premium for the newly negotiated benefit on the following reasons. The Union argues that because Article XV of the predecessor Agreement which remains unchanged requires the Employer to pay 95% of the health insurance premium, it should follow that the Employer should also pay 95% of the dental insurance premium. The Union argues that 90% or better employer participation in dental insurance premium is the practice in this community and in surrounding communities. The Union relies on its Exhibit No. 1, which shows that DePere, Appleton, Chilton, Neenah-Menasha, Little Chute, Grand Chute, all pay 100% of health and dental insurance premiums or of health insurance premiums only, where no dental benefits are provided. Union Exhibit No. 1 also shows that Green Bay, Kaukauna Schools, Outagamie County all provide between 90% and 95% of the employees' premium for dental insurance benefits. Union argues that the Employer offer is low because the Employer's proposed participation in premium for dental insurance (\$9 per month single, and \$24 per month family) amounts to approximately 60% or slightly more of the total premium of the plan which the Union has selected. The Union further argues that the package cost of its proposal which amounts to 4.5% to 4.7% is justified when considering the anticipated rise in cost of living for 1989, which the Union argues is projected at approximately 5%. The Union further asserts that the cost for 1989 of the dental insurance is tempered because the provision cannot be implemented retroactively, and, therefore, the cost of the benefit for 1989 will be prorated for the number of months that the benefit will actually be in place.

The Employer argues that its offer is supported by the patterns of settlement

where the Employer relies on the settlements of Outagamie County for 1989, where the contracts were settled for 3.5%. (The Employer offer here is approximately 4% and the Union offer is approximately 4.5% to 4.7%) No other data is available which establishes the percentages of increase in settlements among other wastewater treatment plants for 1989 which the Employer considers appropriate comparables. The Employer also argues that in view of the fact that its wage rates compare favorably to the wage rates paid in wastewater treatment plants in Appleton, Oshkosh, Neenah-Menasha and Thilmany; and because total compensation made up of fringe benefits also compare favorably among those same comparables; its offer of 4% is justified, particularly in view of the anticipated health insurance premium increases ranging in the neighborhood of 30% to 45%. Finally, the Employer argues that the wastewater treatment fringe benefit comparables show that dental insurance paid by the Employer among Appleton, Neenah-Menasha, Oshkosh and Thilmany wastewater treatment plants support its position.

The undersigned has considered all of the evidence and arguments submitted by the parties, and concludes that the offer of the Employer in this matter should be adopted. This is so for several reasons.

1. This is the initial contract in which dental insurance benefits will be provided. It is reasonable, in the opinion of the undersigned, that a lower participation contribution on the part of the Employer can be established initially for a benefit it has instituted in order to introduce the benefit. This is particularly true in this matter where it appears that the Employer offer of 4% more nearly approaches the emerging patterns of settlement for 1989 as exemplified in the Outagamie County settlement. Had the Union proposed its 95% level of participation on the part of the Employer for dental insurance premium purposes along with a package that reduced the total settlement percentage to or below the 4% level, the undersigned would have been persuaded that the 95% was an appropriate participation by reason of the Employer contribution for health insurance purposes. Here, the parties are instituting a new benefit, and they will be in a position next year to negotiate further with respect to the participation of the Employer on dental insurance premiums.

2. The Employer wage rates, when comparing them among other wastewater treatment plant rates are superior to those found in Appleton and Oshkosh, but are less

than those paid in Neenah-Menasha and at Thilmany. Thus, the Employer wage rate for sewage plant operators stands at the median point and approaches the average hourly rate of the other four wastewater treatment plants for sewage plant operators which calculates to \$11.12. Furthermore, when considering the fringe benefits, the Employer fringe benefits appear to approximate those paid among other wastewater treatment plants (Employer Exhibit No. 3). It would appear from the foregoing, that the Employer offer of 4% total settlement is more appropriate than that of the Union offer of 4.5% to 4.7%.

3. Employer Exhibit No. 3 shows that among the four other wastewater treatment plants only two of them provide dental insurance: Appleton and Thilmany. Thus, the Employer becomes the third among wastewater treatment plants to provide the benefit; Neenah-Menasha and Oshkosh not having dental insurance for their employees. Of the two employers who do provide dental insurance, Appleton provides 100% of the premium capped at the dollar amount of the premium, whereas, Thilmany provides \$13.17 per month contribution which calculates to approximately 50% of the premium. Thus, the Employer offer here of \$24 per month for family contribution exceeds the contribution of Thilmany, both as a dollar amount as well as a percentage, because the Employer premium calculates to approximately 60% of the higher premium plan which the Union indicates it prefers. These comparisons support the Employer offer.

4. The undersigned is further persuaded that the Employer offer should be adopted when considering the increase in health insurance cost faced by the Employer in the forthcoming year. If the 30% predicted premium increase occurs, the family insurance premium will increase from \$265.34 per month to \$344.74 per month effective April 1, 1989. The Employer will be required to pay 95% of the increase in health insurance pursuant to the terms of the Contract, and that calculates to \$75.43 per month. Based on a 173 hour working month, the premium increase picked up by the Employer amounts to the equivalent of \$.4306 per hour. Measuring the \$.4306 per hour cost of the projected health insurance premium which will become effective April 1, 1989, against the wage rates of sewage plant operators in force for 1989, the insurance increase represents the equivalent of a 3.88% wage increase in terms of cost. In view of the foregoing anticipated increase of health insurance premium, the Employer position in this dispute is further supported.

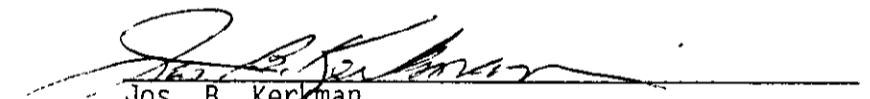
The undersigned has considered the cost of living argument advanced by the Union. The Union argues that its offer is justified because the projected cost of living for 1989 will be in the neighborhood of 5% compared to the Union proposal here of 4.5% to 4.7%. The projected cost of living the Union describes is probably accurate, or perhaps even understated for 1989. The cost of living criteria then does support the Union position in this matter.

When taking all of the criteria as a whole, however, the undersigned concludes that the Employer offer in this dispute should be adopted. Therefore, based on the record in its entirety, and the statutory criteria, after considering the arguments of the parties, the Arbitrator makes the following:

AWARD

The final offer of the Employer, along with the stipulations of the parties as filed with the Wisconsin Employment Relations Commission, and those terms of the predecessor Collective Bargaining Agreement which remained unchanged throughout the course of the bargaining, are to be incorporated into the parties' written Collective Bargaining Agreement for 1988 and 1989.

Dated at Fond du Lac, Wisconsin, this 24th day of February, 1989.


Jos. B. Kerckman,
Arbitrator

JBK:rr