

STATE OF WISCONSIN

BEFORE THE WISCONSIN EMPLOYMENT RELATIONS COMMISSION

----- :  
 In the Matter of the Petition of :  
 :  
 BAKERY, CONFECTIONERY AND TOBACCO :  
 WORKERS INTERNATIONAL UNION, AFL-CIO, :  
 LOCAL UNION NO. 180 :  
 :  
 To Initiate Arbitration Between : Case 87  
 Said Petitioner and : No. 48945 INT/ARB-6836  
 : Decision No. 27735-A  
 :  
 CITY OF STEVENS POINT (WATER AND :  
 WASTE WATER BOARD) :  
 :  
 ----- :

Appearances:

Bakery, Confectionery and Tobacco Workers International Union, AFL-CIO Local Union No. 180 by Arthur E. Karstaedt and Milan Delfosse

City of Stevens Point (Water and Waste Water Board), by Bruce K. Patterson

ARBITRATION AWARD

Bakery, Confectionery and Tobacco Workers International Union, AFL-CIO, Local Union No. 180 (Union) is the collective bargaining representative for all regular full and part-time employees in classifications set out in its contract with the City of Stevens Point Board of Water and Sewage Commissioners (City, Board or Employer). The Union and the City have been unable to agree to the terms to be included in the successor to their contract which expired on December 31, 1992. After four bargaining sessions failed to reach an accord, the Union requested the Wisconsin Employment Relations Commission to

initiate Arbitration pursuant to Sec. 111.70(4)(cm)6 of the Municipal Employment Relations Act on March 9, 1993. The parties submitted their final offers on July 14, 1993; a representative of the Commission declared that the parties were at an impasse. The undersigned was appointed to act as the arbitrator by an order from the Commission dated August 5, 1993. The arbitration hearing was conducted at the offices of the Stevens Point Wastewater Treatment Facility on October 6, 1993. The record of the hearing was closed at the conclusion of the hearing. Each party submitted a brief in support of its position to the Arbitrator, who exchanged the briefs on November 8, 1993.

#### DISPUTED ISSUE

The only issue which the parties were unable to resolve is the size of the wage increases to be included in their contract for the 1993 and 1994 calendar years. For the first year, the Employer has offered an across the board 4% wage increase compared to the Union's request for a 5% increase for clerical employees and a 5.9% increase for all other employees. The employer has offered a split 1994 increase for all employees; 3% on January 1, 1994, and an additional 2% on July 1, 1994. The Union has requested a second year increase of 5% for clerical employees and a 5.6% increase for all other employees. The parties have agreed that wastewater treatment employees in the

nearby communities of Marshfield, Wausau, and Wisconsin Rapids are appropriate external comparables.

#### THE UNION'S POSITION

The Union reviewed the two final offers in this proceeding. It presented a schedule containing wage comparisons for three categories of water department employees and two categories of sewage treatment employees under the two offers for 1993. That schedule also compared the parties' offers with 1993 wages paid to similar categories of employees in Wausau, Marshfield, and Wisconsin Rapids. The Union argued that:

The enclosed table outlines wage differentials which exist in the market region. Wausau treatment plant and water workers average \$12.70 per hour; Marshfield treatment plant and water workers average \$13.89 per hour; and Wisconsin Rapids treatment plant and water workers average \$14.88 per hour. The Stevens Point Water and Sewage Commission has submitted an offer which will bring Stevens Point treatment plant and water workers to \$12.67, which continues to fall below the lowest average of treatment plant and water workers in the central Wisconsin market region.

The Union said that Stevens Point, Wausau, Marshfield and Wisconsin Rapids are comparable central Wisconsin cities. It emphasized that the costs of goods and services are similar in all of these communities. "Businesses from all four communities advertise in each others' local papers, including advertisements for employment opportunities".

The Union said that it had requested an additional 1.9% increase in the rate base in order to bring wages paid to its members closer to the average wage earned by other water and treatment plant employees in central Wisconsin. It said that the

average combined wage for comparable employees is \$13.82 an hour. Though the Union's offer "does not bring its workers to the average level of \$13.82, [it] decreases the amount by which its workers will otherwise continue to fall behind." The Union argued that because its employees currently receive low wages, an equal percentage increase will result in further salary erosion.

The Union said that the difference between the parties' 1994 wage offers is not as great as it may appear. The commission had offered a split increase of 3% on January 1, 1994, and 2% on July 1, 1994, compared to the Union's 5.6% increase request. The Union urged that its offer be accepted.

#### THE CITY'S POSITION

The City noted that its offer "is consistent with voluntary settlements reached with other collective bargaining units in the City of Stevens Point." It said that the Union had based its argument upon comparisons with external comparables. It reviewed the two offers and the statutory criteria for decisions under Wis. Stat. 111.70(4)(cm)(7). Of those ten criteria, the Employer argued that three are particularly applicable to the present proceeding. The City said that the parties had stipulated to improvements in the employees' health insurance plan, increases in uniform and safety provisions and increases in stand by pay and night shift premiums.

The City relied heavily upon its comparison of the wage and benefit package that it had offered to these employees with the agreements it has entered into with other employees in Stevens

Point. It said that the City's offer would provide a base wage increase of 9.26% over the two year term of this contract. The City argued that the wage offer it had made to the employees in this unit, which contains 11% of its total number of employees, is consistent with its voluntary wage settlements with five other bargaining units containing the remaining 89% of its employees. It cited an exhibit which contained data relating to wage settlements for the City and all six of its bargaining units for the period 1987 through 1992; and argued that there has been a consistent historical pattern of uniform internal settlements since 1987. Citing other exhibits, the City argued that "there is a generally consistent pattern of benefits among the various employee groups".

The Employer stated that in a previous arbitration case involving the City of Stevens Point, the arbitrator found that "streets, parks, transit, and wastewater employees were identified as those with comparability." It cited another arbitrator who said that arbitrators are more inclined to look to internal settlements than external comparables where a clear pattern of internal voluntary settlements exist. The City concluded its internal comparison by saying that, "it believes strongly that disturbing the voluntarily attained internal pattern will have an impact in future bargaining with other units and will damage the general stability of the employer-employee relationship."

The Employer then presented its arguments. The City argued that its offer is more in line with the pattern of external settlements than is the Union's offer. It said that the Union offer would increase average wages by 11.53% over the term of this contract. "Their justification was difficult to discern at the hearing because of the limited nature of exhibits placed in the record." The Employer said that the Union appears to be relying upon wage rates for "certified" operators. It said that the record neither established the number of operators, if any, receiving those rates, nor the necessity for certified operators. It argued that the record does not identify the duties performed by employees in other jurisdictions, and does not establish that they are similar to employees in Stevens Point. It argued that, "Wausau is a significantly larger jurisdiction and could well have different requirements and job duty assignments for employees in the cited job titles". The City questioned whether there is any justification for the Union's 11.53% wage request.

The City said that the Consumer Price Index had increased by 5.5% between January 1, 1992, and the end of August, 1993. It argued that CPI data supports the conclusion that the Employer's offer is reasonable. "The unreasonableness of the Union's final offer becomes equally apparent when a comparison of the increase

in the CPI of 5.5% is put against their offer of over 11.5%." The City urged that its offer be adopted by the arbitrator.

DISCUSSION

There are sixteen employees in this bargaining unit; of these, thirteen are included in three technical job classifications. The classifications and base wages for each classification as of December 31, 1992, are as follows:

		12/31/92
GROUP I	Chief Operator Water/Sewage	\$12.74
	Distribution Foreman/Construction	
	Distribution Foreman/Service	
GROUP II	Operator I Water/Sewage	\$12.34
	Distribution I/Construction	
	Distribution I/Inspection	
	Distribution I/Service	
Group III	Operator II Water/Sewage	\$11.74
	Distribution II/Construction	
	Distribution II/Service	

The Union has proposed to increase these base wages for these thirteen employees by 5.9% in 1993, and by 5.6% in 1994. The City has offered 4% in 1993, and a split 3% and 2% increase in 1994. The Union stated during the hearing that its primary objection is not with the City's base wage offer. The Union argued that its water and treatment plant employee members currently receive below average wages. It argued that an average increase based upon below average wages will cause its members "to fall further behind as a result of their current low wages". The Union based its case upon its comparison of wages for Water and Sewage Treatment Plant employees in Stevens Point with their counterparts in Marshfield, Wausau, and Wisconsin Rapids.

The evidence presented by the Union in support of its position was limited. Only partial information relating to 1992 wage levels in comparable districts was presented. The data provided by the Union at the hearing related primarily to 1993 wage scales in comparable districts. It is difficult to determine how to interpret that information, because the information from all three comparables includes wages for electric department or lighting commission employees. Stevens Point's Water and Sewage Department does not service electric customers. The 1993 wage schedules for other comparable districts contain many more employee wage classifications than Stevens Point's three classifications. Only some classifications in other districts appear to relate exclusively to water and sewage plant operations. The wage ranges, for the more numerous job classifications in comparable districts, vary much more widely than the range of wages for three employee classifications in Stevens Point. Some of the wage disparity in the comparables wage classification results from the fact that Marshfield and Wisconsin Rapids have higher paid electric department employees scheduled with water and sewage department employees. Examples appear in Marshfield and Wisconsin Rapids wage schedules. In Wisconsin Rapids, where meter readers earn \$15.20 an hour, meter readers are included in a category of "General Employees" who apparently service both water and electric operations. Marshfield has a separate meter department for its Electric and Water Utility; after 3 1/2 years of employment, its meter-



reader/repairman earned \$14.27 in 1993. Conversely both Wisconsin Rapids and Marshfield have wage schedules for lower paid "common laborer" or "laborer" classifications. In Wisconsin Rapids, this classification started at \$9.00 an hour in 1993 and increased to \$13.90 after three years. In Marshfield, laborers were hired at \$11.01 and rose to \$12.77 after one year.

The Union's Brief contains the following summary:

**WAGE COMPARISON**  
As of January 1, 1993

	<u>WAUSAU</u>	<u>MARSHFIELD</u>	<u>WISCONSIN</u> <u>RAPIDS</u>	<u>COMM.</u> <u>OFFER</u>	<u>UNION</u> <u>OFFER</u>
Treatment/Base (Group III)	\$12.50	\$12.48	\$13.11	\$12.21	\$12.43
Treatment/Cert. (Group II)	\$13.00	\$13.00	\$13.68	\$12.83	\$13.07
Water/Base (Group III)	\$12.02	\$14.27	\$15.20	\$12.21	\$12.43
Water/Cert. (Group II)	\$13.00	\$14.27	\$15.20	\$12.83	\$13.07
Water/Foreman/ Asst. Foreman (Group I)	\$13.00	\$15.42	\$17.22	\$13.25	\$13.49
<b>AVERAGE WAGES</b>	<b>\$12.70</b>	<b>\$13.89</b>	<b>\$14.88</b>	<b>\$12.67</b>	<b>\$12.90</b>

This summary counts Stevens Point's lowest paid category (Group III) and its mid-range pay category (Group II) each twice, but counts its highest paid category (Group I) only once. The Union said that it had not included the category of Chief Treatment Plant Operator in Stevens Point because the comparables do not list a similar position in their contracts. The Union did not include any comparables from the lowest paid labor categories

in either Marshfield or Wisconsin Rapids in its wage summary. It would seem that at least some of the water and treatment plant employees in Stevens Point must perform some of the lower paid chores that are performed by employees in comparable districts. Lower range wage rates for the comparables are not included in the Union's wage comparison. The foregoing omissions make average salaries in Stevens Point appear to be less than comparable to average wages in Marshfield and Wisconsin Rapids.

From the evidence presented by the Union, and from its summary of the evidence, it appears that Water and Treatment Plant wage scales in Wausau are closely aligned with wage scales in Stevens Point. It appears that Water and Treatment Plant wage scales in Marshfield and Wisconsin Rapids are generally higher than Water and Treatment Plant wages in either Wausau or Stevens Point. It is not possible to determine from the evidence whether the latter apparent differences are justified.

Three of the sixteen members of the bargaining unit are clerical employees. Based upon the wage schedule in the expired contract, a Typist I earned \$7.62 an hour; a Typist II earned \$8.07, and a Secretary earned \$8.32 an hour. According to the evidence, at the end of 1992, three employees who were designated as Clerk Typist I were receiving \$9.93 an hour. No effort was made to explain the discrepancies between scheduled wages and wages paid to clerical employees in Stevens Point. Based upon Er. Ex #5-2, it appears that a Clerk Typist, who formerly earned \$9.93 an hour, has been replaced by a Typist I at

the scheduled wage of \$7.62 an hour. All clerical employees would receive 5% wage increases in each 1993 and 1994 under the Union offer.

The Union did not present any evidence relating to clerical wage scales or clerical wage increases in any comparable district. This omission is particularly noticeable because two of the three existing clerical employees are already \$1.61 an hour above scale. The Union has not made a case for its requested increase in clerical wages. The Union failed to show that catch up wage increase is justified.

The Employer submitted evidence which it said illustrates a "consistent historical pattern of uniform internal settlement levels" in Stevens Point between 1987 and 1992. That conclusion may be a bit of an overstatement. The City provided more of an increase for its uniformed service employees than other employees in 1989 and 1990. It also gave its Street and Park employees a slightly larger increase than some other employees received in 1990. It does appear that the City has attempted to maintain a pattern of uniform settlements since 1987. The City's settlements with its Transit, Clerical, Streets and Parks, Fire Department, and Police Department in 1991 and 1992, were identical to the 4% settlement it reached with these Water and Treatment Plant employees. The City's 1993 and 1994 settlements with these other bargaining units are identical to the offer of 4% in 1993, and offer for a 3%-2% split in 1994, which has been presented to the employees in this proceeding.

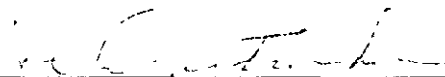
The Employer's evidence of a uniform pattern of internal settlements over the past four years is much more convincing than the Unions's assertion that the wages paid to its employees are so deficient that a catch up increase is justified. The City's two year offer in this proceeding is more generous than the two 4% increases agreed to in Wausau for 1993 and 1994. Its first year offer is equal to the 4% increase that Marshfield employees will receive from their 3%-2% split increase. Marshfield employees will, however, receive 1% more in lift. The City's first year offer is equal to the 4% that Wisconsin Rapids Wastewater employees will receive is slightly more than the 3.8% that Rapid's water employees will receive. Neither Wisconsin Rapids nor Marshfield are settled for 1994. The City's offer is about equal to 1993 settlements in all three comparable municipalities. It is equal to the only comparable 1994 settlement in Wausau, but, it will provide 1% more lift than that agreement. The Union's wage offer for its water and wastewater employees is almost 50% higher than comparable settlements. There does not appear to be any evidence available to make a comparison of the Union's offer for clerical wage increases with similar increases elsewhere. The City's offer is most comparable to external settlements in other comparable districts. It is also supported by a pattern of internal settlements in Stevens Point.

If the Union had been able to establish the need for a catch up pay increase, the cost of living comparison would not weigh

heavily upon an evaluation of the two offers. The City's offer will result in a base wage increase of 9.26% for the sixteen members of this unit over two years. That offer appears to be much more in line with increases in the Consumer Price Index than the Union's proposal, which would result in an 11.53% base wage increase. This conclusion is fortified by the realization that union members will receive additional benefits through the agreements stipulated to by the parties during the course of their negotiations.

The final offer of the City of Stevens Point's Water and Wastewater Board is the more reasonable of the two offers presented to this arbitrator. That offer shall be included in these parties 1993-94 collective bargaining agreement.

Dated at Madison, Wisconsin, this 15<sup>th</sup> day of November, 1993.

  
\_\_\_\_\_  
John C. Oestreicher, Arbitrator