

**Wisconsin Chapter NECA**  
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**Summer Days in Spring Green**

The 2006 Summer Meeting of the Wisconsin Chapter NECA, will be held July 27-29 at The House on the Rock Resort in Spring Green. In breathtaking natural surroundings, The House on the Rock Resort offers spectacular scenic views, The House on the Rock Attraction, golfing, shopping, and many other family activities near a variety of small, unique Wisconsin towns.



Our meeting will start with a cocktail reception from 6:00 p.m. to 7:00 p.m. on Thursday, July 27. Dinner will be on your own.

Friday's general membership session will include John Grau, the Chief Executive Officer of NECA. From 1978 to 1985, Mr. Grau served as Executive Vice President and Chapter Manager of NECA's Milwaukee Chapter, and joined the national staff in 1986.

Mike Dixon with the State Department of Workforce Development will be presenting a number of topics including: Annual Prevailing Wage Survey, Prevailing Wage Laws, Executive Order #108 and Apprentice ratios, Application for and use of Sub Journeypersons, Managing a Prevailing Wage Job, and Reporting.

Our final speaker of the morning will be Leah Simpson, from Freedom

Speakers & Trainers of Madison. Sharpen your selling skills, build product knowledge, and strengthen competitive edge with information you will learn from Leah's presentation entitled "Discovering Your Memory Power."

Our Saturday session will feature Joe Hertel, Chief Electrical Inspector for the State of Wisconsin Department of Commerce, who will present a 4-hour code course update. Attendees will receive 4 CEU's toward the maintenance of Wisconsin Journeyman and Master Electrician certification.

Our annual Golf Outing will be held on Friday afternoon with tee times starting at 12:30 p.m. and will be the standard tournament with each golfer playing his or her own ball throughout. Prizes will be awarded for longest drive, longest putt, closest to the pin, low net and low gross scores, and of course, our annual "Hole in One" contest will give golfers an opportunity to win \$20,000.



The Summer Meeting will close with a banquet and awards presentations on Saturday evening at the House on the Rock Resort.

Registration information has been mailed. Don't delay, the registration deadline is **June 20, 2006!**

Despite the convictions of five former colleagues in recent months, the Assembly voted May 2, to kill an ethics reform bill that would have created a Government Accountability Board.

Republican Assembly leaders pointed to a handful of smaller-scale campaign and ethics reform measures on the calendar which represented progress toward cleaning up the system and tightening the rules governing campaigns and ethics.

The ethics reform bill passed the Senate 28-5 last year and would have merged the Elections and Ethics Boards to create a new Government Accountability Board, which would have an enforcement division headed by an independent investigator.

May is **National Electrical Safety Month** - a great time to promote your company's electrical safety efforts.

Every year in America, electricity kills nearly 400 people, injures thousands more, and sparks an estimated 140,000 fires that cost billions of dollars in property damage.

As NECA contractors know, most of these incidents are preventable.

## Health Insurance is a Hot Topic

A bipartisan bill in the State Legislature would require all Wisconsin employers to join the same health insurance pool in an effort to cover more workers and cut premium costs. Dubbed the Wisconsin Health Partnership Plan, the bill would make it mandatory for employers to buy into the plan and would set minimum standards for coverage. While we may watch this story develop with considerable interest, the fact remains that health care costs are rapidly rising, and a statewide plan does not appear to be an immediate solution.

The Trustees of the Wisconsin Electrical Employees Benefit Funds (WEEBF) met April 25, and reviewed the claims figures for the first quarter of 2006. Both the number of claims and the dollar cost of the average claim had outpaced the first quarter of 2005, much as the fourth quarter of 2005 had compared to 2004. It was apparent that action had to be taken.



After considering several options, the Trustees voted to increase the premium for the health insurance by 15% effective June 1, 2006. The increased premium will help defray the plan's growing cost of claims, but the Trustees also found it necessary to increase the deductible from \$300 to \$500 per person, (\$1500 per family) effective January 1, 2007.

It should be noted that even with these two large increases, the WEEBF plan remains a good value when the level of benefits provided is considered, and the Trustees will carefully monitor the situation.

## Prescription Drug Costs Outpace Inflation

U.S. prices for brand name prescription medications used most by older patients rose an average 6 percent in 2005, outpacing inflation for the sixth year in a row, according to a report released recently.

In fact, the price drug makers charge wholesalers and other purchasers for branded drugs has risen 40 percent since 1999, compared with inflation, which grew 17 percent, AARP researchers found.

The nation's largest consumer group for the elderly reviewed 193 medications mostly for arthritis pain, osteoporosis, heart disease, high blood pressure, and other ailments that affect older Americans.

"Brand name drugs have become substantially less affordable for consumers at the same time they are becoming ever more essential to good medical care," said John Rother, AARP's director of policy and strategy.

An average, older American taking four drugs would have probably paid an extra \$189.72 last year, AARP estimated, slightly lower in 2005 than in previous years, according to the review.

Among the 24 most used medicines, AstraZeneca Plc's heart drug Toprol XL saw the highest increase of 11.1 percent, while Bristol-Myers Squibb's blood-thinner Plavix saw the smallest increase at 2.9 percent.

A separate review of 75 generic drugs found little price change in 2005. Six medicines, or about 8 percent, cost more while just one drug dropped in price.





## From the Desk of Attorney Kay

In an interesting case decided by the Wisconsin Court of Appeals on October 19, 2005, the issue before the court involved the assessment of a \$10,000 fine against a member of IBEW Local Union No. 2150. The issue was whether the circuit court erred in holding that a letter informing the employee of the IBEW constitutional provisions he violated in notifying him of the date, time and location of his union trial satisfied the requirement that the union provide its members with "written specific charges." The circuit court determined that the letter Local Union 2150 sent to the employee failed to satisfy this requirement and the disciplinary action was therefore void, and the fine unenforceable. The Court of Appeals agreed and affirmed the judgment of the circuit court.

The case can be found reported in IBEW Local Union No. 2150 v. Stone, 2005 WI App 251, 708 N.W.2nd 30.

Stone, the union member, had joined IBEW Local 51 in Illinois in 1986. He was laid off in 2002 and subsequently accepted nonunion employment in Wisconsin. The nonunion employer was in the process of negotiating a union contract, but one was never signed.

The recording secretary for Local 2150 sent a letter to Stone informing him that he was charged with violating "Article XXV, Section 1, subsections (a), (e), (f), and (g) of the [International Brotherhood of Electrical Workers Constitution (2001)]," which provided:

Sec. 1. Any member may be penalized for committing any one or more of the following offenses:

(a) Violation of any provision of this Constitution and the rules herein, or the bylaws, working agreements, or rules of a L.U. ...

(e) Engaging in any act or acts which are contrary to the member's responsibility toward the I.B.E.W., or any of its L.U.'s, as an institution, or which interfere with the performance by the I.B.E.W. or a L.U. with its legal or contractual obligations.

(f) Working for, or on behalf of, any employer, employer-supported organization, or other union, or the representatives of any of the foregoing, whose position is adverse or detrimental to the I.B.E.W. ...

(g) Working for any individual or company declared in difficulty with a L.U. or the I.B.E.W., in accordance with this Constitution.

She further informed Stone of the date, time and location of his trial, stating: "Enclosed is a copy of the original charge filed against you." Stone did not appear at the trial. Local 2150 found Stone guilty of all charges and fined him \$10,000 with a six-year suspension of IBEW membership. The Local advised Stone of the results of the trial and said he had an option to appeal the conviction.

Stone filed a breach of contract action against Local 2150 seeking to recover the \$10,000 fine it had issued against him. Both parties moved the court for summary judgment. Stone claimed that Local 2150 had violated

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### May 2006 Meetings

#### **May 3**

Madison Membership  
Janesville-Beloit Membership

#### **May 4**

La Crosse Membership

#### **May 8**

Kenosha-Racine Membership

#### **May 10**

Fox Valley Membership

#### **May 11**

Indianhead Membership

#### **May 18**

Wisconsin Valley Membership

#### **May 24**

Northeastern Membership

### Upcoming Meetings

#### **July 27 - 29, 2006**

Summer Meeting  
Spring Green, WI

#### **October 7 - 10, 2006**

NECA Convention  
Boston, MA

#### **January 26 - 27, 2007**

Winter Meeting  
Madison

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The International Foundation of Employee Benefit Plans will hold its **Trustees Institutes** in Chicago on June 26th through 28th at the Fairmont Hotel. All pension and health & welfare Trustees are encouraged to attend the Trustees Institutes. Call NECA for more information.



Have you got a code question for Tom? Let us know and we'll ask him to answer it in a future newsletter.

## Rising Copper Prices are Creating Havoc

As recently as three months ago, some economists were predicting that prices for raw materials used in construction would settle down from the record highs reached last year and, in particular, that the cost of copper would decline by 10 percent by the second quarter of 2006. As we all know, they were wrong.

At the beginning of the year, construction material prices had indeed dropped a bit after spiking in the wake of Hurricanes Katrina and Rita. It seems that inflation has come roaring back, however, and the price of copper is leading the surge. On April 25, copper hit a record \$3.408 per pound on the New York Mercantile Exchange — which represents a one-day increase of 6.7 percent and an overall increase of 62 percent since New Year's Day.

The reasons for this dramatic climb in copper prices are many. The most prevalently cited cause is a worldwide building boom. In particular, China, whose gross domestic product grew at a sizzling 10.1 percent annual pace in the first quarter, is gobbling up copper and every other construction commodity available. Strengthening housing markets in Japan and the U.S. are also boosting the demand for copper significantly. (In America, a typical single-family home uses 440 pounds of copper.)

With a finite supply of the metal available, problems such as strikes at copper mining facilities also contribute to price escalation. In Chile, the world's largest copper producer, many of the Chilean mines located near the Atacama desert, and the government's recently enacted restrictions on the use of water could further limit supplies (and thus drive up prices) since huge amounts of water are required for processing copper ore.

Finally, the steep and continuing escalation of gas prices are contributing to copper's increased price — the same as for any commodity or product where shipping costs figure into final price.

Whatever the causes, electrical contractors are being hit by the fall out.

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## Tom's Code Corner

**Question:** I have a renovated building in the older downtown area where the electrician is installing a new service. The copper water pipe serving the building comes through the wall from the building next door. After investigating, it is found, the pipe originates underground in another building passes through and serves the second building on its way to the third building. The occupancies are separated by solid brick fire-rated walls effectively creating three buildings. Do buildings two and three have to take a grounding electrode conductor back to within 5 feet of where the water pipe enters building one, or is bonding to the water pipe all that is required?

**Answer:** No, you need establish a grounding electrode system for building two and three in accordance with Section 250.50 and bond the water pipe in accordance with Section 250.104. The owners of buildings two and three may not have access to the water piping in building one and changes in the piping could eliminate the path to that grounding electrode.

## From the Desk of Attorney Kay

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the Labor Management Reporting and Disclosure Act of 1959 providing for safeguards against improper disciplinary action, i.e., failing to serve specific written charges. The circuit court agreed with Stone and issued an order for summary judgment in Stone's favor. Local 2150 appealed to the Wisconsin Court of Appeals.

The Court of Appeals noted that Local 2150 maintained that Stone's conduct demonstrated that he had actual notice of the charges that had been filed against him. However, they were not made in writing and served upon him. The Union argued that since he had knowledge of his derelictions there was no need to inform him of the factual basis for the charges in writing. The Court of Appeals held that this after-the-fact showing that the union member had actual knowledge of the events surrounding the alleged defenses does not cure the lack of adequate written notice of disciplinary charges.

In a last ditch effort to save its case from dismissal, Local 2150 argued to the Court of Appeals that the law requires a union member to exhaust internal union procedures. It argued that Stone did not exhaust those procedures because he did not appeal his original conviction. The Court of Appeals held that a union member need not exhaust internal union remedies if his or her claim falls within some exception to the exhaustion doctrine. One recognized exception is where the union's disciplinary action is demonstrably void for lack of adequate notice. Local Union 2150 argued that a union's failure to provide written specific charges is not a serious violation. The Court of Appeals rejected that argument and held that the absence of the factual details of the charge in the notice letter made it impossible for Stone to prepare to defend himself, resulting in a violation of due process and basic fairness in union disciplinary proceedings. The court held that under those circumstances Stone was not required to exhaust internal union remedies.

This case was before the state court rather than the federal courts because it was a breach of contract action. Normally, labor management issues arise before the National Labor Relations Board and are reviewed by federal courts. However, the contract between a labor union and one of its members can be enforced under state law by state courts.

## Rising Copper Prices *(Continued from page 4)*

Some contractors seek to protect their profits from being eroded by post-bid price hikes by including "price-escalation" clauses in their contracts.

Another idea that contractors may want to discuss with their colleagues and local electrical suppliers and distributors is the formation of "buyers clubs" which could enable them to group purchases and thereby benefit from quantity discounts.

NECA is monitoring this situation closely and would like to know how you are affected by the sharp increase in copper prices and how you are addressing the cost and security issues. NECA-members are invited to share their stories with NECA News by e-mailing [bnd@necanet.org](mailto:bnd@necanet.org)

## New Wisconsin Minimum Wage

Last year Governor Jim Doyle and Republican Legislative leaders reached an agreement raising the state's minimum wage. The state minimum wage will increase to \$6.50 an hour on June 1, 2006. Doyle also signed 2005 Wisconsin Act 12, pre-emption legislation banning higher minimum wages in individual municipalities.

A Wisconsin Minimum Wage poster is available with the new higher state minimum wage rates, as an optional posting by Wisconsin employers. It is not a required poster, but Wisconsin employers may wish to post the Wisconsin poster along with the Federal Minimum Wage poster.

The Minimum Wage poster is included in this newsletter, which can be copied for use on job sites.



According to McGraw-Hill Construction, new construction starts were up 2 percent in March to a seasonally adjusted annual rate of \$667.6 billion. Nonresidential construction was up 3 percent to a rate of \$182.3 billion, while non-building construction such as transportation and environmental public works was up 12 percent to a rate of \$107 billion.