

**STATE OF MINNESOTA  
PUBLIC EMPLOYMENT LABOR RELATIONS ACT  
INTEREST ARBITRATION**

---

COUNTY OF HUBBARD,

EMPLOYER,

TEAMSTERS PUBLIC & LAW  
ENFORCEMENT EMPLOYEES'  
UNION, LOCAL 320,

INTEREST ARBITRATION  
BMS Case No. 06-PN-457  
ARBITRATOR'S AWARD

UNION.

---

ARBITRATOR:	Rolland C. Toenges
DATE & LOCATION OF HEARING:	August 23, 2006 Park Rapids, Minnesota
RECEIPT OF POST HEARING BRIEFS:	September 8, 2006
DATE OF AWARD:	October 8, 2006

**ADVOCATES**

**FOR THE EMPLOYER:**

Mike Rengel, Attorney

**FOR THE UNION:**

Paula R. Johnston, General Counsel

**WITNESSES**

Jack Paul, County Coordinator

Frank Homer, Sheriff's Chief Deputy

Joanne Derby, Business Agent

Greg Siera, Deputy Sheriff  
Troy Christenson, Steward

**ALSO PRESENT**

Swede Nelson, County Commissioner

Jerod Andersen, Union Member

## **JURISDICTION**

The instant matter came on for hearing pursuant to a determination by the Commissioner, Bureau of Mediation Services, that the Parties had reached an impasse in their attempt to negotiate an agreement setting forth terms and conditions of employment.

The Parties selected Rolland C. Toenges to arbitrate the disputed issues.

The instant matter is being conducted in accordance with provisions of the Minnesota Public Employment Labor Relations Act, 179A.01 – 179A.30 (PELRA). Under PELRA, the employees at issue are defined as “essential employees” (licensed peace officers). Therefore the decision of the Arbitrator on issues certified at impasse is final and binding on all parties.

The hearing was concluded upon the Arbitrator’s receipt of post hearing briefs. The Parties were afforded full opportunity to present evidence and argument bearing on the issues in dispute.

## **BACKGROUND**

The employees at issue are employed by Hubbard County as Sheriff’s Deputies.

The Exclusive Representative of the employees at issue is Minnesota Teamsters Public and Law Enforcement Employees Union, Local No. 320.

The Bureau of Mediation Services certified 16 disputed items to be resolved via the instant arbitration proceeding.

## **ISSUES IN DISPUTE**

1. DURATION – Length of CBA – Article XX.
2. WAGES & ADDITIONAL PROVISIONS – 2006 – Article V.
3. WAGES & ADDITIONAL PROVISIONS – 2007 – Article V.
4. WAGES & ADDITIONAL PROVISIONS – 2008 – Article V.
5. INSURANCE – Effective 1/1/2006 – Article XIV.
6. INSURANCE – Effective 1/1/2007 – Article XIV.
7. INSURANCE – Effective 1/1/2008 – Article XIV.
8. OVERTIME & PREMIUM PAY – Article VII, Section 7.1,B.
9. OVERTIME & PREMIUM PAY – Article VII, Section 7.1,C.
10. OVERTIME & PREMIUM PAY – Article VII, Section 7.2.
11. SEVERANCE PAY – ARTICLE XV, Section 1,B
12. EQUIPMENT & MAINTENANCE ALLOWANCE - Effective 1/1/2006 – Article XVIII, Section 1.

13. EQUIPMENT & MAINTENANCE ALLOWANCE – Effective 1/1/2007 – Article XVIII, Section 1.
14. EQUIPMENT & MAINTENANCE ALLOWANCE – Effective 1/1/2008 – Article XVIII, Section 1.
15. PERSONAL LEAVE DAY – New Article.
16. WAGE SCHEDULE “A” - LONGEVITY SCHEDULE.

### **POSITIONS OF THE PARTIES**

#### **ISSUE 1: CONTRACT DURATION**

EMPLOYER: three (3) years, 1/1/2006 through 12/31/3008

UNION: two (2) years, 1/1/2006 through 12/31/2007

#### **ISSUES 2, 3 & 4: WAGES & ADDITIONAL PROVISIONS**

EMPLOYER: Effective 1/1/2006 = 2.25 percent.

Effective 1/1/2007 = 3.00 percent if its health insurance position is adopted or 2.25 percent if it is not.

Effective 1/1/2008 = 3.00 percent if its health insurance Position is adopted, or 2.25 percent if it is not.

UNION: Effective 1/1/2006 = \$1.00 per hour plus four (4) percent.

Effective 1/1/2007= 4.00 percent.

Effective 1/1/2008 = 4.00 percent (if 3<sup>rd</sup> year awarded).

#### **ISSUES 5,6 & 7: INSURANCE**

EMPLOYER: 2006 - no change to its existing 2006 contribution.

2007 – Monthly Contribution of \$557.40 for single coverage.

Monthly contribution of \$714.50 for single plus children coverage.

Monthly contribution of \$987.50 for family coverage.

The above amounts *include* \$2.00 per month toward life insurance. For 2007 & 2008, the Employer will increase its contribution noted above based upon the increase in the various 500 CMM Plan premiums, up to and including fifteen percent (15%). This would

be for the single; single plus children and family 500 CMM. All amounts to be rounded to the nearest half-dollar (1/2).

Coverage becomes effective the first month following 30 days of employment.

2008 - If awarded, Employer contribution to be as noted above.

UNION: 2006 – Section 14.1 to remain as per the CBA on the Triple Gold Plan.

14.1. The Employer will pay the cost of the single managed care policy, and will pay fifty percent (50%) of the dependent portion of the family managed care policy. Coverage becomes effective the first day of the month following thirty (30) days of employment.

2007 – Section 14.1 to remain as per the CBA on the Triple Gold Plan.

2008 – Section 14.1 to remain as per the CBA on the Triple Gold Plan (if awarded).

### **ISSUE 8, MAXIMUM COMPENSATORY TIME ACCRUAL**

EMPLOYER: No change in existing CBA language (Section 7.1,B).

UNION: Change Section 7.1,B to read as follows:

Employees shall be allowed to accumulate no more that one hundred twenty (120) hours of compensatory overtime. He/she shall be paid in cash for all hours over the one hundred twenty (120) hour maximum.

### **ISSUE 9, MAXIMUM COMPENSATORY TIME ACCRUAL**

EMPLOYER: No change in existing CBA language (Section 7.1,B).

UNION: Change Section 7.1,C to read as follows:

Any hours accumulated over twenty (20) hours may be paid in cash on December 1<sup>st</sup> at the employee's option upon written notification by November 15<sup>th</sup>. Any unused compensatory time on December 31<sup>st</sup> shall carry over to the following year. Subject to the one hundred twenty (120) hour maximum noted in 7.1,B, above.

**ISSUE 10, DISTRIBUTION OF OVERTIME**

EMPLOYER: No change in existing CBA language (Section 7.2)

UNION: Change Section 7.2 to read as follows:

Overtime will be distributed as equally as practicable. Full-time employees covered by this Agreement shall have first choice for all overtime. Overtime refused by an employee will, for record purposes, be considered as unpaid overtime worked. For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked. Overtime shall be calculated to the nearest fifteen (15) minutes. Overtime shall be worked only with the expressed authorization of the Employer.

**ISSUE 11, SEVERANCE PAY**

EMPLOYER: No change in existing CBA language (Section 15.1,B).

UNION: Delete existing CBA language (Section 15.1,B).

**ISSUE 12, 13 & 14, EQUIPMENT & MAINTENANCE ALLOWANCE**

EMPLOYER: No change in existing CBA language (Section 18.1).

UNION: Change Section 18.1 to read as follows:

Effective 1/1/2006, the Employer shall provide an annual equipment and maintenance allowance of four hundred dollars (\$400) to all full-time Deputies and two hundred sixty dollars (\$260) to all part-time Deputies.

Effective 1/1/2007, the Employer shall provide an annual equipment and maintenance allowance of four hundred dollars (\$400) to all full-time Deputies and two hundred sixty dollars (\$260) to all part-time Deputies.

Effective 1/1/2008, the Employer shall provide an annual equipment and maintenance allowance of five hundred fifty dollars (\$550) to all full-time Deputies and three hundred twenty-five dollars (\$325) to all part-time Deputies (if awarded).

**ISSUE 15, PERSONAL LEAVE DAY**

EMPLOYER: No Personal Leave provision to be added to CBA.

UNION: Add new CBA Article to read as follows:

PERSONAL LEAVE DAY: Regular employees only shall be eligible for one (1) day personal leave per calendar year, subject to the following:

**ISSUE 16, LONGEVITY SCHEDULE “A”**

EMPLOYER: No change in existing CBA language (Longevity Schedule “A”).

UNION; Change Longevity Schedule “A” to read as follows:

Employees shall follow the schedule below:

**LONGEVITY**

10 years	1%
15 years	3%
20 years	4%
25 years	5%

**EXHIBITS**

**JOINT EXHIBITS:**

- J-1. BMS, Referral of Arbitration List, April 6, 2006.
- J-2. Union’s final position on issues in dispute.
- J-3. Employer’s final position on issues in dispute.
- J-4. Collective Bargaining Agreement, effective 1/1/2003 through 12/31/2005.

**UNION EXHIBITS:**

- U-1. Final positions on Issue #1, CBA Duration.
- U-2. Final positions on Issue #2, Wages effective 1/1/2006.
  - Appendix “A” from 1/1/2003 – 12/31/2005 CBA.
  - Survey – Deputies in “Contiguous” counties.
  - Survey – Deputies in “Comparable Group” counties.
  - Survey – Investigators in “All Comparable” counties.

U-3. Final positions on Issue #3, Wages effective 1/1/2007.

- Appendix "A" from 1/1/2003 – 12/31/2005 CBA.
- Survey – Deputies in "Contiguous" counties.
- Survey – Deputies I "Comparable Group" counties.
- Survey – Investigators in "All Comparable" counties.

U-4. Final positions on Issue #4, Wages effective 1/1/2008.

- Appendix "A" from 1/1/2003 – 12/31/2005 CBA.
- Survey – Deputies in "Contiguous" counties.
- Survey – Deputies in "Comparable Group" counties.

U-5. Final positions on Issue #4, Insurance effective 1/1/2006.

- Description – Triple Gold With Co-Pay – Plan 1.
- Description – Comprehensive Major Medical – Plan 2.
- Description – Comprehensive Major Medical – Plan 3.
- Minnesota Statutes 2005, 471.6161. (Group Insurance: governmental units).
- Arbitration Award, BMS Case No. 04-PA-491, City of Staples & Teamsters 320.

U-6. Final positions on Issue #6. Insurance effective 1/1/2007.

U-7. Final positions on Issue #7, Insurance effective 1/1/2008.

U-8. Final positions on Issue #8, Overtime and Premium Pay - Compensatory Time Accrual.

- Survey - maximum compensatory time accrual in "all comparable counties."

U-9. Final positions on Issue #9, Overtime & Premium Pay – Payment of Compensatory Time.

U-10. Final positions, Overtime & Premium Pay – Distribution of Overtime Work.

U-11. Final positions, Severance Pay.

- Survey - Severance Eligibility – "All Comparable Counties."
- CBA – Hubbard County Social Services Unit, effective 1/1/2006 through 12/31/2008, "Section 16, Severance Pay."

U-12. Final positions, Equipment & Maintenance Allowance – Amount of Allowance –2006.

- CBA – Hubbard County, Sheriff’s Unit, effective 1/1/1998 through 12/31/2000, “Article 18, Uniform Allowance.
- Equipment Supplier Catalog excerpts, Pages 68, 58 & 48.
- Survey - Deputies Uniform /Maintenance Allowance – “All Comparable Counties.”

U-13. Final positions, Equipment & Maintenance Allowance – Amount of Allowance - 2007.

U-14. Final Positions, Equipment & Maintenance Allowance – Amount of Allowance - 2008.

U-15. Final positions, New CBA Article - Personal Leave Day.

U-16. Final positions, Longevity Schedule “A.”

#### EMPLOYER EXHIBITS:

E-1. Deputies Comparative Data Survey – Adjacent Counties.

E-2. Health Insurance Comparisons Survey.

E-3. Hubbard County Cafeteria Plan & Benefits – 2006.

E-4. County Wage Settlement Survey, May 30, 2006.

E-5. Hubbard County Provides all Deputies with the following [items] that are FREE.

E-6. Deputies Comparative Data Survey – Like Size Counties, August 23, 2006.

E-7. Hubbard County Comparable Worth Data/Internal Documents, August 23, 2006.

#### DISCUSSION – ISSUE #1

The disputed issue is whether the CBA duration should be for two (2) years or three (3). The Union favors a two-year duration while the Employer favors a three-year duration.

The record shows that all Hubbard County CBA’s entered into evidence have been of a three-year duration. The Social Service Unit CBA (U-11) is a three-year agreement covering the duration favored by the Employer (1/1/2006 through 12/31/2008). The CBA covering the Sheriff’s Deputies and Jailer/Dispatchers (U-12) was for a three-year term (1/1/1998 through 12/31/2000). Also, the previous CBA covering the Hubbard County Sheriff’s Department (J-4) was for a three-year duration (1/1/2003 through 12/31/2005).

Hubbard County Coordinator, Jack Paul, testified that the County has a history of three-year agreements. Paul testified that three-year agreements provide for better budgeting and have provided stability in labor-management relations.

### AWARD – ISSUE #1

**The CBA shall be of a three-year duration (1/1/2006 through 12/31/2008).**

**The CBA's entered into evidence all support a finding that the Parties have a history of favoring CBA's of a three-year duration. The Arbitrator does not find sufficient evidence to support a change in the historic practice of the Parties.**

### DISCUSSION – ISSUES 2, 3 & 4

The Union argues that Hubbard County's salary rates for Deputies need to be moved up. The Union argues that the County is unique and in a different class because its population increases by three times during the tourism season.

The Union points to its comparison of five contiguous counties showing a 2006 average hourly maximum of \$22.39 for deputies, with two counties paying a higher rate and three paying a lower rate. The Union's argues that this supports its position of a \$1,00 per hour plus a 4% increase, as it would bring the 2006 Hubbard County Deputy maximum rate up to \$23.52. The Union's position would place the Hubbard Deputy rate about five (5) percent above the survey average at maximum and about eight (8) percent above the survey average minimum rate.

The Union also points to its survey of a "comparable group," consisting of eleven counties, that shows them paying a 2006 average maximum rate to Deputies of \$23.36 per hour. Four of these counties pay a higher rate and six pay a lower rate. The Union's position would place the Hubbard Deputy rate about five (5) percent above the average at maximum and about seven and one half (7 1/2) percent at minimum.

The Union introduced a survey of "All Comparable Counties." that shows them paying a 2006 average maximum rate to Investigators of \$25,53 per hour. The Survey includes sixteen counties but only eight report rates. Three counties report rates higher than the average and five report rates below the average. The Union's position of \$1.00 plus a four (4) percent increase would provide a 2006 rate of \$25.12 for Investigators. This would place the Hubbard Investigator rate about 1.6 percent below the average maximum and about 1.3 percent at minimum.

The Union's position for 2007 would raise the aforementioned rates by an additional four (4) percent to \$24.46 for Deputies and \$26.13 for Investigators. The Union survey of five" Contiguous Counties" shows an average 2007 maximum rate paid by them at

\$23.93. Two counties report rates below the average and two above with no rate reported by one county. The Union's position would place the Hubbard Deputy rate about five (5) percent above the survey average at maximum and four (4) percent above at minimum.

The Union also introduced a survey of eleven "Comparable Group" counties showing a 2007 Deputy maximum average salary of \$24.85. Five of the eleven counties have settlements reported for 2007. The Union's survey of Investigator salaries, consisting of 16 counties it describes as "All Comparable Counties," shows a 2007 average hourly salary of \$28.60. Four of the sixteen counties report settlements for 2007.

The Union's survey of five "Contiguous Counties" shows 2008 rates reported by only two counties. The Unions position for 2008 of a four (4) percent increase would result in a maximum Deputy hourly rate of \$25.44.<sup>1</sup> Of the two counties reporting rates, one reports a rate below \$25.44 and the other reports a rate above.

Of the Union's survey of eleven "Comparable Group" counties, three report rates for 2008. All survey rates reported are below the Unions proposed 2008 Deputy rate of \$25.44.

The Employer introduced a survey<sup>2</sup> consisting of eleven counties that it describes as "Adjacent Counties." This survey, of 2006 wage rates reported by these counties, also includes their health insurance contributions and longevity pay. The Employer argues that this survey shows Hubbard County pays 105% of the average when the wage rate, health insurance contributions and longevity pay are all considered.<sup>3</sup>

It is noted that the Union's five "Contiguous Counties" and five of the Employer's "Adjacent Counties" are the same, except the Employer's "Adjacent Counties" survey includes five counties not included in the Union's surveys. These five counties, not included in the Union's "Contiguous Counties," survey, are not immediately adjacent to Hubbard County but are second tier counties (counties adjacent to the five counties that are immediately adjacent).

The Union's "Comparable Group" survey, consisting of eleven counties, includes only one in the Employer's "Adjacent Counties" survey (Koochiching). The ten other counties in the Union's "Comparable Group" appear selected based on population, as they are, for the most part, remote from Hubbard County being located in the south, southeast and southwest areas of the state. The population of the eleven counties in the Union's "Comparable Group" ranges from about 15,000 to 20,000 (based on 2003 data). Hubbard County's population, as reported by the Employer is 17,177.<sup>4</sup>

---

<sup>1</sup> The proposed Union rate shown on this survey is the same as the rate it proposed for 2007 (\$24.46), which the Arbitrator assumes is an error as the rate shown on the 2008 survey of "Comparable Counties" is \$25.44.

<sup>2</sup> Employer Exhibit #1

<sup>3</sup> Employer Exhibit #1, assumes a 3% increase in the wage rate and contributions under the Employer's proposed new health plan.

<sup>4</sup> Employer Exhibit #6.

The Employer introduced a “County Wage Settlement Survey” conducted by “The Minnesota County Administrators, Association,” dated May 30, 2006.<sup>5</sup> This survey includes 2006 collective bargaining settlements reported by Minnesota Counties. This survey shows that, among the 24 counties reporting, the 2006 Sheriff’s settlements average a wage increase of 2.4589 percent.

The Employer also introduced a survey of ten (10) “Like Size Counties,” that included the same counties in the Union’s “Comparable Group” survey with three exceptions. The Employer’s survey included Kanabec County, which the Union’s survey did not. The Union’s survey included Aitkin and Nobles, which the Employer’s survey did not.

The Employer argues that Aitkin County is not an appropriate comparison because they rolled their longevity pay into the base wage rate. The Employer argues that this has the effect of inflating their wage rate, making it appear more competitive. The Employer argues that, with Aitkin County’s rate excluded, Hubbard’s Deputy rate is 103% of the average.

The Employer’s “Like Size Counties” survey shows the Employers Maximum Deputy wage rate to be 97% of the 2006 average of the ten counties surveyed (based on the Employers position of a 3% increase). The survey shows that when the Employer health contributions are considered, the Employer’s compensation is 103 % of the average. The survey shows the Employers insurance contribution to be 137% of the average and second highest among the ten counties surveyed. The Employer’s “Like Size Counties” survey shows the number of full time Deputies employed in the ten counties averages 130, with a range of 83 to 155. Hubbard County employs 157 (full time equivalent) Deputies.

The Employer position is to tie the wage adjustment and insurance contribution increase together. The Employer position is for a 2.25 percent wage increase in 2006, as the Union has benefited in 2006 from the old health insurance contribution formula. All other Hubbard County employees received a three (3%) increase in 2006 but accepted the new health plan.

The Employer has settled with all other Hubbard County Bargaining Units for a three (3) percent wage increase in 2006, 2007 and 2008. These settlements included the Employer’s position to adopt the “new” health plan. This same compensation package was approved for the non-organized employees.

The Employer also argues that the Deputies are already paid more favorably under its “Comparable Worth Plan” than are other employees with a similar point value. The employer introduced a comparison between Deputy Sheriff and NR Manger.<sup>6</sup> The point

---

<sup>5</sup> Employer Exhibit #4.

<sup>6</sup> Employer Exhibit #7.

value of these two job classes is essentially the same but the Deputy Sheriff is compensated at 113% of the NR Manager rate.<sup>7</sup>

Arbitrators commonly look at several factors when considering wage adjustments that differ from the settlement pattern established between the Employer and its other bargaining units and non-organized employees. These are as follows:

1. The Employer's ability to recruit and retain employees,
2. Equitable compensation relationships between job classes.
3. Equitable compensation relationships between different levels of job classes and supervisory employees.

Based on the above factors of consideration, there is nothing in the hearing record to support an adjustment beyond the three (3) percent settlement pattern. There is no evidence that the wage rate paid by the Employer is a barrier to recruitment and retention of Deputies or that an inequitable relationship exists between job classes that warrants an adjustment greater than the three (3) percent settlement pattern. If anything, Employer's exhibit (E-7) indicates that the Deputy class is already more favorably compensated than another class that shares a similar "Comparable Worth Value."

Although the evidence indicates that the Investigator class is somewhat less favorably compensated based on the Union's market comparisons, there is no evidence in the record calling for a different adjustment for this class. Employer Witness, Jack Paul, testified that the normal policy of Hubbard County is to adjust beyond the standard settlement pattern only when a wage rate is more than 10% off the appropriate market comparison.

A three percent increase in the maximum Deputy wage rate would place it at \$22.27 per hour, about 98% of the market based on the Employer's survey of "Adjacent Counties" and about 99% based on the Union's "Contiguous Counties" survey.

A three percent increase in the maximum Deputy wage rate would place it at \$22.27 per hour, about 97% of the market based on the Employer's survey of "Like Size Counties" and about 95% of the market based on the Union's survey of "Comparable Group" counties.<sup>8</sup>

The Employer's position is for a 2.25% increase for 2006 due to the Union's not having participated in the new health plan. The Arbitrator finds the Employer's cost estimate of continuing the old health plan to appear overstated. The Arbitrator's analysis of this matter is found in the discussion under Issues #5, 6 & 7.

---

<sup>7</sup> Assumes a 3% COLA in 2006 for Deputy Sheriff.

<sup>8</sup> If the rate reported by Aitkin County were not included in the Union's survey (the Employer objects to including this rate because longevity pay has been rolled into it), the \$22.27 rate would be about 97% of the survey average of \$22.87.

The Arbitrator finds the Union's position for an increase of \$1.00 plus four (4) percent to be excessive based on the Parties market comparison data.

The Arbitrator finds the Hubbard County three-percent general settlement pattern for 2006 to be appropriate for 2006, 2007 and 2008. The evidence indicates that this will maintain and may slightly improve Hubbard County's market position.

#### **AWARD, ISSUES 2,3 & 4**

**Wage rates shall be increased by three (3) percent effective 1/1/2006.**

**Wage rates shall be increased by three (3) percent effective 1/1/2007.**

**Wage rates shall be increased by three (3) percent effective 1/1/2008.**

#### **DISCUSSION, ISSUE #5, 6 & 7 INSURANCE**

At issue is the health plan option referred to as "Triple Gold Plan." The Employer wants to discontinue this plan in favor of a new plan that has been negotiated with all other bargaining units and applied to non-organized employees.<sup>9</sup> A Health Insurance Committee made up of Union representatives from all bargaining units, non-organized employees, commissioners and managers recommended changing to the new health plan. The recommendation was approved by the Hubbard County Board of Commissioners.

The old health plan has been continued for the Deputies Unit during 2006 as the parties impasse on this and other issues in their attempt reach a CBA settlement. However, the Employer's position is that the Deputy Unit be under the new health plan for 2007 and 2008. It was the committee's recommendation and it is the Employer's position that the "Triple Gold Plan" not be offered for 2007 and 2008.

The Employer argues that the "Triple Gold Plan" is likely to be discontinued anyway by the insurer due to low employee participation. Of some 150<sup>10</sup> Hubbard County employees, only 11 are now in the "Triple Gold Plan." This is down from 14 at the beginning of 2006. The minimum employee participation required to continue the "Triple Gold Plan" is ten (10) to twelve (12) employees.<sup>11</sup>

County Coordinator, Jack Paul, testified that the reason the Employer and Health Insurance Committee want the "Triple Gold Plan" discontinued is that the "Northwest

---

<sup>9</sup> Four bargaining units have agreed to the new plan. The two Units involved in the instant arbitration proceeding (Deputies and Jailer/Dispatcher) have not.

<sup>10</sup> Number of employees is 220 if Heritage Living Center employees are included.

<sup>11</sup> Testimony of County Coordinator, Jack Paul.

Service Co-op” (consisting of eight counties and thirteen cities) told him to offer the “H.S.A.” plan as the “Triple Gold Plan” will not be offered in the future because of low employee participation.

The record shows that no employees in the Jailer/Dispatcher Unit are in the “Triple Gold Plan.” The record shows that two employees in the Deputy Unit are in the “Triple Gold Plan.”<sup>12</sup>

The new plan establishes an additional tier referred to as “Single + Children.” Under the new plan, employees may choose from 1). Single Coverage, 2). Single + Children, or 3). Family Coverage. Under the “Triple Gold Plan,” employees may choose either 1). Single Coverage, or 2). Family Coverage. The “Single + Children” tier in the new plan provides a lower cost choice for single parents who otherwise would have to choose the higher cost “Family” option.

During 2006, employees (other than Deputies and Jailer/Dispatchers) may continue to choose the “Triple Gold” option but must pay \$24.00 per month for Single coverage<sup>13</sup> and an additional \$11.50 for family coverage.<sup>14</sup> Under the 2005 plan (continued in 2006 for Deputies) the Employer pays the full cost of Single coverage. Employees with Family coverage pay \$417.50 per month (\$11.50 less that required under the new plan),

Under either the new or old plan, employees can choose from three options with a lower premium and higher deductible. The difference between the County contribution and lower premium can be used by the employee to purchase other insurance benefits or the employee can elect to receive the difference as regular income.<sup>15</sup>

The Employer’s position is that, if the Arbitrator awards the Union’s position on the health insurance issue, the 2006 salary increase should be 2.25 percent rather than the three (3) percent received by all other employees. The Employer argues that the increased cost to the Employer for continuing the 2005 health coverage benefits during 2006 for Deputies and Jailer/Dispatchers, is equal to about three quarter (3/4) of one percent of the wage rate.

The Employer’s calculation of three quarter (3/4) of one percent would appear overly stated. The Employer’s testimony was that only two of the employees in the Deputy Unit remain on the “Triple Gold Plan.” According to Employer Exhibit #3, the difference

---

<sup>12</sup> Testimony of County Coordinator, Jack Paul.

<sup>13</sup> The \$24.00 employee contribution required under the new plan represents about a four (4) percent of the total premium cost.

<sup>14</sup> The \$11.50 increase in employee contribution represents about a three (3) percent increase.

<sup>15</sup> For example, if an employee chooses the “H.S.A. single coverage option, the difference between the Employer monthly contribution (\$581.50) and the premium (\$379.00) provides the employee with a monthly sum of \$202.50 that can be used to purchase other insurance benefits or that the employee can elect to receive as regular income (Schedule B option limits receipt of regular income to one-half).

between the old and new plan for “Triple Gold Plan” coverage is \$24.00 for single coverage and \$11.50 for family.

In Employer Exhibit #1, the average Deputy wage rate used for comparison is \$46,314 annually or \$3,859.50 per month (\$46,314 divided by 12). Assuming the Deputies were all in the “Triple Gold Plan” with single coverage, the increased cost of \$24.00 per month would be about two thirds of one percent (.006).<sup>16</sup> However, the Employer’s cost would be reduced depending on the number of Deputies with family coverage where the increased Employer cost would be \$11.50 per month<sup>17</sup>. With only two Deputies in the “Triple Gold Plan,” the Employer cost increase under the new plan would appear substantially less than its estimate of three quarters (3/4) of one percent.

The Union emphasizes that the health insurance issue is one of its greatest concerns. The union argues that the Arbitrator is without authority to award on this issue and cites Minnesota Statutes 471.6161, Subd. 5<sup>18</sup> and Arbitration Award, BMS Case No. 04-PA-491,<sup>19</sup> in support of its argument.

The Employer argues that it is important to have all employees on the same health insurance plan and, from an aggregate value, the new plan is equivalent to the old. The Employer argues that, even though the new plan costs Hubbard County more, it is important to have all employees on the same plan.

The Employer objected to the Union’s assertion that the Arbitrator does not have authority to award on the health insurance issue. The Employer argued that to prohibit the Arbitrator from awarding on the insurance issue would leave no means to resolve the matter.

---

<sup>16</sup> The Arbitrator recognizes that the \$46,314 figure used for comparison is the maximum rate and the actual average rate would be somewhat less, which could cause the .006 percent calculation to be somewhat larger.

<sup>17</sup> Hubbard County Coordinator, Jack Paul, testified that most employees in the Deputy and Jailer/Dispatcher Units have family coverage.

<sup>18</sup> “Minnesota Statute 2005, 471.6161, Subd. 5 Collective Bargaining. The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under Section 179A.12, agree to a reduction in benefits.”

<sup>19</sup> Grievance Arbitration Award, BMS Case No. 04-PA-491, June 8, 2004. City of Staples and Minnesota Teamsters Public and Law Enforcement Employees Union, Local 320. City made unilateral change in health insurance program negotiated in CBA absent negotiating change with Union. Union grieved and matter was arbitrated by Richard John Miller, who found the City’s unilateral change of the bargained \$200 CMM deductible health insurance plan is a violation of the CBA. The Parties were directed meet and bargain a resolution to the health insurance issue.

The issue in the Arbitration case cited by the Union, and in other similar cases the Arbitrator has reviewed in addressing this matter,<sup>20</sup> is not the same as in the instant case. In the cited case, the Employer unilaterally changed the health insurance plan during the term a CBA was in force without negotiating an agreement supporting the change with the union.

In the instant case, the Parties have negotiated to impasse on health insurance changes and other issues. These issues are now, under authority of statute,<sup>21</sup> before this arbitration proceeding for resolution. The Arbitrator has jurisdiction over the items in dispute which were certified to and submitted by the Commissioner, Bureau of Mediation Services, provided the items in dispute are a term and condition of employment.<sup>22</sup> Health insurance is among fringe benefits defined by statute as a term and condition of employment.<sup>23</sup> The Arbitrator's decision must resolve the issues in dispute between the Parties as submitted by the Commissioner, Bureau of Mediation Services.<sup>24</sup>

In the instant case, the Employer did not unilaterally change the health insurance plan but has continued the previous (old) plan in effect pending resolution via the instant arbitration proceeding in accordance with statutory requirements.<sup>25</sup> The instant arbitration proceeding is the means established by statute to resolve the disputed health insurance and other issues certified at impasse by the Commissioner, Bureau of Mediation Services.

Although Arbitrators give deference to outside market data to determine appropriate compensation rates, they are reluctant to disturb an employers benefit plan that has historically and uniformly been administered to all employees. Uniformly administered benefit plans are important for a number of reasons. Among these is that it enhances the mobility of employees for advancement opportunities, creates a sense of equity among employes and provides economy and consistency in administration.

The record shows that prior to the instant dispute, the health insurance plan was uniformly administered for Hubbard County Employees. The Arbitrator finds in favor of upholding the historic practice of a uniform health insurance plan for all Hubbard County Employees.

The Arbitrator is sympathetic to the issues that rapidly rising health care costs create for both employees and employers and the difficult choices necessary. It is a circumstance that most everyone is currently experiencing. The effort being made in Hubbard County

---

<sup>20</sup> West St. Paul Federation of Teachers v. Independent School District No. 197, 2005 WL 288799 (Minn. Dist. Ct.).

West St. Paul Federation of Teachers v. Independent School District No. 197, 2006 WL 997868 (Minn. app.)

<sup>21</sup> Minnesota Statutes 179A.01 – 179A.30

<sup>22</sup> Minnesota Statutes 179A.16

<sup>23</sup> Minnesota Statutes 179A.03, Subd. 19.

<sup>24</sup> Minnesota Statutes 179A.16, Subd. 7.

<sup>25</sup> Minnesota Statutes 179A.20, Subd. 6.

to control costs and maintain benefit levels is typical of what is taking place in the economy..

### AWARD

**The existing CBA language in Article 14 shall remain in effect for the balance of calendar year 2006 (health insurance Schedule “B”).**

**Effective January 1, 2007 through December 31, 2008, the Deputy Unit shall be subject to the same health insurance plan and contribution rates as is uniformly established for all other Hubbard County employees (Schedule “A”).**

**Effective January 1, 2007 the Employer will contribute the following towards the Cafeteria Plan:**

<b>For employees choosing a single health plan coverage</b>	<b>\$557.50</b>
<b>For Employees choosing a single plus children plan</b>	<b>\$714.50</b>
<b>For Employees choosing a family health plan</b>	<b>\$987.50</b>

**These amounts include two dollars (\$2.00) per month life insurance contribution.**

**For calendar years 2007 and 2008, the Employer will increase its contributions noted above based upon the increase in the various 500 CMM Plan premiums, up to and including fifteen percent (15%). This would be for the single, single plus children and family 500 CMM. All amounts will be rounded to the nearest half-dollar (1/2).**

**Coverage becomes effective the first month following 30 days of employment.**

### DISCUSSION, ISSUE #8 – ACCUMULATION OF COMPENSATORY TIME

The Union’s position is to increase the amount of compensatory time that may be accumulated from the current eighty-hours (80) to one hundred twenty (120). The Union supports its case by pointing out that Beltrami County allows an accumulation of 240 hours.

The Employer’s position is to retain the current contract language limiting the accumulation to eighty-hours (80). The Employer wants to keep the accumulation to eighty-hours (80) to maintain uniformity with the other bargaining units.

The Union survey of “All Comparable Counties” shows the maximum compensatory time accumulation of the eleven counties reporting ranges from 40 hours to 240 hours.

Beltrami County appears to be an anomaly with an accumulation maximum twice as high as the next highest county. The average with Beltrami included is eighty-seven (87) hours. Without Beltrami the average is seventy-two (72) hours.

Based on the evidence and arguments of the Parties, the Arbitrator does not find any compelling evidence to support a change in the existing CBA language.

#### **AWARD, ISSUE #8**

**There shall be no change in the existing language of Article 7, Section 7.1, B.**

**7.1, B. Employees shall be allowed to accumulate no more than eighty (80) hours of compensatory overtime. He/she shall be paid in cash for all hours over the eighty (80) hours maximum.**

#### **DISCUSSION, ISSUE #9**

The Union's position is to provide necessary "housekeeping" language needed if the Arbitrator awarded its position on issue #8.

The Arbitrator awarded no change in the existing language of Article 7.1, B. Therefore, the Union's proposed housekeeping change is not necessary.

#### **AWARD, ISSUE #9**

**There shall be no change in the existing CBA language of Article 7, Section 7.1, C.**

**7.1, C Any hours accumulated over twenty (20) hours may be paid in cash on December 1<sup>st</sup> at the employee's option upon written notification by November 15<sup>th</sup>. Any unused compensatory time on December 31<sup>st</sup> shall carry over to the following year. Subject to the eighty (80) hour maximum noted in 7.1, B above.**

#### **DISCUSSION, ISSUE #10 – OVERTIME DISTRIBUTION**

The Union position is to give full-time employees first choice to all overtime. The existing CBA language gives full-time employees first choice to overtime, "scheduled within three (3) days except when covering shifts for vacation, holiday, or compensatory time."

The Union supports its position by pointing out that the CBA covering the Highway Unit (IUOE #49) gives employees first choice unless impractical or unreasonable. The Union describes the three (3) day limit as nonsensical and argues that it should be eliminated.

Chief Deputy Sheriff, Frank Homer, testified that under existing CBA language full-time Deputies have first choice of overtime, but anything over seventy-two (72) hours goes to part-time employees.

Homer testified that the Union's position would create scheduling difficulties. He used the example that if a Deputy were on vacation for seven days, they would need to find an available full-time Deputy for all of these seven days. Homer testified that most Deputies want to be off when they are scheduled to be off.

Homer testified that the Union's position also has financial implications for more overtime would be necessary. Homer testified that, even under existing language, they are now four (4) percent over budget.

Homer's testimony alludes to the complications inherent with seven-day twenty-four hour scheduling and the compounding effect on overtime created when full-time employees work overtime.

The Arbitrator finds the Employer's position to retain existing CBA language most compelling.

#### **AWARD, ISSUE #10**

**There shall be no change in the existing CBA language in Article 7, Section 7.2**

**7.2 Overtime will be distributed as equally as practicable. Full-time employees covered by this Agreement shall have first choice for all overtime scheduled within three (3) days except when covering shifts for vacation, holiday or compensatory time. Overtime refused by an employee will, for record purposes, be considered as unpaid overtime worked. For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded or paid twice for the same hours worked. Overtime shall be calculated to the nearest fifteen (15) minutes. Overtime shall be worked only with the expressed authorization of the Employer.**

#### **DISCUSSION, ISSUE #11 – SEVERANCE PAY**

The Union position is to eliminate existing CBA language in Article 15.1, B that requires an employee to have an accumulation of at least sixty-days (480 hours) of sick leave to be

eligible for severance pay. The Union argues that this provision is out of sync with other comparable counties, none of which have such requirement.

The Union argues that the Employer submitted no evidence that proved sick leave abuse is an issue with the Deputy Unit. The Union further argues that an employee who suffers a catastrophic health event is actually punished by the existing provision – the employee did not abuse his/her sick leave, yet would not receive any severance.

Union Business Agent, Joanne Derby, testified that a modification to the sixty-day requirement was negotiated into the 2006 –2008 Social Service Unit CBA. Derby testified that while negotiations were in mediation the Parties agreed to reduce the sixty-day (60) requirement to thirty days (30). Derby testified that this issue was not tied to the Social Service Units acceptance of the new health plan.

County Coordinator, Jack Paul, testified that the CBA language at issue is of long-standing and it rewards employees who use their sick leave benefit as intended. Paul testified that Hubbard County's severance pay is more liberal than most other counties. Paul testified that most other counties have a lower limit on the number of hours employees can collect as severance.

Paul testified that the Employer agreed to reduce the number of sick leave hours needed to qualify for severance pay to thirty (30) with the Social Service Unit in consideration of the Social Service Units acceptance of the new health insurance plan.

The Employer argues that, except for the Social Service Unit, the sixty-day requirement applies to all other Hubbard County employees. The Employer further argues that to take away the sixty-day minimum requirement and yet keep in place the high severance payout would not be comparable to any other counties and would be inconsistent with the internal administration of severance pay.

The Arbitrator finds insufficient data in the record to draw any meaningful conclusion of how Hubbard County's severance benefit compares to other adjacent or comparable counties. The Unions exhibit of "All Comparable Counties" shows the prevailing practice is to not have a minimum sick leave accumulation requirement. However, there is no information as to whether these counties pay severance or, if so, how much. The Employer contends that Hubbard County's severance pay benefits is more liberal than that of other counties, but there is no evidence as to how it compares.

The Arbitrator finds most compelling the Employer's reason for agreeing to lower the sick leave hours required for severance eligibility in the Social Service Unit CBA. Although the Employer's stated reason for agreeing to the thirty-day requirement differs from Business Agent Derby's version, it is understandable that the Parties could have agreed to the change for different reasons.

The Arbitrator finds that awarding the new health plan in the instant case and also awarding the same reduction in accumulated sick leave hours as the Parties negotiated into the Social Service Unit CBA is consistent and equitable.

**AWARD, ISSUE #11**

**Article 16, Section 16.1, B, to be effective 1/1/2007, shall read as follows:**

**16.1, B. The employee, to be eligible for provisions of this section, shall have an accumulation of at least thirty (30) days (240) hours sick leave.**

**DISCUSSION, ISSUES #12, 13 & 14 – EQUIPMENT & MAINTENANCE ALLOWANCE – 2006, 2007 & 2008**

The Union position is to increase the equipment and maintenance allowance from the existing rate of \$200 for full-time employees and \$130 for part-time employees to \$400 and \$260 respectively in 2006, to \$400 in 2007 (pro-rated for part-time employees) and to \$550 and \$325 respectively in 2008. The Union argues that the most compelling reason to raise the allowance is that it has not been raised since 1999 and prices have undoubtedly risen in this time period.

The Employer introduced a list of twenty (20) items Hubbard County provides all Deputies without charge.<sup>26</sup> The list includes uniforms, outerwear, insignia, weapons, communication equipment, accessories, protective and defensive items.

Deputy Gregory Siera testified that, of the twenty (20) equipment items on the list to be provided Deputies, he has received only five (5). Siera testified that he received only one of two badges and was told that if he wanted a second he would have to buy it. Siera testified that he did not receive a snowmobile suit he requested or pepper spray. Siera testified that he purchased pepper spray out of his allowance. Siera testified that he also had to purchase his own ticket book and handcuffs. Siera testified that he used his allowance to purchase a collapsible baton, leather belt, replacement footwear, specialized undershirt and leather gloves. He also uses the allowance to upgrade the quality of items provided by the County.

On cross-examination, Siera testified that he has not purchased a second badge and already had a ticket holder so did not request one.

Deputy Troy Christenson testified that he was not provided a second badge and snowmobile suits were purchased through a grant. Christenson testified that they don't make brown snowmobile suits anymore and therefore recent hires have not been given one. Christenson testified that he purchased his own ticket holder and the Sheriff's Department issues pepper spray, not mace as indicated on the list.

---

<sup>26</sup> Employer Exhibit #5.

On cross-examination, Christenson testified that he has been issued pepper spray and did not request a ticket holder. Christenson testified that the Sheriff's Department has two (2) snowmobile suits and use of them varies due to weather conditions. Christenson testified that he has the top to a snowmobile suit.

The Union introduced an equipment catalog<sup>27</sup> showing prices of equipment items that Deputies may purchase out of their allowance and argued that the \$200 allowance does not go far in purchasing boots at \$139.95 and gloves at nearly \$50. Siera testified that these items need replacing often, such when they become contaminated with body fluids, and a deputy likely has to use his own money to replace an item.

The Union argues that its position is very reasonable and in fact is far less than that received by any of the comparable counties with the exception of Sibley.

Chief Deputy, Frank Homer, testified that uniforms initially supplied to employees and employees are allowed two uniforms each year without charge. Homer, who previously worked in law enforcement in Cass lake, Cass County, Walker and Bemidji State University, testified that other counties would generally issue less equipment and uniforms than does Hubbard. Homer testified that the \$200 allowance is adequate for Deputies to buy boots and gloves.

The Union introduced an exhibit showing Uniform/Maintenance allowances paid by "All Comparable Counties."<sup>28</sup> This exhibit shows 2006 allowances ranging from no allowance to \$725.

The Employer points out that the Union's Exhibit of "Uniform/Maintenance Allowance in All Comparative Counties" is not relevant because Hubbard County provides employees with uniforms and other equipment without charge. The Employer points out that employees in most other counties are required to purchase, out of their uniform/maintenance allowance, most of the items Hubbard County provides its Deputies without charge.

The Arbitrator finds the comparative data from other counties to be less than instructive, as it does not identify what items the Employer provides and what items employees are required to purchase out of their allowance. It would appear from a review of the survey that some counties, such as Aitkin and Sibley, provide most, if not all, items, as there is no allowance or a very small allowance.

The record indicates that the primary items Hubbard County Deputies would need to purchase out of the allowance, on a recurring basis, are boots and gloves. It would be logical to assume that the allowance established through negotiations in 1999 was based on what the Parties agreed, at that time, was a reasonable amount to purchase needed items not furnished by the Employer. It would also seem logical to assume that the

---

<sup>27</sup> Union Exhibit – tab #12.

<sup>28</sup> Union Exhibit under tab #12.

reason the allowance has not been raised since 1999 is that the Parties have either not sought to increase the allowance or have not been in agreement on raising the allowance.

The most recent CBA negotiated by the Parties was executed in April 2004, approximately two and one half (2 1/2) years ago. Generally, prices have increased about three (3) percent per year or seven and one half (7 1/2) percent during this period.

The Arbitrator finds that an increase in the allowance comparable to the general increase in prices is reasonable.

### **AWARD, ISSUES #12, 13 & 14.**

**Article 18, Section 18.1 shall read as follows for 2006.**

**18.1 Effective 1/1/06, the Employer shall provide an annual equipment and maintenance allowance of two hundred fifteen dollars (\$215) to all full-time Deputies and one hundred forty dollars (\$140) to other full-time bargaining unit positions: those less than full-time for each class shall be prorated each December 1<sup>st</sup> for their prior twelve (12) month full-time employee equivalent.**

**Article 18, Section 18.1 shall be amended effective January 1, 2007 as follows:**

**The two hundred fifteen dollar (\$215) allowance shall be increase to two hundred twenty two dollars (\$222) and the one hundred forty dollar allowance (\$140) shall be increased to one hundred forty four dollars (\$144).**

**Article 18, Section 18.1 shall be amended effective January 1, 2008 as follows:**

**The two hundred twenty two dollar (\$222) allowance shall be increased to two hundred twenty eight dollars (\$228) and the one hundred forty four dollar allowance shall be increased to one hundred forty eight dollars (\$148).**

### **DISCUSSION, ISSUE #15 – PERSONAL LEAVE DAY**

The Union position is to add a provision to the CBA providing for one (1) “Personal Leave Day each year for regular employees. The Union supports its position with the argument that other Hubbard County employees get it and it is a simple matter of fairness.

County Coordinator, Jack Paul, testified that Deputies already have one additional leave day when compared to other Hubbard County bargaining units. The Employer argues that to grant an additional leave day to Deputies would give them two days more than what any other employee of Hubbard County currently receives.

The Union counter argues that the Deputies do not get two additional days off than do other Hubbard County employees – the CBA’s clearly show that the Deputies receive the same number of days.

The Arbitrator finds that there is not sufficient evidence in the record to make a finding of fact on this issue. The record only contains conflicting argument over whether the Deputies do or do not already have an additional leave day than do other Hubbard County Employees.

### **AWARD, ISSUE #15**

**There shall be no change in the existing CBA regarding leave days.**

### **DISCUSSION, ISSUE #16 – LONGEVITY SCHEDULE**

The Union position is for a new longevity schedule that would combine a two tier schedule in the existing CBA and increase the longevity pay benefit by one (1) percent at each step but eliminate the 30 and 35 year steps. The Union argues that this change is more compatible with the career span of Deputies, which is nearly always shorter than other employees such as Social Service employees.

County Coordinator, Jack Paul, testified that the change proposed by the Union would increase the County’s costs and complicate administration of longevity pay. Paul testified that all Hubbard County employees are currently on the same longevity plan.

The Employer argues that the Union’s position would have significant financial implications, as a large number of Deputies would be entitled to higher longevity pay immediately. The Employer further argues that the existing Hubbard County longevity benefit is very generous and pays more than twice as much at fifteen (15) years than the average of the comparative adjacent counties.<sup>29</sup> The Employer further argues that the survey shows more than one half (1/2) of the counties do not even provide longevity pay.

The Arbitrator finds that the survey data shows Hubbard County’s longevity benefit is more than competitive when compared to other adjacent counties.<sup>30</sup> Further, it is a uniform benefit applied to all Hubbard County employees. For the reasons noted earlier in this Award, the Arbitrator is reluctant to disturb a countywide benefit that has historically and uniformly applied to all employees.

### **AWARD, ISSUE #16**

**There shall be no change in the existing longevity provision of the CBA.**

---

<sup>29</sup> Employer Exhibit #1.

<sup>30</sup> Employer Exhibit #1.

**CONCLUSION**

The Parties are commended on the professional and thorough manner with which they presented their cases. It has been a pleasure to be of assistance in resolving the disputed issues.

Issued the 8<sup>th</sup> day of October 2006 at Edina, Minnesota.

---

ROLLAND C. TOENGES, ARBITRATOR