

MINNESOTA BUREAU OF MEDIATION SERVICES

ARBITRATION AWARD

In the Matter of the Arbitration)
)
Between)
)
LAW ENFORCEMENT LABOR SERVICES) File 06-PN-0476
)
and) JOHN REMINGTON
) ARBITRATOR
REDWOOD COUNTY, MN)
)
)
)
_____)

THE PROCEEDINGS

The above captioned parties, having been unable to resolve an impasse arising out of their inability to agree upon the terms and conditions of a new collective bargaining agreement, selected the undersigned Arbitrator John Remington, pursuant to Section 179A.16 of the Public Employment Relations Act and through the procedures of the Minnesota Bureau of Mediation Services, to hear and decide the matter in a final and binding determination.

Accordingly, a hearing was held on July 10, 2006 in Redwood Falls, Minnesota, at which time both parties were represented and fully heard. The parties presented oral testimony and documentary evidence. No stenographic transcript of the proceeding was taken and the parties

requested the opportunity to file post hearing briefs which they subsequently did file on July 24, 2006.

The following appearances were entered:

FOR THE EMPLOYER:

Cyrus F. Smythe
Vicki Knobloch

Consultant
County Coordinator

FOR THE UNION:

Dean Mann

Business Agent

THE ISSUES

At the time the parties reached an impasse in collective bargaining, they certified the following ten (10) issues to the Minnesota Bureau of Mediation services for resolution through interest arbitration: (1) contract duration; (2-4) wages for 2005, 2006 and 2007; (5-7) wage/ shift differential, if any, for 2005, 2006 and 2007; and (8-10) uniform allowance for 2005, 2006, 2007. In this connection it is noted that while the Union seeks a two (2) year agreement, the County proposes a three (3) year agreement. Accordingly, the Union's wage request for 2007 is contingent on the Arbitrator's determination concerning contract duration.

BACKGROUND

Redwood County, Minnesota, (hereinafter "EMPLOYER"), is a political subdivision of the State of Minnesota and a public employer within the meaning of Minn. Stat. §179A.

Redwood County had a population of 16, 185 at the 2000 Census including 15 towns, an Indian Reservation and a casino. The County Seat is Redwood Falls, MN. Law Enforcement Labor

Service (LELS) Local No.114 (hereinafter “UNION”) is the duly certified exclusive collective bargaining representative for Deputy Sheriffs and Jailer-Dispatchers employed by the County as set forth in BMS Case No. 83-PR-779-A. The parties were unable to agree on the terms of a new collective bargaining agreement as noted above and submitted their dispute to the Bureau of Mediation Services for interest arbitration on August 22, 2005. The final positions of the parties were submitted to BMS in March of 2006

DISCUSSION, OPINION AND AWARD

ISSUE #1: DURATION

As hereinabove noted, the Union seeks a two year agreement while the employer seeks a three year agreement. Given that the hearing in this matter was not held until July 10, 2006 and that the new agreement will cover at least calendar years 2005 and 2006, the Employer’s argument that a two year agreement would require the parties to almost immediately begin negotiations for 2007 and thereby place an unreasonable burden on the Employer is compelling. Indeed, a two year contract as requested by the Union would expire within six months of this award. While it is true that four of the contracts between the parties since 1992 have been for two years, there has been one three year agreement and two, one year agreements in this time period. Accordingly, no pattern of contract duration has been established. The Arbitrator must find, both as a matter of practicality and efficiency, that a three year agreement expiring on the 31st Day of December, 2007 is appropriate. The final position of the Employer is therefore awarded.

ISSUES #2-4: WAGE RATES

The Union requests a four percent (4%) general salary increase over 2004 rates for 2005, followed by a four percent (4%) increase for 2006 and another four percent (4%) increase for 2007. The Employer offers an increase consistent with those established for other County of Redwood employees. Based on the settlements with other employee groups, this translates to a one and one half percent (1.5%) increase for each of the three years. The Arbitrator has considered the following four factors in evaluating the parties' respective proposals: 1) the Employer's ability to pay; 2) Internal market comparisons; 3) External market comparisons; and 4) Economic factors.

1. Employer's Ability to Pay

Ability to pay does not appear to be a problem for Redwood County in 2006. Data presented by the Union demonstrated that there are sufficient financial resources at the Employer's disposal to fund the wage increases requested by the Union. Indeed, based on the 2004 Report of the State Auditor, Redwood County is categorized as having a "high fund balance" with 84% of its general fund unreserved as a percentage of total current expenditures. The total unreserved fund balance increased by 12.5% over 2002-03, cash and investments increased by 11%, net assets increased over 7%, and the public safety budget has increased each year.

2. Internal Market Comparisons

The single most important factor in evaluating proposed wage increases for Minnesota public employees is the internal market comparison. Compensation for positions within an employer's work force must bear a reasonable relationship among related job classes and among various levels within the same occupational group. M.S.A. §471.993, subd. 1(3). Internal pay

equity is critical to maintaining legal compliance and compensation system credibility. Indeed, internal consistency with other bargaining units in the same jurisdiction must be generally afforded greater weight than external comparisons. Local Government Pay Equity Act compliance is not an issue here, even if the Union's request would be granted in full.

The Employer presented documentation to show that non-organized employees received a 1.5% increase for 2005 and an identical 1.5% increase for 2006. The same increases were negotiated for the Court House employees by AFSCME. AFSCME also negotiated a 1.5% increase for Human Services employees for 2005 and a 2% increase for 2006. It is significant that this documentation also reveals that deputies and jailer/dispatchers represented by LELS have historically, at least since 1999, settled for, or been awarded different wage rate increases than the other employee groups in every year except 2004 when the LELS represented employee wage increase was determined by interest arbitration, and all employee groups received a 1% increase. Based on this data, there would appear to be no internal pattern of determining deputy and jailer/dispatcher pay based on what has been negotiated with, or awarded to, other employee groups. The Employer's argument in this connection must therefore be rejected. While it is understandable that the Employer desires to maintain an equitable pay relationship between its different employee groups, identical treatment does not necessarily result in equity. While not directly relevant, it is also noted that the County Commissioners recently granted themselves a 4% pay increase.

3. External Market Comparison

The Employer representative argued persuasively that the appropriate comparison group for external comparison is the Minnesota Region 8 Counties. The Union's attempt to insert data

from jurisdictions outside Region 8 is not appropriate given the prior practice of the parties and must be rejected.¹ It is uncontested that Redwood County pays the top wages for deputies and jailer/dispatchers in Region 8. While the Employer has paid the top wages in Region 8 for many years, data presented by the Union reveals that the relative position of Redwood County Deputies and Jailer/Dispatchers in comparison with the other Region 8 Counties has deteriorated in recent years.

4. Economic Factors

The Union presented data to show that the cost of living as measured by the Consumer Price Index has exceeded the wage increases provided by the County in recent years resulting in a decline in real wages. While regrettable, this occurrence is not unusual for prudent public jurisdictions in Minnesota in an era of flat tax rates and reduced state aid. Further, there are no extraordinary economic factors that would support the Union's request for a wage increase based on the cost of living in Redwood County.

AWARD

Based on his evaluation of the above four factors, the Arbitrator has determined that Redwood County Deputies and Jailer/Dispatchers shall receive the following increase in wage rates:

For 2005	1.5%
For 2006	2.0%
For 2007	2.0 %

The above increases are consistent with the pattern established between the County and the Union in recent negotiations and are consistent with the internal market considerations including

¹ The Union presented documentation to show that the Redwood Falls police officers, a group also represented by LELS, received a 3% wage increase for 2006 and 2007.

pay equity. While the Arbitrator is concerned about the apparent external market deterioration hereinabove noted, the Union's arguments were not sufficient to overcome the Employer's need to maintain a fair and equitable internal wage rates.

ISSUES #5-7: WAGE DIFFERENTIAL-ROTATING SHIFT PAY

The Union seeks to add a new article to the agreement calling for additional pay for employees who are required to work rotating shifts. The County strenuously objects to this proposal and argues that there is no basis for the Union's argument which focuses not on rotating shifts but rather on shift differentials paid in other Minnesota jurisdictions. The Arbitrator is compelled to agree with the Employer's contentions on this issue. This is so even though the Arbitrator recognizes the problems that rotating schedules create for employees. Scheduling the workforce is a well established management right. Nonetheless, the Employer, through the testimony of Sheriff Rick Morris conceded that scheduling is a problem; that he has discussed shift schedules with the Union; and that he has considered alternative schedules but has been unable to accommodate the Union because of staffing limitations. This would clearly appear to be an area where the Union seeks to gain through arbitration what it could not obtain through collective bargaining, an approach generally rejected by Arbitrators. The Arbitrator therefore must reject the Union's request for a rotation differential for 2005-2007 and award in favor of the Employer.

ISSUES #8-10: UNIFORM ALLOWANCE

The Union seeks an increase in the Uniform Allowance for both Deputies and Jailer/Dispatchers. The current allowance is \$525 for Deputies and \$300 for Jailer/Dispatchers. The Union requests that these allowances be increased, as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
For Deputy	\$600	\$650	\$700
For Jailer/Dispatcher	\$350	\$375	\$400

The Union notes that the Uniform Allowance has eroded over time and has not been increased since 2001. The Union notes that its request is less than the cost increases experienced in the past and anticipated for the future.

The Employer proposes to abandon the uniform allowance and move to a supply system. Alternatively it proposes to increase the Uniform Allowance by \$25 for both groups in 2006 with no further increase in 2007. While the supply system may be more convenient for the Employer, there is a history of bargaining over Uniform Allowance and the Employer was unable to establish a need to change. As the Union argues, the burden of showing a need to change is substantial in interest arbitration.

AWARD

The Uniform Allowance for Deputies shall be increased to \$600 retroactive to 2005 and shall continue at \$600/ year for 2006 and 2007. The Uniform Allowance for Jailer/ Dispatchers shall be increased to \$350 retroactive to 2005 and shall continue at \$350/ year for 2006 and 2007.

The Arbitrator has made a detailed review and analysis of the exhaustive documentary evidence offered by the parties in support of their respective positions, and he has carefully read and considered the arguments advanced by the parties in their post-hearing briefs. Having considered the above review and analysis, together with the findings and observations

hereinabove made, the Arbitrator has determined, and so he finds and concludes, that the above awards are sufficient to resolve the impasse between the parties.

John Remington,
Arbitrator

August 3, 2006

St. Paul, MN