

OPINION AND AWARD

OF

DAVID S. PAULL

**In the Matter of the Interest Arbitration Between**

**Law Enforcement Labor Services, Local Union No. 35**

**AND**

**City of Mound, Minnesota**

**(Interest Dispute 2011 and 2012)**

BMS Case No. 12 - PN – 0205  
Date Issued: June 15, 2012

## **Appearances**

### On behalf of Law Enforcement Labor Services, Local No. 35 (Union)

Jack Chambers	Business Agent
Sergeant Michael Sussman	Union President

### On behalf of the City of Mound (City or Employer)

Susan K. Hansen	Lawyer for the City
Catherine V. Pausche	Finance Director
Kandis M. Hanson	City Manager
Dean Mooney	Interim Police Chief

## Statement of Jurisdiction

Law Enforcement Labor Services, Local Union No. 35 (Union) is the exclusive bargaining representative for the purpose of negotiating the terms and conditions of employment in a bargaining unit comprised of all persons employed by the City of Mound, Minnesota (City) in the Mound Police Department Supervisory bargaining unit, as is more particularly described by the Bureau of Mediation Services (BMS), Certification of Exclusive Representation dated March 5, 2979, Case No. 79-PR-658-A.

The parties are signatory to a collective bargaining agreement effective for the period beginning January 1, 2010 and ending December 31, 2010 (CBA). The CBA remains in full force and effect from year to year thereafter unless either party gives notice of the intent to modify no later than July 1 of the year in which modifications are desired. There are currently 3 employees in the bargaining unit – Lieutenant John McKinley, Sergeant Kenneth Beck and Sergeant Michael Sussman.

Negotiations for a successor collective bargaining agreement were conducted, but the parties were unable to resolve all outstanding issues. On November 10, 2011, the BMS received a written request from the Union to submit the unresolved issues to conventional interest arbitration. On December 6, 2011, the BMS certified the following issues for conventional interest arbitration pursuant to *M.S. 179A.16, subd. 2* and *Minn. Rule 5510.2930*.

1. Duration of Contract: What should be the duration of the successor CBA? [Art. 32]
2. Wages: Should wages for 2011 be changed, and if so, in what amount? [Appendix A]
3. Wages: Should wages for 2012 be changed, and if so, in what amount? [Appendix A]
4. Physical Fitness Program – Definition of Sick Leave: What changes, if any, should be made to the definition of sick leave episode? [Art. 19]
5. Call Back Time: Should a new article be added to the subsequent CBA providing for call back pay to bargaining unit members? [new provision]
6. Uniform Allowance: Should the uniform allowance be increased? [Art. 28]
7. Health Insurance: Should the amount paid by the City for single coverage health insurance premiums be capped and if so, in what amount? [Art. 25]
8. Annual Leave: Should there be a year-to-year limit on accumulated employee carry-over leave? [Art. 22.5]
9. Furlough Days: Should there be any furlough days for the employees in the successor CBA in 2012?

Prior to the commencement of the hearing, the parties resolved the issues of Duration, Physical Fitness Program and Furlough Days.

The Arbitrator was selected from a panel provided by the BMS. A hearing was conducted on Wednesday, May 1, 2012, at the Mound City Hall. The parties were provided with an opportunity to present evidence in support of their respective positions

and did so. The parties also agreed to submit post-hearing briefs postmarked Monday, May 18, 2012. The briefs were postmarked in a timely manner, the last brief being received on May 19, 2012.

The City requested that the record remain open subsequent to the hearing for the purpose of submitting two exhibits. The first was a modification of City Exhibit 67, setting forth the equivalent salary increases for Sergeants based on savings associated with the 2012 health insurance premium. The second was a new exhibit, designated as City Exhibit 29A. This document is a study produced by the League of Minnesota Cities. This document was referred to in the testimony of the City's Finance Director in her testimony.

After receiving copies of these exhibits and reviewing them, the Union stipulated to their admission. The record was closed on May 19, 2012, the date the last brief was received.

## **Preliminary Matters**

### *Employment Environment*

The record establishes that the City is located approximately 20 miles west of Minneapolis, Minnesota, on the western shores of Lake Minnetonka. The City is 3.18 square miles in size and has a population of 9,052.

In addition to this unit of two sergeants and one lieutenant, the City employs approximately 56 employees. The City bargains collectively with several other union groups, including a unit of 8 rank and file police officers (Patrol Officers) represented by Law Enforcement Legal Services and a unit of 12 public works persons represented by Teamsters Local Union 320. The City employs approximately 36 persons in non-union positions. The City also owns a liquor store and employs person to operate it, as permitted by Minnesota law.

The City is a Class B municipality under Minnesota law and its form of government is City/Manager. The City Manager is accountable to an elected City Council, which has the duty to manage municipal affairs and set policy.

The parties provided evidence to establish the effects of the recent changes in the economy, both nationally and in Minnesota. The evidence showed that the collapse of the housing market in the United States caused record losses in the stock market in 2008, as well as instability within major banks and other financial institutions. As a result of this downturn, Minnesota's ability to secure sufficient revenue was severely impacted. Significant budget deficits were the result. In February of 2011, for example, the Minnesota Office of Management and Budget announced that the State's budget deficit

for fiscal year 2014-2015 was projected to be 5.028 billion dollars. A government shutdown occurred during the summer of 2011 because the Minnesota legislature and the Governor failed to reach agreement on the appropriate means of resolving these continuing financial budget difficulties. Approximately 22,000 state employees were idled by this dispute for several weeks. In the context of its continuing funding problems, Minnesota government has temporarily solved the deficit by actions such as delaying the payments typically made to school districts and borrowing against future tobacco settlement income. More pertinent, the State of Minnesota has cut previously provided financial aid to local governmental units, including the City.

In addition to the direct reductions in assistance from state government, the economic downturn has had other significant consequences for the City, as well as other units of local government. Minnesota has experienced higher unemployment rates over the past four years. Minnesota businesses have been laying off employees due to declining demand. Like its private counterparts, public sector employment has declined. Evidence was produced to show that employment in the State of Minnesota is down 4.6% when compared to levels prior to the economic downturn.

The record suggests that many of Minnesota's citizens remain financially stressed due to a slow economic recovery. There are high numbers of Minnesotans who are still unemployed, underemployed or working reduced schedules.

Based on these rather grim facts, the City contends that a "taxpayer revolt" is occurring in the nation and the State of Minnesota, as evidenced by the change in its legislature from Democrat to Republican control. More "accountability" is being demanded by its constituents concerned by tax levels, the City asserts, including the areas

of public sector wages and benefits. These factors, the City maintains, calls for the adoption of its positions on the outstanding issues.

The Union points out that the City has been engaged in discussions with the City of Minnetrista to combine their two respective police departments. This raised concerns about seniority for sergeants and probationary periods, as well as other issues of significance. The City's only lieutenant, the Union notes, is retiring and the City does not plan to fill the vacancy. "All indications," the Union suggests, "are this will be the last labor agreement put in place for this bargaining unit."

#### *General Standards*

Generally, awards in interest arbitration disputes depend on the analysis of several factors, including internal comparisons, the employer's ability to pay, external market comparisons, cost of living and other related economic data. Where applicable, it is proper to consider the amount of turnover in the bargaining unit or the degree to which employees have been retained. The law further provides that any award consider the provisions of the Local Government Pay Equity Act, *Minn. Stat. Sec. 471.991 et. seq.* (Pay Equity Act). However, an interest arbitration award may not be based solely on pay equity considerations.

## **I. Issue 2**

### **Wages for the Sergeants and Lieutenant for 2011 and 2012**

#### **Appendix A**

##### Union Proposal

The Union proposes that that for 2011, wages be increased by 2% on January 1 and by an additional 1% effective July 1. For 2012, the Union proposes a similar increase, increasing wages again by 2% on January 1 and by an additional 1% effective July 1.

##### City Proposal

The City proposes 0.0% general wage increases for 2011 and a 0.5% general wage increase for 2012.

##### Award

The Union is awarded a 0% increase for the period beginning January 1, 2011, and ending June 30, 2011. For the period beginning July 1, 2011, and ending December 31, 2011, a 1% increase is awarded. For the period beginning January 1, 2012, and ending December 31, 2012, an increase of an additional 1% is awarded.

## Positions of the Parties

The City first argues that the award in this case will have a “significant impact” on the other bargaining units. Internally, the City contends that it “maintains a consistent general adjustment pattern between all employee groups dating back to the 1990’s. Pay equity is an important factor, the City argues, pointing out that the bargaining unit consists of two male dominated classifications. The Lieutenant classification, the City asserts, results in salaries above the predicted pay value by \$150 per month. The City also refers to its Administrative Code, which provides an extra \$1.35 to \$1.42 per hour. Severance pay has also increased, asserts the City, and the unit is able to work substantial overtime, raising the effective cost and financially benefitting the bargaining unit members. The wage proposal, asserts the City, is a “reasonable measure necessary to balance the budget, avoid future layoffs, and maintain core services” for its residents.

The Union generally takes the position that the costs of its proposal are appropriate. Lieutenant McKinley, the Union notes, was scheduled to retire on May 12, 2012. The position has not yet been filled and, the Union argues, will “most likely” remain vacant. There is “uncertainty” as to the continuation of the department in its present form, the Union additionally asserts. Total cost for the proposed 2% lieutenant position increase for 2011 and 2012 is \$2937.00, according to the Union. The July increases will cost an additional \$768.42, the Union contends, resulting in a total of \$3705.42 for both years. Total cost for the Sergeants (at the 48 month step) is \$8699.22, the Union contends. These figures, the Union notes, are not the same as those proposed by the City, which the Union regards as inaccurate.

The Union does not contend that the City has failed to comply with the pay equity laws. However, the Union does take the position that, citing to the City's Pay Equity Report in support, the predicted pay for Finance Director and City Manager far exceeds that of the sergeants and lieutenants, in the context of the proposed increase. The Union also contends that there is no predicted pattern because two out of three unions will be going to arbitration. As to other factors, the Union argues that its wage proposal is favored by the cost of living and because the City has "adequate resources" to support the requested increases.

#### Internal Comparables

Internally, the record indicates that the wage increases received by the various categories of employees over the pertinent 11 years period show consistency. The parties provided evidence demonstrating the amount of wage increases by percentage for all employees in the period beginning 1999 and continuing to 2010. No wage increases were recorded in any category for year 2010.

No bargaining unit within the City has settled on the wage issue for 2011 or 2012. The City has awarded no increases to its non-union category of employees. The parties have advised that no wages will be settled in any category of employee, pending the result in this interest proceeding. The City and the Patrol Officer unit are scheduled for interest arbitration on July 27, 2012.

For the period beginning in 2004 and ending in 2009, all bargaining units and the non-union employees received the same exact increases – 2% in 2004, 2.5% in 2005, 3% in years 2006, 2007, 2008 and 2009. In 2001, the Public Works and the Patrol Officer

unit received a 3% increase respectively, while the Police Supervisory unit received a 3.5% increase. In 2002, the Public Works received a 3% increase. Both police officer units received 2% with an additional 2% on July 1. In 2003, the Public Works again received a 3% increase and both police officer units received an initial 2% with an additional 1% on July 1. The non-union category received increases which tracked the police officer increases.

The consistency among all four categories of employee in the years 2004-2009 favors the proposal submitted by the City. However, it must be noted that there is a history of higher percentage increases for the police officer bargaining units in 2002 and 2003. No evidence was submitted establishing the reason for this difference. The fact that the award in this proceeding may significantly influence wages for the other bargaining units as well as the non-union contingent is a factor of significance.

The City is in compliance with the Pay Equity Act. The City's 2012 Pay Equity Report shows an underpayment ratio of only 39.29%. However, the Union correctly points out that sergeants are paid \$50.31 below predicted pay. The lieutenant in the unit is paid \$150.97 above predicted pay.

The City provides several across the board benefits to all union members including the supervisory unit in the form of an annual contribution of 4% of gross salary to a Health Care Savings Plan, as well as an increased severance pay benefit. The sergeants earned in excess of \$16,000 in overtime pay for 2011.

The PHCSP benefit is a very useful benefit made generously available by City pursuant to its administrative policy. The collective bargaining agreement confirms that the PHCSP benefit applies to the bargaining unit. However, the amount of the benefit is

not set forth in the agreement, and the City remains free to modify it. The health care savings and severance benefits are quite different from benefits set forth in the agreement.

### External Comparables

The City submitted external comparison data from cities with populations of 5,000-10,000 in DCA Stanton Group 7, in addition to the West Hennepin and South Lake Minnetonka Police Departments. This is the same grouping utilized in prior interest arbitrations in years 1995, 2004 and 2008. The DCA Stanton Group 7, plus the communities of West Hennepin and South Lake Minnetonka, appears to be appropriate for this analysis as well.

The parties do not dispute that, as the Union emphasizes, the top pay for sergeants was 1.94% below the average in 2009 and 1.94% below the average in 2010. The City's proposal would result in a wage that is 3% below average in 2011. For 2012, 11 of the 14 cities that employ sergeants have settled. Based on this data, the City's proposal would result in a sergeant's wage that is 14.57% below average.

For 2009, the lieutenant wage was only slightly below average (.005%). For 2010, the lieutenant wage was 1.23% below average. For 2011, the City's proposal would result in a lieutenant wage that is 4.52% below average. With only one city not settled, the City's proposal for 2012 would result in a wage that is 10.71% below the average.

Because these external comparison percentages indicate that the City's proposals would place the bargaining unit in a significantly reduced position when compared to the

average wage in the pertinent Stanton Group 7 Stanton compilation, this factor favors the Union's proposal.

#### Employee Retention

As the City points out, its ability to attract and retain qualified persons for bargaining unit positions does not appear to be an important factor in this analysis. As is set forth in more detail in the next section, this economy continues to be a difficult one and many people remain unemployed statewide. All of the members of the bargaining unit are long term employees and there has been no turnover since 2003. It has been approximately years since a bargaining unit member separated for another job opportunity.

#### Economic Factors

The City argues persuasively that the financial limitations facing public sector organizations must be considered. The undersigned agrees. *M.S. Section 179A.16, subd. 7*, provides in part that in interest arbitration proceedings, "the obligations of public employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations" must be considered. Several interest arbitration opinions in cases conducted by respected arbitrators have been cited in support of the City's contention.

The record contains sufficient evidence to show that the City has and will continue to be challenged by substantial economic difficulties. The City has shown that:

- The City's tax rate has increased due to a 25% decline in the City's taxable market value since 2009. To some extent, this is expected to continue over the next several years.
- The City has made an effort to reduce its expenditures in recent years by reducing its full-time equivalent employees by 9, an 18% decrease. To accomplish this, the City involuntarily laid off 3 employees provided an early retirement incentive to 3 other employees.
- The City has streamlined its operations by contracting out the management of its public housing units, eliminating the K9 dog program and instituting a 3 inch snowfall minimum for the snow plowing.
- The City has reduced the amount budgeted for capital expenditures from \$463,375 in 2008 to \$168,900 in 2011.
- The City is evaluating opportunities to collaborate and combine with other agencies to reduce the costs of providing services.

These efforts are clearly justified and reasonable given the extreme financial difficulties with which local units of government must presently deal. The City is a political entity. It has responsibilities to its businesses and its constituents. Tax rates are of particular concern to citizens in challenging economic times. The City has acted reasonably in the context of accumulating financial difficulties and limitations. The City's ability to raise taxes is offset by the individuals in the community, some of whom are also experiencing the distress caused by these economic conditions.

Certain other economic factors are relevant to this dispute. The CPA for 2011 and the first several months of 2012 are up. Based on the Consumer Price Index (Midwest Urban) compiled by the U.S. Department of Labor, the CPA rose by 2% in 2010, after an actual decline by six-tenths of one percent in 2009. No wage increases were received during this period of increases in the cost of living. For year 2011, the index was up by 3.2%. For the first three months of 2012, the index is up another 2.7-2.8%.

The Union suggests that these increases in the cost of living have significantly eroded the ability of the bargaining unit to maintain their standard of living. The City takes the position that the CPI is volatile and that the raises received in the last six years offset the recent increases.

Over the period beginning 2004 and ending 2010, the CPI has increased by a total of 10.2%, including the decrease in 2009. During this period, excluding the 2009 decrease, the index has increased by as little as 2% (2010) and as high as 3.7%. Wages within the City during this period have increased 16.5%, even including the zero per cent increase awarded for 2010.

The CPI figure for 2011 raises the total CPA increase to 13.2%. If the Unions position is awarded, the total amount of wage increases would be increased to 19%. If the City's position is awarded, the total percentage of increased wages would remain at 16.5%, since the City does not propose a raise until 2012.

Total cost of the Union's proposed increases of both 2011 and 2012 is \$8699.22. The City notes that, if applied to its entire workforce, the cost will be \$76932.49 in 2011 and \$96,295.57 in 2012.

The City does not contend that it is unable to pay any increases. The record shows that, in 2010, the City maintained a fund balance of 1.699,099 or 36% of the total general fund expenditures. The record also indicates that there remains \$1,289,400 in undesignated funds.

*Analysis*

As to the issue of wages, both parties have submitted particularly persuasive evidence and argument in support of their respective positions. The City forcefully argues that the economic conditions do not permit the increases proposed by the Union. The Union convincingly maintains that the City's proposal will place the bargaining unit far behind the average wage in the Stanton Group 7 jurisdictions and that its proposal is affordable.

Significantly, neither party takes the position that wages should remain the same for the entire relevant duration of the contract. The City recognizes that there is evidence to justify an increase in the amount of one-half of one percent, at least in the second year.

The City argues that any wage increase has the potential to "ripple" across the various groups of employees and is problematic in the context of the financial challenges with which it has been forced to deal. This is undoubtedly true. However, the accuracy of this contention is not limited to this proceeding, but is always a factor when percentage increases are based on previous wage rates. If fully credited and taken to its logical conclusion, the City's argument could justify the position that no increase should be awarded for either year. This however, as previously noted, is not the City's position.

The Union emphasizes that part of the evidence suggesting the City has the means to fund an increase and argues that the wages of the bargaining unit should not be permitted to fall below the averages that would be the result of the City's proposal. But the Union has not, and cannot dispute the grim conditions facing the City in this financial environment and at this particular time in the economic history of our state.

As both parties agree that some wage increase is justified during the tenure of the contract, even in these catastrophic financial times, the issue is not whether to grant an increase, but when and in what amount?

The City refers to the well-established principle that the "prevailing standard for determining wage and benefit issues in interest arbitration is internal consistency with the pattern of voluntary, negotiated settlements with other bargaining units." The City's record of internal consistency over the past few years is noted in support of its wage position. The City also correctly cites applicable precedent indicating that "Internal considerations" must "drive the award" and that external comparisons should only be used to "ascertain whether the involved bargain unit is substantially underpaid to warrant a deviation from the internal pattern." *See, Human Services Supervisors Association and County of Dakota*, BMS Case No. 97-PN-837 (Wallin, 1997).

However, in this case, the typical reliance on the evidence of internal consistency in wage awards is reduced. It is certainly true that, for the last several years, the wage increases granted to the City employees have been consistent. But in this case, the parties agree that some increase, at some specific during the life of the contract, is justified. In the context of the parties wage contentions in this proceeding and the changes proposed, conditions in 2011 cannot be regarded as the same as they were in 2010.

In terms of this precise issue, when and in what amount should there be an increase, the year 2010 is of limited assistance. No increases were awarded to any category of employee in 2010. The same is true of 2011. For 2011, no category of employee has settled with the City. The parties appear to be looking toward the result in the proceeding before any settlement is achieved. For 2011, there are no settled amounts on which a wage award for 2011 and 2012 can be based.

The remainder of the record, with the exception of the external comparables, is not particularly helpful in determining the wage issue presented. The evidence relating to employee retention does not appear to assist in determining when and in what amount an increase should be awarded. There is no evidence to suggest that the City has had, or will have in the relevant future, any difficulty in attracting and retaining qualified persons for the positions that are subject to this proceeding. All of the employees are long term and no turnover has occurred for many years.

The Union suggests that the cost of living evidence supports an increase. It appears, however, that over the long term, wages increases are not called for on the basis of this factor, especially in the context of the wage increases that have been agreed to or awarded in the last six years.

Neither party cited any interest arbitration awards for 2011. However, the external comparables do indicate that, if the City's proposal was awarded, the wage position of bargaining unit would be significantly reduced when compared to the other relevant jurisdictions. In both 2009 and 2010, the top pay for sergeants was just under 2% below the average. Assuming an award based on the City's proposal, this would increase to 3% below average in 2011 and in excess of 14% below average in 2012. Of

those comparable cities that for 2011 settled for wage amounts that were below the average to begin with, the majority (5 of 7) agreed on an increase of approximately 1%.

As the City points out in its closing statement, the “fundamental objective of interest arbitration is to formulate awards from the evidence which represents the agreement the parties would have ultimately reached, mindful of whatever influence a work stoppage might theoretically have provided, had the parties been able to continue negotiating to a successful conclusion.” *See, Law Enforcement Labor Services Inc. and Kanabec County*, BMS Case No. 00-PN-827 (Jacobs, 2000).

In the context of this general charge and on the basis of this record, it must be regarded as unlikely that the bargaining parties would have agreed to a wage schedule that would have reduced the standing of the City’s bargaining unit employees to the extent proposed by the City.

The wage award for 2011 permits the bargaining unit to maintain its standing among the comparable jurisdictions at just below .98% of the average wage, after July 1, 2011. It further provides the City a reasonable period of time in which to adjust to the increase. The award for 2012 is consistent with the majority of comparable jurisdictions that started with a below the average wage status for 2011.

## **II. Issue 4**

### **Call Back Time**

**(New)**

#### Union Proposal

The Union proposes that any bargaining unit member who is called to duty during his/her scheduled off-duty time receive a minimum of two hours pay.

#### City Proposal

The City opposes adding the proposed call back provision.

#### Award

The Union's proposal is awarded.

#### *Analysis*

The Union notes that the both the Investigators and Patrol Unit are currently paid under these circumstances pursuant to a provision similar to that being proposed. The City notes that the supervisory unit has not historically had this provision and that past voluntary settlements have been achieved without it.

The Group 7 Stanton data discloses that of the 17 contracts surveyed, 12 contained such a provision. Here, the Union notes that it proposes that rate of pay be base rate times 1.5. The Stanton cities include similar provisions. St. Paul Park has a 4 hour minimum.

### **III. Issue 5**

#### **Uniform Allowance**

##### **(Article 28)**

###### Union Proposal

The Union proposes that the current one-time uniform allowance be increased by \$25 from \$800 to \$825 for years 2011 and 2012.

###### City Proposal

The City opposes this increase.

###### Award

The Union's proposal is not awarded.

###### *Analysis*

The Union notes that uniforms have increased in price by 15% per year. The City refers to the external data it supplied in support its position. "Many of the jurisdictions in the comparison group include a uniform allowance of \$800 or less," asserts the City.

The Stanton data discloses that the \$800 benefit contained in the contract is approximately \$15 dollars above the average. The Union's claim that the cost of uniforms have increased by 15% per years since 2010 is not supported by sufficient evidence. The external comparables support the City.

## **IV. Issue 6**

### **Health Insurance**

#### **(Article 25)**

##### City Proposal

The City proposes that the cost of single health insurance coverage be capped at \$625 for 2012.

##### Union Proposal

The Union opposes the cap.

##### Award

The City's proposal is not awarded.

##### *Analysis*

Throughout the bargaining history of these parties, the City has always agreed to pay the full premium for single health insurance. No cap has ever existed.

To justify this new proposal, the City justifiably refers to multiple years of double digit increases in health insurance premiums. The current cost of single health insurance coverage is \$593, \$32 less than the proposed cap. The City argues that "Insurance consultants strongly recommend that employees pay a fair amount of health insurance costs . . . . The Union's position perpetuates the status quo without regard to changing conditions in the market place."

Despite the persuasive appeal of the City's arguments, the proposal is mistimed in the context of the evidence submitted. The City notes that in year 2012, health insurance premiums decreased by 16%.

It is true that very few cities in the comparison group pay the entire cost of single health insurance coverage. But even during the period of large increases, the City has continued to maintain this benefit. Assuming that the large increases in the cost of single health insurance coverage has abated for the time being, there will not be a need to award this proposal. If the costs of single health insurance coverage again begin to rise, the parties may revisit this issue.

## **V. Issue 7**

### **Annual Leave**

#### **(Article 22.5)**

##### City Proposal

The City proposes that the amount of annual leave which may be carried over into the next year be limited to one and one-half the earned vacation amount.

##### Union Proposal

The Union opposes this increase.

##### Award

The City's proposal is awarded. Employees will be permitted to carry over up to 1 ½ times earned vacation from one calendar year to the next. Employees with in excess of 10 years of service as of December 31, 2012, will be grandfathered in at a limit of 480 hours (12 weeks) annual carry-over.

##### *Analysis*

The City notes that the Patrol Officer unit has voluntarily agreed to the same provision in their 2011-2012 agreement. The City takes the position that the proposed cap is fair and reasonable, in the context of this accord. The external comparables appear to support the award. Of the 15 jurisdictions similarly situated, 10 have some form of annual leave cap. The cap, as proposed, is equal to or exceeds most of these limits.

## Summary of Award

### I. Issue 2: Wages for the Sergeants and Lieutenant for 2011 and 2012 (App. A)

No wage increase is awarded for the period beginning January 1, 2011, and ending June 30, 2011. For the period beginning July 1, 2011, and ending December 31, 2011, wage rates will increase by 1%. For the period beginning January 1, 2012, and ending December 31, 2012, wage rates will increase by an additional 1%.

### II. Issue 4: Call Back Time (New)

The Union's proposal is awarded. The bargaining unit will be paid a minimum of two hours pay when called to duty during scheduled off-duty time.

### III. Issue 5: Uniform Allowance (Article 28)

The Union's proposal is not awarded. There will be no increase to the current uniform allowance.

### IV. Issue 6: Health Insurance (Article 25)

The City's proposal is not awarded. The City shall continue to pay the entire premium cost of single health insurance coverage.

### V. Issue 7: Annual Leave (Article 22.5)

The City's proposal is awarded. Employees will be permitted to carry over up to 1 ½ times earned vacation from one calendar year to the next. Employees with in excess of

10 years of service as of December 31, 2012, will be grandfathered in at a limit of 480 hours (12 weeks) annual carry-over.

June 15, 2012  
St. Paul, Minnesota

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David S. Paull, Arbitrator