In Re the Arbitration between:	BMS File No. 14-PN-1086
Anoka County, Minnesota,	
Employer,	**INTEREST ARBITRATION OPINION AND AWARD**
and	
Law Enforcement Labor Services, Inc.	

1. Pursuant to **Minn. Stat. Section 179.16, Subd. 2**, and **Minn. Rules 5510.2930** the Commissioner of Minnesota Bureau of Mediation Services on June 20, 2014 certified the following issues at impasse in the above dispute.
2. The Issues certified at impasse are:
    a. Issue One: Uniforms – Amount of Increase, if any – **Article 15**
    b. Issue Two: Uniforms – Amount of Increase, if any – **Article 15**
    c. Issue Three: Insurance – What Language Changes or Additions should be Made, if any – **Article 16**
    d. Issue Four: Pay Plan – Amount of General Wage Increase, if any, for 2014 – **Article 20**
    e. Issue Five: Pay Plan – Amount of General Wage Increase, if any, for 2015 – **Article 20**
    f. Issue Six: Pay Plan – Amount of the Merit Pool, if any, and Method for Calculation for 2014 – **Article 20**
    g. Issue Seven: Pay Plan – Amount of the Merit Pool, if any, and Method for Calculation for 2015 – **Article 20**

3. On August 13, 2014 the parties notified James A. Lundberg that he was appointed to serve as the neutral Arbitrator in the above captioned matter and requested hearing dates.
4. A hearing was conducted on October 31, 2014 at the Anoka County Government Center.
5. Issue Number Three *"Insurance— What language Changes or Additions should be Made, if any – Article 16"* was withdrawn by the parties at hearing.
6. The parties determined that they would not submit post hearing briefs and the record was closed on October 31, 2014.

APPEARANCES:

FOR THE EMPLOYER
Scott Lepak
Barna, Guzy & Steffen, Ltd.
400 Northtown Financial Plaza
200 Coon Rapids Boulevard N.W.
Minneapolis, MN 55433-5894

FOR THE UNION
Dennis Kiesow
Law Enforcement Labor Services, Inc.
327 York Avenue
St. Paul, MN 55130

The Employer is Anoka County, which is located in the Northwestern segment of the Seven County Minneapolis-St. Paul Metropolitan Area. The County has the 4th largest population in Minnesota and covers a relatively large geographic area. Like most counties in Minnesota the County was subject to harsh economic conditions during the recent recession, including a high volume of mortgage foreclosures and high unemployment. Economic conditions in the County improved in 2013 and 2014.

The bargaining unit in this arbitration is described as:

All Work Release Officers employed at Anoka County Juvenile Center, the Anoka County Medium Security Facility and the Anoka County Huber Facility, Anoka, Minnesota, who are *public employees within the meaning of* ***Minn. Stat. Sec. 179A.03, subd. 14,*** *excluding supervisory, confidential and all other employees.*

In addition, the parties agree that the Union also represents Grade 10 Shift Coordinators in the Medium Security Facility at Lino Lakes.

Work Release Officers are identified in the most recent job evaluation study as a "balanced class". The Shift Coordinator position a part of the bargaining unit is a "male dominated class".

The Employer and the bargaining unit have had difficulty arriving at negotiated settlements over the years. The parties have gone to arbitration over more contracts than they have settled, since 1991.

ISSUE ONE: Uniforms – Amount of Increase, if any – Article 15

UNION'S POSTION:

The Union proposes an increase of the Uniform allowance at **Article 15** in the amount of $50.00 per year for both full-time and part-time employees.

EMPLOYER'S POSITION:

The Employer proposes no change in the existing contract provision.

CURRENT CONTRACT LANGUAGE:

ARTICLE XV – UNIFORMS

Section 1. The Employer shall provide new employees with an initial uniform consisting of the following items:

2 short sleeve shirts
2 long sleeve shirts
2 pair of pants
1 belt
1 name tag
1 sweater (commando style)

Section 2. On January 1 of each year of this agreement, the Employer shall provide regular full-time and part-time employees who are required to wear a uniform with an account to be used as a clothing purchase and maintenance allowance. For the duration of this agreement the Uniform allowances are as follows:

Full-time employees	$323
Part-time employees	$227

CHANGE PROPOSED BY UNION:

Full-time employees	**$373**
Part-time employees	**$277**

DISCUSSION:

Arbitrator Charles Swenson reviewed the issue of Uniforms in the 1991 arbitration. In 1991 the Union proposed a Uniform allowance of $400.00 for Full-time employees and $260.00 for Part-time employees. The County proposed an allowance of $200.00 for Full-time employees and $130.00 allowance for Part-time employees. In deciding in favor of the County, Arbitrator Swenson gave the following rationale:

> *The Arbitrator concludes that the two hundred dollars ($200.00) per year for permanent full-time employees and one hundred thirty dollars ($130.00) for permanent part-time employees is an adequate amount for clothing purchase and maintenance allowance.*

The County contends that the issue should be resolved by negotiation as suggested by Arbitrator Richard John Miller. Moreover, they argue that providing uniforms on a "needs basis" as suggested by Arbitrator Miller is the obvious best resolution of the issue. The final positions of the parties do not include a provision requiring that the Employer provide uniforms to those employees who are required to wear a uniform as needed by the employee at the Employer's expense.

In arguing for continuation of the limits under the current Uniform allowance, the Employer contends that there are no valid external or internal comparisons that can be made and the current provision should continue unchanged until the parties negotiate a change.

The Union argues that the Uniform allowance is far below the average Uniform allowance available for corrections officers in other comparable Region 11 Metropolitan counties. The average Uniform allowance for corrections officers in comparable counties is $514.29 per year. Additionally the estimated cost per year per employee for uniforms is 17.6% higher than the current allowance. The Union is merely attempting to adjust the Uniform allowance so that it compensates those employees who are required to wear a uniform for the cost of the uniform.

The Union has submitted documentation of the actual cost of the specific garments required to be worn by some bargaining unit employees. The actual cost of replacing a uniform is what this Arbitrator believes Arbitrator Swenson considered to be an "adequate amount" in his 1991 award. In the twenty-three (23) years that have passed, since Arbitrator Swenson's decision, the actual cost of a uniform has increased substantially. By awarding the Uniform allowance proposed by the Union, this Arbitrator is attempting to provide an allowance for uniforms that approximates an employee's uniform replacement cost.

AWARD:

The Union's position is awarded.

ARTICLE XV – UNIFORMS

Section 1. The Employer shall provide new employees with an initial uniform consisting of the following items:

2 short sleeve shirts
2 long sleeve shirts
2 pair of pants
1 belt
1 name tag
1 sweater (commando style)

Section 2. On January 1 of each year of this agreement, the Employer shall provide regular full-time and part-time employees who are required to wear a uniform with an account to be used as a clothing purchase and maintenance allowance. For the duration of this agreement the Uniform allowances are as follows:

Full-time employees	$373
Part-time employees	$277

ISSUE TWO: Uniforms – Amount of Increase, if any – Article 15

UNION'S POSITION:

In addition to the items listed in Section 1, the annual Uniform allowance may be used to purchase the following items:

Boots and /or shoes

EMPLOYER'S POSITION:

The Employer is not proposing any new language on this issue:

DISCUSSION:

In 1991 Arbitrator Swenson awarded a Uniform allowance, which did not include allowance for footwear. The provision has not been changed by negotiation or by arbitration award over the past twenty-three (23) years. In the past, the County successfully argued that the uniform footwear regulation for this bargaining unit applies only to the color of shoes worn and does not require specific safety characteristics nor is the style regulated beyond color. In other words, the employee can wear any shoe or boot as long as it is the appropriate color.

The Arbitrator is not convinced that adjusting the Uniform allowance to include footwear is needed in this case. There are a limited number of employees affected by the uniform requirement and the County's requirements regarding footwear are so broad that no unusual or special expenses will be incurred by employees. Within Anoka County, an allowance for footwear has been made, when the employees job requirements demand specialized footwear, which is not case with this bargaining unit.

AWARD:

The County's position is awarded.

The Article 15 Uniform allowance will not be expanded to include footwear.

ISSUE THREE: Insurance – What Language Changes or Additions should be Made, if any – **Article 16**

THE PARTIES WITHDREW ISSUE THREE BY STIPULATION AT THE ARBITRATION HEARING.

ISSUE FOUR, ISSUE FIVE, ISSUE SIX AND ISSUE SEVEN:

CURRENT LANGUAGE:

ARTICLE XX
Pay Plan

> Section 1. Salary range. Employees shall be paid in accordance with the salary schedule attached to this Agreement and marked Appendix A. In the event that there is a rounding difference between the attached salary schedule and payroll, payroll shall govern. The attached salary schedule shall be considered part of this Agreement.
>
> 2012
> Effective the first full pay period in January 2012, the existing start rate and salary range maximum will be increased by one and one half percent

(1.5%). Effective the first full pay period in January 2012, employees will be eligible for a merit increase of three percent (3%) calculated on the applicable range maximums (excluding stability ranges).

2013
Effective the first full pay period in 2013, the existing start rate and salary range maximum will not be increased. There will be no general wage increase in 2013. Effective the first full pay period in January 2013, employees will be eligible for a merit increase of three percent (3%) calculated on the applicable range maximums (excluding stability ranges).

Section 2. Start Rates. New employees may be employed above the start rate but only in accord with applicable County personnel regulations and policies.

Section 3. Promotions. Employees who are promoted will be placed on the new Range at an amount not less than 3.0% above the rate from which promoted.

Section 4. Merit Pools/Minimum Range Movement. The merit pool is computed using the standard county formula.

Section 5. Increase After Probation. Employees shall be eligible for a probationary increase of up to five percent (5%) following successful completion of their probationary period (which is typically six months of employment).

Section 6. Stability ranges. An additional range area shall be available for movement through the normal general increases and/or merit increases for any employee who is in at least his/her 8th, 12', or 15th year on the applicable January 1. This new range area shall be available in accordance with the following schedule:

1. Stability range S1 consists of eighty dollars ($80.00) above the normal range top. This range area will be available to anyone who, as of January 1 of the applicable year, is in or after the start of his/her eighth year of service as an employee of Anoka County and shall be available each year thereafter for any employee that meets the years of service requirement.

2. Stability range S2 consists of one hundred thirty-five dollars ($135.00) above the normal range top. This range area will be available to anyone who, as of January 1 of the applicable year, is in or after the start of his/her twelfth year of service as an employee of Anoka County and shall be available each year thereafter for any employee that meets the years of service requirement.

3. Stability range S3 consists of two hundred dollars ($200) above the normal range top. This range area will be available to anyone who, as of January 1 of the applicable year, is in or after the start of his/her fifteenth year of service as an employee of Anoka County and shall be available each year thereafter for any employee that meets the years of service requirement.

4. Stability range S4, consists of three hundred dollars ($300) above the normal range top. This range area will be available to anyone, who, as of January 1 of the applicable year is in or after the start of his/her twentieth year of service as an employee of Anoka County and shall be available each year thereafter that meets the years of service requirement.

5. The stability range system replaces the former program of allowing additions to base equivalent to one-half of the annual COLA increase or lump sum payments in lieu of general increases. However, the cash merit system over range top will continue without change. Any awards based on performance into the stability area must meet all of the requirements relating to improved performance and qualify of performance relative to salary costs that would be applicable to any employee within the normal range area.

6. "A Year of Service" as used in this section shall mean completion of 2080 hours of non-overtime compensated employment.

ISSUE FOUR: Pay Plan – Amount of General Wage Increase, if any, for 2014 –

Article 20

UNION'S POSITION: The Union proposes an increase in employee wages by a 3% general wage increase for 2014 by modifying the second paragraph of Section 1 as follows:

2014: Effective the first full pay period of 2014, the existing start rate and salary range maximum will be increased by three (3) percent. Effective the first full pay period in January 2014, employees shall receive a general increase of three percent (3%).

EMPLOYER'S POSITION: The Employer is not proposing a general wage increase for 2014. See proposed language in Issue 6.

ISSUE FIVE: Pay Plan – Amount of General Wage Increase, if any, for 2015 – Article 20

UNION'S POSITION: The Union proposes an increase in employee wages by a 3% general wage increase for 2015 by modifying the second paragraph of Section 1 as follows:

2015: Effective the first full pay period of 2015, the existing start rate and salary range maximum will be increased by three (3) percent. Effective the first full pay period in January 2015, employees shall receive a general increase of three percent (3%).

EMPLOYER'S POSITION: The Employer is not proposing a general wage increase for 2015. See proposed language in Issue 7.

ISSUE SIX: Pay Plan – Amount of the Merit Pool, if any, and Method for Calculation for 2014 – Article 20

UNION'S POSITION: Provide a Merit Pool of 3% to become effective on the first payroll period of 2014 calculated on the applicable range maximums as follows: Effective the first full pay –period in January 2014, employees will be eligible for a merit increase of three percent (3%) calculated on the applicable range maximums.

Section 4. Merit Pools/Minimum Range Movement. The merit pool is computed using the standard County formula except for the duration of this agreement, the merit pool for each classification will be calculated using three percent (3%) of the applicable range maximums.

EMPLOYER'S POSITION: The Employer is proposing to provide up to two percent (2%) merit on the same basis as nonunion employees in 2014 calculated on the same basis as the basic nonunion program. The Employer proposed language as follows:

Section 1. Salary range. Employees shall be paid in accordance with the salary schedule attached to this Agreement and marked Appendix A. In the event that there is a rounding difference between the attached salary schedule and payroll, payroll shall govern. The attached salary schedule shall be considered part of this Agreement.

ISSUE SEVEN: Pay Plan – Amount of the Merit Pool, if any, and Method for Calculation for 2015 – Article 20

UNION'S POSITION: Provide a Merit Pool of 3% to become effective on the first payroll period of 2015 calculated on the applicable range maximums as follows:

Effective the first full pay –period in January 2015, employees will be eligible for a merit increase of three percent (3%) calculated on the applicable range maximums.

Section 4. Merit Pools/Minimum Range Movement. The merit pool is computed using the standard County formula except for the duration of this agreement, the merit pool for each classification will be calculated using three percent (3%) of the applicable range maximums.

EMPLOYER'S POSITION: The Employer is proposing to provide up to two percent (2%) merit on the same basis as nonunion employees in 2015 calculated on the same basis as the basic nonunion program. The Employer proposed language as follows:

Section 1. Salary range. Employees shall be paid in accordance with the salary schedule attached to this Agreement and marked Appendix A. In the event that there is a rounding difference between the attached salary schedule and payroll, payroll shall govern. The attached salary schedule shall be considered part of this Agreement.

DISCUSSION:

Since the adoption of the **Minnesota Pay Equity Act, Minn. Stat. Sec. 471-991-471.999**, the principle but not the exclusive factor relied upon by most Minnesota Interest Arbitrators in deciding wage issues, benefits and other terms and conditions of employment has been internal consistency. Internal wage comparisons within Anoka County are heavily weighted in favor of the Employer's position, because eighty percent (80%) of the workforce is non-union. Hence, only twenty percent (20%) of the wages being paid to Anoka County employees are the product of collective bargaining. In addition to internal wage comparisons, the Employer's ability to pay, other economic factors such as cost of living as measured by the Consumer Price Index and external comparisons should be considered.

Anoka County has the fourth (4^{th}) largest population in the State of Minnesota with an estimated population of 339,534. The County's financial health is sound. Upon considering the statutory rights and obligations of the County to efficiently manage and conduct its' operations within the legal limitations surrounding financing as required by **Minn. Stat. 179A.16, Subd. 7,** the Arbitrator concludes that the County has the ability to pay for any of the financial proposals made by the parties in this arbitration.

The percentage wage increases proposed by the County and the Union are less than percentage increases in the cost of living as measured by the CPI. As the CPI increases, employees need higher wages to meet their needs.

Local economic conditions reflect positive movement out of the recent recession toward a stronger local economy. By stronger local economy the Arbitrator does not mean that the County is experiencing robust growth or is in a boom cycle. The overall local economy is doing better than it was two years ago. The median household income over the "past few" years is down 2%. However, the County of Anoka unemployment rate has dropped from a high of 8.6% in 2009 to 3.8% according to the September 2014 report by U.S. Bureau of Labor Statistics. The State of Minnesota's unemployment rate is 5th lowest in the country at 4.1%. Mortgage foreclosures are down and property values have risen slightly in the last year. Nothing in the economic data submitted by the parties suggests that either wage proposal is likely to jeopardize the economic health of the County.

The Work Release Officers in Anoka County perform some, part of or all of the work being done in various bargaining units in other counties. The Union submitted comparisons of top wages paid to "Corrections Officers" from the Seven County Metropolitan area, who perform a range of tasks, including those performed by Anoka Work Release Officers. Hennepin County has a job classification entitled

"Work Release Officers" and a top wage comparison was made by the Union. The top wage comparison shows that lower wages are paid to Anoka County Work Release Officers than the Correction Officers in Carver, Dakota, Hennepin, Ramsey, Scott and Washington County. The wages paid Hennepin County Work Release Officers in 2012 and 2013 were very close to wages paid to Anoka County Work Release Officers. The comparison also shows greater wage increases by the above comparable bargaining units than proposed for the Anoka Work Release Officers.

Internal comparisons of top wages were made between the Anoka County Detention Deputies and the Work Release Officers. The Detention Deputies have historically been paid higher wages than the Work Release Officers. In his opinion dated January 4, 2011, Arbitrator Richard John Miller noted, "One unique aspect is that the pay plan [Anoka Work Release Officer's] with the merit pool as it currently exists creates a top pay for Bargaining Unit employees that can not be reached." The structure of the Anoka County Work Release Officer's pay plan is not a factor in comparing the bargaining unit's wages with many of the Anoka County job classifications. However, wage comparisons using the top wage for Anoka County Work Release Officers are based upon a wage that cannot be reached. The wage that cannot be reached is being compared to top wages that can be reached by other bargaining units. Consequently, the wage disparity between the Anoka Work Release Officers and comparable bargaining units is somewhat greater than the data suggests.

Within the "grade 8" job classification in Anoka County both Detention Deputies and Work Release Officers are paid above "predicted pay" based upon the most recent job study, while most of the other jobs within the classification are paid at or below "predicted pay". Since 80% of the Anoka County workforce is not represented in collective bargaining, it is not surprising that their wages are somewhat less than "predicted pay" and that wages for some bargaining units are somewhat above "predicted pay."

Wages for the Anoka County Work Release Officers have ranked ahead of other "grade 8" jobs within Anoka County, behind Detention Deputies within Anoka County, behind the average wages of Anoka County Detention Deputies, Corrections Officers from Carver County, Dakota County, Hennepin County, Ramsey County, Scott County and Washington County, together with Hennepin County Work Release Officers. The wage data submitted at arbitration provides:

- an external comparison between the average wages of all of the above jobs,
- an internal comparison with Anoka County Detention Deputies and
- a comparison between wages for Anoka and Hennepin County Work Release Officers for 2012, 2013, 2014 and 2015.

In 2012 and 2013 the top wages for Anoka County Work Release Officers were 6.3% less than the top wages of Anoka County Detention Deputies. The wage proposal made by the Employer will continue the 6.3% top wage disparity between the two groups. The Union's proposal will narrow the gap between the two groups to 5.5% of Anoka County Detention Deputy top wages in 2014 and to 4.5 % of Anoka County Detention Deputy top wages in 2015.

In 2012 the top wages for Anoka County Work Release Officers were 4.5% lower than the average top wages for the comparison group including Anoka County

Detention Deputies, Corrections Officers for Carver, Dakota, Hennepin, Ramsey, Scott and Washington County, together with Hennepin County Work Release Officers. In 2013 wages for Anoka County Work Release Officers dropped to 5.3% below the comparison group. Under the Employers proposal top wages will drop to 7.2% below the average top wage for the comparison group in 2014 and to 7.3% below the average top wage of the comparison group in 2015. The Union proposal will result in top wages for Anoka County Work Release Officers in 2014 to drop to 6.5% of top wages within the comparison group and to 5.6% of top wages within the comparison group in 2015.

Top wages for Anoka County Work Release Officers were only $3.00 per month (nearly equal) lower than top wages Hennepin County Work Release Officers in 2012. In 2013 the Anoka County Work Release top wages were 1.5% less than the Hennepin County Work Release top wages. The County's proposal will result in Anoka County Work Release top wages being 3% less than the top wage for Hennepin County Work Release top wages in 2014 and 4.65 less than Hennepin County Work Release top wages in 2015. The Union's proposal will result in Anoka County Work Release top wages being 2.2% lower than Hennepin County Work Release wages in 2014 and 2.9% less than Hennepin County Work Release wages in 2015.

The moderate top wage increases in 2014 and 2015 among the external comparison group are consistent with the moderate improvements that have been made throughout the State of Minnesota and in the local economies. Within Anoka County top wages for Detention Deputies and Work Release Officers have not kept pace with top wages in comparable bargaining units in the Seven County Minneapolis-St. Paul Metropolitan area. Because the top wage for Work Release Officers can not be reached,[1] the Arbitrator is convinced that wages for Anoka County Work Release Officers have fallen farther behind the comparison group than wages for Anoka County Detention Deputies and will not keep pace with the Detention Deputy unit under the Employer's proposal.

The principle factor of internal wage consistency favors the Employer's wage and merit pay proposals. However, the Arbitrator should not ignore the following:

- improved economic conditions,
- cost of living increases and
- somewhat greater wage increases being received by comparable bargaining units, within the same economic region.

The Arbitrator believes that a general wage increase of 1.5% in 2014 and a general wage increase of 1.5% in 2015 will not significantly disrupt internal equities and is appropriate based upon market comparisons, improvement in the local economy, cost of living increases and the internal wage disparity between Anoka County Work Release Officers and Anoka County Detention Deputies.

Since internal wage consistency is recognized as the principle factor in resolving wage disputes, bargaining unit members shall be eligible for the 2% merit increase proposed by the Employer.

[1] The Employer made no counter argument to the Union's argument that Arbitration Richard John Miller's observation in 2011 continues to be true.

ISSUE FOUR AND FIVE -- AWARD

A one and one-half percent (1.5%) general wage increase for 2014 is awarded by modifying the second paragraph of Section 1 as follows:

2014: Effective the first full pay period of 2014, the existing start rate and salary range maximum will be increased by one and one-half percent (1.5%). Effective the first full pay period in January 2014, employees shall receive a general increase of one and one-half percent (1.5%).

2015: Effective the first full pay period of 2015, the existing start rate and salary range maximum will be increased by one and one-half percent (1.5%). Effective the first full pay period in January 2015, employees shall receive a general increase of one and one-half percent (1.5%).

ISSUE SIX – AWARD

The Employer shall provide up to two percent (2%) merit on the same basis as nonunion employees in 2014 calculated on the same basis as the basic nonunion program. The Employer proposed language as follows:

Section 1. Salary range. Employees shall be paid in accordance with the salary schedule attached to this Agreement and marked Appendix A. In the event that there is a rounding difference between the attached salary schedule and payroll, payroll shall govern. The attached salary schedule shall be considered part of this Agreement.

ISSUE SEVEN – AWARD

The Employer shall provide up to two percent (2%) merit on the same basis as nonunion employees in 2015 calculated on the same basis as the basic nonunion program. The Employer proposed language as follows:

Section 1. Salary range. Employees shall be paid in accordance with the salary schedule attached to this Agreement and marked Appendix A. In the event that there is a rounding difference between the attached salary schedule and payroll, payroll shall govern. The attached salary schedule shall be considered part of this Agreement.

Dated: November 9, 2014

James A. Lundberg, Arbitrator