

In the Matter of Arbitration Between

Minnesota Teamsters Public &
Law Enforcement Employees
Union, Local No. 320

BMS Case No. 07PN0602

and
Wilkin County

December 29, 2007

Re: Sheriff's Deputies Interest Arbitration

ARBITRATOR:

Nancy D. Powers

DATE AND PLACE OF HEARING:

November 8, 2007
Wilkin County Courthouse
300 S. 5th Street
Breckenridge, MN 56520

POST-HEARING BRIEFS:

December 3, 2007

APPEARANCES:

FOR THE UNION:
Paula R. Johnston
General Counsel
Teamsters Local No. 320
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FOR THE COUNTY:
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Plymouth, MN 55441-6444

STATEMENT OF JURISDICTION

Wilkin County and Teamsters Local 320 have engaged in collective Bargaining for a 2007-2008 contract for the bargaining unit of 4 deputy sheriffs and one chief deputy sheriff. They have resolved all issues except

wages, comp time and a wage article on aid reduction, which were certified as issues at impasse by the Commissioner of the Minnesota Bureau of Mediation Services. The bargaining unit is one of essential employees under Minnesota law. The undersigned was selected by the parties to resolve the outstanding issues in a conventional arbitration.

A hearing was conducted at the Wilkin County Courthouse on November 8, 2007. Both parties had an opportunity to present evidence and arguments in support of their respective positions. Post-hearing briefs were filed and the record was closed on December 3, 2007.

ISSUES AT IMPASSE

1. Article XVII: Wages:

The County proposes a 3% increase in the salary schedule for both 2007 and 2008.

The Union proposes a 5% increase in the schedule for both years.

2. Article XI, Section 11.1: Overtime/Comp Time:

The County proposes no change in current language.

The Union proposes to remove a sentence: "Compensatory time shall be taken by December 31". And proposes to add the following language before the last sentence of the section:

If the compensatory time is not used by the end of the calendar year in which the work is performed, up to forty (40) hours may be carried over into the next calendar year.

3. Article XVII: Funding for Salaries Legislative Reduction in Funding:

The County proposes a new contract provision:

In the event the Minnesota Legislature withholds or eliminates County Program Aid (CPA), freezes the property tax levy or otherwise restricts the ability of the County to raise revenues through property taxation, there shall be no general wage adjustment and the wage schedule will be retained at the previous year's level for the years impacted by such action.

The Union proposes no change in the Contract.

RELEVANT STATUTORY PROVISIONS

Chapter 179A.16

Subd. 7. Decision by the arbitrator or panel.

The decision must be issued by the arbitrator or a majority vote of the panel. The decision must resolve the issues in dispute between the parties as submitted by the commissioner. For principals and assistant principals, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item. For other employees, if the parties agree in writing, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item, or the final offer of one or the other parties in its entirety. In considering a dispute and issuing its decision, *the arbitrator or panel shall consider the statutory rights and obligations of public employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations.* (emphasis added). The decision is final and binding on all parties.

Positions of the Parties

The Union

Wages:

The Union contends the County can easily "afford" the Union's

position, which is only \$14,000 difference from the County's position if all the unit members were at the top of the wage schedule. The County has over \$3 million in unreserved funds which should be available to pay for wage increases.

The Union argues that the appropriate comparability group is contiguous counties, including Richland, ND and counties in Minnesota Development Region #4. Each group shows the bargaining unit members are severely underpaid. The Union's position would not even bring the members up to the average wage in the groups.

Wilkin County's wide wage schedule makes it even less competitive with other jurisdictions. It takes 23 years of service to reach the top of the schedule. At step five of the County's schedule, deputies are about 17% below comparable average wages.

Retention of young deputies is a problem for the County. A 50% turnover rate demonstrates wages are not competitive with neighboring counties.

The Union argues pay equity should not be a consideration since the County did not offer evidence that the Union's offer would upset the County's compliance.

Compensatory Time

The Union contends deputies are the only employee group that is forced to use its comp time prior to December 31st of each year. The

Union dismissed the County's contention that additional costs would be incurred if the carryover was awarded. Now, the County does not schedule another officer to replace one on comp time leave.

Wages – Funding for Salaries

The Union contends the language proposed by the County has not been incorporated in any other County collective bargaining agreements, nor is it found in any contracts the Union is aware of. The language would violate employee rights under PELRA to collectively bargain.

The County

Financial Condition

The County does not argue an inability to pay, but contends responsible stewardship governs its position. The County has suffered a 71.5% loss of state aid over a 5 year period. The 2007 operating budget was cut significantly in order to keep the levy increase to only 14.3%. The County reduced staff and left positions open and equipment unpurchased and training undone. In 2005, the County's fund balance did not meet the 35% "Acceptable Fund Balance" determined by the State Auditor.

Wages

The County states that a uniform pattern of general wage adjustments has been followed in the county. All other bargaining units in

the County, except for the professional employees unit, have voluntarily settled for a 3% wage increase in both 2007 and 2008. These bargaining units and the non-union employees (who have gotten a 3% increase) represent 90% of the County's employees.

The County has a population of 6,811 people. The appropriate comparison group is that of the 2 below/2 above population group of Grant, Norman, Stevens and Traverse Counties. These counties are similar to Wilkin in location, budget and size.

The group proposed by the Union contains counties with substantially greater populations, market value, tax capacity and numbers of employees.

In the group proposed by the County, the County's final position results in wages that exceed the average at the top of the wage schedule. Wilkin County wages have historically been below average in the Union's comparability group. The County's proposal improves the unit's wage position to 93% and 94% of the average at the maximum of the schedule in 07 and 08.

Comp Time

The County contends the comp time provision has been undisturbed since 2000. Additional costs may be incurred in order to schedule shifts to accommodate employees taking comp time.

Funding for Salaries

The County contends the additional language would provide a “safety net” to the County if the legislature restricts the County’s ability to raise revenue.

DISCUSSION AND AWARD

The County has sufficient resources to fund either parties’ positions. There is no issue of “ability to pay”. Yet, the County has suffered from cuts in aid (as have most Counties in the state) which has made it even more cautious in spending County resources. The County’s fund balance has dipped considerably as a result of the cuts and a new jail construction. At the end of 2005, its fund balance was not the 35% recommended by the State Auditor.

The question remains what is the most “appropriate” position considering the parties’ bargaining history, their current contract language and the internal and external comparisons. This is the parties’ first interest arbitration.

Wilkin County is a very small, rural county on the North Dakota border with a small County seat, Breckenridge. An appropriate comparability group is that proposed by the County of Grant, Norman, Stevens and Traverse Counties. They are most similar in makeup to Wilkin County. The Union’s proposed group contains significantly larger counties, with larger cities and all that the larger population entails.

When the Counties comparability group is examined, it is clear that

the County's proposal is a fair and adequate wage increase. The 3% of the County's offer is even greater than the average settlement of the Union's proposed comparison group.

A more compelling reason for awarding the County's proposal in both years is the internal consistency this award would achieve. Parties should be encouraged to voluntarily settle their contract disputes. Unless there is a demonstration of extraordinary conditions, a settlement pattern like that established in Wilkin County should not be disturbed.

The wage increase continues the internal settlement pattern which has resulted in a county-wide wage schedule based on a point system with pay equity compliance.

The Union has offered no sufficient reason to upset this pattern. The County's proposal of 3% in each of the two years is awarded.

Comp Time

The Union argues that it wants the change in comp time because other bargaining units in the County have it. It offered no evidence of whether other units made a trade for something in order to obtain the language or even what the circumstances of obtaining the language were. The County may incur additional costs if it adopts the Union's position. Other bargaining units do not generally have the same scheduling issues that deputies have. The argument does not persuade me to award it. There should be no change in contract language.

Wages – Salary Funding Reduction

The County's position is not awarded. There is no precedent for this language. Collective bargaining provides sufficient opportunity for the County to deal with any contingencies which may occur in funding. There should be no change in contract language.

Nancy D. Powers, Arbitrator

December 29, 2007