IN THE MATTER OF ARBITRATION ) INTEREST ARBITRATION

between )

Dakota Communications Center )

-and- )

Law Enforcement Labor Services, Inc., Local No. 336 (Police and Fire Dispatchers) )

EBS Case No. 08-PN-0926 )

November 26, 2008 )

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APPEARANCES

For Dakota Communications Center

John Roszak, Attorney, Ratwik, Roszak & Maloney, Minneapolis, Minnesota
Kent Therkelsen, Executive Director
Dave Osberg, Executive Committee Chair
Ray Kennedy, Compensation Administrator

For Law Enforcement Labor Services, Inc., Local No. 336

Jack Chambers, Business Agent
Brooke Bass, Business Agent
Raymond V. Egan, Dispatcher
Stacey Hansen, Dispatcher
Mary Siegler, Dispatcher
Mindy Kaltenhauser, Dispatcher
Jolene Gumensky, Dispatcher

JURISDICTION OF ARBITRATOR

A Joint Powers Agreement was agreed to by the cities of


Paul, West St. Paul and Dakota County in 2005 to form the Dakota Communication Center (hereinafter referred to as the “DCC” or
"Employer") which is responsible for dispatching 911 emergency calls. Members of the Joint Powers Agreement fund the operations of the DCC.

The DCC is located within Dakota County. The County covers about 570 square miles. The population is approximately 390,478.

Dispatchers of the various communication centers, Egan, Burnsville, Lakeville, Apple Valley and Dakota County were offered employment with the new DCC starting January 1, 2007, albeit the actual DCC building was not completed and moved into until December 2007. Until the move the dispatching was handled within the respected cities and Dakota County.

The new DCC dispatchers elected to be represented by LELES. The Union is the exclusive representative for 48 full-time essential emergency 911 police and fire dispatchers.

The Union and DCC (hereinafter referred to as the "Parties") agreed to what the employees had been given in benefits and wages for 2007 and agreed the new collective bargaining agreement would be implemented January 1, 2008.

The Parties began to negotiate the first labor agreement in 2007 and continued into 2008. Agreement was reached on many of the outstanding issues between the Parties, but not all issues could be resolved. Mediation also failed to resolve the impasse. As a result, on May 12, 2008, the Bureau of Mediation Services
("BMS") received a written request from the Union to submit the unresolved issues to conventional interest arbitration. On May 20, 2008, the BMS determined that the following items were certified for arbitration pursuant to M.S. 179A.16, subd. 2 and Minn. Rule 5510.2930:

1. Duration - Duration of Agreement - First Contract
5. Shift Differential - Amount of Shift Differential, If Awarded - First Contract
6. Uniform Allowance - Amount of Uniform Allowance - First Contract

The Parties selected Richard John Miller to be the sole arbitrator from a panel submitted by the BMS. A hearing in the matter convened on October 2, 2008, at 9:30 a.m. at the DCC Facility, 2860 160th Street West, Rosemount, Minnesota. The Parties were afforded full opportunity to present evidence and arguments in support of their respective positions.

The Parties agreed to keep the record open until November 1, 2008, in order to resolve any disputes over data presented by the
Parties during the arbitration hearing. Pursuant to the statute and the agreement of the Parties, post hearing briefs were submitted by e-mail attachment on November 14, 2008. The Parties’ post hearing briefs were then exchanged electronically by the Arbitrator on that same day, after which the record was declared closed.

Issue #7 (Working Alone Pay) was dropped by the Union prior to the hearing and therefore will not be discussed by the Arbitrator.

The Union argued, at the opening of the hearing, the DCC’s final position language presented under Article 16.2, 16.3, 16.4, 16.6 and under Schedule A, Article 1.1, Article 2.2 and Article 3.1, as presented to BMS, is non-arbitrable. The Arbitrator will discuss the issue of arbitrability, where deemed appropriate, during the resolution of the relevant issues before him.

**ISSUE ONE: DURATION OF AGREEMENT**

**UNION POSITION**

A two (2) year agreement from January 1, 2008 through December 31, 2009 as follows:

This AGREEMENT shall be effective as of January 1, 2008 and shall remain in full force and effect until the thirty-first day of December 2009. In witness whereof, the parties hereto have executed this AGREEMENT on this ___day of ____________.
DCC POSITION

The duration of the collective bargaining agreement shall be three (3) years from January 1, 2008 to December 31, 2010.

The Employer submitted at the hearing its position on this issue as follows:

16.1 This Agreement shall be effective as of January 1, 2008, and will remain in full force and effect until the thirty-first day of December, 20__, whereupon it will expire and the DCC Personnel Policies will control unless a successor agreement is in effect prior thereto.

16.2 If either party desires to modify or amend this Agreement commencing after December 31, 20__, it must give written notice of such intent no later than November 1, 200__, and not before September 1, 200__. The failure to provide notice within this timeframe will result in the expiration of this Agreement as provided in Paragraph 16.1.

16.3 This Agreement constitutes the full and complete Agreement between the parties. There will be no negotiations during the term of this Agreement, unless mutually agreed by the parties. This Agreement supersedes any past practices of the DCC that are contrary to or inconsistent with the terms of this Agreement. Any term and condition of employment not contained in this Agreement is reserved to the DCC as part of its discretionary authority.

16.4 The provisions of this Agreement will be severable. If any provision or the application of any provision is held invalid, it will not affect any other provision or the application of any provision.

16.5 The final Agreement will be available for review online.

16.6 The UNION will proceed with its ratification vote followed by the governing board of the DCC.
After the hearing ended and before the Parties submitted their post hearing briefs, the DCC amended its final position with respect to Sections 16.1 and 16.2 as follows:

16.1 This Agreement shall be effective as of January 1, 2008, and will remain in full force and effect until the thirty-first day of December, 20__ whereupon it will expire.

16.2 If either party desires to modify or amend this Agreement commencing after December 31, 20__, it must give written notice of such intent no later than November 1, 200__, and not before September 1, 200__.

The Employer did not modify its position with respect to Sections 16.3, 16.4, 16.5 or 16.6.

AWARD

The Union’s position is sustained.

RATIONALE

The Parties agreed upon the contract start date of January 1, 2008, with economic issues retroactive to that date. The remaining issues were the duration of the contract and the scope of contract language contained within Article 16.

There is no bargaining history between the Parties as to the duration of their contracts since this is the first contract to be negotiated by the Parties.

The Union’s position of a two-year contract rather than a three-year contract, as advocated by the Employer, better serves the Parties especially in our troubled economic times. No
economist can predict what is going to occur the next day in our economy, let alone what may occur in 2010. Even extending the contract through the two-year period ending on December 31, 2009, may become problematic for the Parties if our economy worsens. Thus, a two-year agreement will offer some stability in the Parties’ labor relations, but at the same time, allow the Parties to react to the economic conditions for 2010 which could have negative effects on the financial resources of DCC to fund its programs and staff from the contribution members of the Joint Powers Agreement. It must be remembered that DCC has no taxing authority, unlike the members of the Joint Powers Agreement, and thus those members exclusively fund the operations of DCC.

The Union proposes that DCC dispatchers compare with dispatchers from Hennepin County, Anoka County, Washington County, Minneapolis Emergency Communication Center, Ramsey County and the St. Paul Dispatch. The Employer, on the other hand, agrees that DCC dispatchers compare with Hennepin County, Anoka County, Ramsey County and Minneapolis Emergency Communication Center, but excludes the St. Paul Dispatch Center and Washington County and adds three outstate dispatch centers as advisory data: Red River Regional Dispatch Center (South Dakota), Tri-County Communications Center (Illinois) and Waukaesha County Dispatch Center (Wisconsin).
The Union’s comparability group best serves the needs of the Parties for several reasons. First, it compares DCC dispatchers with other local dispatchers that have the same or similar job duties and responsibilities in a similar market (Twin Cities). Second, it provides a greater sampling of local dispatch centers than those suggested by the Employer. A greater sampling lessens the chance of data being skewed by a fewer sampling. Finally, the use of outstate comparables, even for advisory data, is not an accepted practice among active interest arbitrators dealing with political subdivisions and their employees in Minnesota.

Another reason for a two-year agreement is that there exists only one wage settlement for 2010 among the external marketplace comparables suggested by the Parties (Minneapolis Emergency Communication Center). One settlement is not a valid sampling for comparison purposes. External marketplace wage settlements are important since there are no internal wage settlement data at DCC.

This is a new communication center and a new labor agreement that has combined many dispatch centers and employees with obvious issues that have not yet been resolved or will arise that will need to be addressed by the Parties over the first few years under the contract. A lengthy contract of three years will only hinder that process.
The Union’s proposed language contained in Article 16 best serves the Party. It is clear and concise and appears in the same or similar form in other labor agreements. If the Employer wants to add a general provision language clause or a saving clause or a zipper clause, as proposed in their final position, it should be accomplished during bargaining where tradeoffs can be made by the Parties.

ISSUES TWO AND THREE: AMOUNT OF GENERAL WAGE INCREASES FOR 2008 AND 2009

UNION POSITION

The Union’s complete position is attached to the arbitration decision. In a nutshell, the Union is requesting a step system rather than the merit system the DCC is requesting. The Union is requesting a 3% increase to the 2007 wage scale for 2008, plus a 3% increase to the 2008 wage scale for 2009. Under the Union’s proposal certain employees would be frozen for a period of time. The frozen employees are employees at higher wages than those with more experience. The majority of the employees will receive wage increases once placed on the salary grid well in excess of 3%.

DCC POSITION

The Employer’s complete position is attached to the arbitration decision. In summary, the Employer’s position is a
negotiated wage range driven by comparisons with the wages paid for similar duties by similar employers in the geographic area. It contains a wage range that may remain constant for up to four years, but with a process for negotiating the annual adjustments to meet external competition. The Employer position also provides movement through that wage range by a negotiated annual wage adjustment plus a performance pay plan reserved to management’s discretion.

AWARD

Dispatchers shall receive a 3% general wage increase for 2008 over their 2007 wage rates and a 3% general wage increase for 2009 over their 2008 wage rates. The Parties shall negotiate the starting wage rate for any new dispatcher hires.

RATIONALE

The Arbitrator recognizes the importance of the issue of wages to both Parties, especially to this newly formed bargaining unit under their first collective bargaining agreement.

It is clear that the Parties have a philosophical difference as to the approach of a wage structure. The Union supports a step increase salary matrix, while the Employer support a merit system. Both the salary step matrix and the merit system are found in political subdivisions, with the step matrix system being more prevalent than the merit system. Times, however, are
changing in the public and private sectors and more parties are agreeing to the merit system.

It is rare for the issue of step matrix or merit pay to be placed before a neutral for resolution due to the importance of this issue. It has been the Arbitrator's experience that this important issue has been a product of negotiations between the political subdivision and the exclusive representative where tradeoffs can be made by the parties. If resolution over this issue cannot be accomplished by the parties during extensive negotiations over a lengthy period of time the parties' differences should then be addressed by an interest arbitrator.

In this case, the Parties have not met this burden. There has not been extensive negotiations over a lengthy period of time by the Parties over this issue. Even assuming the Parties may have bargained extensively over this issue during this round of negotiations, their bargaining was limited to only their first contract. It takes more than one contract cycle to convince the Arbitrator that the Parties have negotiated extensively over a lengthy period of time without resolution. Most certainly, if the Parties cannot resolve their differences during the next round of extensive and lengthy negotiations over this issue, it would be appropriate for an interest arbitrator to resolve it for the Parties. The Parties must let the negotiation process
perform its intended purpose -- to mutually resolve differences between the Parties rather than through interest arbitration.

It is clear that the Parties could not resolve their differences over this issue due to the fact that the Union’s position on the initial placement of dispatchers, combined with a 3% wage increase with yearly step increases to the top was too costly to the Employer. On the other hand, the Employer’s position was rejected by the Union because it contains a provision that the wage range established by Schedule A may be negotiated for any calendar year by mutual agreement, but will be negotiated at least every four years irrespective of the cycle of any subsequent PELRA negotiations as specified in the duration article of the contract. In addition, the Union criticizes the scope and window opportunity to negotiate the wage range during this four-year cycle. The Union is also opposed to the language that any negotiations regarding the wage range will be based solely upon the Employer’s determination of a comparable market group and data from the DCC regarding retraction and retention as shown through the size of applicant pools and resignations/retirements.

Clearly, there is room for compromise by both Parties, but this should first be addressed by the Parties during successor contract negotiations. If all fails after extensive and lengthy
negotiations, then this issue would be “ripe” for interest arbitration.

In 2007 all employees that came to work for DCC were given a 3% wage increase plus a merit adjustment. The wage award grants those employees a 3% general wage increase for 2008 over their 2007 wage rates and a 3% general wage increase for 2009 over their 2008 wage rates. The award maintain the status quo as to the percentage wage increase granted in 2007.

The salary award adheres to the traditional considerations generally adhered to in interest arbitration: ability to pay, internal comparability, external comparability and changes in the cost-of-living.

The DCC has the ability to pay the awarded salary increase as the General Fund has grown steadily from 2007 to 2008 and is projected to grow again in 2009 by 6.9%. In fact, the DCC never stated or indicated the inability to pay, even with respect to the Union’s proposal, which is more costly than the Arbitrator’s salary award and the Employer’s position.

Pay equity is not an issue. There is no internal wage pattern since dispatchers are the only unionized group and they are negotiating their first collective bargaining agreement. Therefore, the salary award can be awarded without disturbing an internal pattern. If anything, an internal wage pattern was
established by the salary award since the dispatchers received the same percentage wage increase in 2007 as they will receive in 2008 and 2009.

The external comparability establishes that the average of the comparables at top salary were in excess of 3% for 2008 and for 2009 (4.43% for 2008 and 4.94% for 2009). It should be noted, however, that there are two remaining comparables that have not settled for 2008 (St. Paul and Washington County) and only two comparables have settled for 2009 (Hennepin and Minneapolis) which may change those averages. In any event, the salary award of 3% for 2008 and 3% for 2009 is not only in the mainstream of comparable settlements but it is clearly supported by the external market.

The Consumer Price Index ("CPI") from the U.S. Department of Labor shows the U.S. Cities average increase in the cost of living at 5.4% from August 2007 to August 2008. The average for Midwest Urban Cities for the same period was also 5.4%. The U.S. Cities average for 12 months ending July 2008 was 6.2%. The Midwest urban Cities average was 6.1% for the same time period.

Clearly, the increase in the CPI is considerably greater than the salary award. The salary award ensures that the wages paid to this bargaining unit by DCC will keep "some" pace with the CPI.
ISSUE FIVE: AMOUNT OF SHIFT DIFFERENTIAL

POSITION OF THE PARTIES

The Union proposes that any employee working between the hours of 1500 (3:00 p.m.) and 0700 (7:00 a.m.) shall receive an additional $1.50 per hour for any and all hours worked between those hours. The Employer opposes any form of shift differential.

AWARD

No shift differential payments to bargaining unit members.

RATIONALE

The cost of awarding the Union's position would have been $70,512. This is a very costly benefit to DCC.

It is noteworthy that under the DCC's merit pay plan the differentials were rolled-into the wage rates offered by the DCC to attract dispatchers. Accordingly, until the Parties resolve their differences over whether there should be a merit pay plan or a step wage structure contained in the contract, shift differential payments should be denied. If the Parties agree upon a merit pay plan then presumably shift differentials would be rolled-in to the wage rate. If on the other hand, the Parties negotiate a step increase wage structure into their contract then the issue of shift differentials could be appropriately addressed.
While it is true that the majority of the comparables do provide for shift differentials, the majority, however, do not pay what is being sought by the Union. The majority of the comparables pay less than the Union's position. Thus, if shift differentials are considered by the Parties during successor negotiations they should conform to the payments being received by the majority of the comparables.

 ISSUE SIX: AMOUNT OF UNIFORM ALLOWANCE

UNION POSITION

The Employer shall provide any and all required uniform items for each new dispatcher and replacement items as needed due to wear for all dispatchers.

DCC POSITION

The Employer has established through policy a listing of preferred clothing intended to easily identify DCC employees and maintain appropriate appearance among dispatchers. It will provide a purchase order to a new dispatcher for an initial issue of six (6) items of clothing: shirts and pants in any combination. A purchase order for replacement of the initial issue items may be issued as deemed necessary and appropriate by the DCC based upon normal wear and tear.

AWARD

The Employer's position is sustained.
RATIONALE

Based upon the Parties' final positions they are very close to agreeing upon this issue. The issue is whether DCC should provide certain items such as the color of T-shirts, sweaters and the color of sweaters if wore by the employees while on duty. The DCC is demanding employees wear certain color as to, T-shirts, sweaters, socks, shoes, etc. but will not pay for those items. All the Union is requesting is if the DCC demands certain color items to be worn by the dispatchers then DCC should pay for those items.

The DCC's dress code policy defines the standard uniform as a shirt bearing the DCC logo. After that, pants may be any casual dress style that is black or khaki with a belt and shoes that are black or brown. A black sweater may be added by those dispatchers feeling a chill. A supervisor may approve any deviation from this set of standards.

Since inception, the DCC has paid for an initial issue of the "standard uniform" shirts - plus pants. A dispatcher testified that the pants were of low quality. If true, the DCC is prepared to replace the initial issue of shirts and pants based upon wear and tear per the policy.

It appears that this issue stems from management deciding that wearing certain color T-shirts under the standard uniform
were inappropriate. This escalated to challenge the DCC's color requirement for sweaters, belts, socks, shoes, etc.

As to the color of T-shirts, sweaters, socks, shoes, etc., even under the Union's proposal the DCC remains free to re-draft its policy to eliminate specificity of colors and payment for uniform pieces. It could enforce just the "appropriateness" standard. Thus, the issue of color of uniforms is much ado over nothing. The DCC's position best represents the likely bargained outcome between the Parties.

As always is the case, both Parties are to be complimented on their professional conduct at the hearing and the comprehensiveness of their oral presentations and their written briefs.

Richard John Miller

Dated November 26, 2008, at Maple Grove, Minnesota.
EMPLOYER'S WAGE PROPOSAL

SCHEDULE A

For calendar years 2008, 2009, and 2010, the DCC "Compensation Plan and Policy" that has been in effect since January 1, 2007 is continued, subject to Union rights to negotiation regarding the "General Adjustment" and the "Minimum Base Wage" and the "Maximum Base Wage" as specified in this Schedule A. The following principles will apply to the parties in setting wage rates for dispatchers.

SECTION 1. WAGE RANGE NEGOTIATIONS

1.1. Process:

1.1.1. The wage range established by Schedule A may be negotiated for any calendar year by mutual agreement, but will be negotiated at least every four (4) years, irrespective of the cycle of any subsequent PELRA negotiations as specified in the Duration Article of the CBA.

1.1.2. If negotiations commence for a subsequent CBA in accordance with the PELRA and the then current CBA, the window and process for the wage range negotiations will coincide with those negotiations. However, if wage range negotiations are to occur outside the negotiations for a subsequent contract, either by mutual agreement or under the four (4) year cycle, then the wage range negotiations will open on March 1 of the calendar year prior to the effective date for the increase in the wage range and must conclude or be submitted to mandatory arbitration within four (4) months on or before June 30 of the same year.

1.1.3. Any agreement will be effective January 1 of the next calendar year for another cycle of at least four (4) calendar years, subject to more frequent negotiations by mutual consent.

1.1.4. Any negotiations regarding the wage range will be based solely upon 1) comparable market data as to ranges of wages and 2) data from the DCC regarding attraction and retention as shown through the size of applicant pools and resignation/retirements.

1.1.4.1. Market comparables include Hennepin, Anoka, Washington and Ramsey Counties and Minneapolis
Emergency Communications Center, with the Red River Regional Dispatch Center, the Tri-County Communications Center, and the Waukaesha County Dispatch Center as advisory data. Other comparables may exist and should be agreed upon.

1.1.4.2. If separate negotiations regarding only the wage range commence, but no agreement is reached, the parties may seek mediation from the BMS. If no agreement is reached by June 30, then the single issue of setting the wage range will be certified for expedited arbitration in accordance with the criteria in Schedule A, Section 1.1.4.

1.1.4.3. In the year that any range increase takes effect, every step in the range would receive only an increase equal to the range adjustment.

1.2. Current Contract: For the collective bargaining agreement (CBA) covering the period from January 1, 2008 through December 31, 2010, the wage range will be a minimum of $18.89 per hour ($39,300 annually) to $26.88 per hour ($55,900 annually). The annual “Wage Structure” charts in Schedule A, Section 1.4 below reflect this range.

1.3. Wages below the Range Minimum: If wage ranges are adjusted at the beginning of a calendar year, employees paid compensation at rates less than the minimum of the new wage ranges, will be adjusted to the new range minimum.

1.4. Wage Range Structure

<table>
<thead>
<tr>
<th>Position</th>
<th>Minimum Base Wage</th>
<th>General Wage Adjustment Calculation (Control Point)</th>
<th>Maximum Base Wage</th>
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</thead>
<tbody>
<tr>
<td>Dispatcher</td>
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<td>$51,800</td>
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<td>($26.88)</td>
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### 2009

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</table>

### SECTION 2. NEGOTIATION OF MOVEMENT THROUGH WAGE STRUCTURE BY GENERAL WAGE ADJUSTMENT (GWA)

2.1. **New Employee(s):** The wage rate of a newly hired employee will be the “Minimum Base Wage,” as specified in the wage range charts at Schedule A, Section 1.4 for the appropriate year, subject to the discretionary authority of the DCC to pay a higher rate within the wage range in order to attract a candidate.

2.2. **Current Employees:** Employees on the DCC payroll on January 1 of a calendar year will, effective that date, receive a general adjustment to their wage rate as determined by the collective bargaining process under the PELRA, as amended, subject to the following:

2.2.1. The GWA will be calculated upon the “General Wage Adjustment Calculation Point” (GWACP) or “control point”, which has been set for the “Wage Range Structure” for calendar years 2008, 2009, and 2010 at a point higher than the third quartile (Q-3) of wage rates actually paid.
2.2.2. In subsequent GWA negotiations, the GWACP or control point will be the Q-3 point.

2.2.3. The amount so calculated will be added to each Dispatchers wage rate for the applicable year of the increase, subject to the maximum as provided in Schedule A, Section 2.3.

2.3. **Maximum**: In the event the GWA would increase the wage of any employee beyond the “Maximum Base Wage” as specified in Schedule A, Section 1, only the amount up to the “Maximum Base Wage” will be added to the base wage for the affected employee(s) and any remainder will be paid as a lump sum.

2.4. **GWA for 2008, 2009, and 2010**

2.4.1. 2008 GWA: two percent (2%) calculated on the control point.

2.4.2. 2009 GWA: two and one-half percent (2.5%) calculated on the control point.

2.4.3. 2010 GWA: three percent (3%) calculated on the control point.

**SECTION 3. MERIT ADJUSTMENT PROVIDING MOVEMENT THROUGH WAGE STRUCTURE**

3.1. **DCC Reservation of Management Discretion (M.S. 179A.07, Subd. 1)**: Beginning January 1, 2008, and for calendar years thereafter, employees on the DCC payroll may be eligible for a merit adjustment based on satisfactory or better performance, as described in DCC Policy, Section N, Wage and Salary Guidelines. The DCC reserves its discretionary management authority pursuant to the PELRA to evaluate, to allocate revenue or not for “Merit Adjustment” pay in any budgetary cycle and to amend Section N, Wage and Salary Guidelines.

3.2. **Performance Based Increase**: Performance based increases for which employees may be eligible will be provided on their anniversary date, subject to meeting established performance considerations under Section 3.1.
3.3. Calculation of Increase:

3.3.1. The performance based increase guideline provides a percentage increase calculated on the applicable “Performance Wage Calculation Point” which is the same as the GWACP or control point specified in Schedule A, Sections 1 and 2.

3.3.2. Employees being paid within the wage range will have this amount added to their base wage.

3.3.3. For employees whose wage is below the maximum base wage but whose merit adjustment would result in a base wage above the range maximum, only the amount of the increase up to the range maximum will be added to base wage.

3.3.4. Employees whose performance review date is January 1, coinciding with the effective date of the general wage adjustment, will have the general wage adjustment calculated and applied first, and the performance increase calculated and applied second.