

IN THE MATTER OF ARBITRATION) **INTEREST ARBITRATION**
)
 between)
) **Licensed Patrol Officers**
Benton County,) **Unit**
Foley, Minnesota)
)
 -and-) **BMS Case No. 16-PN-469**
)
Law Enforcement Labor)
Services, Inc., St.)
Paul, Minnesota) **July 11, 2016**
)))))))

APPEARANCES

For Benton County, Foley, Minnesota

Terry Foy, Attorney, Ratwik, Roszak & Maloney, P.A.,
 Minneapolis, Minnesota
 Montgomery Headley, Administrator
 Lee Katzmarek, Human Resources Director
 Jake Bauerly, Commissioner
 Spencer Buerkle, Commissioner

For Law Enforcement Labor Services, Inc.

Adam Burnside, Business Agent
 Sean Gitch, Steward
 Michael Kost, Assistant Union Steward

JURISDICTION OF ARBITRATOR

Law Enforcement Labor Services, Inc. (hereinafter "LELS" or
 "Union") is the exclusive representative for Licensed Patrol
 Officers (Deputy Sheriffs, Detectives and Court Security
 Deputies) in the Benton County Sheriff's Office ("Sheriff's
 Office") employed by Benton County, Foley, Minnesota
 (hereinafter "Employer" or "County"). There are nineteen (19)
 Deputies in the bargaining unit. This is an Essential

Bargaining Unit under state law, which culminates in binding interest arbitration to resolve all outstanding impasse issues between the Parties.

The County and LELS (hereinafter referred to as the "Parties") are signatories to an expired collective bargaining agreement that was effective January 1, 2014 to December 31, 2015, and continues in effect by operation of law.

The Parties entered into negotiations for a successor collective bargaining agreement. The Parties were unable to during bargaining and mediation to resolve all of their outstanding issues. As a result, on January 14, 2016, the Minnesota Bureau of Mediation Services ("BMS") received a written request from the Union to submit the unresolved issues to conventional interest arbitration. On January 25, 2016, the BMS determined that the following items were certified for conventional interest arbitration pursuant to Minn. Stat.

§ 179A.16, subd. 2 and Minn. Rule 5510.2930:

- 1) Article 26 - Duration
- 2) Appendix A - General Wage Increase in 2016, if any
- 3) Appendix A -- General Wage Increase in 2017, if any
- 4) Appendix A - General Wage increase in 2018, if any
- 5) Section 12.3 - Shift Differential - What change, if any, should be made in the hours that shift differential is payable
- 6) Section 12.3 - What should be the change in amount of shift differential paid in 2016, if any
- 7) Section 12.3 - What should be the change in amount of shift differential paid in 2017, if any
- 8) Section 12.3 - What should be the change in amount of shift differential paid in 2018, if any

- 9) Section 18.2 - How should the language regarding use of vacation be modified, if at all
- 10) Article 19 - What should be the County contribution toward health insurance in 2016, if any
- 11) Article 19 - What should be the County contribution toward health insurance in 2017, if any
- 12) Article 19 - What should be the County contribution toward health insurance in 2018, if any
- 13) NEW - What should be the amount of Field Training Officer pay in 2016, if any
- 14) NEW - What should be the amount of Field Training Officer pay in 2017, if any
- 15) NEW - What should be the amount of Field Training Officer pay in 2018, if any

The Arbitrator, Richard John Miller, was selected by the Parties from a panel submitted by the BMS. A hearing in the matter convened on May 25, 2016, at 10:00 a.m. at the County Government Center, Foley, Minnesota. The Parties were afforded full and ample opportunity to present evidence and arguments in support of their respective positions.

The Parties agreed to keep the record open until June 8, 2016, for submission of Pay Equity Report and Compliance documents. These documents were provided by the County on June 1, 2 and 6, 2016.

The Parties elected to file electronically post hearing briefs, with receipt by the Arbitrator no later than June 23, 2016. The Arbitrator then exchanged the post hearing briefs electronically to the Parties' representatives on that date, after which the record was considered closed for any further submissions by the Parties.

ISSUE ONE: ARTICLE 26 - DURATION

POSITION OF THE PARTIES

When the County certified their issues for impasse with the BMS their position was for a two year contract, effective January 1, 2016 to December 31, 2017. The County amended their position at the hearing seeking a one year contract, effective January 1, 2016 to December 31, 2016.

The Union proposes a three year contract, effective January 1, 2016 to December 31, 2018.

AWARD

A two year contract, effective January 1, 2016 to December 31, 2017.

RATIONALE

The need for a two year contract versus a one year contract as proposed by the County is necessary due to the labor relations instability demonstrated by the evidence. The County's changing of positions from a two year term at the time of BMS certification to a one year term at the hearing exemplifies the need to provide some stability to their bargaining relationship.

A three year contract as proposed by the Union for 2016-2018, at first blush, would seem to add further stability than a two year contract. However, all of the six other organized bargaining units in the County have negotiated contracts for

three years for 2014-2016 and none have negotiated for 2017 or 2018. There simply are no internal settlements for 2017 or 2018 that could establish a settlement pattern.

Moreover, there are only a few settlements among the external comparables for 2018, which could result in an aberration or speculation as to the final settlement pattern. This would be tantamount to rolling the dice for both Parties, which should be avoided at all cost in this case, with the determination of the 2018 contract better relegated to the collective bargaining process.

The County alleges that they are attempting to avoid being a victim of "whipsawing" by the Union by having all bargaining units on the same negotiating cycle. However, at this juncture there are no guarantees that the next round of negotiations would result in all bargaining units being on the same bargaining cycle and receiving the same settlement in order to establish an internal settlement pattern. Therefore, whether any of the Parties would be subject to whipsawing is speculation at best.

While whipsawing is a concern for everyone it should not prohibit any bargaining unit from being the leader rather than the follower in negotiations. In this case, the Union will be a leader rather than a follower in negotiations among the other bargaining units for at least 2017, with the other bargaining

units deciding whether a one year contract is best for their members.

There is no established practice for the length of a contract term. The recent contracts have been one year to three years, with the expired contract being two years. The expired contract was the result of an arbitration decision by Arbitrator Paul Gordon in which he sustained the Union's position for a two year contract versus a three year contract sought by the County. Benton County and LELS, BMS Case No. 14-PN-071 (Gordon 2014). Arbitrator Gordon's rationale for awarding a two year contract rather than a three year contract is explained as follows:

In the instant case the County argues that having the same negotiating cycle for all bargaining units is of paramount importance. However, the County does not seem to be willing to offer anything in terms of wages and benefits much removed from other units in order to gain that which it argues is of paramount importance.

Benton, pp. 14-15. The County has not offered any incentives to the Union for a one year contract, and the Union has not presented compelling rationale for a three year contract. This leaves a two year contract as the best solution to the duration of this contract.

As a result of awarding a two year contract for 2016 and 2017, the Arbitrator will not be rendering any decisions pertaining to issues involving 2018. Accordingly, Issue #4

(Appendix A - General wage increase in 2018, if any), Issue #8 (Section 12.3 - What should be the change in amount of shift differential paid in 2018, if any), Issue #12 (Article 19 - What should be the County contribution toward health insurance in 2018, if any) and Issue #15 (New - what should be the amount of Field training Officer pay in 2018, if any) are moot.

ISSUE TWO: APPENDIX A - GENERAL WAGE INCREASE IN 2016, IF ANY

ISSUE THREE: APPENDIX A - GENERAL WAGE INCREASE IN 2017, IF ANY

POSITION OF THE PARTIES

The County's position is a general wage increase of one percent (1%) effective January 1, 2016, with point two five percent (0.25%) general wage increase effective July 1, 2016. The County is also proposing a general wage increase of two percent (2%) effective January 1, 2017.

The Union is proposing a three percent (3%) general wage increase effective January 1, 2016, and a three percent (3%) general wage increase effective January 1, 2017.

AWARD

A general wage increase of one percent (1%) effective January 1, 2016, with point two five percent (0.25%) general wage increase effective July 1, 2016.

A three percent (3%) general wage increase effective January 1, 2017.

RATIONALE

There are generally four factors considered in any interest arbitration case. Those factors include: 1) the employer's ability or willingness to pay for union economic demands; 2) internal equity; 3) external market comparisons; and 4) cost-of-living and other considerations, such as attraction and retention of employees or other important considerations.

As to the first factor, the 2016 economy is strong in all sectors, and there is no evidence that the economy will falter in 2017. Consequently, government entities are not relying upon an inability to pay argument to fund union economic demands in interest arbitration. As a result, the inability to pay argument raised by employers during prior difficult economic times has rightfully shifted to an argument that an arbitrator should consider the employer's obligation to efficiently manage and conduct its operations within the legal limitations surrounding the financing of these operations. Minn. Stat. § 179A.16, subd. 7. In other words, employers are now relying upon the argument of "financial restraint" or "financial constraint" rather than an inability to pay argument to resist funding union economic demands. The County is taking that approach in this case.

The Employer's financial restraint or financial constraint argument and external comparability are interrelated because the

Employer argues that the County is no longer comparable to counties in Regional Development Commission 7W ("Region 7W"), surrounding counties and counties used in the Employer's compensation studies due to its relative poorer financial condition compared to these counties.

Region 7W is comprised of the counties of Benton, Stearns, Sherburne, and Wright. Region 7W was established by the legislature (Minn. Stat. § 462.281 et seq., 1982). The purpose of establishing economic regions throughout the state was to place similarly situated governmental units who share similar labor market conditions into approximate geographic and economically coherent areas.

The County also proposes as a comparability group the contiguous counties of Mille Lacs and Morrison, which also includes Sherburne and Stearns. Morrison County is located in Region 5 and Mille Lacs County is located in Region 7E.

The County also presented data on the nine counties used in the Employer's compensation studies, which were considered by arbitrators in past interest arbitration cases. These counties include Chisago, Isanti, Kandiyohi, McLeod, Meeker, Mille Lacs, Morrison, Sherburne, and Stearns.

The Union, on the other hand, has provided data for the counties deemed appropriate in the last two arbitrations (2004 and 2014) involving this unit. Additionally, the Union has

provided data from the 2008 class and compensation study. The Union's proposed comparability group consists of Chisago, Isanti, Kanabec, Mille Lacs, Morrison, and Pine Counties.

All of the above-mentioned counties are deemed to be a valid comparability group, whether individually or as a whole. The data from these counties constitute a large and relevant sampling group for 2016 and 2017. Whether or not Benton should remain in Region 7W is not a decision to be made by the Arbitrator. This decision is best made by the legislature who created the Economic Regions. The data from Region 7W, however, has value in this proceeding.

Benton is the smallest county, with the smallest population and most rural county in Region 7W. Benton has one of the lowest tax capacities (formerly known as "assessed value") and per capita tax capacity, but the highest per capita tax levy in Region 7W.

The County is also below the averages for the contiguous and Compensation Study Counties with respect to tax capacity, one of the best indicators of the financial health of any county. For the first time, the County's per capita tax capacity has fallen below that of Mille Lacs County. Moreover, the County's per capita tax burden is at or above the comparison county averages. In fact, Benton has the seventh highest tax rate on a \$200,000 house in the state.

A 2012 explosion at the VERSO paper mill in Sartell resulted in the permanent closure of the plant, exacerbating the County's revenue situation. VERSO was the County's second largest taxpayer and its post-explosion taxable market value fell 16 million dollars. There was a loss of property taxes of \$753,582, with a loss of 16 percent in tax capacity as a result of the plant's closure. The County has been unable to replace the loss of its second largest taxpayer.

The State Auditor recommends that public employers adopt fund balance policies, and that the amount of the unreserved fund balance in the general and special revenue funds as of the end of the calendar year on December 31 be approximately 35 to 50 percent of fund operating revenues, or no less than five months of operating expenditures. According to the Minnesota County Finances Report from the Office of the State Auditor for 2014 (the most recent available report), Benton has an unreserved fund balance as a percent of total current expenditures of 58.6% or \$18,281,535. This is far greater than the minimum 35-50 percent and meets the five months of operating expenditures recommended by the State Auditor.

The cost of the Union's wage proposal for 2016 and 2017 is approximately \$90,252 compared to the cost of the County's proposal at \$43,724, with the difference being \$46,527 (without rollup costs). The cost of the awarded wage increase for 2016

and 2017 amounts to approximately \$53,776 or only a difference of \$10,053 above the cost of the County's proposal.

Most certainly, the County has the financial resources to fund the wage awards and other economic demands being made by the Union in this case without suffering adverse financial consequences and without adversely affecting the County's right and obligation to efficiently manage and conduct their operation. The fact that Benton has less economic resources than comparable counties is noteworthy, but does not constitute a valid reason to sustain the Employer's position on all economic items at impasse.

The denial of some of the Union's economic demands was not a result of the County's inability to pay, financial restraints or financial constraints, but rather by the consideration of some of the other factors generally used by interest arbitrators.

Internal equity is an important wage consideration for an arbitrator, as mandated in Minnesota's Local Government Pay Equity Act (hereinafter "Pay Equity Act"). Minn. Stat. § 471.992 et seq. (2012).

The legislature has established standards that interest arbitrators must use when resolving wage and salary issues:

In all interest arbitration involving a class other than a balanced class held under sections 179A.01 to 179A.25, the arbitrator shall consider the equitable compensation

relationship standards established in this section and the standards established under section 471.993, together with other standards appropriate to interest arbitration. The arbitrator shall consider both the results of a job evaluation study and any employee objections to the study.

Minn. Stat. § 471.992, Subd. 2 (2014).

These standards apply here because the bargaining unit is male dominated as that term is used in the Pay Equity Act.

In addition to equitable compensation relationships, the standard referred to above requires the arbitrator to consider the extent to which:

Subd. 1 ...

- (1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;
- (2) compensation for positions bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and
- (3) compensation for positions within the employer's work force bear reasonable relationship among related job classes and among various levels within the same occupational group.

Subd. 2 **Reasonable relationship defined.** For purposes of subdivision 1, compensation for positions bear "reasonable relationship" to one another if:

- (1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work-related criteria is comparable; and
- (2) the compensation for positions which require differing skill, effort, responsibility, working conditions, and other relevant work-related criteria is proportional to the skill, effort, responsibility, working conditions, and other relevant work-related criteria required.

Minn. Stat. § 471.993 (2014).

The Arbitrator is not convinced that a pattern of internal settlements alone should dictate the outcome of any interest arbitration but, on the other hand, if a consistent voluntary settlement pattern is demonstrated, it cannot be simply ignored. Similarly, strict reliance upon external comparables should not be considered as absolute in all cases, but rather offer an understanding of the negotiation process at work within the economic climate of the region.

Internal equity usually consists of two component parts - consideration of pay equity and consideration of an internal pattern among employee groups, if one exists.

The legislature entrusts the Department of Employee Relations ("DOER") with the responsibility of ensuring compliance with the Pay Equity Act. Minn. Stat. § 471.991 (2011). To ensure compliance with the Pay Equity Act, DOER requires jurisdictions to file reports in three year intervals. The Pay Equity Act requires a governmental jurisdiction maintain an underpayment ratio of 80 or higher in the statistical analysis test to stay within the guidelines established by DOER and be in compliance with the Pay Equity Act.

Prior to the commencement of the arbitration hearing, the Union sought from the Employer the "Most recent Pay Equity Report, in its entirety." It was in good faith that the Union

researched and prepared its documents and information regarding pay equity. At arbitration, however, the County submitted the most recent report, one that was never disclosed to the Union before the arbitration. The Employer submitted evidence that had the Union's wage position been awarded it would have placed the County out of compliance with the LGPEA. Ironically, the Union showed that the County's own wage proposal for 2016 would place itself out of compliance with pay equity, changing the underpayment ratio to 78.52.

More importantly, the County is in compliance with the Pay Equity Act. Their next report will not be due until 2019. Thus, the awarded wage increases for 2016 and 2017 have no immediate bearing on whether the County will be in compliance in 2019. In the meantime, everyone knows how easy it would be for the County to remain in compliance even after the wage awards are implemented for this bargaining unit. For example, the County could hire more female Deputies, which could potentially change some job classifications in this bargaining unit to balanced class by 2019. In addition, the County could grant the same wage increases to all County employees, which renders moot any pay equity compliance concerns. There are so many scenarios that can and will happen between now and 2019, so it would be a travesty to place great reliance on the pay equity issue in this case.

In addition to pay equity considerations, the internal settlement patterns regarding economic and non-economic issues, including wages, are important in the outcome of any interest arbitration.

The County currently has six bargaining units in addition to the Deputies: Licensed Essential Supervisors - Teamsters Local No. 320, Non-Licensed Essential Supervisors - LELS, Detention Deputies and Dispatchers - LELS, Highway - IUOE Local No. 49, Human Services - AFSCME, and Clerical Employees - Teamsters Local No. 320. The County's non-essential bargaining units, and one essential unit, the Non-Licensed Essential Supervisors, settled for the County's internal pattern of wage settlements for 2016: 1% increase 1-1-16; 0.25% increase 7-1-16. The Licensed Supervisors proceeded to arbitration and Arbitrator Jeff Jacobs awarded the County's wage positions for 2014, 2015 and 2016. Teamsters Local No. 320 and Benton County, BMS Case No. 14-PN-0551 (Jacobs, 2014).

It is clear from this evidence that a consistent general wage pattern for 2016 has been established by the County for all employees in the non-essential and essential bargaining units. These employees are receiving the same general wage increase for 2016 as has been offered the Union in this case. Significantly, there are no County employees that received a general wage increase that was greater than that was proposed by

the Union for 2016. Thus, the internal settlement pattern should be preserved for all County bargaining unit employees, including Deputies, for 2016. This provides fairness and consistency for all bargaining units.

Although Deputy Sean Gitch testified that some Deputies, including himself, thought about or considered leaving County employment, the County has experienced no problem attracting and retaining competent qualified individuals for its Deputy positions. Only two Deputies left for wage related reasons from 2013 through 2015. One Deputy has left in 2016. In seeking to fill the 2016 vacancy, the County received 66 applicants, with 8 passing the interview. The lack of wage related turnover in the bargaining unit and the County's ability to attract qualified applicants clearly demonstrate that the County is not experiencing a need to deviate from the internal pattern of settlements for 2016 in order to keep or entice Deputies or any other members of the bargaining unit.

Since none of the other bargaining units have settled for 2017, there is no internal wage settlement pattern for 2017. As a result, external comparability becomes the most important consideration when there is no consistent internal wage settlement pattern. The 2017 wage increase was derived from examining external wage settlement patterns among the comparables.

The data indicates that the comparable counties that have settled for 2017 the average percent increase at maximum hourly rate for Deputies was above 2% as proposed by the County (approximately 2.36%). This supports the Union's proposal of 3%.

Further justification for the Union's wage proposal for 2017 is found by the fact that even with the awarded 3% wage increase the Deputies at the maximum hourly rate would be approximately \$4.00 per hour below the comparables. The County's wage proposal would only exacerbate the discrepancy between Benton Deputies and comparable Deputies.

Another consideration that is important in this case is the Consumer Price Index ("CPI"), which is another factor to be considered by arbitrators. The Union provided data from the CPI - All Urban Consumers that over the past 5 plus years, the general prices of goods and services has increased 9.6%, while Benton Deputy wages have only increased 4.75% over that same period. This also justifies the Union's wage proposal for 2017.

ISSUE FIVE: SECTION 12.3 - SHIFT DIFFERENTIAL - WHAT CHANGE, IF ANY, SHOULD BE MADE IN THE HOURS THAT SHIFT DIFFERENTIAL IS PAYABLE

ISSUE SIX: SECTION 12.3 - WHAT SHOULD BE THE CHANGE IN AMOUNT OF SHIFT DIFFERENTIAL PAID IN 2016, IF ANY

ISSUE SEVEN: SECTION 12.3 - WHAT SHOULD BE THE CHANGE IN AMOUNT OF SHIFT DIFFERENTIAL PAID IN 2017, IF ANY

POSITION OF THE PARTIES

The current contract language in Section 12.3 states the following:

12.3 All employees covered under this contract shall receive a \$.60 per hour shift differential for all hours actually worked between the hours of 7:00 p.m. and 7:00 a.m.

The Union position modifies Section 12.3 to read as follows:

12.3 All employees covered under this contract shall receive a \$1.00 per hour shift differential for all hours actually worked between the hours of 5:00 p.m. and 7:00 a.m.

When the County submitted their final positions with BMS, the County's position was no change in the current language in Section 12.3 for 2016, but a \$.15 per hour increase effective January 1, 2017. At the arbitration, the Employer modified its original position to the following new position effective January 1, 2016:

12.3 All employees covered under this contract shall receive a \$.75 per hour shift differential for all hours actually worked between the hours of 7:00 p.m. and 7:00 a.m.

AWARD

The County's position is sustained.

RATIONALE

Presently Deputies get paid a shift differential for hours worked between 7:00 p.m. and 7:00 a.m. The current afternoon

shift begins at 5:00 p.m. Thus, two hours of the afternoon shift does not qualify for shift differential, while all of the evening shift, which begins at 9:00 p.m. receives the shift differential.

Licensed Essential Supervisors - Teamsters Local No. 320, Non-Licensed Essential Supervisors - LELS, Detention Deputies and Dispatchers - LELS all receive shift differential from the period 7:00 p.m. to 7:00 a.m. Thus, the Union's proposal to change the effective time from 7:00 p.m. to 5:00 p.m. would be inconsistent and would create an inequity with all of the other bargaining units in the County who receive shift differential.

Arbitrators generally place greater weight on internal consistency for benefits unless there are compelling reasons to deviate from that pattern. The Union argues that their position is justified for the simple fact that the afternoon shift begins at 5:00 p.m., which results in only partial shift differential payment to Deputies. The fact that the first two hours of the afternoon shift is not compensable is not convincing to alter the consistent pattern of other bargaining units receiving shift differential starting at 7:00 p.m.

The other shift differential at issue is the amount of shift differential payment. Currently Deputies receive \$0.60 for each hour of shift work. The Union seeks to increase that amount to \$1.00 per hour effective January 1, 2016, while the

County proposes at the hearing, for the first time, to increase that amount to \$.75 per hour effective January 1, 2016.

The data reveals that all the counties that provide a differential, only two, Mille Lacs and Meeker, compensate its Deputies as low or lower than Benton. As the Union shows, the average for differential pay is \$0.83, a far cry from the \$0.60 currently reimbursed to the Deputies. A move to \$.75 per hour commencing January 1, 2016 will adequately compensate Deputies for the impacts of shift work, and will do so in an amount more in line with the current market rather than a \$1.00 per hour as advocated by the Union, which is above the market average.

ISSUE NINE: SECTION 18.2 HOW SHOULD THE LANGUAGE REGARDING USE OF VACATION BE MODIFIED, IF AT ALL

POSITION OF THE PARTIES

The current contract language in Section 18.2 reads as follows:

Vacation credit shall be allowed to accumulate to a maximum of two hundred eighty-eight (288) hours. Vacation accrual shall be posted for each employee on a quarterly basis.

The County's position is no change in the contract language in Section 18.2.

The Union's final position modifies Section 18.2 to read as follows:

Vacation accumulation shall not exceed two hundred eighty-eight (288) hours on December 31 of each year. Any excess hours on this date shall be forfeited. Vacation accrual shall be posted for each employee on a quarterly basis.

AWARD

The Union's position is sustained.

RATIONALE

The Union has requested additional flexibility for the use of the vacation hours contractually provided to each bargaining unit member. Presently there is a hard cap of 288 hours of vacation, above which a member may not accumulate. This is consistent with all other County bargaining units. The Union's proposal does not increase that accumulation number, but rather provides the employees the ability to utilize those hours by moving that hard cap to December 31 of each year.

As stated previously, arbitrators generally place greater weight on internal consistency for benefits unless there are compelling reasons to deviate from that pattern. In this case the Union has met this burden by presenting compelling reasons.

Currently, there are issues and concerns with Deputies being denied vacation leave due to staffing levels, which could lead to Deputies losing additionally accrued hours. Also, Deputies have found themselves in the position of having to take off a random day or two to not exceed the current hard cap of 288 hours, thereby losing additional hours.

While the Union's position deviates from the norm for other County employee, when it comes to the scheduling of vacation, law enforcement employees are not on equal footing as most other

County employees. Since in law enforcement there is minimum staffing and near 24/7 scheduling, vacation is often denied due to scheduling needs. This inequality allows for different vacation language among other bargaining units. If Deputies were treated equally to other employees (granted vacation leave without need of replacement on their shift), they would not find themselves in the position of hardship with the accumulation cap. But since they are treated differently, different language is appropriate.

The Union's position is a win/win for the County and the Deputies: it provides vacation flexibility for the Deputies, and is no cost to the County as it does not raise the overall cap.

ISSUE TEN: ARTICLE 19 - WHAT SHOULD BE THE COUNTY CONTRIBUTION TOWARD HEALTH INSURANCE IN 2016, IF ANY

ISSUE ELEVEN: ARTICLE 19 - WHAT SHOULD BE THE COUNTY CONTRIBUTION TOWARD HEALTH INSURANCE IN 2017, IF ANY

POSITION OF THE PARTIES

The County's position is in the event a two-year agreement is awarded the Employer shall pay 50 percent of any health insurance premium increase from 2016 rates. Any reduction in the health insurance premium shall be shared on an equal 50/50 basis between the Employer and employees.

The Union's position is to increase the Employer contribution towards healthcare insurance in a dollar amount equal to health insurance premium increases in 2016 and 2017.

AWARD

The County's position is sustained.

RATIONALE

For 2016, health insurance rates remain unchanged, which was a blessing for everyone. So basically, an award for either the Employer or the Union results in the same thing: no increase to insurance premiums for the Deputies.

It is generally recognized that health insurance premiums will continue their steady creep upwards, taking more and more of the wages received by employees. In fact, for 2017 it is expected that the health insurance premiums will rise again, but there is no known or predicted percent increase at this time. In any event, the Union is advocating for the County to pick up the entire additional cost of the health insurance premium increase for 2017. The County is advocating for the same contribution to health insurance as other employees for 2016, a 50/50 split on increase/decrease in 2017.

It is important to note that all of the bargaining units in the County have accepted the County's position on health insurance for 2016, which resulted in no increase in premiums for 2016, so the Union's position is moot.

The County and its bargaining unit have addressed the issue of health insurance premiums many times during bargaining. Their negotiated collective bargaining agreements reflect the

longstanding practice of splitting health insurance premiums equally, with any reduction in premiums being shared on an equal 50/50 basis between the Employer and employees, which is the position of the Employer in this case. In fact, the current language in the Deputies contract adheres to this practice as follows:

For the 2015 plan year, the Employer shall pay 50 percent of any premium increase from 2014 rates. Any reduction in premium shall be shared on an equal 50/50 basis between the Employer and Employees. Final 2015 rates will hereby attach to this agreement when finalized.

The Union has offered no quid pro to sever the historic relationship it has had with the Employer on health insurance premium increases. Further, since the Union has the burden of proof to change existing contract language, the Union never presented any evidence that some or the majority of the comparable counties adhere to the practice that the employer pays for the entire cost of the health insurance premium increase.

In fairness, the external data was lacking in specificity as to what the comparable counties were paying, if any, when health insurance premiums increase or what occurs if a premium decreases.

ISSUE THIRTEEN: NEW - WHAT SHOULD BE THE AMOUNT OF FIELD TRAINING OFFICER PAY IN 2016, IF ANY

ISSUE FOURTEEN: NEW - WHAT SHOULD BE THE AMOUNT OF FIELD TRAINING OFFICER PAY IN 2017, IF ANY

POSITION OF THE PARTIES

The County Sheriff has recently decided to assign certain employees to act in the role of Field Training Officer ("FTO") for new employees.

The County proposes that at the discretion of the Employer, employees may be assigned to serve as the FTO for new employees, with FTO receiving a phased-in premium of \$.50 per hour in 2016, with an increase of \$1.00 per hour in 2017.

The Union is proposing that employees acting in the role of FTO shall be paid \$2.00 per hour for all hours actually worked as FTO in 2016 and 2017.

AWARD

At the discretion of the Employer, employees may be assigned to serve as the FTO for new employees, with employees acting in the role of the FTO being paid \$1.50 per hour for all hours actually worked as the FTO in 2016 and 2017.

RATIONALE

The amount of the FTO premium, in those comparable counties that even have it, varies greatly. The Union's position of \$2.00 per hour would place the County at the top of those comparable counties that provide the FTO premium, and the County's position of \$1.00 per hour for 2017 would place Benton tied for the bottom and last in 2016. The awarded amount of \$1.50 per hour for FTO pay places Benton at approximately \$.09

below the average of the comparable counties, which is quite competitive in the external marketplace.

Additionally, at \$1.50 per hour, Deputies will be incentivized to seek the role of FTO, providing a much more attractive pool of Deputies from which the Sheriff can assign the FTO to a new employee.

The Parties are to be complemented on their professional conduct at the hearing and the comprehensiveness of their oral presentations and their written post hearing briefs.

Richard John Miller

Dated July 11, 2016, at Maple Grove, Minnesota.