State of Minnesota
Bureau of Mediation Services (BMS)
Arbitration Award Summaries

BMS Case Number: 16-PN-0668
Employer: Anoka County
Union: LELS
Arbitrator: Richard Dunn
Date of Award: November 29, 2016

Employer Advocate: Scott Lepak, Attorney
Union Advocate: Kim Sobieck, Staff Attorney

Background

The bargaining unit is comprised of 36 Dispatchers. As “essential employees,” the bargaining unit does not have the right to strike but can request interest arbitration when negotiations reach an impasse. BMS certified nine issues for arbitration and all nine issues remained unresolved at the time of the arbitration.

Issues

1. Duration of Contract.
2. Amount of General Compensation Increase, if any, for 2016.
3. Amount of General Compensation Increase, if any, for 2017.
4. Amount and Calculation of Merit Increase, if any, for 2016.
5. Amount and Calculation of Merit Increase, if any, for 2017.
6. Amount of Market Adjustment for 2016, if awarded.

9. Holiday Pay. Should the Memorandum of Agreement Language Be Put in the Contract?

**Discussion-Analysis**

1. **Duration of Contract.**


   Award: Union’s position was awarded. Two-year contract covering 2016 – 2017 was awarded.

   The Arbitrator found the recent precedent set by Arbitrator Ogata regarding contract duration in another Anoka County Sheriff’s Department bargaining unit, the need for stable labor relations, and the fact 2017 comes in about a month, lead this Arbitrator to conclude a two-year contract duration was appropriate. There was no impending dire circumstance either internally or externally which would cause the duration of the contract to be limited to one year. In addition, the Arbitrator found a two-year contract provided more certainty to the County for budgeting and forecasting expenditures for 2017.

2 and 3. **2016 and 2017 General Compensation Increase.**


   Union Position: Two percent general wage increase for 2016 and 2.75 general wage increase for 2017.

   Award: The County’s position was awarded. Zero percent general wage increase for 2016 and 2017.

   The Arbitrator found the County was moving continuously toward merit pay rather than across the board general wage increases. This was supported previously internally in Anoka County for this bargaining unit by Arbitrator Laumeyer who did not award any general increase in wages in 2014 and 2015, but awarded merit increases. The Arbitrator determined general wage increases were counter to the merit pay philosophy, and would communicate the wrong message to employees. In addition, there was not a compelling need to award a general increase.
4 and 5. 2016 and 2017 Merit Increase.

Employer Position: The County proposed a 2% increase in 2016 and a “me too” for 2017.

Union Position: The Union proposed a 3% increase in 2016 and 2017.

Award: A 2.5% merit increase in 2016 and 2017.

The Arbitrator found the cost and the ability to pay for any increase area factors which must be considered in resolving wage and salary issues. The cost of the award was estimated to be about $44,500 in 2016 and $45,900 additionally in 2017. The County proposed the dispatchers should receive merit increases in 2017 equal to the amount of the non-union employees. The Arbitrator determined these merit increase amounts would be affordable for the County.

The Arbitrator found the County appeared to have a history of retained progression in the pay plan for dispatchers. The Arbitrator found restrained progression could cause serious problems and confusion in the pay program. The Arbitrator determined this award would support merit movements for performance during 2016 and 2017 and assist in resolving the history of restrained progression, which was most acute during the recent recession when the County asked dispatchers and other employees to adhere to restrictive practices with regard to the reward system.

6 and 7. 2016 and 2017 Market Adjustment.


Union Position: The Union proposed a $0.75 per hour market adjustment increase for 2016 and 2017.

Award: The County’s position was awarded. No market adjustment for 2016 and 2017.

The Anoka county Personnel Rules and Regulations offers the following commentary about Market Rate Adjustments:

Although the County considers internal compensation relationships of primary importance in maintaining pay equity, it is also necessary to recognize the external compensation relationships through market rates and market rate adjustments. Authority to approve market rate adjustments is delegated to the Management Committee.

a) Market rate adjustments or extensions may be considered and external market relationships examined when:
(1) A salary range is insufficient to attract qualified candidates for employment; or
(2) A continuing pattern of turnover, in a given position can be directly linked to established compensation levels; or
(3) A given position deviates from the market rate by a substantial percentage.
(b) Market rate adjustments or extensions also may be considered and external market relationships examined when management deems a specific external market relationship must be examined.

The Arbitrator found there was no turnover statistics presented to support a market rate adjustment for dispatchers. The Arbitrator also found the Union did not present any evidence or case which starting pay is a problem for recruitment. As a result, the Arbitrator determined the criteria described in the Personnel Rules and Regulations did not call for a market rate increase at this time.


Employer Position: The County proposed to eliminate stability ranges and replace them with the same wage structure as non-union employees have.

Union Position: The Union proposed no changes to the wage structure.

Award: The Union’s position was awarded. No change to the wage structure.

The Arbitrator did not believe it was appropriate to design a pay plan, particularly one based on the limited information available in this case. The Arbitrator determined the plan design changes should be negotiated by the parties with proposals which address the objective of the new design, plan costs, timing of the change, the bases and timing for progression though the range, the impact on incumbent employees, and other features associated with merit pay plans, etc.


Employer Position: The County objected to the Arbitrator’s consideration of this issue.

Union Position: The Union proposed the language in the Memorandum of Agreement regarding interpretation of Holiday Pay language be incorporated into the collective bargaining agreement.

Award: The Arbitrator did not address this issue and will consider this as mutually agreeable by the parties for no arbitration consideration or decision as part of this arbitration.

The Union in its post-hearing brief requested its issue be withdrawn from consideration by the Arbitrator with the understanding the Memorandum of Understanding itself will continue to be effective throughout the duration of the contract. The Arbitrator determined the parties would now proceed to draft appropriate contractual provisions for their Memorandum of Agreement covering 2016 and 2017.
Overall Award

1. **Duration of Contract.**
   
   Union’s position was awarded. Two-year contract covering 2016 and 2017.

2. **2016 General Wage Increase.**
   
   The County’s position was awarded. Zero percent general wage increase for 2016.

3. **2017 General Wage Increase.**
   
   The County’s position was awarded. Zero percent general wage increase for 2017.

4. **2016 Merit Increase.**
   
   A 2.5% market increase was awarded for 2016.

5. **2017 Merit Increase.**
   
   A 2.5% market increase was awarded for 2017.

6. **2016 Market Adjustment Increases.**
   
   The County’s position was awarded. No market adjustment for 2016.

7. **2017 Market Adjustment Increases.**
   
   The County’s position was awarded. No market adjustment for 2017.

8. **Compensation – Stability Ranges.**
   
   The Union’s position was awarded. No change to the wage structure.

9. **Holiday Pay.**
   
   The parties agreed not to have the Arbitrator consider the Holiday Pay Memorandum. This issue was withdrawn from consideration at the request of both parties.