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September 17, 2007

Mr. Jason Schmidt  
City of St. Paul Labor Relations  
5th Floor  
City Hall Annex  
St. Paul MN 55102

**RE: Police Federation Arbitration Award**

Dear Jason:

I was shocked to learn upon reading the City's draft of the new Collective Bargaining Agreement that the City is apparently taking the position that the Arbitrator's award of a 0.5% increase on July 1, 2007 is applicable only to patrol officers rather than to all sworn personnel. Clearly, Arbitrator Lundberg intended that the additional increase apply to all sworn personnel as evidenced by the following:

- The arbitrator uses the terms "police" and "police officers" generically to refer to sworn personnel throughout the award. For example, in numerous places he refers to "police officers and Emergency Call Center employees."
- He makes several references to the "market adjustments to police officer wages in 2004 and 2005;" adjustments that were implemented through all sworn ranks.
- The arbitrator refers to the concessions made by "police" and "firefighters" in recently bargained settlements, concessions that were by all sworn officers and firefighters.
- The arbitrator frequently refers to the "ECC Classification" even though no such classification technically exists, thereby demonstrating his generic treatment of "police" and ECC personnel as separate classes of employees rather than distinguishing among the specific job titles among the sworn and un-sworn employees.
- The only time that the arbitrator refers to the three distinct job classifications among the sworn positions, he capitalizes the titles "Officer, Sergeant and

Commander.”<sup>1</sup> *See Award, p. 12* When used generically, the term “police” or “police officer” is not capitalized.

More importantly, the specific language of the Arbitrator’s award demonstrates that he based his decision on the following clearly articulated rationale:

- “Neither [the Union nor the Employer] proposal before the arbitrator will cause the Employer to be out of compliance with the Minnesota Pay Equity Act.” *Award, p. 13.*
- “The recent history of negotiations between the parties has focused on wage comparisons between the St. Paul **police** and ECC employees and **police** and ECC employees from other jurisdictions. The comparisons show that St. Paul ECC employees are well compensated relative to similar employees in other jurisdictions while the wage ranking of St. Paul **police** within several comparison groups was considered to be too low prior to negotiations over the 2004 and 2005 contract. The wage ranking of St. Paul **police** within the same comparison groups was maintained in 2006 and will either fall or be maintained as a result of this decision.” *Award, pp. 13-14. (Emphasis added).*
- “**Police** wages is the more contentious issue between the parties. . . What the Union has shown is that recent wage negotiations have focused on improving and maintaining the relative ranking of St. Paul **police** career wages within both the comparison group proposed by the Union and the comparison group proposed by the City. The Union made concessions in order to improve its wage ranking in 2004 and 2005 and made additional concessions in order to maintain its wage ranking. Both the Federation and the City agreed in 2004 and 2005 that the relative ranking of St. Paul **police** career wages was lower than acceptable.” *Award, pp. 15. (Emphasis added).*
- “The wage award for **police** should attempt to resolve the wage dispute in a manner that would accomplish the following:
  - Recognize the obligation of the City to manage and conduct its operations by not moving the city into a financial predicament that is unmanageable.
  - Recognize the recent bargaining history of the parties over wages by not allowing the relative ranking of St. Paul **police** career wages to fall back to the pre 2004 level.

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<sup>1</sup> In fact, this is the ONLY reference in the entire award to Sergeants and Commanders.

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- Recognize the importance of internal wage consistency and pay equity by not disrupting the equity structure of the City in a manner that is likely to disrupt the City's compliance with the Pay Equity Act." Award, pp. 15-16. (Emphasis added).

The City's interpretation is wholly inconsistent with the foregoing three goals the Arbitrator established for his Award. The difference in cost between including or excluding the 50 Sergeants and 1 Commander in the affected salary steps from the additional 0.5% increase is about \$9,000 for 2007 and \$18,500 in tails costs. No rational person could seriously contend that such amounts would "move the City into a financial predicament that is unmanageable."

As for pay equity, the arbitrator concluded on page 13 of the Award, as cited above, that the Union's position would not cause the Employer to be out of compliance with the Pay Equity Act. Thus, the City's interpretation of limiting the increase to patrol officers is not consistent with the Arbitrator's conclusions since the Federation's position clearly provided for the increases to be effective as to all sworn ranks.<sup>2</sup>

Most importantly, the bargaining history of the parties, which has consisted of applying all wage increases and concessions uniformly among all sworn ranks, was the critical component of the Arbitrator's award of an extra 0.5% increase. Therefore, to be consistent with this bargaining history, the wage increase must also be applied uniformly among all sworn ranks. The City's interpretation that the Award intended to now treat Sergeants and Commanders differently from Patrol Officers<sup>3</sup> is in direct and irreconcilable contradiction to the Arbitrator's clear and unequivocal statements supporting of the bargaining history of the parties. While the exclusion of the ECC personnel from the additional wage increase is logical, consistent with the bargaining history and specifically addressed by the Arbitrator, the exclusion of Sergeants and Commanders is not.

The City's uncompromising wage position throughout the negotiations bordered on bad faith bargaining for which the Federation wanted to pursue legal action for violations of PELRA. I was successful in urging it to refrain from that course of action and seek relief through the arbitration process. However, the subsequent attempt by the City to undermine the process by refusing to implement the clear intention of the arbitrator merely to save the pittance of money at issue here cannot and will not be tolerated. If the City persists in its position as to the Award, the City will cause serious and long-term damage to the relationship between it and the Federation. It is unfathomable that the City would do so over such a paltry sum of money.

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<sup>2</sup> In fact, the Union's position proposed to provide the same wage increases to the ECC personnel as well as to all sworn personnel.

<sup>3</sup> The parties have never treated promoted personnel differently when applying wage increases or concessions and no evidence that promoted personnel had been treated differently was submitted to the Arbitrator. Thus, the City's interpretation of the Award is contrary to the bargaining history, the very bargaining history that the Arbitrator relied upon to award the increase.

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Please be advised that unless I receive written confirmation from you or another authorized representative of the City of St. Paul on or before 4:00 p.m., Friday, September 14, 2007, that the City will honor the arbitration award by applying the July 1, 2007, 0.5% increase to Sergeants and Commanders as well as to patrol officers, the Federation will have no choice but to commence litigation for an unfair labor practice in violation of Minn. Stat. §179A.13, subd. 2(9).<sup>4</sup> Be further advised that, if such an action becomes necessary, the Federation will seek recovery of its attorney fees in addition to seeking enforcement of the Award. I await hearing from you.

Sincerely,

James P. Michels

cc: Mayor Chris Coleman  
Council President Kathy Lantry  
Federation President Dave Titus

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<sup>4</sup> Pursuant to Minn. Stat. §572.16, the parties cannot now seek clarification from Arbitrator Lundberg as to what he intended since more than twenty days has passed since the receipt of the award. *See All Metro Auto Supply v. Warner*, 707 N.W.2d 1, (Minn. Ct. App. 2005).