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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 received your letter dated September 12, 2007. The Federation always prefers an amicable resolution to matters rather than adversarial proceedings. In that vein, the Federation would have preferred to resolve the Labor Agreement at the bargaining table rather than be forced into arbitration. I did not refer to seeking clarification from Arbitrator Lundberg in my letter dated September 6, 2007, merely because such a request can no longer be made by either party. In fact, pursuant to Minnesota case law, the arbitrator lacks the authority to issue a clarification after the 20-day period has expired. While the case law appears to be nonsensical in that it affords no simple remedy to parties having a legitimate dispute over the interpretation of an arbitration award when the parties are not even aware that there is a dispute until more than 20 days after receiving the award, there is a remedy available under PELRA and that is why my letter references that remedy.

In the spirit of attempting to resolve our dispute over the award in the most cost effective and timely manner, the Federation is willing to submit the matter to Arbitrator Lundberg in a joint request for "assistance" that would read as follows:

We are seeking your assistance in resolving a dispute between the City and the Federation as to the job titles that you intended to receive the 0.5% increase as of July 1, 2007. The language of the award states: "Effective July 1, 2007, police officers at Step B, C, D, 7 and 10 year shall receive an additional increase of .5%."

The Federation believes that the un-capitalized words "police officers" means that you intended that the increase to be awarded to all sworn classifications (including Police Officer, Sergeant and Commander) and not just to the classification of Police Officer because: all sworn personnel were treated similarly by the parties in the 2004-2005 and 2006 agreements; your award specifically articulates the grounds for excluding the

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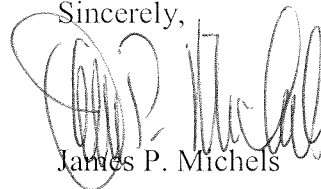
Emergency Communication Center personnel from the additional .5% but contains no such discussion regarding the exclusion of Sergeants and/or Commanders; and throughout the award the un-capitalized terms "police" and "police officers" are clearly used in reference to all sworn personnel.

The City believes that the words "police officers" mean the classification of Police Officer only and that you did NOT intend for the July 1, 2007, increase apply to all sworn personnel based on the reference to the monthly pay of police officers to be \$139.61 per month lower than predicted pay.

Therefore, the parties are requesting that you assist us by simply advising us as to whether you intended for the additional .5% effective July 1, 2007 to be only for the classification of Police Officers in the designated steps or to be for all sworn classifications in those steps. You may respond by whatever means is easiest for you, whether by email, letter or telephone. By signing below, the parties, through their representatives, have stipulated to being bound by your statement as to your intention. Thank you in advance for your assistance in resolving this dispute without further cost to either party.

Based on the case law, it seems likely that Arbitrator Lundberg may refuse to respond to our request. In that event, the Federation is willing to seek the assistance of the BMS and/or to explore some other mutually acceptable form of alternative dispute resolution before resorting to litigation under PELRA. However, time is of the essence in this matter and, therefore, if we are going to seek an amicable resolution I would like to have an agreement as to how we are to proceed before the end of this week. I await hearing from you.

Sincerely,



James P. Michels

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