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IN THE MATTER OF ARBITRATION BETWEEN

CITY OF HELENA, MT)
"Employer")
)
AND)
)
AFSCME MONTANA COUNCIL NO. 9,)
LOCAL NO. 2280)
"Union")

NAME OF ARBITRATOR: John J. Flagler

DATE AND PLACE OF HEARING: July 25, 2006; City Hall, Helena, MT

DATE OF RECEIPT OF POST-HEARING BRIEFS: September 9, 2006

APPEARANCES

FOR THE EMPLOYER: David L. Nielsen, Esq.
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INTRODUCTION

This matter came on for interest arbitration in City Hall, Helena, MT, on July 25, 2006.

The parties filed their respective final offers timely and the post-hearing briefs reached the Arbitrator on September 9, 2006.

CITY

1A

UNION

DURATION

The City is proposing a 3 year agreement from 7/1/05 through 6/30/08

HOLIDAYS

The City's proposal is to pay holiday pay to those employee's taking the holiday off and to pay holiday pay + time-and-one-half pay for those working the holiday. Employees on a regular day off will have their holiday on the 1st day they return.

COMPENSATORY TIME

The City proposal is to limit the accumulation of compensatory hours to 80, with no cash-out except when the hours exceed 80; upon termination; or in an emergency with the approval of the Chief of Police.

SHIFT DIFFERENTIAL

The City proposes beginning 7/1/06
\$.25/hr for shift 2
\$.35/hr for shift 3
Beginning 7/1/07
\$.50/hr for shift 3

WAGES

The City proposes:
7/1/05 (FY06) – 2.5% increase
7/1/06 (FY07) – 3.4% increase
7/1/07 (FY08) – CPIU as of
12/31/06 or COLA approved by
Commission whichever is greater

ADDITIONAL PAY

Beginning 7/1/06
For 10-14 years +1% above Sr.
Officer/Corporal
For 15+years +1.5% above Sr.
Officer/Corporal
Beginning 7/1/07
For 15+years +2% above Sr.
Officer/Corporal

DURATION

The Union proposes a 2 year agreement from 7/1/05 through 6/30/07

HOLIDAYS

The Union proposes retaining current contract language where Officers can "bank" their holidays and either take them at a different time or cash them in.

COMPENSATORY TIME

The Union proposes to retain current contract language and accumulate up to 320 hours of compensatory time and use the time or cash-in the hours.

SHIFT DIFFERENTIAL

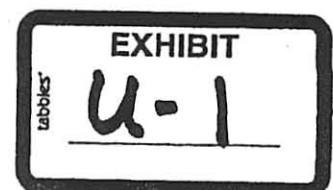
The Union proposes beginning 7/1/06
\$.25/hr for shift 2
\$.50/hr for shift 3

WAGES

The union Proposes
7/1/05 (FY06) – 3%
7/1/06 (FY07) – 4.4%
No proposal for 3rd Year

ADDITIONAL PAY

Beginning 7/1/06
For 10-14 years +1% above Sr.
Officer/Corporal
For 15 +years + 2% above Sr.
Officer/Corporal



CITY

UNION

FIELD TRAINING OFFICER PAY

Beginning 7/1/05

Increase from \$1.50/hr to \$2.00/hr

FIELD TRAINING OFFICER PAY

Beginning 7/1/05

Increase from \$1.50/hr to \$2.00/hr

RETRO PAY

Retro pay from 7/1/05 for FY06
for wages and FTO Pay

Retro pay from 7/1/06 for FY07

RETRO PAY

Retro pay from 7/1/05 for wages
and FTO Pay

OPINION AND ORDER

In the interest of implementing the intent of the Montana legislature in choosing last best offer/total package method of interest arbitration, it is useful to review the strategic rationale behind this form of dispute resolution. Many states, including Montana, recognize that in prohibiting strikes by certain essential employees, the power of public employers to unilaterally impose wages and conditions of employment can make collective bargaining meaningless.

Accordingly, various forms of interest arbitration came about to effect a fair and reasonable balance of power in public sector collective bargaining. Three major types of interest arbitration have emerged in recent year – traditional, final best offer item-by-item, and final best offer total package.

The most commonly practiced form has been so-called traditional interest arbitration which provides the arbitrator with authority to select either party's final best offer or something in between – and on an item by item basis. Critics of traditional item by item interest arbitration argue that this form discourages voluntarism in collective bargaining by causing the parties to strategize the supposed split the difference tendencies of arbitrators.

According to this line of criticism, the more reasonable party loses out to the strategy of shifting the arbitrator's central tendency in the direction of the more extreme final position – thereby moving the parties positions further apart and making voluntary settlements less likely. Little competent research can be found to support the assertion that such gamesmanship actually happens with any frequency.

It can be successfully argued, however, that nothing in last offer, item by item interest arbitration per se serves to encourage or facilitate voluntary settlements. By contrast, the last best offer/total package¹ form has the inherent appeal to self-interest which impels each side to structure its final offer so as to lay claim on being the more reasonable.

As each side shapes its final offer as it moves towards binding arbitration the gravitational force which moves each towards moderation consequently tends to narrow their differences which increases the prospects for voluntary settlement. At least that is the rationale offered by supporters of this latter form of interest arbitration and in the instant matter this rationale seemed to have worked.

Even though the parties obviously did not bargain to voluntary settlement of all issues on their original list, they were successful in resolving several items at issue and of narrowing their differences in those subject to this present arbitration. In plain truth, neither party presented a final offer on any item certified at impasse which could be characterized as less than reasonable.

In sum, the history of the recent negotiations showed a record of mutual good faith and sincere attempts to resolve differences short of arbitration. It is an easy task for an arbitrator

¹ It would be accurate to call this form "final, more reasonable, total package, single arbitration choice arbitration" but such laborious construction would appeal only to the most literal minded.

under the Montana form of interest arbitration to choose the final package where one party's position is clearly more reasonable.

That is not the situation in this instant matter. On a positive note, however, I deem it a privilege to have been chosen to make the final call in a process which up to this point seems to have served the parties and the public well. Inasmuch as both parties presented well supported, responsible positions it should not come as a surprise that on some items the Police advanced the somewhat more reasonable view while on others, the City presented the better case.

The following review, therefore, seeks to identify the total package which, in its overall composition, better integrates its several parts into the more balanced accommodation with the interests of the City, the Police and the community at large.

Towards this end, the evaluation of the parties' competing position will be by the governing state code Mont. Code Ann § 39.31.503 and 504 et seq. which provides, in relevant part, that:

[T]he arbitrator shall select only one of the last best offer packages submitted by the parties and shall make written findings along with an opinion and order.

Mont. Code Ann. § 39-31-504(4). Therefore, the arbitrator is required to choose either the entirety of the Union's or the City's Last Best Offer package.

The goals of binding arbitration include "the high morale of police officers and to the efficient operation of police departments to provide an alternative, expeditious, and effective procedure for the resolution of labor disputes through binding arbitration." Mont. Code Ann. §39-31-503(1).

In his findings and opinion, the arbitrator must give primary consideration to:

- (a) The interest and welfare of the public;
- (b) The reasonable financial ability of the unit of government to meet the costs of the proposed contract;
- (c) The ability of the unit of government to attract and retain qualified personnel at the wage and benefit levels provided;
- (d) The overall compensation presently received by the police officers, including direct wage compensation, holiday pay, other paid excused time, insurance, and all other direct or indirect monetary benefits;
- (e) Comparison of the overall compensation of other police officers in comparable communities with similar populations in Montana and contiguous states;
- (f) Inflation as measured by the consumer price index, U.S. city average, commonly known as the cost of living;
- (g) The stipulations of the parties; and
- (h) Other factors, consistent with subsections (3)(a) through (3)(g), that are traditionally taken into consideration in the determination of wages, hours, and other terms and conditions of employment.

However, the arbitrator may not use other factors if, in the judgment of the arbitrator, the factors listed in subsections(3)(a) through (3)(g) provide a sufficient basis for an award.

ISSUE NO. 1 – Duration of the Contract

Position of the Union

The duration of the labor contract should be for two years. The three year duration proposed by the City supposedly allows the Employer more time to phase in the new costs. At the hearing of this matter, however, City witnesses admitted there was “no problem” budgeting for either proposal.

The real benefit to both arises from the shorter term proposed by the Union which allows both parties to better respond to changing conditions and provides greater opportunity to exercise their rights to negotiate.

Position of the City

The duration of the labor contract should be three years.

A three year agreement allows the City to phase in the wage increases more gradually. As is seen from the comparison of City’s and Local’s proposals in regard to shift differential and additional pay, the starting and ending amounts are identical in both. The difference is allowing the City one more year to make the transition. At the end, both are the same amount for future calculations.

Since the negotiations in this case have extended over a substantial period of time, a three year agreement today, with a starting date of July 1, 2005, would only have a life of 22 months. A two year agreement would only have a life of 10 months and renegotiations for another agreement would most likely start in about six or seven months.

The agreement immediately preceding this agreement had a three year term – from July 1, 2002 to June 30, 2005. Therefore, the historical precedence is a three year agreement.

Analysis and Conclusion

The determination on the duration of the agreement cannot be properly informed without careful consideration on its relationship to several other issues here at impasse. Therefore this review will return to the duration issue following study and evaluation of the remaining six items at impasse.

ISSUE NO. 2 – Holidays

Position of the Union

The Local proposes the status quo, which annually credits each officer with the total hours for all holidays falling within that calendar year. Each officer may, with the permission of the officer's supervisor, take time off for credited holiday time or cash out unused holiday credits. The cash-out option may only be exercised by a request made by an officer on the officer's time report form for the pay period prior to June 1 and December 1 of each year.

Argument:

The current contract is more workable than the City's proposal. The City argues it cannot budget for the amount of holidays officers will wish to cash. While the money required to pay employees for the "cash out" holidays may vary among employees, and between pay periods, since this policy has been in place for a number of years, the City can estimate the amount required to pay out based on averages from previous years. The City has acknowledged that it is not impossible to budget for cash-outs, and that they have enough money. The City also maintains control of the officers' schedule through supervisors' approval or vacation. Furthermore, the City's proposal to change the contract contains inherent unpredictability because officers could choose to take time off or receive overtime pay for the holidays worked, resulting in a potential \$30,000 liability to the City.

The current system of banking holidays with a cash-out option recognizes that officers often can neither take holidays on the actual day, nor take days off at convenient dates. It is necessary to have a sufficient number of officers available to protect the public. Full staffing of shifts remains difficult in Helena due to officers on sick leave comp. time, vacation, and staff turnover. The incentive to work on holidays provided by the current contract is still needed.

Providing for high morale is as important as having a sufficient number of available officers for safety and efficiency. Officers' morale increases.

There is no compelling need to change the contract. In addition, the City argues that it needs to remove the existing holiday language because a proposed shift change will result in a dramatic increase in the amount of holidays banked and cashed out. This argument, however, is based upon speculation and not clear and convincing evidence.

Position of the City

When a holiday falls on a date scheduled off for the officer, the first day after the holiday that the officer is scheduled to work will be considered the holiday.

If the officer is given time off on the scheduled day that is considered to be a holiday, the officer will be paid for the holiday at officer's regular rate of pay for eight hours.

If the officer is required to work a scheduled day that is considered to be a holiday, the officer will be paid at a rate of one and one-half times the rate of pay for all actual hours worked that day, even if in excess of eight hours, plus regular rate of pay for the eight hours for the holiday.

The holiday pay issue is the most important to the City. The City wants to reform the holiday pay method to conform to the practice for other City employees. Under the 1979 opinion issued by Attorney General Mike Greely, a local government must either grant an employee paid time off for the holiday or give the employee another day off in lieu of the holiday. That decision is left to the discretion of the employing governmental entity. 38 Op. Atty Gen. Mont. 56. This opinion cites §2-18-603(1)(a), MCA, which states:

A full-time employee who is scheduled for a day off on a day that is observed as a legal holiday, except Sundays, is entitled to receive a day off with pay either on the day preceding the holiday or on another day following the holiday in the same pay period or as scheduled by the employee and the employee's supervisor, whichever allows a day off in addition to the employee's regularly scheduled days off, provided the employee is in a pay status on the employee's last regularly scheduled working day immediately before the holiday or on the employee's first regularly scheduled working day immediately after the holiday.

The current agreement provision on holidays, which the Local wishes to retain, departs from these principles by having holidays banked as a group and subject to being cashed in, either June or December each year. This practice leaves the City guessing as to how many holidays are going to be taken as time off and how many will be cashed in. It creates an unknown, unfunded liability because the City doesn't know how many banked holidays will be cashed and how many taken as days off. The City's proposal makes it possible for more accurate budgeting for holidays. In the City's proposal, the holiday is paid for in the same fiscal year in which the holiday occurs. Currently, holidays falling in the previous fiscal year may be cashed in during the subsequent fiscal year.

The City's proposal forces both the supervisor and the employee to deal with the holiday immediately and not postpone the decision of whether it is taken or cashed. This makes holiday pay more manageable. For the employee, the payment for the holiday is in the same pay period and is not delayed until one of the two windows for cash-in. The employee gets paid for the holiday, but with the City's proposal that payment comes sooner.

As an incentive for this proposal, the City is boosting the pay when an employee works on a holiday or its substitute to one and a half times the normal rate of pay. This time and a half rate applies to the total hours worked by the employee. For an employee on a nine hour shift who works on a holiday, the employee will receive time and a half for the hours actually worked and compensation at the employee's regular rate for eight hours for the holiday. Presently, and what the Local requests to retain, an employee working on a holiday would only receive pay at the regular rate for the time worked and later would be paid at regular rate for eight hours for the holiday.

In the worst case scenario under the City's proposal, which assumes the employee took off all holidays, the employee would be compensated for exactly the same number of hours as under the Local's proposal – 2080 hours. Under any other combination of holiday time off and compensation, the employee will fare better under the City's proposal – the payment of time and a half for working on a holiday increases the amount of compensation.

Local agreements from other Montana cities better supports the City's position. None of the agreements are identical to Helena's current agreement or to each other. There are some that have features common to the City's proposal. Four cities compensate the employee who works on a holiday at a time and a half, plus being paid for the holiday. Four cities pay for holidays that fall on an employee's day off within the same pay period as when the holiday occurs.

Even the cities that allow a conversion of unpaid holiday time to compensatory time to be used later, or some other form of banking time, limit the most that can be accrued and after reaching the maximum accrual, the holidays are either used or paid. Unlike Helena's current agreement, these cities don't allow the compensatory time conversion until after the holiday is reached. The City's proposal is more akin to the methodology of the other six cities than is the Local's proposal.

The City recognizes stresses inherent in police work and wants its officers to have time off. For that reason, the City instituted the nine hour work schedule in which an officer works five days on and three days off. This generates thirty additional days off annually. With the additional holidays and vacation time, officers can have free time to relax and refresh before returning to work.

The Union introduced the agreement for the Support Services Division. The Support Services Division maintains police files and provides dispatch services. That agreement, the holiday cash-out option was eliminated. Though the Local insists the holiday cash-out should be retained for police officers, it freely negotiated that provision out for its members in the Support Services Division. Therefore, the Local's proposal is asking that its own members be treated differently.

As with the police officers, the City believes dispatch work in a high stress environment and encourage these employees to take time off to relax. Discontinuing the cash-out option forces using holidays for much needed time off. The City's proposal, with premium pay for working on holidays or a holiday's substitute, will encourage supervisors to schedule holidays off rather than paying for them. This additional incentive for holiday time off will boost morale since there is time off without losing pay.

Though the Local represents all its members, from its arguments for retaining the holiday bank that benefits senior officers and the "additional pay" provision, another longevity perk that obviously only benefits senior officers, it is promoting a proposal that heavily benefits senior officers.

Analysis and Conclusion

Common principles of decision-making in interest arbitration sometimes conflict in a particular case, as they do in the instant matter. The Union, cites the well known standard that advises interest arbitrators to avoid changing long standing contract provisions without a firmly supported need to do so, while placing a heavy burden of proof on the party proposing such alteration. Some arbitrators have suggested that before any change be considered by an interest arbitration in existing contract language, the proposers of change should be able to offer some evidence of a quid pro quo to justify removing or reducing any current guaranteed employment consideration.

By contrast, the City argues for its proposed change in the Holiday provision on the grounds of both internal and external comparisons. By so doing, the City relies on probably the most frequently cited criteria in interest arbitration that of the "comparables," i.e., the terms and conditions of employment provided to other groups of employees in the same governmental subdivision and, externally, those received by similarly situated employees in comparable communities.

A review of interest arbitration awards in Montana and, indeed, throughout the nation shows that arbitrators demonstrate a strong preference for relying on external comparables for wages and other items of direct compensation such as shift premiums and overtime pay. When the issue involves a so-called fringe benefit such as holidays, vacations, health insurance and the like, internal comparisons are the traditional determinative comparison.

The reason for this preference for internal comparisons in regard to fringe benefits can be found in well-validated research findings which indicate how strongly employees' sense of unfair treatment can arise from differing numbers of paid holidays, lengths of vacation, or levels of health care coverage. Firefighters, for instance, would be outraged at a city that granted police officers one more paid holiday than they were afforded and police would loudly protest the granting of longer vacations to utilities workers than they received.

While police officers in Miles City may not like the fact that their wage rates may be lower than those of their counterparts in Billings, they accept such an historical differential as a fact of life having little adverse effect on their expectations of fair terms of employment. These same Miles City police, however, would be quick to cry foul if the City were to raise their drug co-payments above those of Miles City firefighters.

In recognition of the potentially destructive effect of differentials in such fringe benefits as holiday compensation programs among various groups of employees within the same employee unit, interest arbitrators have treated internal comparability as a primary criterion in impasse disputes over this class of issues. In the present case the undisputed facts show that the Helena police officers are the only employee group in the City who enjoy the holiday compensation system the Union seeks to retain through this arbitration.

The City's last offer, by contrast, essentially accords in its main features with the holiday compensation system provided all other city departments. It should be noted that the Union

freely negotiated the plan it seeks to retain in the police contract out of the labor contract of its affiliated Support Services Division.

No useful purpose can be served by a detailed external comparison of holiday compensation systems in other Montana cities. Suffice to say that the data offered by the Union in this regard failed to demonstrate any consistent pattern which would support the claim that the holiday compensation program the Union seeks to retain comports with those commonly provided to police elsewhere in the state. Even if such a proposition were valid, however, the internal comparison among the various city departments in Helena would still carry far more weight in determining the more reasonable of the final positions.

Finally, the Union's argument, that interest arbitrators should not remove existing provisions from a labor contract without compelling reason, warrants careful consideration. Actually, the applicable arbitral standard for substituting new language for an existing provision advises that the reason be substantial – which is less demanding than a “compelling” reason.

In the present matter the City presented several strong reasons to do so – in all amounting to a substantial and impressive case. In addition to the internal comparison, the City points out that its holiday provision offer comports far better with Montana Attorney General's Opinion No. 16 (1979) on point than does the current contract provision. Further, the City presents a highly persuasive position on the quid pro quo value of its final offer.

The financial advantages include an increase to time and a half the regular rate of pay for holidays worked or its substitute shift. This would amount to time and one half, for a typical nine hour shift worked plus eight hours at the employee's regular rate for holiday pay. This procedure boosts pay for time worked to the overtime rate.

Conclusion

The position of the City on Issue No. 2 – Holidays is the more reasonable.

ISSUE NO. 3 – Compensatory Time

Position of the City

Proposes limiting maximum accumulation of compensatory time to 80 hours with no cash out except when the hours exceed 80; upon termination; or in an emergency with the approval of the Chief of Police. The City argues that the maximum of accumulated comp time is unrealistic and actually involves only two police officers.

The City argues further that its final offer clarifies the existing provision in regard to the authority to require police officers to cash out time or take time off “at any time and at [its] option.” This clarification, argues the City, provides necessary flexibility in staffing.

Position of the Union

The City, again, seeks to alter a negotiated provision which has stood the test of time. The current language recognizes that police officers do not always enjoy a regular schedule like most other public employees, but are often required to work overtime to meet the security and health needs of the community. Although police officers have no choice over whether they will work overtime if so directed, they can choose, under the present provision, whether they will be compensated with comp time or money for hours they work beyond their regular nine hour shifts.

Analysis

As in the matter of the Holiday issue, the City here seeks to change an established, negotiated contract provision. Unlike the Holiday compensation issue, however, the City falls well short of making the required substantial case for altering the current compensatory time accumulation provision.

In point of fact, the City already effectively limits the accumulation of compensatory time by its policy of controlling the schedule. The undisputed evidence shows that under current scheduling practices the actual compensatory accumulation time rarely exceeds 60 hours, which does not begin to approach the statutory maximum of 480.

Granted that the City offers certain quid pro quo features which can enhance total income for those officers who work overtime, these do not suffice to replace the well established and negotiated terms of the contract now in place.

Conclusion

The Union's offer on Issue No. 3 is the more reasonable.

ISSUE NO. 4 – Shift Differential

Position of the Union

Proposes a 25 cent increase per hour for officers working shift 2 (2 p.m. – 11 p.m.) and a 50 cent increase per hour for those working shift 5 (the "midnight shift" 10 p.m. to 7 a.m.). The City proposes the same 25 cent per hour as the Union for Shift 2, but 35 cent rather than 50 cent per hour for working shift 3 with a further increase as of 2007.

The City contends that officers will have the opportunity under its package to earn more hours through its new holiday pay plan, in essence providing the same monetary return or more than under the Union's proposal. The Union challenges this claim as speculative, contending that while the sums projected to be paid out may be equal but the beneficiaries will not necessarily be the same officers.

Analysis and Conclusion

It is important to note that the City's position in regard to shift differentials phases in a three tier progression tied to a corresponding three year duration of the labor agreement. The Union opts for a two stage increase.

Obviously, the monetary difference translates to 15 cents an hour more for a period of one year. Thus, the issue of contract duration must now be dealt with in order to reach a conclusion of which offer is the more reasonable in regard to Issue No. 4, Shift Differential.

On the face of the matter, the monetary difference, \$1.35 per nine hour premium shift for one year, fades to monetary insignificance when balanced against other financial sweeteners built into the City's package. It remains true, however, that those other financial gains like premium pay for holidays worked are not directly linked to any particular scheduling arrangements resulting in financial gains or losses being somewhat random. In short, the officer working the premium pay shift may not necessarily be a beneficiary of the time and a half pay for any particular holiday worked.

Despite this unavoidable flaw, the City presents the better position on shift differential. In the first instance, common labor relations practice favors phasing new benefits, such as the recently negotiated shift differential premium in this case, in relatively modest increments. The Union's final offer, however, boosts the premium some 30 percent in a single year.

Standing alone, this feature would not be decisive, but the increment progression involved, together with the Wages Issues No. 5 and 6 require a determination on duration of contract which will provide consistency and overall balance in the final labor agreement.

ISSUE NO. 5 – Wages

Position of the City:

The City proposes a wage increase as follows:

2.5% from July 1, 2005

3.4% from July 1, 2006

Percent equal to higher of consumer price index-urban or cost-of-living allowance

Approved by the Helena City Commission for other city employees

Position of the Local

3% from July 1, 2005

4.4% from July 1, 2006

The data offered by the City shows that its expenditures on extra holiday compensation, increases in health and dental contributions, as well as the 1.5% intermediate increment to phase

in the pay increase over a three year period on top of its proposed annual wage improvement adds up to a better overall compensation package than does the Union's.

The Union argues that its final wage proposal will generate higher compensation for police officers over the longer period because it raises the base rates sooner. The comparative data show that for most classifications, the hourly rate for Helena officers fall well behind those of most Class A cities in Montana, including Billings, Bozeman, Kalispell, and Missoula, exceeding only those of Great Falls. Even under the Union proposal Helena police officers will still lag behind this group.

Further, the Union points out, the City admits it has the ability to pay for the wage increases proposed by the Local.

Conclusion

Together with the parties' final positions on ISSUE NO. 6 – Additional Pay, the differences in regard to total compensation are not substantial. As the Union correctly points out in its brief, the adoption of either proposal would not work a hardship on the other.

The marginal advantage, however, favors the City, on the compensation package mainly because of the distribution of the proposed increases over the length of a three year duration of contract. I deferred stating my conclusion on duration until the end of this review because to have dealt with this critical issue first would have foreclosed analysis of the separate issues on their own merits.

Interest arbitrators are required by Montana law to give "primary consideration" to each and every criterion listed in its impasse resolution guidelines. Such requirement implies that separate consideration will be given to each and every issue certified at impasse in the process of reaching a measured determination as to which of the composite packages represents the more reasonable final offer.

In so doing, the interest arbitrator must obviously seek a final package that reflects an internal consistency among its several parts and a symmetry within its interrelated provisions. In the instant matter, while both parties proposed reasonable final positions, the City's better meets the statutory criteria in a manner which melded and blended the various provisions at impasse into a rational and workable whole.

Specifically, the City's proposed procedures creates a desirable incentive for police officers to actually use holiday time for its intended purpose of rest and recreation rather than as a means of a monetary pay off. The benefit to the City comes from improved budgetary and staffing manageability. These are reciprocal benefits in the final analysis.

The three year agreement provides for a smoother phasing in not only of the new shift differential but also of the wage progressions. It further gives the parties a useful breather before the next round of contract negotiations comes due. The hard negotiations which led to the 2006

impasse and the instant arbitration placed considerable strain on the time, energy, and resources of the parties.

Sufficient time to settle into the new labor agreement, to test its new provisions against the expectations of those affected, can best be gained by a three year rather than the all too brief two year agreement – particularly when the first year of the new agreement is already well underway.

Decision and Order

Based on the foregoing findings and conclusions, the final package offer of the City should be and is, hereby, selected.

10/6/06
Date


John J. Flagler, Arbitrator

