

CITY COUNCIL RESEARCH REPORT

**Performance Audit of
The City of Saint Paul's
Labor Relations Activities**



Saint Paul City Council
Council Investigation and Research Center
Saint Paul, Minnesota

99-860

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The City of Saint Paul's
Labor Relations Activities**

August 1999

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INTRODUCTION

Collective bargaining and the administration of labor contracts are of vital importance to the City of Saint Paul's financial stability and operation. Although employees of Minnesota municipalities have been able to bargain collectively since 1971, the City of Saint Paul is unique among most cities in the state because of its high-level of unionization. Twenty-four bargaining units represent 98 percent of the City's permanent workforce. The only employees not represented are department heads, non-represented management/professionals, and some provisional and temporary employees.¹ The contracts the City signs with its collective bargaining units set the terms and conditions of employment which specify employee wages, benefits, hours worked and the type of work to be performed. Labor relations activities, therefore, have the potential to significantly affect the nature and quality of services received by the City's residents. In addition, contracts represent a major commitment of financial resources by the City. Salaries and fringe benefits will account for \$199,000,000 of City spending in 1999. This is the largest expense category for City government and represents almost 41 percent of its total budget. Because of the substantial impact of collective bargaining and contract administration, the Saint Paul City Council commissioned a performance audit of the City's labor relations activities.

The City Council, as the governing body of the City of Saint Paul, is responsible for establishing City policies and ensuring that City practices are consistent with these policies. As the body responsible for approving the City Budget, the City Council must also assess the efficiency and effectiveness of City operations. Therefore, the City Council established a Performance Audit Program in the fall of 1996 to help it fulfill these legislative oversight and budgetary responsibilities and directed Council Research to conduct performance audits of City operations. Performance audits analyze the consistency of departmental practices with City policies and provide insight into how policy directives are implemented. The performance audit also examines whether an organization's practices are efficient and reflective of those used by high-performing organizations.

This is not a financial audit of the outcomes of the collective bargaining process or a study of fiscal implications of Saint Paul's labor relations environment. While such a project may be interesting and useful, it does not fall within the guidelines of the performance audit program. Moreover, a basic principle of collective bargaining assumes labor and management have voluntarily entered into an agreement which is mutually beneficial; if it was not, agreement would not have been reached. With this perspective, Council Research believes it is not worthwhile in this performance audit to make judgements about particular contracts or their fiscal impacts.

¹

It should be noted here that the authors of this report are not represented by a collective bargaining unit and are classified as non-represented management professionals.

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RESEARCH METHODS

To make certain this performance audit is comprehensive and that all aspects of the Office of Labor Relations, the contract negotiation and the grievance administration processes were reviewed, we used a number of methods to gather information from a wide variety of sources.²

Review of Documents

Numerous City documents exist pertaining to labor relations activities and we have sought to examine them all. Among the many documents we reviewed, the most important have been the City's 1998 budget documents, the City's Administrative Code, and the Minnesota Public Employee Labor Relations Act [Minn. Stat. § 179A.03 – 179A.25 (1998)]. We also searched the City Charter, existing and previous labor contracts, and located several relevant policies.

Analysis of Labor Relations Data

A great deal of data results from the labor relations activities of the City. We attempted to review as much of this data as possible, including grievance resolution data, the duration of contract negotiations and a review of decisions and rulings made by the State of Minnesota's Bureau of Mediation Services pertaining to the City's contract negotiations and contract administration processes.

Interviews

Interviews with people who participate in the labor relations processes is the best way to obtain accurate information about the policies and practices of those involved in the City's labor relations activities. We conducted numerous structured interviews with a broad cross-section of labor relations participants. We interviewed the entire Office of Labor Relations staff and all other City officials involved in the labor relations processes. In addition, we interviewed representatives of over 18 collective bargaining units. In total, we conducted 40 structured interviews typically involving from one to ten individuals lasting from one to eight hours each. These structured interviews served to not only obtain answers to prepared questions but also as an opportunity for respondents to explain the reasons for their answers and to suggest additional issues about which they thought we should be aware.

SCOPE OF PERFORMANCE AUDIT

This performance audit is essentially three distinct performance audits of the labor relations activities of Saint Paul City government combined into one document. This was done to identify and discuss thoroughly, yet separately, the internal operations of the Office of Labor Relations and the interaction between the City and the collective bargaining units that represent its employees. This performance audit should be considered a "snapshot in time,"

² See Appendix A for a list of interview subjects, Appendix B for the interview questionnaire and Appendix F for the list of and citations of documents reviewed.

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rather than a history of the City of Saint Paul's labor relations activities. Our intention is to provide a current and accurate picture of the City's labor relations activities, to identify problems and to make recommendations to remedy these problems.

The scope of the three distinct subjects and the functions and parties associated with each are discussed below.

Office of Labor Relations

The first section of the performance audit will examine the internal operations of the Office of Labor Relations (OLR). Internal operations include such functions as work and staff assignments, staff training and development, leadership within the OLR, internal planning, data collection and analysis activities. The OLR section will examine, through an organizational quality assessment, the extent to which the internal operations of the office are efficient and effective.

Interviews with OLR staff and internal office documents served as the two informational resources for this section of the audit. The staff of the Office of Labor Relations consist of the Labor Relations Director, a Human Resources Specialist, a Research Analyst, a Clerk Typist, and a Labor Relations Specialist position which, for part of 1998 and up to the present, has remained vacant. This position was recently filled at the higher classification of Labor Relations Manager. Other participants in the labor relations process, whether representing the City or collective bargaining units, were not interviewed for this section. Because of the internal focus of this section, we believe OLR staff are the only appropriate source for information regarding their internal operations.

The OLR is responsible for numerous policies. To provide a comprehensive picture of the grievance administration and negotiation processes, the question of whether the OLR practices are consistent with policies will be discussed in the contract negotiation process and contract administration policy compliance sections.

Contract Negotiation Process

This section of the performance audit will review every aspect of the negotiation process and all parties involved, such as the Office of Labor Relations, the Risk Management Office, the City Attorney's Office, Financial Services, bargaining units and others. The contract negotiation process will be assessed holistically. The process is evaluated as a distinct entity but recommendations are made for specific parties involved in the City's labor relation activities. We have also included a discussion of contract implementation. These recommendations, we believe, will lead to improvement in the operation of the entire process. This section will include quality assessment and policy compliance discussions.

Grievance Administration Process

The grievance administration process section of the performance audit will address grievance activities and the parties involved such as the Office of Labor Relations, Risk Management, the City Attorney's Office, Financial Services, the bargaining units and others. The grievance process will be assessed in the same manner as the contract negotiation process. This section will include quality assessment, policy compliance and performance measure discussions.

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POLICY COMPLIANCE

The contract negotiation and grievance administration chapters will include policy compliance sections which present the policies under which the City and the collective bargaining units are expected to operate. The section will then discuss the degree to which current practices are consistent with those policies. The policies Council Research considered are from a number of sources including the City's Administrative Code, the City's 1998 budget, the City's labor contracts and Minnesota Statutes. Over 130 policies were identified and reviewed with the assistance of staff from the Office of Labor Relations, other City staff and representatives from collective bargaining units.

For each process section, the intent of the policies are reviewed, and Council Research findings and recommendations presented. It was not Council Research's intent to make specific findings on every individual policy statement. Rather, we tried to focus on groups of policies pertaining to specific topics, and draw conclusions about these topical areas. It is our belief this approach is more useful to both policy makers and the participants involved in the City's labor relations activities.

Minnesota State Statutes

Public labor relations of Minnesota municipalities are governed primarily by the Public Employee Labor Relations Act (PELRA) [Minn. Stat. § 179A.03 – 179A.25 (1998)]. The Act, passed in 1971, allows for the formation of public employee unions and establishes the legal framework for all aspects of contract negotiation and grievance administration activities. Policies taken from PELRA make up the vast majority of policies reviewed in this audit.

Where discrepancies are found between the practices observed in labor relations activities and PELRA, the reason offered for these differences will be provided along with recommendations to bring policies and practices into alignment. These recommendations may suggest changes in participants' practices in order for them to maintain compliance with state law.

City Policies

The City Council establishes policies that govern the operations of all City activities including the City's labor relations functions. While there are many general City policies which affect all City activities, this report addresses only specific policies which apply to the Office of Labor Relations, the contract negotiation and grievance administration processes.

City Charter, Ordinances and Council Resolutions

We searched the City Charter, the Legislative and Administrative Codes, and City Council Resolutions for policies pertaining directly to the City's labor relations activities. A number of relevant policies were found in the Administrative Code and the Charter, although we found little in the Legislative Code or Council Resolutions relevant to either the contract negotiation or grievance administration processes.

The City's Administrative Code is the compilation of City Ordinances which pertain to City government structure and operations. The City Code is usually explicit and leaves little

room for administrative discretion concerning the execution of ordinances. The City Charter establishes the powers of the City and the form of its government. It is equivalent to a constitution for the City. The Council would view failure to comply with the Charter or the City Code to be a serious matter. The policy compliance sections of this report will identify any differences between ordinances and the charter, and existing practices. In addition, this report will provide explanations of these differences and offer recommendations to resolve these inconsistencies.

Budget Performance Plan

Each year, as part of the City budgeting process, the Office of Labor Relations and several other City departments and agencies (i.e. Office of Financial Services Office, Risk Management, and the City Attorney's Office) include in their Activity Performance Plans objectives for labor relations activities. These plans are included in the budget when it is presented to the City Council for approval. The plans identify both the ongoing and annual objectives of each budget activity. The City Council's allocation of funds is directly related to these performance plans and, as such, these objectives represent City policies. City departments and agencies are subject to the legislative oversight of the City Council and as part of this legislative oversight function, the City Council has fundamental interest in whether the policies of city agencies and departments are consistent with their practices. Therefore, these budget performance plans are appropriate for review in a performance audit.

While the Council understands that objectives set as part of the budget process may be ambitious and are sometimes thwarted by unforeseen developments, the City budget is an official City policy document and city departments and agencies are responsible for operating in conformance with these adopted policy statements. Budget policy directives for 1998, rather than 1999, are used in order to examine policies that should have been fully implemented prior to the performance audit. The policy compliance sections of this report will focus on budget performance plans to identify differences between policies and practices and provide the division's explanations of these differences. Recommendations will also be offered to minimize such differences in the future.

Collective Bargaining Contracts

Labor contracts were also examined for potential policies. These contracts are legally binding agreements which must be approved by City Council resolution. As stated earlier, this audit does not attempt to evaluate the fiscal impact of the City's labor relations activities. Therefore, we have not examined the fiscal details of any of the City's 24 collective bargaining contracts. However, almost all collective bargaining agreements include language in their preambles which express the wish of both parties to pursue a harmonious and mutually beneficial relationship which they hope to maintain over the duration of the contract. We believe this sentiment is central to the quality and productivity of the labor relations processes. Therefore, we included the contract preambles in the group of policies examined for this audit.

ORGANIZATIONAL & PROCESS QUALITY ASSESSMENT

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The efficiency and effectiveness of each of the subject areas of this report (i.e. Office of Labor Relations, contract negotiation process and the grievance administration process) are evaluated using an Organizational Quality Assessment. While there are several methods to evaluate whether the participants involved in labor relations activities are effective and efficient, our approach is based on work done by the organizers of the Malcolm Baldrige National Quality Award.

Efficiency and Effectiveness

The City Council is very interested in the value received by citizens for money expended. Taxpayers rightly expect money provided for the operations of the Office of Labor Relations will be spent to achieve the best result with the least expenditure of public funds. In addition, taxpayers have a fundamental interest in the fiscal outcomes that result from the contract negotiations and grievance administration processes. The efficiency and effectiveness of government operations and processes can be assessed in many ways. One common approach is for auditors to examine an organization at a micro-level to determine if the organization is following sound procurement practices, properly protecting its resources, and complying with the requirements of laws and regulations. This micro-level approach to auditing is closely related to financial auditing and is often conducted by accountants who spend a great deal of time and effort examining the inner workings of the organization. While we accept there are situations where this type of micro-level auditing is appropriate, such as when fraud is suspected, we believe a higher level audit is most appropriate here. The City Council is less concerned with the minutia of daily operations and more concerned with knowing if the Office of Labor Relations is a top-quality organization and if labor relations activities of the City of Saint Paul are efficient and effective. If not, they want to know what can be done to remedy any deficiencies preventing the Office of Labor Relations and all other parties participating in the City's contract negotiation and grievance administration processes from achieving a high level of excellence.

Fortunately, there is a vast body of knowledge and experience delineating the characteristics of high-performing organizations. While this knowledge and experience extends back many decades, it has been crystalized by the Malcolm Baldrige National Quality Award. Public Law 100-107 (1987) established the Award and gave the responsibility for its development and administration to the Secretary of Commerce and the National Institute of Standards and Technology. Pursuant to this charge, criteria for this award were established at the national level defining the characteristics of top-performing organizations. Assessment methods designed to examine these characteristics have been developed and refined over the past ten years. In addition, State Councils for Quality are now established throughout the nation with the Minnesota Council for Quality in the forefront of this movement. The Minnesota Council for Quality has gone beyond the national model by expanding the model into the public and not-for-profit sectors. For example, Council Research was a participant in the 1996 Minnesota Quality Award process as were the Eden Prairie School District and the Minnesota Division of the American Cancer Society.

Many leading businesses in the nation (i.e., Motorola, Westinghouse, Federal Express, AT&T.) and in Minnesota (i.e., Allina, Dayton's, Ecolab, Honeywell, IBM, 3M) are using

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these assessment criteria to evaluate their progress. In fact, three Minnesota businesses (IBM-Rochester, Custom Research and 3M-Dental Division) have won the national Malcolm Baldrige award in recent years. In Saint Paul City government, the Minnesota Council for Quality used these criteria to assess Council Research in 1996 and we used similar criteria in performance audits of Fire Operations (1997) and Recreation Centers (1998).

Some terminology used in this report are adaptations of the national and state criteria. These adaptations are necessary because some language popular in the private sector is not commonly used in the public sector. For example, we have substituted the public sector terms of "development" and "integration" for the less familiar private sector terms of "approach" and "deployment." We believe these adaptations improve the understanding of our public sector audience while retaining the essence of ideas involved.

Quality Categories

The study of high-performing organizations has identified seven characteristics believed to be essential for an organization to achieve excellence. We apply these criteria to the Office of Labor Relations and the labor relations processes. These criteria have been identified from studies over many years and are widely accepted as indicators of organizational excellence. The types of criteria used by the Malcolm Baldrige National Quality Award and the Minnesota Quality Award to assess organizational development and to identify quality organizations are summarized in the table below. Detailed explanations of the criteria follow.

Quality Assessment Categories

- | | |
|---|--|
| <input type="checkbox"/> Planning | <input type="checkbox"/> Processes for Improvement |
| <input type="checkbox"/> Leadership | <input type="checkbox"/> Customer Focus |
| <input type="checkbox"/> Training and Development | <input type="checkbox"/> Results |
| <input type="checkbox"/> Information and Analysis | |

Planning

The pursuit of excellence requires a strong future orientation and a willingness to make long-term commitments. Planning must anticipate many types of changes including those that may affect customers' expectation of services, technological developments, changing demographics, evolving requirements and community expectations. Plans, strategies and resource allocations need to reflect these commitments and changes. Quality organizations make both long-term plans extending three years or more years and short-term plans covering one to two years. These plans should not only be developed, but they also need to be carried out and updated frequently.

Leadership

Senior leaders (Labor Relations Director, Collective Bargaining Unit Presidents and Business Agents) need to set direction, create customer orientation, establish clear values and have high expectations. Reinforcing values and expectations requires personal commitment and involvement. The leaders need to take part in the creation of strategies, systems and methods for achieving excellence. These systems and methods need to guide all activities and

decisions of organizations involved in the labor relations processes. Senior leaders need to commit to the development, participation and creativity of their entire staff, membership or volunteer-base.

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Training and Development

Employees in successful organizations are provided the tools they need to produce quality services. These same employees are given encouragement and the resources to develop a set of skills that allow them to contribute effectively to the organization. Successful organizations also link the training and development of their employees to the organization's goals and priorities. This linkage occurs through the development and implementation of a long-term strategic plan tied to basic organizational values.

Information and Analysis

Information and analysis are a vital part of any organization. Awareness of how one is performing at all times is important. Performance improvement information includes customer, service performance, operation, supplier, employee-related, and financial data. Organizations should concentrate on collecting and using data that relate to their goals and plans.

Collecting data serves little purpose if the information is not analyzed and used to make improvements. Analyses should examine trends, projections, comparisons, and cause-and-effect relationships. Using data and analysis systematically to set priorities is important in creating goals, developing plans and allocating priorities. Information should be deployed throughout the organization and used to evaluate the organization and assess progress. Information is essential in monitoring performance against measurable goals and it should play a key role in the decision-making process.

Processes for Improvement

This category reviews the design, management and improvement of internal organizational processes. Improvement processes should be part of the daily work within the organization. They should seek to eliminate problems at their source and be driven by opportunities to improve. Improvements may be of several types: (1) enhancing value through new and improved services; (2) improving responsiveness; and (3) improving efficiency in the use of all resources. Improvement processes must contain cycles of planning, implementation and evaluation which require information and methods for assessing progress. Such information and methods should provide direct links between performance goals and internal operations. It is critical that all processes be continuously evaluated to identify problems and successes.

It is also important to have vendor requirements in place as vendors provide needed goods and services to the organization. In addition to specific vendor requirements, organizations should have indicators used to assess vendor performance, a procedure for determining whether vendors are meeting those requirements, and a system for giving them feedback.

Customer Focus

Attention to customer needs is crucial if an organization strives for excellence. Organizations that excel in customer satisfaction have obtained information by creating and managing

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relationships with their customers. The organization gathers information from its customers on service requirements, near and long-term expectations and degrees of customer satisfaction. The successful use of customer satisfaction information is integrally linked to an organization's ability to gather and analyze data concerning customer requirements.

Knowing the requirements of its customers enables an organization to develop service standards designed to enhance customer satisfaction. In order for these standards to be effective they must be understood by everyone.

Results

Successful organizations know how well they perform. By using results they can calculate their efficiency and effectiveness. A common way for an organization to evaluate its performance is to measure its results. For example, if the goal of the organization is to provide customer satisfaction, then the organization would collect and analyze data indicative of customer expectations, work practices to meet these expectations and the resulting levels of customer satisfaction. In addition to customer service results, high-quality organizations also track human resources, financial and organizational results. The organization can track its performance over time and compare its results with those of other organizations. These comparisons with other similar organizations can represent benchmarks against which to compare outcomes, efficiency and effectiveness.

Research Methods for Quality Assessment

Both the Malcolm Baldrige National Quality Award and the Minnesota Quality Award use a system in which applicant organizations prepare a self-assessment used as a basis for an evaluation by outside examiners. Outside examiners study the self-assessment report and conduct a site visit to seek clarifications and verify claims with respect to the quality criteria. Awards are based on the findings and evaluations of the outside examiners. Since we are seeking to assess the efficiency and effectiveness of the Office of Labor Relations and the City's labor relations processes on behalf of the City Council, we used a modified process for this study.

We believe the best way to assess the level of an organization's development is to ask those most knowledgeable about the organization or a process—the people who work in the organization or participate in the process. We believe the people who participate in the City of Saint Paul's labor relations activities know the strengths and weaknesses of their organizations and will, when asked, candidly report their opinions. Therefore, we have gone directly to the participants to ask them about quality. To this end we conducted 40 structured interviews with key participants involved in labor relations activities. The organizational assessment reports in this section are based on these employee interviews.

In the employee and participant interviews, we asked questions designed to elicit evaluative information regarding each of the seven organizational quality criteria. Two analysts conducted each interview and independently recorded responses. The analysts then compared their recorded notes and resolved any differences with clarification from the participants. There was a very high degree of consistency between the assessments recorded by the analysts during the interviews.

Criteria Ratings

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We have gathered a wealth of information about the labor relations activities of the City of Saint Paul while conducting this performance audit. Although capturing all of this information in any rating system is impossible, we believe a rating system will help decision-makers grasp the essence of the information. We have developed a simple summary rating system that conveys the essence of our findings. This system reflects what interview subjects have told us about the Office of Labor Relations and labor relations processes. While organizations and processes consist of individuals, we intend these ratings to reflect current organizational practices and should not be interpreted as judgements about individuals. The ratings used in this section are built upon our assessments regarding development and integration of the seven quality criteria.

Summary ratings are intended to portray both the level of development and the level of integration of each quality criteria. The summary ratings used in these sections are:

- ☆☆☆☆→ Criteria fully developed and practiced.
- ☆☆☆→ Criteria well developed and practiced.
- ☆☆→ Criteria present and practiced to some extent.
- ☆ → Criteria sometimes present, occasionally practiced.

Development, in this performance audit, means the extent to which high-valued characteristics are in evidence. High-value characteristics are ones in which the criteria being examined is systematic, manifest, pro-active, fact-based, and evaluated. Integration refers to the extent criteria is practiced in the Office of Labor Relations and in the labor relations processes. It is possible, indeed likely, for criteria to be practiced in some parts of the organization, but not in others. In this performance audit very few of the criteria were fully practiced in either the Office of Labor Relations or in the labor relations processes. Therefore, integration is discussed only when the development of the criteria has reached a stage when a notable level of integration of the criteria has occurred.

PERFORMANCE INDICATORS

The Performance Indicator chapter identifies measures which can be used to evaluate the quality of the activities of the labor relation processes. Performance measurement in this performance audit means the regular collection of specific information about the effectiveness, quality, and efficiency of services and programs.³ The suggested indicators will enable organizations to evaluate whether the labor and financial resources expended on an activity are used efficiently. Performance measures should also be used to determine whether services or programs have the intended effect and result in a quality outcome. Indicators can be based on information obtained from written records, observations by specially trained staff or surveys from customers. This performance audit will suggest performance indicators for participants and particular functions in the processes. However, the audit will not perform the actual measurements.

³ The Urban Institute (1980). *Performance Measurement: A Guide for Local Elected Officials*. Washington D.C.: The Urban Institute, p. 1.

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OFFICE OF LABOR RELATIONS

This section of the performance audit will examine the internal operations of the Office of Labor Relations (OLR). Internal operations include such functions as OLR work, staff assignments, training and development of OLR staff, leadership within the OLR, internal planning, and data collection and analysis activities. The OLR section will examine, through an organizational quality assessment, the extent to which the internal operations of the office are efficient and effective. Where OLR operations are found to be inefficient or ineffective, recommendations will be made to correct these deficiencies.

The Office of Labor Relations is the City of Saint Paul's designated representative for all labor relations activities. As the City's representative, the OLR negotiates the terms and conditions of employment with unions that represent the City's employees. It also represents the City in many of the grievance hearings grieved through procedures established by collective bargaining contracts⁴. The Office of Labor Relations was created in the City Code as a special office of the administration.

The OLR consists, at the moment, of five positions. Their titles and duties are listed below.

Director of the Office of Labor Relations – The director serves as the City's exclusive representative in all labor relations activities, manages the labor relations work for the City, serves as a spokesperson in the collective bargaining process and oversees the administration of the Office of Labor Relations.

Human Resources Specialist – This employee investigates and develops cases relating to union contract grievances, provides grievance case analysis and recommendations, and represents the City in grievance meetings with union and management representatives.

Research Analyst – This employee collects and analyzes labor relations data, information and policies, and makes recommendations regarding the City's labor relations activities for the OLR.

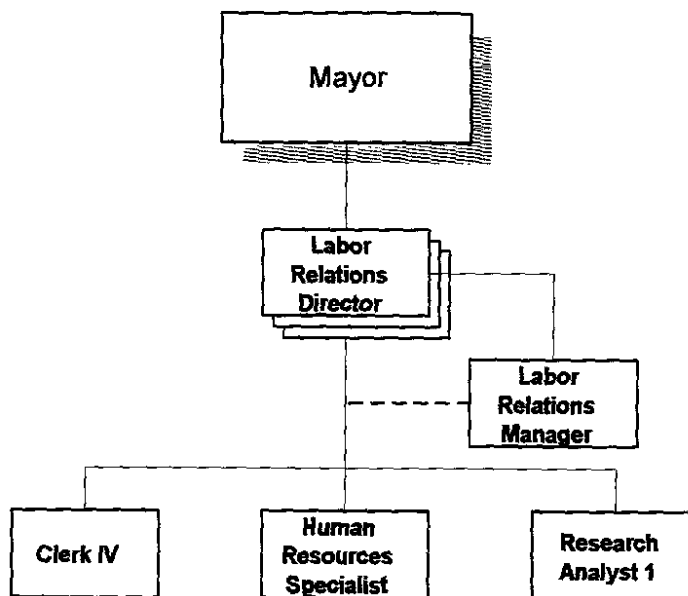
Clerk IV – This employee performs skilled clerical support services which include scheduling and organizing the work of the OLR and produces documents for the OLR.

A fifth position exists which has remained vacant since October 15, 1998. This position was classified as a Labor Relations Specialist but has now been upgraded to the level of Labor Relations Manager. This position was, and will continue to be at its new level, responsible for negotiating some contracts. It should also be noted the Office of Labor Relations Director, who was in place during this audit, resigned on May 11, 1999. As of the publication date of this report, no interim or permanent replacement has been appointed.

⁴ The City Attorney's Office represents the City in all disciplinary grievances grieved through the contract. The Office of Human Resources represents the City in grievances filed through the Civil Service system.

LABOR RELATIONS ORGANIZATIONAL CHART

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**PLANNING****Summary Rating ☆****KEY PLANNING CONCEPTS:**

- ▣ Set Strategic Direction
- ▣ Develop Action Plans
- ▣ Align Work With Plans

The development and implementation of plans which anticipate changes in an organization's environment are crucial for a quality organization to develop a strong future orientation and an ability to fulfill long-term commitments and goals.

Set Strategic Direction

Within the last five years one long-term plan has been developed. A written, strategic plan was developed in 1994 by the Mayor's Chief of Staff, the City's Budget Director, the City Attorney and the Office of Labor Relations Director. The plan included the Administration's goals for the City's external labor relations functions and the internal operations of the Office of Labor Relations. In 1996, this plan was updated by the OLR director.

Neither department and agency heads nor the OLR staff, with the exception of one senior OLR professional employee, were involved in the development or revision of the office's internal operations segment of the long-term planning effort. One explanation provided by the OLR Director as to why OLR staff were not involved in long-term planning was staff

turnover and inexperience. Only one member of the OLR staff reported knowing of the existence of the long-term plans. 99-866

There is a prevalent belief among staff that long-term planning is not possible in the dynamic environment in which the Office of Labor Relations operates. In addition, it was suggested long-term planning was limited by the lack of knowledge about the size of the City's budget for the long-term. These explanations, however, do not appear to be reasonable given that planning should anticipate a diverse array of changes in the organization's environment. The fact that an organization's environment is dynamic and its future resources are unknown does not excuse the need for long-term planning. Moreover, organizations for which much of the future is unknown would particularly benefit from planning activities.

Action Plans

The Office of Labor Relations regularly makes unwritten short-term plans. Most of these plans are created in a circumstantial and reactive manner. The short-term plans are made in response to the Mayor's labor relations goals, the budget process and upcoming contract negotiations. In addition, both written and unwritten planning calendars are created for specific negotiations.

Staff members, however, report the OLR Director does not frequently engage staff in planning efforts. Most plans are developed by the OLR Director, the City's Financial Services Director and the Mayor's Office. Furthermore, these plans are not regularly updated or revised. The OLR staff reported they are often unaware of the content of specific plans. Short-term plans known to staff are reported to be implemented frequently. Plans regarding attempts to reduce the future liability of retiree health care insurance costs and plans for upcoming negotiations were reported to have been successful.

Many of the Office of Labor Relations short-term planning efforts are not consistent with the characteristics of a quality organization. Short-term plans are reactive and are, at most, a year in duration. There is no evidence that plans are made to anticipate changes in the environment; i.e. changing demographics, evolving requirements, and shifting customer and community expectations. Rather, plans appear to be made as a result of such changes.

Align Work with Plans

The Office of Labor Relations Director is the primary person responsible for monitoring both long-term and short-term plans. The Director of Financial Services and the Mayor's Chief of Staff also monitor the implementation of plans. The OLR staff, with one exception, stated they are never involved in overseeing plans. This is not surprising considering the OLR staff are unaware of the existence of plans and do not participate in their development. The Director believes the disconnect between planning activities and staff is the result of their lack of experience and tenure.

For the purpose of this performance audit, formal evaluation is defined as a systematic, data-based inquiry which provides leaders with information to assist them in the decision-making process. Evaluation is important in the planning process because it enables leaders to determine whether existing plans have their intended effect. In addition, evaluation results provide data which inform future planning efforts. No formal evaluation occurs in the OLR regarding the internal operations of the office, customer satisfaction or whether the OLR is achieving its desired goals.

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Recommendation #1: *The OLR should create regular, written long- and short-term plans. Plans should not only focus on the contract negotiation and grievance administration process but also on how to make the internal operations of the OLR as efficient and effective as possible. Planning efforts should include the entire staff. Serious and continuing efforts must be made to ensure employees fully understand all plans and are regularly reminded of how they can contribute to the achievement of these plans. The OLR director should require staff, with the exception of interns and other temporary employees, to monitor the implementation of all plans. At no time should plans be kept secret from staff because they are deemed to be too "sensitive" or "important."*

Recommendation #2: *The OLR occasionally implements new work processes or systems to improve its internal operation and the City's labor relations activities. The OLR should systematically evaluate new work processes or systems in order to determine whether plans have been successful. Information from evaluations should be used to direct future planning efforts.*

LEADERSHIP

Summary Rating: ☆

KEY LEADERSHIP CONCEPTS:

- ▣ Mission
- ▣ Vision
- ▣ Values
- ▣ Communication

In high-quality organizations, senior leaders set direction, create customer orientation, establish clear values and have high expectations. Leaders must demonstrate a high-level of personal commitment and involvement in creating strategies, systems and methods which guide all activities and decisions of the organization. Communication is an important aspect of effective leadership. Effective communication must include the ongoing demonstration that values, directions and expectations are the basis for the organization's key directions and actions. In addition, senior leaders need to commit to the development, participation and creativity of their entire staff.

OLR staff state the Director only rarely or occasionally provides a clear and comprehensive vision of the future for the organization. The OLR director acknowledged that a vision which reflects organizational values and goals has not been articulated regularly. Occasionally staff are informed at weekly staff meetings about certain objectives. Particularly concerning is that some staff members questioned whether it was even possible, given the dynamic and sometimes chaotic nature of labor relations activities, to provide a clear organizational vision for the OLR. While it is important for leaders in any organization to provide a clear vision, it is particularly important to furnish a clear vision for new staff who lack experience, as is the case in the OLR.

The OLR Director has made a more concentrated effort to provide city department heads with updates regarding her vision for the OLR. Updates take place at the Directors and Office Directors meetings. However, similar discussions are not conducted with OLR staff.

The Mayor is identified by both the staff and the OLR Director as the primary source for a future vision of the OLR. The Director believes the creation of a vision is the responsibility of the Mayor and it is her job to implement the vision. The OLR Director meets with the Mayor once every two to three weeks to discuss labor relations activities. This deferential approach is not sufficient if the OLR is to become a high-quality organization. While the

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Mayor is clearly invested in the work of the OLR, the OLR Director oversees the daily operations of the office and, therefore, must convey the Mayor's vision to the staff. The Director should also communicate her own vision which clearly outlines how she expects the Mayor's ideas to be implemented. However, when staff were asked, they stated they were unaware of the specifics of the Mayor's vision for the Office.

There is a significant lack of communication regarding the internal operations of the Office of Labor Relations. Staff report it is difficult to get feedback from the OLR Director at times other than regular staff meetings. In a short-lived and haphazardly implemented effort to provide a regular forum for communication, the Director set aside a block of one or two hours daily for staff questions. This innovation lasted for several months until it was discontinued once a new round of negotiations began. In addition, staff are not told about the content of most of the OLR's plans, nor are they told about the Mayor's goals and objectives for the Office. One staff member was of the opinion there were some issues which were inappropriate for OLR staff to know about concerning the direction of the OLR. It is hard to imagine such a situation existing if the OLR Director had trust and confidence in the staff. One explanation given by the Director for the dearth of communication within the OLR is the staff's relative inexperience. However, staff inexperience is not sufficient justification for keeping them ill-informed. For the organization to meet its goals, staff must be informed about the Director's the values and expectations.

Recognizing staff contributions is another mechanism for communicating organizational values and expectations. Staff contributions in the OLR are recognized through informal mechanisms such as verbal recognition at staff meetings and through the annual individual performance evaluations.

Staff reported an excellent environment was maintained in the Office of Labor Relations for women and other protected classes of employees. No discernable evidence of discrimination was reported. The OLR director, staff noted, is very committed to creating a fair organization for everyone and strongly values diversity in the workplace.

Recommendation #3: *The director should develop and articulate a clear vision of the future and enlist OLR staff to make this vision a reality. The director needs to create opportunities to express this vision to staff on a regular basis. Likewise, the director must develop an ongoing process for ensuring employees fully understand how they can individually or collectively participate in making this vision a reality. A part of this involves greater personal recognition of the contributions of staff who are advancing the vision, including formal acknowledgments.*

Recommendation #4: *The importance the OLR director places on the Mayor's goals and objectives for the City's labor relations activities demands they be fully communicated to OLR staff on a regular basis. These goals and objectives should be explicitly incorporated into the Office's short- and long-term plans.*

Recommendation #5: *The OLR director should improve internal communication and take steps to keep staff well-informed. Maintaining a veil of secrecy to shield staff from the important and sensitive issues will only continue the impression that staff are not trusted. There may be instances when communication is not appropriate, for instance if the information communicated is of a highly sensitive nature and is not relevant to the duties of staff. However, our interviews suggest communications have been withheld when this was not the case. This perception has created a situation in which staff do not feel empowered to do their jobs.*

TRAINING & DEVELOPMENT

Summary Rating: ☆

Employees in successful organizations are provided the tools they need to produce quality services.

These same employees are given encouragement and the resources to develop skills that allow them to contribute effectively to the organization. Successful organizations also link training and development to the organization's goals and priorities.

KEY TRAINING & DEVELOPMENT CONCEPTS:

- Job Design
- Recognition
- Education & Training
- Employee Well-Being

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There are several key organizational factors that should make training and development functions of particular importance to the Office of Labor Relations. The current staff, with the exception of the Director, has had a brief tenure with the OLR. Currently, the longest serving staff member is the Clerk Typist IV, who has been with the Office for less than three years. One professional employee has been with the organization for a year and half and the other for less than eight months. In addition, the two professional staff members do not have prior professional experience working with public sector labor relations. Inexperience creates acute problems in labor relations environment because, as the OLR Director reports, capable labor relations professionals mainly learn their craft through on-the-job experience. The Director reports it is a profession-wide norm for labor relations professionals to have at least seven years of experience prior to becoming chief negotiators. Moreover, as noted in the introduction, this is a very small staff, with a total of four employees, that must operate in a complex and stressful work environment. The challenges faced by an organization this size have been magnified by a professional staff vacancy that has remained unfilled for the last nine months. The Office has also experienced a significant level of staff turnover which has lead to the loss of institutional knowledge and experience.

Job Design

There is agreement between the OLR Director and staff that opportunities are created for only some employees to contribute to decisions made about the operations and procedures used in the Office. The clerical staff member reported she has contributed to decisions made about procedures used for the contract implementation process and other administrative processes. Professional staff have had less chance to contribute to decisions made about the Office's labor relations functions. No specific process exists for staff to contribute to important decisions. The OLR director will request their input, on occasion, in staff meetings. However, professional staff report the Director does not regularly engage them in this type of activity and it is often very difficult to bring forward ideas and suggestions. One staff member believed they were not consulted on a regular basis about action plans or strategies because the Director didn't consider them to be peers. The Director more or less confirmed this view by explaining that professional staff were not consulted on certain issues because they lacked necessary experience. Not surprisingly, one of the professional employees felt little opportunity existed to contribute meaningfully to the organization's goals.

Office of Labor Relations employees are evaluated formally once a year during their annual performance review. The Director conducts more frequent performance reviews of new employees. Staff report no formal, systematic review of specific work products. However, informal feedback through coaching is given on a regular basis. One area for concern is that

evaluation methods are frequently changed with no explanation to staff. Staff report being confused and nervous about the criteria on which they are to be judged. 99-860

Despite the high demands of the work load and the identified inexperience of the OLR staff, there appears to be only limited utilization of other staff in the City government that may be able to ameliorate some of the work load problems facing the OLR. The OLR under the current Administration has made less use of professional staff from the City Attorney's Office and the Risk Management Division than in the past. These offices, in recent years, have lost staff with significant labor relations experience. However, little attempt has been made to cultivate relationships with current staff who might be able to assist with the City's labor relations activities.

Employee Well-Being

Since maintaining a positive work environment that is conducive to the well-being and growth of all employees is seen as the foundation for improved work performance, this issue was investigated in our interviews. OLR staff reported that a fair or poor work environment was maintained. Interestingly, staff members in general reported a more positive view of the environment than the Director, who reported the work environment to be a poor one. All OLR interviewees reported being overworked and that the environment is stressful and hectic. The Director identified the overwhelming work load and the staff's inexperience as the primary reasons for her negative assessment of the office environment.

Education and Training

The OLR does not make significant use of training opportunities for staff. Staff state they are encouraged by the Director to take advantage of such opportunities but these have been limited by time and budgetary constraints. Professional staff reported attending the Minnesota Public Employee Labor Relations Association annual conference. Both employees expressed it was an excellent experience and wished for similar opportunities in the future. One professional employee also reported attending a seminar about work-place conduct investigation at the University of Minnesota. The OLR Director identified computer training as an area that needed specific attention. However, staff reported no participation in any computer training.

Given the Office of Labor Relations Director's concerns about staff inexperience and the impact this has on their ability to participate fully in the work of the organization, one would expect strong support for training and development activities. The Director cites budget constraints as the primary reason for not making greater use of these opportunities. Staff members stated the Director would support more training if the OLR had greater resources. One employee also stated that low utilization of training and development activities was not the fault of the Director but was endemic to City government.

The OLR Director supports participation in professional organizations for staff through office memberships in the Minnesota Public Employers Association and the National Public Employers Association. The Office is unable to support individual memberships in recent years because of budget cuts. The majority of staff were unaware of the office's membership in these organizations and indicated the subject of individual memberships has never been discussed.

Recommendation #6: *The OLR Director should provide a forum and time by which staff can contribute to decisions made about the organization, such as specific times set aside in staff meeting, suggestion box, etc.*

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Recommendation #7: *The OLR Director should provide financial support for participation in training and development activities. The director should also clearly inform staff about the Office's membership in several professional organizations and urge staff to take full advantage of these memberships. In addition, incentives to participate in training and development activities, such as positive marks on performance evaluations or formal recognition should be used.*

Recommendation #8: *The OLR should cultivate relationships with other organizations that may have the expertise to assist the organization in its work. To this end, the OLR should create a City-wide labor relations work team which would be composed of representatives from the City Attorney's Office, the Risk Management Division, the Financial Services Office, the Office of Human Resources and others. Such a task force would coordinate the City activities in the Labor Relations process and re-establish relationships which have been neglected.*

Recommendation #9: *The OLR Director should promptly alert staff when methods for performance evaluation are changed. The new methods should be explained clearly and well in advance of the employee's annual performance review.*

INFORMATION AND ANALYSIS

Summary Rating: ☆☆

Information gathering and analysis are vital functions for any organization. Quality organizations should collect data on customers, service performance, operations, suppliers, employees and costs. Organizations should concentrate on collecting and using data that relate to their goals and plans. Data collected should be analyzed and used to make improvements. Information is essential in monitoring performance against measurable goals and it should play a key role in the decision-making process.

KEY INFORMATION & ANALYSIS CONCEPTS:

- ▣ Collection of Data
- ▣ Use of Data
- ▣ Analysis of Data
- ▣ Comparison with Others

Collection of Data

The Office of Labor Relations collects a sizable amount of data from the contract negotiation and grievance administration processes. Indeed, labor relations is a field in which data plays a vital role. The data available often determine whether negotiation items or grievances are won. The OLR Director should be credited with making data collection a high priority. In the past, this has not been an area in which the Office performed adequately.

Data collected in the contract negotiation process includes information about comparable wages and benefits in other jurisdictions, calculations of future wages and benefit costs, histories of pay-rate increases, rates of sick leave use, and specific contract language which is identified as obsolete, among other items. Data is collected in anticipation of upcoming

contracts and during negotiations. Staff state they will attempt to obtain any data that can be measured for an issue which they know is or will be contested. This information is usually used only for the duration of the contract cycle. Some data is collected on issues that are ongoing concerns such as retiree health care benefits.

Data collection for grievance administration is even more well-developed. Over the last year and a half the OLR has implemented a computerized grievance database. The database stores information regarding the number of grievances outstanding, the types of grievances submitted, how the grievances are resolved, the level in the process at which resolution takes place, the number of grievances by department and bargaining unit, and the amount of time taken to resolve the grievance. If the grievance has gone to arbitration, the OLR collects information about the results and arbitrator information, such as previous decisions and biases.

The Office of Labor Relations has experienced difficulties integrating and accessing data from other information services (IS) systems in the City. Over the last year professional staff have sought, but have not gained, access to the Office of Human Resources's HUMMERS database.⁵ HUMMERS contains data and pre-arranged reports containing employee information which would greatly assist the OLR in preparing for negotiations and grievance hearings. In addition, staff have sought training on how to customize reports from the HUMMERS system but this has not been forthcoming. Staff also report IS support services have traditionally been weak but have recently improved.

Analysis and Use of Data

As noted above, data is collected and used on a regular basis for the OLR's activities. Analysis, although it occurs, is done less frequently. Analyses of grievance activity is often done and presented to department heads and managers. Basic analyses of contract negotiation outcomes are done through comparisons with other jurisdictions. More, however, could be done in both areas. Comprehensive analysis of grievance data for grievance prevention purposes would be very useful. Analysis of data also appears to be hindered by the IS system integration difficulties the OLR has experienced. For instance, full implementation of the costing model would allow for a more comprehensive budgetary analysis of newly negotiated contracts.

Comparison with Others

The OLR regularly compares results data from the contract negotiation and administration process with similar governmental units. For a further discussion of these comparisons please see the Results section of this chapter.

No data comparisons are made by the OLR regarding human resources, customer service or internal budget and operations.

The OLR has developed a solid foundation for future efforts to collect and analyze data. Further efforts need to be taken to analyze data and to ensure IS systems are accessible to OLR staff for the Information and Analysis criteria to be fully integrated within the organization.

⁵ HUMMERS is a concocted expression which stands for Human Resources.

Recommendation #10: The OLR Director should immediately request that OLR 99-860 professional staff receive complete access to HUMMERS system. The Office of Human Resources should act posthaste to see this is done. The OLR Director should also ensure that professional staff receive necessary training to operate the HUMMERS system and are capable of creating customized reports.

Recommendation #11: The OLR should conduct and integrate more complex analyses of labor relations data into its labor relations activities. Because the OLR's success is often determine by the use and analysis of data, this activity is of paramount importance. Moreover, the tremendous amount of data that results from the City's labor relations activities provides for a rich opportunity for analysis. The OLR director should provide additional training to staff, if necessary, to accomplish this recommendation.

See also Recommendation #25, page 37 on contract costing.

PROCESSES FOR IMPROVEMENT

Summary Rating: ☆☆

KEY PROCESSES FOR IMPROVEMENT CONCEPTS

- ▣ Improving Services
- ▣ Improving Support Services
- ▣ Improving Supplier Services

Processes for improvement includes the design, management and improvement of internal organizational processes. Improvement processes should be part of the daily work within the organization. They should seek to eliminate problems at their source and be driven by opportunities to improve.

Improving Services

In general, the Office of Labor Relations employs reactionary methods for improving practices. While the Office should be given credit for making improvements in particular problem areas, most efforts undertaken have been circumstantial and *ad hoc*. The OLR Director approaches making improvements from a coping mode rather than a pro-active, managing mode. Staff reported that practices frequently changed reactively when they or the Director realize current practices are not working. According to staff, this type of activity occurs two or three times a year.

The OLR Director states work assignments are reviewed for improvement at three to six month intervals. Staff, however, state work assignments are rarely, if ever, reviewed and there is no formal mechanism by which this activity can occur. When the subject is brought up, it occurs at staff meetings and the discussion is usually regarding specific projects, not about ongoing or permanent adjustments in work assignments. One staff member said changing work assignments was very difficult because the positions in the OLR are very distinct. This difference in perception is very concerning.

Improving Supplier Services

Vendors and contractors are rarely reviewed. Labor relations consultants are the primary form of contractor employed by the OLR. A consultant was most recently contracted for the period of June 1, 1998 to January 1, 1999 to negotiate contracts. Another consultant was

hired in 1994-1995 to work on the merger of the City and County public health agencies. The OLR Director is solely responsible for evaluating consultants. Traditionally, this has been done on a regular, yet informal, basis. Staff reported the most recent consultant received a great deal of feedback from the Director regarding his performance. Over the course of the consultant's contract period the OLR Director initiated a formal evaluation process of his work.

Other vendors the OLR uses, such as copier and office supply companies, are shared with and contracted by the Office of Human Resources. While these vendors appear to meet the needs of the OLR, the Office provides little or no feedback to Human Resources about the performance of these vendors.

Past Efforts to Improve Practices

The Office of Labor Relations and its director should be credited with undertaking a number of efforts to improve practices which have been problematic in the past.

- ☐ The OLR has reviewed and restructured the internal system for processing grievances. This endeavor was the result of problems experienced with the City not processing grievances in a timely manner.
- ☐ The OLR has attempted to begin to collect data about grievances in a grievance-tracking database. The analysis derived from the data assists the Office in identifying problem areas that could be improved.
- ☐ The OLR is working with the Financial Services Office to streamline the contract implementation process by creating a consistent process by which a contract is implemented.
- ☐ The OLR also created a data base to identify what they described as "old or obsolete" contract language and has worked with the Financial Services Office to create a contract costing model which could be used by both offices.
- ☐ The OLR developed a staff manual for adjusting on building trade union wage rates and benefits.
- ☐ The OLR augmented the record system to ensure appropriate historic information would be available for future negotiations.

While significant attempts have been made to improve organizational practices, improvements have been identified through informal means. In addition, follow-through and the initial completion of these projects is a substantial problem. The existence and import of the grievance-tracking system has not been communicated to the OLR's stakeholders; despite the fact the OLR has an explicit budget objective calling for this. Also, the contract language data base and costing models have not been developed to the point where they are useful to staff. While undertaking improvements is admirable, improvements must be implemented and integrated into the organization for them to be effective.

Recommendation #12: *The OLR should create processes by which improvements can be made and reviewed. These processes should be used regularly to examine work assignments, evaluate vendors and identify other areas of the OLR internal operations which may be improved. Regular staff meetings would be an excellent forum for this activity. Moreover,*

staff should be empowered to take a leadership role in overseeing many of these improvement processes. 99-860

Recommendation #13: *The OLR should work with the Human Resources Division to provide feedback on mutual vendors.*

Recommendation #14: *The OLR should make a greater effort to follow-through with improvement practices undertaken and communicate these improvements to appropriate stakeholders who would benefit from such information. A City-wide labor relations committee would be excellent venue for communicating these activities.*

CUSTOMER FOCUS

Summary Rating: ☆

**KEY CUSTOMER
FOCUS CONCEPTS:**

- ▣ Customer Identification
- ▣ Customer Knowledge
- ▣ Customer Relations

Attention to customer needs is crucial for organizations to achieve excellence. Through the creation and management of relationships with their customers, organizations which excel in customer satisfaction obtain information on customer service requirements, expectations and satisfaction. Knowing the requirements of its customers enables an organization to develop standards which are designed to enhance customer satisfaction. For these standards to be effective, they must be understood by everyone in the organization.

Customer Identification

In order to design standards which enhance customer satisfaction, an organization must clearly identify its customers. Once customers are identified, the organization must determine their needs and satisfaction.

Unfortunately, consensus does not exist in the Office of Labor Relations about who their customers are. When asked to identify their customers, staff were consistent in identifying the Mayor, City Council and department heads. There was not consensus on whether citizens, union representatives or city employees were also customers. One staff member stated during his tenure there has never been a discussion of who were the OLR's customers. This is problematic, since clearly identifying customers is a necessary step for determining customer needs and satisfaction. If an organization has multiple definitions of their customer group, it is difficult to consistently meet all customer needs.

From the interview responses it is clear the OLR Director and staff recognize the Mayor as their primary customer. As noted above, the Mayor is perceived by OLR staff as setting the vision and strategy for the organization. In addition, given the effect labor relations activities have on goods and services delivered by the City and the impact of these activities on the budgetary process, it is not surprising that OLR staff would identify the Mayor as the primary customer. What is remarkable, however, is the magnitude by which the Mayor's needs and expectations are held in much higher esteem by OLR when compared to the needs and expectations of other customers, such as the City Council or department heads. This is obvious when examining the extent to which the Mayor's needs and satisfaction are monitored compared to the other customers.

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Customer Knowledge

With the exception of the Mayor, the OLR makes no systematic attempt to monitor the needs and expectations of its customers. The OLR Director meets with the Mayor once every two-three weeks. At these meetings, the Director provides the Mayor with updates on the labor relations activities and the Mayor provides feedback to the Director about the OLR's work. The OLR Director does not communicate this feedback to staff. Despite not being fully aware of the Mayor's customer requirements, the Office of Labor Relations staff report a high-level of responsiveness to the Mayor's needs and expectations. Our research indicates, despite this inconsistency, the OLR has maintained a well-developed level of customer focus in its relationship with the Mayor.

Monitoring the needs and expectations of department heads, management-level staff and the City Council is less developed. The Office of Labor Relations will meet with these parties if specific problems occur or if they request meetings. With the exception of a reported periodic survey of department and office directors, the OLR does not systematically seek out these parties for feedback on services provided by the organization. Nor does the OLR director provide regular updates to these parties on labor relations activities. This situation indicates a disconnect between the customers identified and the customers monitored.

The OLR Director is the organization's only staff person to monitor customer needs and expectations. Staff are not given the opportunity to monitor customer needs and expectations. It is not surprising they demonstrate little responsibility or ownership of the organization's customer focus functions. This situation is emblematic of a more general problem, identified throughout this report, of staff not being involved in decisions or activities which are of vital importance in creating a quality organization

Customer Relations

Formal standards assist organizations in communicating the values and expectations of organizations. No written or formal customer service standards exist within the OLR. Staff report success in meeting its customers' significant needs; i.e. negotiating contracts beneficial to the City. However, they are less successful meeting less significant customer needs; i.e. returning phone calls in a timely manner. Having customer service guidelines for some of these low-level tasks may assist the OLR in meeting these needs. However, staff do abide by unwritten professional standards or ethics. These standards typically have to do with treating customers, City employees and representatives from bargaining units with respect and fairness.

Staff also identified the OLR has problems managing customers expectations. Very often customers put pressure on the Office to produce results that are unreasonable or, even, illegal. OLR staff believe these unrealistic expectations exist because of a lack of understanding on the part of the Mayor's Office, department heads and managers about what can be achieved through the negotiation and grievance processes. This lack of understanding by key customers may also result from the lack of communication between customers and the OLR. The OLR has identified this as a problem area, especially in the contract administration process, and intends to create a training program for managers.

With the exception of monitoring the Mayor's needs and expectations, there is very little evidence this function has been integrated throughout the entire organization. The Mayor's customer requirements, while monitored, are not regularly communicated to OLR staff. Therefore, we cannot say these requirements have been fully integrated into the organization.

Recommendation #15: *In order for customers to have a realistic understanding of the services that are provided by the OLR, the Office should undertake a broad effort to educate its customer-base about all aspects of public labor relations, especially grievance processing.*

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Recommendation #16: *The OLR should create customer service guidelines for activities in which its staff have contact with customers. These guidelines should include expectations such as the number of hours in which a phone call should be returned and protocols regarding how to handle frequently asked questions or requests.*

Recommendation #17: *The OLR should collect and analyze customer information on other customers it identifies beyond the Mayor. A system should be created by which all OLR customers can be monitored on a regular basis. In order for staff to have a good understanding of customer information, this effort should encourage all staff to monitor customer expectations and needs. If customer information is gathered and monitored by the director, there should be a clear communication to staff of key non-confidential findings.*

RESULTS

Summary Rating: ☆☆☆

Successful organizations know how well they perform. The measurement of results is a common way for an organization to evaluate its performance, efficiency and effectiveness. Organizations should track their performance over time and compare their results with other organizations.

KEY RESULTS CONCEPTS:

- ❑ Customer Satisfaction
- ❑ Financial Outcomes
- ❑ Supplier Performance
- ❑ Organization Outcomes

Financial Outcomes

Labor relations activity is, by its very nature, results-oriented work. Parties involved in labor relations processes continuously focus on the outcomes of negotiations and grievances. Unions and management, alike, have an inclination to compare results with the past and with similar organizations.

The Office of Labor Relations is no different in having this results-focus predisposition. However, the OLR's focus on results is almost entirely on the outcomes from the contract negotiation and grievance administration process, rather than its own internal operations.

The OLR frequently collects results regarding outcomes of specific contract negotiations. The results examined include the percentage increase in pay and benefits from the previous contract, the total financial cost of the contract, changes in sick leave and vacation hours provided, specific language changes in contracts and arbitration settlements.

Comparisons of these results are made with previous contracts or with comparable governmental units. The OLR has a set of five governments in the state of Minnesota with which it compares the contracts of the City's non-public safety workforce. The group consists of the State of Minnesota, the City of Minneapolis, Hennepin County, Ramsey County and the Metropolitan Council. These governmental units were selected because they have similar work forces and are, along with the City of Saint Paul, among the largest

governmental units in the Minneapolis-Saint Paul metropolitan area. The OLR also uses the something called the Vernon Model for comparisons. This model, developed by a professor of the same name from the University of Wisconsin, compares the contract results of Saint Paul's workforce to the 15 cities which are ranked immediately above Saint Paul in population and the 15 cities ranked immediately below Saint Paul. The data for the City's public safety workforce is compared to Cities in the Northern United States. This was done because of the lack of a comparable public safety workforce among all but one of the governmental units used for comparisons for the non-public safety workforce. Percent of pay increase, total cost of the contract, sick leave, vacation hours and the comparison of pay scales for specific job classifications are the primary measurements compared with other governmental units. It should be noted that the data for results compared are not tracked over time and the reliability and validity of the indicators used are not reviewed on a regular basis. 99-860

The OLR also collects a significant amount of information about results associated with the grievance process. They include information regarding how each grievance is resolved and at what level in the process, the number of grievances by department and bargaining unit, and the amount of time taken to resolve the grievance. If the grievance has gone to arbitration, the OLR collects information about the results and tracks who was the arbitrator. Results are not collected for the contract implementation process.

Customer Satisfaction

Despite this orientation to collect results, the OLR makes no similar effort to collect information about the outcomes of its internal operations. Collecting data on customer satisfaction results, such as surveying department heads about contract administration services provided, would be valuable information for the organization. Collecting customer satisfaction results would also assist the OLR staff in evaluating how to best serve their customers and provide it with information on its performance.

Organizational Outcomes

The OLR does not collect human resources results, such as measuring employee satisfaction or absenteeism. Collecting such results may help explain the high-level of turnover the OLR has experienced and may provide some helpful information on how to address the "unacceptable levels of stress" reported by OLR staff.

The OLR Director and staff report the organization has achieved most of its desired goals. While the organization appears, upon casual observation, to perform many of its basic functions well with limited resources, it is difficult to state conclusively that desired goals are achieved efficiently without systematically measuring the results of the OLR's internal operations.

The OLR has done a good job integrating results from the contract negotiation process, and to a lesser extent those from the grievance administration process, into the regular work of the organization. However, there may be other performance indicators the OLR is not using to evaluate these processes, such as measuring the timeliness of the negotiation process and employee satisfaction. These are discussed in greater detail in the Performance Indicators Chapter of this audit. As noted above, the OLR has not developed measures for its internal operations. Therefore, no integration of this aspect of the category can be said to have taken place.

Recommendation #18: *The OLR should develop comparisons for contract administration results and attempt to form partnerships with other jurisdictions to benchmark these results. The OLR should utilize relationships it has developed with other public employers to create these partnerships.*

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Recommendation #19: *The OLR should develop measurements for internal organizational results. Customer needs and satisfaction should be surveyed on a regular basis. The OLR Director should survey staff to identify areas for improvement in the OLR's work environment. The OLR director should also measure outcomes that may serve as a good indicator of human resources and workload results.*

Recommendation #20: *The OLR should review the reliability and validity of the indicators used for the comparison of results. This will ensure indicators are meaningful and consistent with what other jurisdictions are using. Comparisons should also be tracked over time for a more informed and complete analysis of whether the OLR's long-term goals are being accomplished.*

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CONTRACT NEGOTIATION PROCESS

The Contract Negotiation Process chapter of this report is divided into two sections. The first discusses relevant policies and the City's and bargaining units' alignment with those policies. The second section provides a quality assessment of the contract negotiation process.

CONTRACT NEGOTIATION POLICY ALIGNMENT

Contract Negotiation Policy Alignment will address the many state and local policies which pertain to the contract negotiation or collective bargaining process. The discussion is organized more or less chronologically as the collective bargaining process occurs. First to be discussed is representation of the interested parties in the process. Then the actual negotiation procedures are presented, including: preparation, the items negotiated and methods for conducting negotiations are presented. Finally, contract preparation, ratification and implementation are discussed. Each section will present the relevant laws, ordinances, policies, Council Research findings and recommendations.

REPRESENTATION

There are essentially two key parties involved in municipal government contract negotiation: the city and the bargaining unit. The City is represented in negotiations by its Office of Labor Relations. The employees are represented by their respective bargaining units, 27 in all.

However, before this discussion begins, it should be noted that public sector collective bargaining is recognized as having significantly more "interested parties" than the traditional private sector negotiation process. Most important is the role of local politics. Bargaining units are recognized as lobbying organizations and traditionally play an active role in local elections. The contract ratification process for the City also introduces the City Council as an indirect participant. The citizenry and the media should be recognized as currently inactive, but potential participants in the process. The role of public perception can be very strong, not only in the negotiation process itself, but in the long-term relationship between the City workforce as a whole, and the citizenry it works for. Finally, although local government does engage the issue of financial solvency, its influence is not generally understood to be as powerful as the private sector's "bottom line." The roles of these less directly involved parties will be discussed throughout the section.

City Representation

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City representation in the bargaining process is performed mainly by the Office of Labor Relations. However, there are a number of other key City departments and offices which should be mentioned. These participants are outlined below:

- ☐ **Office of Labor Relations** is chiefly responsible for conducting negotiations for the City.
- ☐ **City Attorney's Office** plays a key role in the provision of legal advice in negotiations, as well as in reviewing contracts prior to their submission to the City Council for ratification.
- ☐ **Payroll** function within Office of Financial Services implements wage changes from contracts and therefore should be consulted in contract negotiation.
- ☐ **Risk Management** within the Technology and Management Services Department implements benefit changes from contracts and therefore should be consulted in contract negotiation.
- ☐ **Budget Office** within the Office of Financial Services partners with the Office of Labor Relations in the preparation of contract cost projections.
- ☐ **Mayor's Office** provides political and policy direction to the Office of Labor Relations.
- ☐ **City Council** ratifies contracts and indirectly provides political and policy direction.
- ☐ **Departments** provide advice to the Office of Labor Relations preparatory to negotiations.

Effective communication and understanding among these parties is essential to a coherent City negotiation strategy. Additionally, the roles of the various participants must not be blurred because the City's "management position" must be presented with clarity. Policies relating to each of these participants will be discussed throughout the Contract Negotiation Policy Alignment Chapter.

Office of Labor Relations

Office of Labor Relations Negotiation Representation Policies

Executive Responsibility [The] office of the mayor shall: Make periodic reports to the city council on the status and progress of the collective bargaining process. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Sec. 23.03.*

Unfair labor practices. Subd. 3. Employees. Employee organizations, their agents or representatives, and public employees are prohibited from restraining or coercing a public employer in the election of representatives to be employed to meet and negotiate or to adjust grievances. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13.*

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Findings

- 1) The Office of the Mayor, through its delegate for collective bargaining, the Office of Labor Relations, has provided some periodic reports to the City Council on the status and progress of the collective bargaining process. However, these updates have tended to take the form of annual briefings of individual Councilmembers. The Council rarely holds closed sessions to discuss specific negotiations or grievances. Generally, the Council as-a-whole is rarely updated on collective bargaining.
- 2) There is no evidence to suggest collective bargaining units have tried to influence the selection of the City's representative to meet and negotiate or adjust grievances.

Recommendation #21: *The Office of Labor Relations should undertake measures to consistently inform the City Council of the status and progress of the collective bargaining process. This report should include among other things the number of settlements, staff changes, time lines and settlement statistics. This could be in the form of a quarterly report that would be sent to customers and presented to the City Council by the Labor Relations Director at designated council meetings.*

Consultants

The City, from time to time, hires consultants to assist in the contract negotiation process. The policies governing these consultants tend to more closely mirror those relating to the hire of outside counsel than those pertaining to other types of consultants. This is likely because labor relations consultants are empowered to negotiate agreements on behalf of the City, as is the case with outside counsel.

Negotiation Consultants Policies

Legislative Responsibility (2) Approve and ratify by resolution the selection of labor consultants to aid and assist in labor relations activities as determined by the executive branch of government. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Sec. 23.02*

Executive Responsibility [The] office of the mayor shall: Select with the approval of the city council labor relations consultants to assist in the collective bargaining process when deemed necessary by the mayor to carry out the city's responsibilities in an efficient and competent manner. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Sec. 23.03.*

Supervision of consultants Labor relations consultants selected in accordance with section 23.03(1) herein and approved by the city council shall take direction and be under the supervision of the office of the mayor. The specific duties and responsibilities of consultants shall be set forth in an agreement to be approved by resolution of the city council. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Sec. 23.05.*

Findings

- 1) Two labor relations consultants have been hired by the City in recent years. In both cases, there is no evidence the City Council was consulted prior to the consultants assuming

negotiation responsibilities.⁶ However, in both cases, the Council ratified the appointments prior to payment for services being made. Council Research believes this pattern is not consistent with the City's Administrative Code provisions. Given the weight accorded to the appointment of labor relations consultants, we view this to be a very problematic situation.

2) The supervision of labor relations consultants has been conducted by the Office of Labor Relations on behalf of the Office of the Mayor.

Recommendation #22: *The Office of Labor Relations and Office of the Mayor should henceforth ensure that labor relations consultant appointments are approved by the City Council prior to their undertaking negotiation responsibilities.*

Risk Management Office

Risk Management Office Negotiation Representation Policies

Provide management and negotiating assistance in the bargaining unit contract process. *Risk and Employee Management Services Division: 1998 Ongoing Budget Program Objectives*

Finding

Risk Management provides a limited amount of negotiating assistance to the Office of Labor Relations. Assistance typically involves cost estimates for fringe benefits, suggested contract language changes for clarity and possible alternatives to current proposals. According to interview comments on this policy, significantly more assistance has been provided in the past.

Collective Bargaining Units

There are 24 active collective bargaining units in Saint Paul City government. Despite many similarities, there are distinct governance structures within each of these bargaining units. All collective bargaining units elect officers, such as the president and vice president of the unit. The elected officers of the bargaining unit are often referred to as the e-board (executive board). Some bargaining units have business agents/managers who provide advice or act on their behalf in negotiations and grievance settlement. There are several bargaining units with large enough membership bases to have stewards disseminate and gather information. Finally, most bargaining units have contract negotiating teams which are separate from their e-board, although there may be some duplication in their composition.

⁶ One consultant referred to is Dennis Goldberg whose contract was approved by the City Council on August 12, 1998. This contract was back-dated to provide a June 1, 1998 start. However, billing records shared with Council Research staff indicated the first work billed was for August 12. This is not consistent with the spirit of the City Code indicating the Council approve the selection and responsibilities of labor relations consultants. The second such consultant was Craig Ayers, whose contract was approved by the City Council on May 26, 1999, whose duties also began well prior to Council approval of the contract. This situation is a clear violation of the City Code relating to Labor Relations Consultants.

Collective bargaining units represent the vast majority of the City's 3,332 employees. Non-represented employees include some mayoral staff, legislative aides to Councilmembers, Council Research professional staff, department and office heads, plus a handful of other department management staff. Also included as non-represented employees are RiverCentre employees and special employees, such as stage hands, house custodians, lifeguards and interns. Finally, City Attorneys are listed as appointed in the City's financial records, although they are represented by AFSCME-Legal. Therefore, in practice, the City's permanent workforce has approximately 2% unrepresented. 99-860

City of Saint Paul 1998 Employment by Full Time Equivalent (FTE)

Represented Employees	3,101 FTE's
Appointed : City Attorneys	44 FTE's
Non-Represented Employees (breakdown below)	231 FTE's
Appointed	76 FTE's
Appointed: RiverCentre	15 FTE's
Certified Non-Represented	16 FTE's
Special Employment '98	95 FTE's
	3,332 FTE's

The City of Saint Paul is somewhat unique in that its supervisory and confidential employees are represented by their own collective bargaining units. In many settings, these types of positions have been classified as "managerial" and therefore were not represented. However, Saint Paul has traditionally defined management very narrowly.

Formation & Jurisdiction

The majority of the City's collective bargaining units have been in place since the early and mid-1970s. Therefore, most of the jurisdictional and exclusive representation selection activities occurred at that time. However, from time to time some groups of employees are switched from one collective bargaining unit to another, either by their own petition to the Bureau of Mediation Services (BMS) or the City's. This has been the case with some employees moving between Classified Confidential Employees Association (CCEA) and Professional Employees Association (PEA). Additionally, on rare occasion, groups of employees who were not previously represented may form a collective bargaining unit, as occurred with AFSCME-Legal. Finally, a group of employees may break away from a collective bargaining unit which has previously represented them to form their own unit, which was the course of action taken by the Fire Supervisory Association. The majority of the following discussion will focus on these types of situations.

Collective Bargaining Units Formation & Jurisdiction Policies

Legislative Responsibility (1) Recognize by resolution exclusive representatives of employee organizations in accordance with state law. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Sec. 23.02*

Collective Bargaining Units Formation & Jurisdiction Policies, Continued 99-860

Public employees have the right to form and join labor or employee organizations, and have the right not to form and join such organizations. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees.*

An employer shall extend exclusive recognition to a representative of or an organization of supervisory or confidential employees...for the purpose of negotiating terms or conditions of employment, in accordance with sections 179A.01 to 179A.25, applicable to essential employees. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees.*

Employee organizations, their agents or representatives, and public employees are prohibited from calling, instituting, maintaining, or conducting a strike or boycott against any public employer on account of any jurisdictional controversy.

Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.

Employee organizations, their agents or representatives, and public employees are prohibited from coercing or restraining any person with the effect to force or require a public employer to recognize for representation purposes an employee organization not certified by the commissioner. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Employee organizations, their agents or representatives, and public employees are prohibited from forcing or requiring any employer to assign particular work to employees in a particular employee organization or in a particular trade, craft, or class rather than to employees in another employee organization or in another trade, craft, or class. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Nonteachers. [If] on the expiration date of an existing contract a representation proceeding is before the commissioner, section 179A.18, subdivision 1, clause (1), shall apply. In those cases, however, the employer and the exclusive representative of the employees shall execute a written contract or memorandum of contract no later than 45 days after a certification by the commissioner of a new or different exclusive representative or the resolution by the commissioner of a representation proceeding. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.17 New exclusive representatives. Subd. 2.*

Findings

- 1) The City recognizes, by resolution, exclusive representatives of employee organizations.
- 2) The vast majority, 98%, of the City's permanent workforce is represented by collective bargaining units. Therefore, there is ample evidence to infer that employees' right to organize has not been infringed upon. However, there do appear to be differing interpretations of the term "exclusive representative" and whether it refers to an organization, or an individual representing an organization. This issue has caused some difficulty in AFSCME-Legal where it was reported that the business agent was not allowed to attend at least some negotiation and grievance resolution sessions. It should be noted that the Minnesota Bureau of Mediation Services certifies exclusive representatives, and the AFSCME-Legal business agent is so certified.

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- 3) Supervisory and confidential employees of the City are represented by collective bargaining units, including Saint Paul Supervisors Organization (SPSO), Manual and Maintenance Supervisors (M&Ms), Fire Supervisors Association, and the Classified Confidential Employees Association (CCEA).
- 4) There have been no strikes of any unions in the City workforce over the last two decades, and therefore, there have been no strikes due to jurisdictional controversies.
- 5) There has been no instance of the City being forced to recognize, for representation purposes, any collective bargaining unit not recognized by the BMS.
- 6) Although there was a low-level problem reported in the assignment of particular work to a particular bargaining unit reported in the trades area, there have been no complaints filed. Therefore, it appears there have been no violations of this policy.
- 7) When initiating their own bargaining units, both the Fire Supervisors Association and AFSCME-Legal went through the memorandum of understanding and BMS certification processes articulated in statute with apparently no problems. The only situation which could be problematic would be if one of the bargaining units did not wish the change, in which case there would be a hearing at the BMS. This too has occurred with some City collective bargaining units according to the process spelled out in state statute.

Recommendation #23: Measures should be taken by AFSCME-Legal and the City to ensure that a consistent understanding of the term "exclusive representative," is developed and applied—as the City has an obligation to meet with the exclusive representative of employee groups.

Elections

There have been relatively few significant changes in the representation of City employees in the collective bargaining process, as discussed previously. However, collective bargaining units do elect officers periodically according to their bylaws. City designation of a chief staff negotiator is based on Mayoral selection and Council approval.

Collective Bargaining Units Election Policies

Public employees in an appropriate unit have the right by secret ballot to designate an exclusive representative to negotiate grievance procedures and the terms and conditions of employment with their employer. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees.*

Public employers, their agents and representatives are prohibited from violating rules established by the commissioner regulating the conduct of representation elections. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 2. Employers.*

Employee organizations, their agents or representatives, and public employees are prohibited from violating rules established by the commissioner regulating the conduct of representation elections. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Findings

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- 1) No problems were identified with the election/designation of exclusive representative to negotiate by secret ballot.
- 2) No instances of City interference in the selection of bargaining unit representative were reported. Similarly, there were no reported instances of bargaining unit interference in the selection of City negotiators.

Rights and Responsibility of Representatives

The majority of the City's supervisory and confidential employees are represented by collective bargaining units. Yet it is recognized their participation in the negotiation of contracts for other employee groups represents a potential for conflicts of interest. Therefore, their participation is limited by state law.

Public employers, for their part, must provide reasonable time off for employees to participate in negotiating their contracts. This time off is recognized as time spent on behalf of the bargaining unit. It stands in contrast to the time bargaining unit representatives spend in the grievance resolution process which is considered to be time spent on behalf of the City.

Rights and Responsibility of Representatives Policies

Supervisory or confidential employee organizations shall not participate in any capacity in any negotiations which involve units of employees other than supervisory or confidential employees. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees.*

A public employer must afford reasonable time off to elected officers or appointed representatives of the exclusive representative to conduct the duties of the exclusive representative and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative.... *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.07 Rights and obligations of employers. Subd. 6. Time off.*

Findings

1) Supervisory and confidential employees of the City of Saint Paul do not participate in the negotiation of contracts other than their own. These employees do occasionally support the negotiation process with information and analysis they prepare as a part of their overall job duties. Notably, City officials must patrol this boundary carefully, because even the perception of a conflict of interest can damage the negotiation process.

2) Reasonable time off has been afforded by the City to employees involved in the collective bargaining process.⁷ However, there are significant differences between departments in how time off is handled. Some departments allow for schedule modifications, so employees will

⁷ Elected bargaining unit representatives are provided time off to work on grievance situations.

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not be required to take vacation or other leave time. Other departments have tacit agreements that time off for negotiating will be paid. Finally, some departments simply ensure time off is provided, but the employee is required to take leave. Notably, many negotiation sessions take place in the evenings, after standard work hours to accommodate employee work schedules.

Recommendation #24: *There should be greater equity across City departments in the policies for provision of time to participate in the negotiation process. A City-wide policy addressing this issue should be developed by the Administration for Council review and adoption. This policy should then be clearly communicated to the City's management and supervisory staff.*

NEGOTIATIONS PROCESS

The negotiation process section of this chapter breaks down the contract negotiation process into several major pieces. First to be discussed is the planning and scheduling required of both parties before entering into negotiation. Next to be discussed are the actual items that are required to be in collective bargaining agreements. Following this, negotiation methods and procedures will be examined. Included in this discussion are those policies relating to impasses in negotiation and methods for resolving those differences. A diagram portraying the contract negotiation process appears on the following page.

Research and Strategic Planning

Research and strategic planning are necessary elements in preparing to undertake any negotiation. This is required of all parties involved to justify the demands they bring to the table. The policies which follow provide legal guidance about preparation prior to negotiation. Note the quality assessment of the contract negotiation process includes a discussion on planning.

Research and Strategic Planning Policies

With the Budget Office, develop computer costing model which is usable both for negotiations and general budgetary considerations. *Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives.*

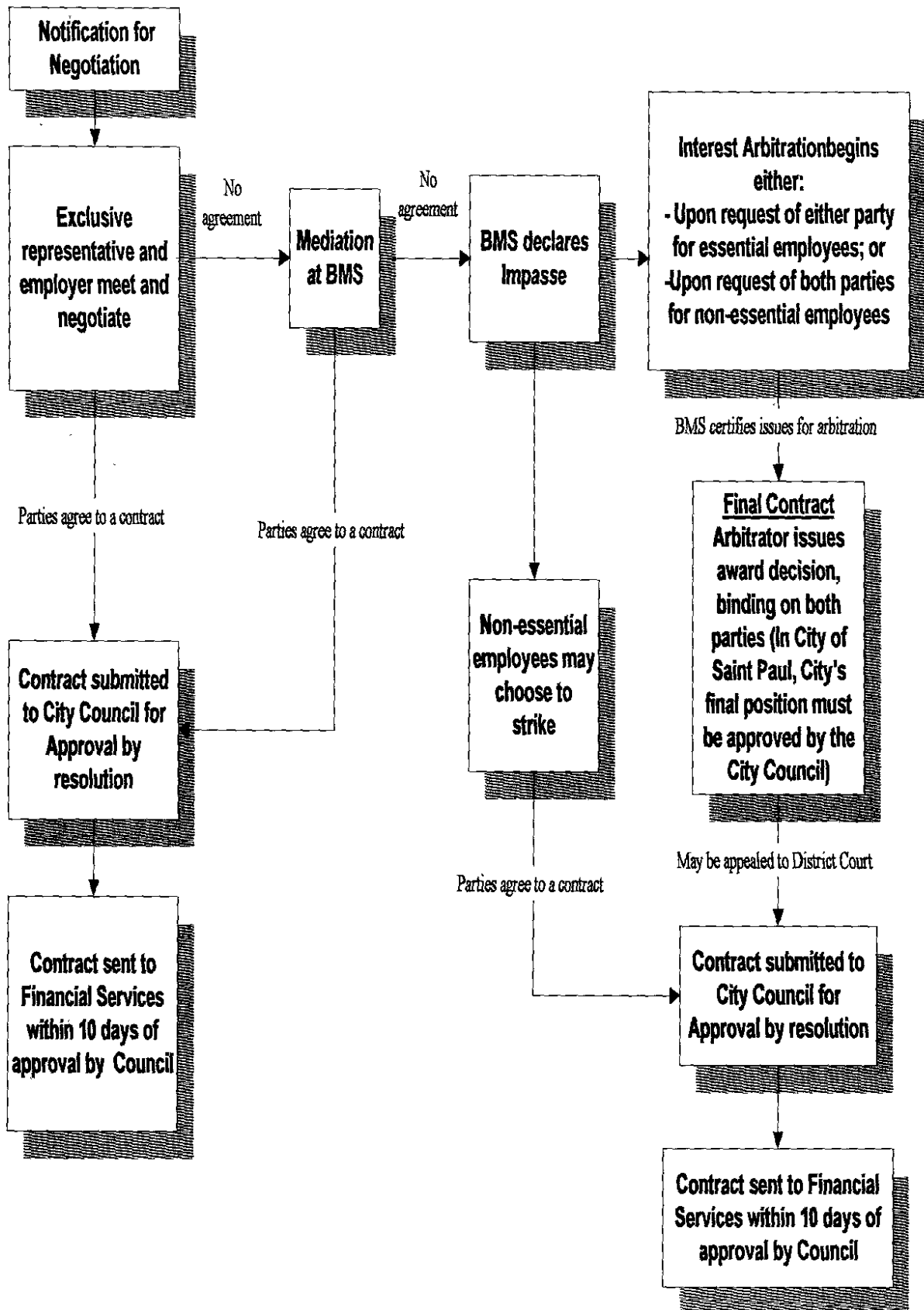
Make recommendations to Mayor regarding improved methods for handling vital economic issues in bargaining. *Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives.*

Develop arbitration strategy which will further City interest in keeping wage and benefit increases at a level St. Paul can afford. *Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives.*

Reduce City's unfunded liability on retiree health insurance, via negotiations. *Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives.*

CONTRACT NEGOTIATION PROCESS

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Research and Strategic Planning Policies, Continued

Public employers, their agents and representatives are prohibited from refusing to provide, upon the request of the exclusive representative, all information pertaining to the public employer's budget both present and proposed, revenues, and other financing information provided that in the executive branch of state government this clause may not be considered contrary to the budgetary requirements of [Minnesota Statutes] sections 16A.10 and 16A.11. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 2. Employers.*

Findings

1) The City currently assesses collective bargaining agreements for financial implications four times. First, the Office of Labor Relations applies "total package cost" formulas widely used in the field of labor relations for calculating the cost of a contract that takes into account the old costs versus the costs of the new contract. Second, the Budget Office assesses the agreements for impact on the City budget for the term of the contract. Third, Risk Management determines if there are any changes in fringe benefits costs. Their calculations are forwarded to the Office of Labor Relations and the Budget Office as appropriate. Fourth, the City prepares a uniform settlement form to be sent to the state.

The Office of Labor Relations, in cooperation with the Budget Office, is developing a computer costing model which is usable for negotiations, general budgetary considerations and preparation of the uniform settlement form. This system is intended to provide sound information on the impacts of various negotiation proposals, as well as a financial assessment of the final negotiated agreement for the City.

2) Staff in the Office of Labor Relations report they proactively provide recommendations to the Mayor on improved methods for handling vital economic issues in bargaining.

3) Strategy development for arbitrations which furthers the City's interest in keeping wage and benefits at a level the City can afford is not yet fully developed. Notably, City staff prepare for arbitrations on a case-by-case basis. There has been one arbitration in recent years, and "staff preparations" for three others. Staff report data are being collected and analyzed which would assist in a broader planning effort. However, only one person interviewed articulated an arbitration strategy or described its implementation.

4) The Office of Labor Relations, in conjunction with Risk Management and the Budget Office, have successfully negotiated substantial decreases in the City's unfunded liability on retiree health insurance. These negotiated decreases were largely accomplished in negotiations occurring three to four years ago.

5) The City has provided all financial, budget and revenue information requested by bargaining units. Although the City has provided this information, there were some reported delays and misunderstandings in the provision of such information, but none of these have translated into unfair practices complaints.

Recommendation #25: *The Office of Labor Relations and the Budget Office should complete work on the development of costing models which meet all of the City's needs for contract cost information.*

Recommendation #26: *The Office of Labor Relations, in concert with other involved City agencies should assess the appropriateness of the following budget objective language: "Develop arbitration strategy which will further City interest in keeping wage and benefit increases at a level Saint Paul can afford." Given the very small number of arbitrations, it would likely be better to refer to individual arbitration situations.*

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Recommendation #27: *The Office of Labor Relations change its budget proposal references to decreasing the City's unfunded liability for retiree health insurance until such time as it intends to again actively pursue these issues in negotiations. The budget references should clearly indicate this is a long-term goal, rather than one that will necessarily be applied in all contract negotiations for all cycles. This would honor negotiation "etiquette" which maintains you should not seek concessions on the same issue for two consecutive negotiations.*

Recommendation #28: *All City agencies in a position to provide budget, revenue and finance information should work with bargaining units in a way that leads to clearer expectations as to the availability of such data and the time required to assemble it. Similarly, bargaining units should be explicit in all requests for these types of data.*

Scheduling and Planning Negotiation Sessions

The contract negotiation process requires meetings and meeting rooms be scheduled, drafts of proposals circulated and agreements drafted. The following policies from the City's Administrative Code and state statutes specify responsibilities for these activities.

Scheduling and Planning Policies

[The] office of the mayor shall: Carry on the day-to-day collective bargaining process, including, but not limited to, the planning, scheduling and conducting of negotiation sessions; the drafting and preparation of necessary documents and agreements in coordination with the office of the city attorney. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Sec. 23.03 Executive Responsibility*

Responsibility of labor representatives and employees (2) Submit written demands concerning desired changes in the terms and conditions of employment in accordance with a timetable to be established by the mayor and approved by the city council. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Section 23.04.*

Initiation of negotiation. When a party to a contract desires to meet and negotiate an agreement subsequent to the initial agreement, the party shall give written notice to the other party and to the commissioner at least 60 days before the termination date of the existing contract. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.14 Negotiation procedures. Subd 1.*

Public meetings. All negotiations, mediation sessions, and hearings between public employers and public employees or their respective representatives are public meetings except when otherwise provided by the commissioner. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.14 Negotiation procedures. Subd. 3.*

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Findings

- 1) The Office of Labor Relations does plan, schedule and conduct negotiation sessions. For the past four years, the City Attorney has maintained a minimal role in the drafting and preparation of negotiated agreements. The Office of Labor Relations reports the City Attorney is consulted from time-to-time on specific points of law. The City Attorney does not actively participate in negotiations or the drafting of collective bargaining agreements.
- 2) Collective bargaining units are required to submit written demands concerning desired changes in their terms and conditions of employment. However, the City's Administrative Code specifies these submissions are to occur in accordance with a timetable established by the Mayor and approved by the Council. No such timetable has been developed in at least the last five years.
- 3) There are two instances of reported problems associated with the initiation of negotiation via written notice, once with operating engineers and once with the Fire Supervisors Association. In neither case did the City pursue penalties against the bargaining units.
- 4) Although state statute requires negotiations between public employers and public employees be public meetings, there are no examples in recent history of parties, other than those negotiating, being present at a session. Notably, this openness is contrary to traditional negotiation practice in the private sector, where negotiations are closed. However, many states and localities have opened the negotiation process in view of the fact that the services provided by governments are public by their very nature.

Recommendation #29: *Given the reported staff shortage in the Office of Labor Relations, increasing the participation of the City Attorney in contract drafting and preparation is warranted. Such an increased role should be explored thoroughly by the next Labor Relations Director.*

See also Recommendation #31, page 43 on the development of a five-year timetable for negotiations.

Items for Negotiations

There are three key items which must be included in any public employee collective bargaining agreement in the State of Minnesota, in addition to the fact that collective bargaining agreements must not be contrary to state or local laws. The three elements which are in these contracts are:

- ☐ Terms and conditions of employment;
- ☐ Grievance procedures; and
- ☐ Contract duration provisions.

Terms & Conditions

Terms and conditions broadly describes both performance expectations for employees and compensation from the employer in the form of wages and fringe benefits. Although there are no policies covered here which directly relate to these, there are several which provide some parameters.

Terms & Conditions Policies

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Meet and negotiate. Public employees, through their certified exclusive representative, have the right and obligation to meet and negotiate in good faith with their employer regarding the terms and conditions of employment. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees. Subd. 5.*

Meet and negotiate. A public employer has an obligation to meet and negotiate in good faith with the exclusive representative of public employees in an appropriate unit regarding grievance procedures and the terms and conditions of employment... *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.07 Rights and obligations of employers. Subd. 2.*

Former employee benefits. A contract may not obligate an employer to fund all or part of the cost of health care benefits for a former employee beyond the duration of the contract, subject to section 179A.20, subdivision 6. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 2a.*

Former employee benefits. A personnel policy may not obligate an employer to fund all or part of health care benefits for a former employee beyond the duration of the policy. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 2a.*

Former employee benefits. A policy may not extend beyond the termination of the contract of longest duration covering other employees of the employer or, if none, the termination of the budgetary cycle during which the policy is adopted. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 2a.*

Findings

- 1) There were no reported cases of collective bargaining units or the City not meeting and negotiating in good faith.
- 2) City contracts are all in accordance with state and other laws with respect to former employee benefits. Notably, the City included provisions on former employee benefits prior to statutory prohibition of this practice. Therefore, the practice is continued and legal in the City's negotiated agreements.

Grievance Procedure**Grievance Procedure Policies**

Meet and negotiate. Public employees, through their certified exclusive representative, have the right and obligation to meet and negotiate in good faith with their employer regarding grievance procedures. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees. Subd. 5.*

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Grievance Procedure Policies, Continued

Meet and negotiate. Public employees, through their certified exclusive representative, have the right and obligation to meet and negotiate in good faith with their employer regarding grievance procedures. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees. Subd. 5.*

Grievance procedure. (a) All contracts must include a grievance procedure providing for compulsory binding arbitration of grievances including all written disciplinary actions. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 4.*

Grievance procedure. Notwithstanding any home rule charter to the contrary, after the probationary period of employment, any disciplinary action is subject to the grievance procedure and compulsory binding arbitration. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 4.*

Findings

- 1) There were no reported cases of either the City or collective bargaining units not meeting and negotiating in good faith on grievance procedures.
- 2) All contracts were reviewed and found to have grievance procedures with compulsory binding arbitration provisions.

Contract Prohibitions**Contract Prohibition Policies**

No contract provisions contrary to law. No provision of a contract shall be in conflict with the laws of Minnesota. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 2.*

No contract provisions contrary to law. No provision of a contract shall be in conflict with rules promulgated under law, or municipal charters, ordinances, or resolutions, provided that the rules, charters, ordinances, and resolutions are consistent with this chapter. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts, Subd. 2.*

Finding

There are currently no reported contradictions between state or local law and the provisions in the City's collective bargaining agreements. One case was reported of a sick leave provision that required updating in a contract to be consistent with state provisions that sick leave may be used for the care of a sick child. These updates typically occur as a result of staff review of professional literature and state and local laws. Both collective bargaining units and the City are alerted to such changes.

Contract Duration

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Contract Duration Policies

Duration. The duration of the contract is negotiable but shall not exceed three years. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 3.*

Finding

Almost all City contracts with collective bargaining units are negotiated for a duration of two years. Occasionally, contracts are negotiated for a duration of three years. This has usually occurred when contract negotiations are concluded approximately one year after the expiration of the previous agreement. Thus, the agreement still reaches out only two years into the future. The main reason provided for this duration of agreement is the increasing level of uncertainty for both parties further into the future.

Recommendation #30: The City and collective bargaining units should pursue more negotiated agreements that run for three years. Such a strategy, although introducing in some slight increase in uncertainty of future revenues, has the potential to significantly decrease the costs of negotiating agreements for both parties. Such costs could be calculated in terms of time involved in negotiation and contract implementation administration overhead.

Negotiation Practices

Negotiation practices are governed by state policies which outline expected negotiation behavior. These policies state, in essence, that both parties are to meet and negotiate in good faith and comply with decisions of the Bureau of Mediation Services.

Negotiations Practices Policies

Public employers, their agents and representatives are prohibited from refusing to meet and negotiate in good faith with the exclusive representative of its employees in an appropriate unit. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 2. Employers.*

Public employers, their agents and representatives are prohibited from violating or refusing to comply with any lawful order or decision issued by the commissioner. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 2. Employers.*

Employee organizations, their agents or representatives, and public employees are prohibited from refusing to meet and negotiate in good faith with a public employer, if the employee organization is the exclusive representative of employees in an appropriate unit. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Employee organizations, their agents or representatives, and public employees are prohibited from violating or refusing to comply with any lawful order or decision issued by the commissioner. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

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Findings

- 1) There were no reported cases of either the City or a collective bargaining unit refusing to comply with a decision of the BMS.
- 2) There were no reports of either collective bargaining units or the City refusing outright to meet and negotiate in good faith. However, there were some serious concerns raised about the timeliness of the negotiation process. Typically, these concerns centered on the City's propensity to slow negotiations through delays, rescheduling and lack of preparation. The primary reason given for these delays was lack of City staff dedicated to the negotiation process. Another reason for "City-caused" delays is the City's effort to decrease the City's unfunded liability for retiree health insurance. "Union-caused" delays were reported to be related to internal union politics, union delays pending outcomes of local elections and the AFSCME lawsuit relating to the City's plan to reduce retiree health care benefits.

The vagueness of the term "good faith" complicates this situation. It is certainly a possibility that such delays could be a negotiation tactic, although it is very difficult to substantiate. Appendix C provides data on contract ratifications over the last ten years. From it we can see a definite pattern of contracts being concluded long after the previous contract has expired. Specific increases in tardiness can also be connected to the content of the negotiated agreements, such as decreases in the City's unfunded liability for retiree health insurance in 1994 and 1995. That being said, it is also apparent that the average lateness of 130 contract conclusions over the last 10 years is 10 months.

The chronic state of lateness of contract conclusions is especially troubling if it is used as a negotiation tactic. The following table briefly examines some of the costs and benefits of delaying contracts. Although all of the possible advantages and disadvantages can not be listed, when they are looked at more closely, we see that the City has some advantage over the bargaining units in delaying.

Brief Cost Benefit Analysis for Contract Conclusion Delays

	Benefits	Costs
City	<ul style="list-style-type: none"> ▪ Return on investment of money not paid to employees during negotiation ▪ Increased negotiation leverage 	<ul style="list-style-type: none"> ▪ Administrative costs of retroactively implementing contract (minimized by fact that existing staff used) ▪ Additional resources required for negotiating (often minimized by fact that existing staff used) ▪ Budget process becomes more complex and uncertain ▪ Potentially bad public relations
Collective Bargaining Units	<ul style="list-style-type: none"> ▪ Increased leverage ▪ May assist political goals of union leadership for local or union elections 	<ul style="list-style-type: none"> ▪ Lost use of increased wages resulting from contract ▪ Potentially bad public relations ▪ Increased unpaid time spent in negotiations

Recommendation #31: *The City should develop a five-year workplan with specific timetables—as required in the Administrative Code—which provides for the conclusion of most of its collective bargaining agreements prior to their expiration. This is especially important in light of the many parties interviewed who indicated the negotiation process was untimely.*

Interest Based Bargaining

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Traditional (also known as adversarial) bargaining is most often viewed as an adversarial process which leads to an agreement that offers the most of what is desired by the negotiating parties at the least cost to each. It is, almost by definition, a secretive process where not all true goals are shared at the negotiating table. In recent years an alternative to this style of bargaining has increased in popularity: interest based bargaining. Interest based bargaining provides for a more open sharing of true negotiation goals and joint problem solving.

Appendix D provides a summary of the interest based bargaining process. The City has also endeavored to use this process, as is reflected by the following City budget policy statement. Notably, interest based bargaining should not be seen as a panacea for problems associated with traditional bargaining methods. It is also inappropriate to use interest based bargaining in some negotiating situations, such as when there are very low levels of trust between the parties.

Interest Based Bargaining Policy

With at least one compatible union, conduct bargaining using interest-based bargaining. *Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives*

Findings

1) Interest based bargaining was used with the Police Federation in 1997 and 1998 for 21 issues addressed in the contract. Notably, it was not used for wage-related negotiation items. The City also used a modified version of the interest based bargaining process with Tri-Council in the same contract cycle.

2) Several collective bargaining units indicated that although they had expressed interest in using interest based bargaining, the City chose not to use this alternative negotiation method with them.

Communication

Complex communications is a hallmark of the public collective bargaining process. This is in large measure due to the many "stakeholders" involved, including not only supervisors and employees, but also potentially, department heads, professional staff in the Office of Labor Relations, City Attorney's Office, Human Resources, Risk Management and occasionally elected officials. In Saint Paul's case, the situation may be complicated further by the decentralized nature of City government with its semi-autonomous departments. Also, the number of collective bargaining units with which the City negotiates agreements inevitably complicates communication.

Communication about terms and conditions of employment between public employers and public employees is clearly governed by state statute. These laws specify that public employers and employees may talk about the terms and conditions of employment only with designated representatives. The statutory language is intended to protect both parties from unofficially negotiated, but potentially legally binding, contract changes.

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Communication Policies

Responsibility of labor representatives and employees (1) Conduct discussions and negotiations concerning terms and conditions of employment only with the designated representative of the city. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Section 23.04.*

Other communication. If an exclusive representative has been certified for an appropriate unit, the employer shall not meet and negotiate or meet and confer with any employee or group of employees who are in that unit except through the exclusive representative.⁸ *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.07 Rights and obligations of employers. Subd. 4.*

Findings

- 1) Communication between the City and labor representatives and employees does not consistently occur with the City's exclusive representative. Rather, other City representatives, without the aid and advice of the Labor Relations Office, purposefully or unintentionally discuss and make decisions on matters relating to the terms and conditions of employment. This type of situation was reported to occur in a variety of ways and is discussed in the following findings.
- 2) The lowest level of this problem seems to occur when an employee or labor representative makes an inquiry of City staff, be it about fringe benefits, titles and classifications or other matters. City staff then proceed to answer the question to the best of their knowledge. However, there are a number of circumstances where the answer requires an interpretation of the collective bargaining agreement. The individual City staff member's interpretation may or may not be consistent with other interpretations that have been given by other City representatives at other times. This creates a situation where sophisticated employee representatives could, and reportedly do, shop for the best answer.
- 3) The grievance process involves a number of steps, the first two of which do not require the involvement of the Office of Labor Relations unless over \$7,500 is involved. This lowest level of problem resolution is believed to be the best because it involves fewer people and less time and frustration. Grievance resolution, by definition, involves interpretation of the contract and probably discussion of the terms and conditions of employment. Therefore, it is very easy to develop situations where grievance settlements are not consistent within employee groups or across departments. Thus the settlement may seem fair and appropriate for an individual—however, it may create inequities in the way other employees are treated, or have been treated. Several such instances were reported.
- 4) There were also reported instances of other professional City staff acting to settle a grievance without the full knowledge and participation of the Office of Labor Relations. These situations seem to arise when there is the involvement of multiple City representatives, such as the department head, the Office of the City Attorney, Human Resources or others, in addition to the Office of Labor Relations.

⁸ A policy statement in the Collective Bargaining Units Formation and Jurisdiction section of this report, from the Minnesota State Statutes Chapter 179A.06, covers this situation as well.

5) There were no reported instances of the City and employees or employee groups meeting and negotiating terms and conditions of employment, other than through the bargaining units' exclusive representative.

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Management Rights

Management rights, also known as management prerogatives, clarify those responsibilities which management traditionally does not allow to be negotiated. They are considered to be automatically within the purview of management. An example of the exercise of management rights is the requirement that some employees, such as police officers, wear uniforms. The terms and conditions related to the requirement which would likely be negotiated is who pays for the uniforms. There is one state law reviewed in this audit which addresses this area.⁹

Management Rights Policies

Inherent Managerial Policy A public employer is not required to meet and negotiate on matters of inherent managerial policy. Matters of inherent managerial policy include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure, selection of personnel, and direction and number of personnel. No public employer shall sign an agreement which limits its right to select persons to serve as supervisory employees or state managers under section 43A.18, subdivision 3 (Managerial Plan, 1989), or requires the use of seniority in their selection. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.07 Rights and obligations of employers. Subd. 1.*

Finding

The concept of promotional positions is embodied in most of the City's collective bargaining agreements, as the "Maintenance and Standards" clauses often, by reference, include the City's Civil Service rules in the signed contract. The City does make "promotional positions" available only to current City employees and this is allowed according to the City's Civil Service Rules. However, if any of these positions have supervisory responsibilities the City's actions are likely inconsistent with state law. Some of the promotional positions are supervisory. Therefore, by definition, the City which is a public employer, has limited supervisor selection to only current employees. This situation may be further complicated by the fact that the BMS has a list of criteria which determine whether positions are supervisory. The application of these criteria would likely produce a different list of supervisors than the City currently uses in practice.

***Recommendation 32:** The City should cease the practice of segregating some positions in the category of "promotional." The practice does not seem to be consistent with state law, it limits the ability of outside qualified candidates to compete, and potentially promotes systemic inequalities in the make-up of the City's workforce.*

⁹ The concept of inherent managerial rights is also covered in Minnesota Statutes under Employer Rights and Obligations, Minnesota Statute 179A.067.

Recommendation 33: *The City should review positions currently categorized as supervisory to determine if the job duties meet the BMS definition of supervisor.*

Meet and Confer

Meet and confer policies are designed to provide a forum for the discussion of workplace issues which are not terms and conditions of employment. They are intended to address the needs of nonrepresented professional employees, but in practice, all employees may meet and confer with the City. A hypothetical meet and confer conference could discuss computer usage in an office or government policies.

Meet and Confer Policies

Professional employees have the right to meet and confer under section 179A.08 with public employers regarding policies and matters other than terms and conditions of employment. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees. Subd. 4. Meet and confer.*

A public employer has the obligation to meet and confer, under section 179A.08, with professional employees to discuss policies and other matters relating to their employment which are not terms and conditions of employment. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.07 Rights and obligations of employers. Subd. 3. Meet and confer.*

The professional employees shall select a representative to meet and confer with a representative or committee of the public employer on matters not specified under section 179A.03, subdivision 19, relating to the services being provided to the public. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.0 Rights and obligations of employers. Subd. 2. Meet and confer.*

The public employer shall provide the facilities and set the time for [meet and confer] conferences to take place. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.08 Policy consultants.*

The parties shall [attend meet and confer conferences] at least once every four months. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.08 Policy consultants.*

Finding

In practice, meet and confer policies apply to all employees. However, they were written with the intent of providing a discussion forum for unrepresented professional staff. In the City's case, that means the non-managerial staff in the "Nonrepresented Managers and Legislative Operating Employee Group." No such meet and confer conferences were reported. In the case of professional legislative staff, the policy is especially obscure and provides no indication with whom these staff should meet and confer. Notably, these policies have little import for the City given the small number of nonrepresented professional employees and organizational location.

Mediation

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Mediation introduces into the negotiation process a third party whose role is to act as an intermediary and assist in the development of a negotiated agreement or grievance settlement. Any settlement reached would require the acceptance of both sides. The Minnesota Bureau of Mediation Services (BMS) assigns mediators when requested. Mediation was recently used in the AFSCME Clerical and Technical agreements and is being used for the AFSCME-Legal agreement. The mediation policies in the following box address how the BMS is to be contacted for mediation assistance and attendance at mediation sessions.

Mediation Policies

A petition [for mediation] by an employer shall be signed by the employer or an authorized officer or agent. A petition [for mediation] by an exclusive representative shall be signed by its authorized officer. All petitions shall be delivered to the commissioner in person or sent by certified mail. The petition shall state briefly the nature of the disagreement of the parties. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.15 Mediation.*

All parties shall respond to the summons of the commissioner for [mediation] conferences and shall continue in [mediation] conference until excused by the commissioner. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.15 Mediation.*

Finding

There were no reported problems with the mediation policies.

Arbitration

Arbitration (also referred to as binding arbitration or interest arbitration), like mediation, introduces a third party into the negotiating process whose role is to act as an intermediary and assist in the development of a negotiated agreement or grievance settlement. However, in the case of arbitration, the parties agree before-hand to abide by the terms of the arbitrated settlement.

Employee groups classified as "essential" have the right to arbitration for their negotiated agreements. However, these groups are not allowed to strike. "Essential" bargaining units in the City are the following:

- | | | |
|----------------------------|---------------------------|--------------------------------|
| ▫ Attorneys (AFSCME-Legal) | ▫ Manual and Maintenance | ▫ Fire Fighters Local #21 |
| ▫ Saint Paul Supervisors | Supervisors | ▫ Fire Supervisory Association |
| Organization | ▫ Classified Confidential | ▫ Police Federation |
| | Employee Association | |

"Nonessential" employee groups have the right to request arbitration, but the City, as a public employer, must agree to it. "Nonessential" employee groups have the right to strike. These groups include all of the bargaining units not listed above.

There has been only one City arbitration in recent history, and it was with the Fire Supervisory Association in 1996. The City prepared for two others, one with the Police

Federation (1994 - 96 contract) and one with the Manual and Maintenance Supervisors (1995-96 contract). However, those settled prior to arbitration. There have been no cases of arbitration with a "nonessential" employee group.

Arbitration Policies

Public employers, their agents and representatives are prohibited from refusing to comply with a valid decision of a binding arbitration panel or arbitrator. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 2. Employers.*

Employee organizations, their agents or representatives, and public employees are prohibited from refusing to comply with a valid decision of an arbitration panel or arbitrator. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Nonessential employees [The party requesting interest arbitration must provide a] written notice of the request to the other party and the commissioner. The written request for arbitration must specify the items to be submitted to arbitration and whether conventional, final-offer total-package, or final-offer item-by-item arbitration is contemplated by the request. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.16 Interest arbitration. Subdivision 1..*

Nonessential employees. If an agreement to arbitrate is reached, it must be reduced to writing and a copy of the agreement filed with the commissioner. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.16 Interest arbitration. Subdivision 1.*

Essential employees. An exclusive representative or employer of a unit of essential employees may petition for binding interest arbitration by filing a written request with the other party and the commissioner. The written request must specify the items which that party wishes to submit to binding arbitration. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.16 Interest arbitration. Subd. 2.*

Procedure. Within 15 days from the time the commissioner has certified a matter to be ready for binding arbitration because of an agreement under subdivision 1 or in accordance with subdivision 2, both parties shall submit their final positions on the items in dispute. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.16 Interest arbitration. Subd. 3.*

Selection of arbitrator or panel of arbitrators. The parties shall alternately strike names from the list of arbitrators until only a single arbitrator remains, unless the parties request and mutually agree to utilize a panel of three arbitrators. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.16 Interest arbitration. Subd. 4.*

[Any] hearing must be held in the county where the principal administrative offices of the employer are located, unless another location is selected by agreement of the parties. In case of refusal to obey a subpoena issued under this section, the district court of the state for the county where the proceeding is pending or where the person who refuses to obey is found, or resides, or transacts business, on application of the arbitrator or panel, has jurisdiction to issue an order requiring the person to appear before the panel, to produce evidence, or to give testimony. Failure to obey the order may be punished by the court as a contempt. Posthearing briefs, if any, must be received by the arbitrator within 14 days of the hearing. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.16 Interest arbitration. Subd. 6. Powers of the arbitrator or panel.*

Arbitration Policies, Continued

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Database; fees, charges, and per diems. For each arbitration decision rendered by an arbitrator, the arbitrator shall submit a copy of the award and a description of all fees, charges, and per diems assessed to the parties to the commissioner. Data from this database must be available to the public. All costs of the panel must be shared equally by the parties to the dispute. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.16 Interest arbitration. Subd. 8.*

Findings

- 1) There were no problems reported in complying with decisions reached through arbitration. However, there were several comments on the timeliness of City implementation of decisions.
- 2) With respect to the "procedure" policy specifying that final positions be submitted within 15 days: the City has a practice of requesting a 15-day extension to allow the Council time to consider the City's position.
- 3) Both the City and the bargaining units appear to be in compliance with all arbitration policies.

Strike

Although strike is an option available to "nonessential" employee groups, there has not been a strike of any City employees since the mid-1970s.

Strike Policies

Public employers, their agents and representatives are prohibited from granting or offering to grant the status of permanent replacement employee to a person for performing bargaining unit work for the employer during a lockout of employees in an employee organization or during a strike authorized by an employee organization that is an exclusive representative. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 2. Employers.*

Employee organizations, their agents or representatives, and public employees are prohibited from committing any act designed to damage or actually damaging physical property or endangering the safety of persons while engaging in a strike. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Employee organizations, their agents or representatives, and public employees are prohibited from engaging in an unlawful strike. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Employee organizations, their agents or representatives, and public employees are prohibited from picketing which unreasonably interferes with the ingress and egress to facilities of the public employer. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Strike Policies, Continued

Employee organizations, their agents or representatives, and public employees are prohibited from seizing or occupying or destroying property of the employer. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Unfair labor practices. Subd. 3. Employees.*

Finding

As there has been no strike of City employees in recent history, there were no reported problems with any of the strike policies. However, there was an informational picket held by the Police Federation which was conducted in accordance with the above policies.

RATIFICATION OF CONTRACTS

Contracts are prepared by the City following the contract negotiation process and are reviewed with the bargaining unit for completeness.¹⁰ Ratification of the contract by the City requires Council approval. It is assumed that the Mayor supports the contract, as the Administrative Code specifies that contracts are to be negotiated by the Mayor or his/her designee. Contracts are approved by the collective bargaining units through votes held in accordance with their bylaws.

Ratification Policies

Uniform settlement form. A public employer...shall complete a uniform collective bargaining agreement settlement document for each collective bargaining agreement or arbitration award. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.07 Rights and obligations of employers. Subd. 7.*

Uniform settlement form. The public employer shall present the settlement document to the governing body at the time it ratifies a collective bargaining agreement or arbitration award. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.07 Rights and obligations of employers. Subd. 7.*

Implementation. Upon execution of the contract, the employer shall implement it in the form of an ordinance or resolution. If implementation of the contract requires adoption of a law, ordinance, or charter amendment, the employer shall make every reasonable effort to propose and secure the enactment of this law, ordinance, resolution, or charter amendment. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.20 Contracts. Subd. 5.*

Findings

1) The State requires the City prepare a uniform settlement form for all collective bargaining agreements and arbitration awards. The City has a spotty history of completing this form, and it completely stopped for a period of about two years. When the City began completing the

¹⁰ The Administrative Code policy outlining the City's responsibility to draft agreements appears earlier in this chapter in the section: Contract Negotiation Preparation—Scheduling and Planning.

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uniform settlement again, past versions were completed and filed with the BMS. The Office of Labor Relations reports three reasons for problems in completing the uniform settlement form. First, low staff levels were cited. Also, they indicated the form developed by the State of Minnesota is very cumbersome and of limited value, as it was originally developed for use by school districts. Finally, there was concern the information required in the uniform settlement form is not consistent with information used in other analyses developed for use at the negotiation table, or later when total package costs are estimated. Therefore, it was believed that the information presented in the uniform settlement would produce greater confusion.

2) The City of Saint Paul has made available uniform settlement forms when requested. However, there have been occasional delays because the forms needed to be prepared before they could be distributed.

Recommendation #34: *The uniform settlement form provides for the development of a statewide base of information on all public employer negotiated agreements and arbitration settlements for the State of Minnesota. As such, it is an important activity for the state to undertake, and has the potential to create a comparative database for use by all public employers and employees. Notably, the state has yet to develop such an information source. However, the City of Saint Paul has not consistently complied with this statutory requirement. The City should consistently complete the uniform settlement form in accordance with State law.*

CONTRACT IMPLEMENTATION

Contract implementation activities involve changing wage rates, altering payroll deductions as a result of benefit adjustments, adjusting sick leave and vacation to reflect negotiated changes, and administering any other changes resulting from a new contract. The process involves a number of City departments and offices. The following chart illustrates the role each plays in implementing the contract. The collective bargaining units are involved to a limited extent in contract implementation. Union leadership and membership may monitor to ensure that any new contract changes are implemented by the City.

Contract Implementation in the Office of Labor Relations

The Office of Labor Relations is responsible for ensuring contracts are implemented and administered correctly. This responsibility is shared with other departments, such as Risk Management and the Department of Financial Services.

Contract Implementation Policies for the Office of Labor Relations

Work with Finance Department to streamline contract implementation process.

Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives

Refine development of data bank relating to the many parallel sections of the 25 collective bargaining agreements and communicate to affected persons. *Office of*

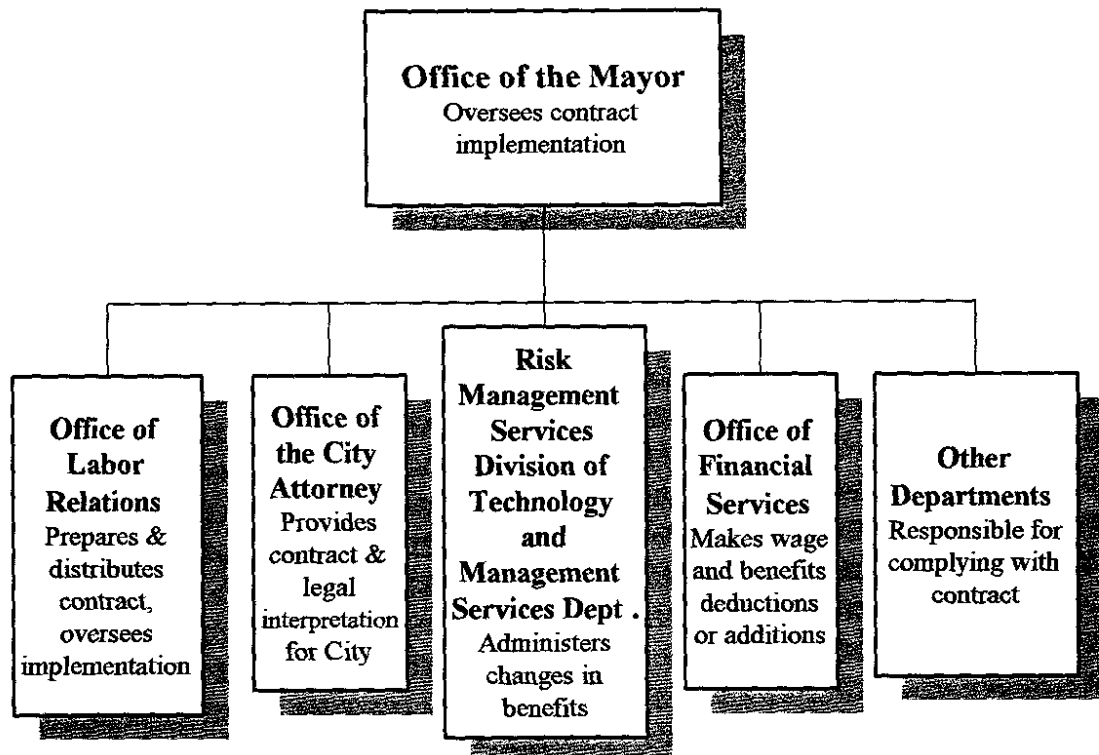
Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives

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Contract Implementation Policies for the Office of Labor Relations, Continued

Executive Responsibility [The] office of the mayor shall: Administrate collective bargaining agreements in accordance with their terms and provisions as approved by the city council. *St. Paul Admin.Code, Chap.23: Collective Bargaining Process, Sec. 23.03*

CONTRACT IMPLEMENTATION PROCESS PARTICIPANTS



Findings

1) The Office of Labor Relations has worked with Financial Services to streamline the contract implementation process. Tentative agreements are given to the Office of Financial Services to determine the length of time it will take to implement the contract. Financial Services then brings any questions to the Office of Labor Relations and to Risk Management for clarification. Responses to questions are in writing. Payroll has stated it is sometimes difficult to obtain coherent answers to questions, as there is a reluctance by the Office of Labor Relations to write down specific answers.

2) The OLR has done some work on the collective bargaining agreements databank, though it has not been completed and the work has not been kept up. The information in the data bank has not been communicated to affected individuals or departments.

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Recommendation #35: *The Office of Labor Relations, Risk Management, and the Office of Financial Services should increase efforts to streamline contract implementation. All three offices should clarify communication systems to improve the administrative process.*

Recommendation #36: *The Office of Labor Relations should complete the data bank relating to parallel sections of the collective bargaining agreements. The existence and use of the data bank should be communicated to all affected parties, and the data bank should be used to identify areas for negotiation.*

Contract Implementation in Risk Management

Risk Management is responsible for administering the benefit packages of City employees. They implement and monitor programs such as workers' compensation and health insurance. They also work closely with other departments such as the Office of Financial Services to monitor the expenditures associated with such programs.

Contract Implementation Policies for Risk Management

Administer the health and welfare benefit programs for the City and Water Utility to insure that employees/retirees receive proper benefits and all bargaining unit contracts and laws are adhered to. *Risk and Employee Management Division: 1998 Ongoing Budget Program Objectives*

Assist the Budget Office in determining and monitoring the unfunded liability and cost allocation in self-insured programs (these programs include workers' compensation, tort liability, and retiree health insurance) in order to establish a budget reserve in accordance with risk management industry standards. *Risk and Employee Management Services Division: 1998 Ongoing Budget Program Objectives*

Finding

Risk Management has followed through with its budget objectives. They are required to monitor unfunded liability to meet general Governmental Accounting Standards Board requirements. They also monitor the contracts to ensure proper administration of benefits.

Recommendation #37: *Risk Management and the Office of Financial Services should develop performance indicators to ensure timely implementation of contract changes. These indicators should be developed in the context of a systematic form of communication between all involved City offices. Risk Management currently attempts to implement contracts in one month, but a formal benchmark to measure against would assist in tracking implementation time.*

Contract Implementation in Financial Services

Financial Services is responsible for processing contract changes and ensuring that all changes are reflected in the payroll records and consequently the payroll checks the employees receive.

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Contract Implementation Policies for Financial Services

Rights and obligations of employees The employer shall deduct the [fair share] fee from the earnings of the employee and transmit the fee to the exclusive representative 30 days after the written notice was provided. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06*

Dues check off Public employees have the right to request and be allowed dues check off for the exclusive representative. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees. Subd. 6.*

Finding

We found no problems with the Financial Services policies. The Office of Financial Services does provide written notice to the collective bargaining units of any fair share fees, and also provides dues check offs.

Contract Implementation in Collective Bargaining Units

Contract Implementation Policies for Collective Bargaining Units

Fair share fee The exclusive representative shall provide advance written notice of the amount of the fair share fee to the employer and to unit employees who will be assessed the fee. The employer shall provide the exclusive representative with a list of all unit employees. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees. Subd. 3.*

Finding

No serious problems were identified with this policy. Most of the collective bargaining units provide advance written notice of the fair share fee, and the Office of Labor Relations provides the collective bargaining units with a list of all of the unit employees on a monthly basis.

QUALITY ASSESSMENT FOR CONTRACT NEGOTIATION

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PLANNING

Summary Rating ☆☆

KEY PLANNING CONCEPTS:

- Set Strategic Direction
- Develop Action Plans
- Align Work With Plans

Planning is a method for achieving a goal. Planning should include knowledge and inclusion of key participants, systematic processes, the release of a well-circulated document or planning product and an effective implementation strategy. Goal-oriented organizations that pursue excellence require a broad-based vision directed toward the future with a willingness to embrace long-term commitments. Planning should strive to anticipate many types of changes including those that may affect customers' expectation of services, technological developments, evolving requirements and community expectations. Planning strategies that lead to effective allocation of resources need to reflect these commitments against the back-drop of a dynamic environment.

Setting Strategic Direction

Participants in the contract negotiation and implementation planning process for the City and the collective bargaining units do not engage in formalized planning activities. The Labor Relations Director, with direction from the Mayor, outlines pre-negotiation strategies that are shared verbally with key members of her staff. For the most part, department heads and the City Council are not included in these informal pre-negotiation strategy sessions. Historically, there were three groups convened by the Labor Relations Director to develop negotiation agendas and strategies. These groups have been relatively short-lived and experienced varying levels of success. They did not include direct-service department or City Council representation.

- *1994 - 95: Executive Bargaining Team:* Met every other week and during negotiations on an as-needed basis. It included representatives from Risk Management, the Budget Office, Human Resources, the City Attorney's Office and all Office of Labor Relations professional staff.
- *1996-97: Executive Bargaining Team Revised Structure:* Met as needed. It included representatives from the Budget Office, the City Attorney's Office, the Department of Finance and Technology, the Mayor's Office and all Office of Labor Relations professional staff.
- *1998: Labor Advisory Group (LAG):* Met rarely. It included representatives from Risk Management, the Budget Office, the City Attorney's Office, Human Resources and all Office of Labor Relations professional staff.

Some, but not all, union negotiators are involved in the preparation of formalized structured planning for pending contract negotiations. Those not involved develop "as-needed" negotiation strategies. Implementation activities are planned on a contract-by-contract basis, and there do not appear to be overall strategic measures.

Developing Action Plans

In spite of their good intentions the planning efforts made by the collective bargaining units and the City do not produce long-or short-term plans that meet broadly accepted requirements for useful planning. However, some pre-negotiation activities do occur:

- ☐ Staff from the Office of Labor Relations reported the Labor Relations Director has engaged in talks with some City department heads, prior to negotiations, in an attempt to gather information about what they want included in a contract settlement, i.e. working conditions, overtime hours, job classification etc.;
- ☐ City attorneys have attended meetings where short-term plans were reported to have been made;
- ☐ The Office of Labor Relations sent questionnaires to the Public Works Department asking for any potential changes in the contract.
- ☐ Several collective bargaining units reported they make short-term plans before contract negotiations. They make pre-negotiation plans at committee meetings and survey the membership to obtain a sense of their wishes prior to negotiation. Often, these plans are listed goals that union negotiators use during contract negotiation.

Unfortunately, these as-needed negotiation strategies do not contain the breadth and scope of a well-developed, resource-specific, integrated plan that reflects the vision and values of organization members.

Some collective bargaining units reported they were involved with the City in pre-negotiation planning meetings. Still, no formal document or plan was produced. The pre-negotiation verbal agreements attempted at these meetings do not rise to the level of a strategic formalized planning process. The results from these encounters do not anticipate changes in the negotiation environment and therefore limit the opportunity of acquiring improvements that could reduce the time it takes to complete a negotiation.

After an agreement is reached and before the actual contract is ratified, a copy is given to Financial Services to allow them to develop strategies to implement the changes in the contract. However, only short-term contract implementation plans are made at this point with the relevant departments and the Office of Financial Services Office. Consulting key departments on the complexity of contract implementation is relatively new and not yet fully developed. Staff in various departments report there appears to be no meaningful incorporation of contract implementation concerns into the negotiation process. As with pre-negotiation, implementation strategies are task-specific and do not include an initial assessment of the resources required nor do the plans consider future changes that may arise.

Aligning Work With Plans

While we may fault the City and the unions for their lack of a formalized planning process, both sides stress the importance of informal short-term planning which allows them to engage in successful contract negotiations. Also, participants in the contract negotiation process have expressed their satisfaction or dissatisfaction by informally reviewing the outcomes of a completed negotiation. This may take the form of conversations over dinner, a pat on the back when leaving a negotiation or a post-negotiation union meeting where the rank-and-file express to the leadership how they feel about the results from the previous round of negotiations. These meetings might also include an informal comparison of results

with other jurisdictions. They have not routinely evaluated their performance and used that information to enhance the process in the future. 99-860

The same situation exists for contract implementation. The short length of time between agreement on the contract and implementation does not allow for much evaluation during the implementation process. The departments involved in implementation do not do any formal evaluations of implementation strategies, though each party understands their role in the process, and follows practices that have been in place for some time.

Recommendation #38: *The Office of Labor Relations should include department heads and the City Council in a planning process prior to contract negotiations. Planning should include aspects of timeliness, customer expectations, process improvements, information exchanges and a determination of who should be at the table. Short- and long-term plans should also include consideration of future changes in collective bargaining units, internal staffing, Compete Saint Paul and other factors that arise.*

Recommendation #39: *The Office of Labor Relations and union leaders should develop a formalized planning process that occurs prior to contract negotiations. Among other things this process should cover issues of communication, timeliness, standards of behavior and exchanges in staffing information. Such a process would include items traditionally discussed in establishing "ground rules" for a negotiation, as well as items relating to the longer-term relationship between the City and bargaining unit.*

Recommendation #40: *Union leaders should survey their membership and use this survey as an instrument to develop short- and long-term plans to more accurately assess the needs and wants of the membership. This plan should reflect a vision for future negotiations, be written and disseminated to all members.*

LEADERSHIP

KEY LEADERSHIP CONCEPTS:

- ☐ Mission
- ☐ Vision
- ☐ Values
- ☐ Communication

Summary Rating: ☆☆

The process of contract negotiation requires leadership from a diverse group of senior leaders representing a variety of interests. The City's Labor Relations Director along with the union presidents and business agents for more than twenty bargaining units share leadership responsibility. While these senior leaders may have individual differences with respect to values and visions for the future, they all have a responsibility to create and express a clear set of values for the process and a clear vision for the future of contract negotiations with the City of Saint Paul. Leaders in the contract implementation stage include staff in Financial Services, the Office of Labor Relations and Risk Management.

Vision

No clear vision has been developed for how the contract negotiation or implementation processes are to be conducted in the future. Senior leaders do not articulate a vision for the future that is more than expecting to repeat what has been done in the past. An exception is that the Labor Relations Director and a few union leaders believe there may be a role for interest-based bargaining in future contract negotiations. They have conducted some

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experimental interest-based bargaining sessions and see this approach as having application in certain situations. There is not, however, a clear vision of how this technique, or any other, is to be used in the future to improve the contract negotiation process.

The timeliness of the contract negotiation process is universally acknowledged to be a serious problem but senior leaders have not provided an alternative vision that will address this failing. Contract negotiations are seldom completed prior to expiration and they sometimes run as much as one to two years behind schedule. It is the responsibility of senior leaders to develop and articulate a vision for the future that will end this frustrating and expensive practice.

Values

Senior leaders must articulate and model the values they believe should guide the contract negotiation process. While senior leaders seem to agree that trust, respect, honesty and fairness should be primary values, these values are seldom articulated and sometimes ignored. There are often retold stories of disrespect, dishonesty, mistrust and unfairness in contract negotiations. The instances of reported disrespect ranges from accounts of unions officials using a stick to beat an effigy of a City official during breaks in the contract negotiations process to accounts of a City official bringing a dog to a negotiating session. There are also reports from both sides of instances where negotiators did not tell the truth or failed to carry through on promises. It has also been suggested that fairness is not always applied when dealing with "lower-status" or female-dominated bargaining units. We found no clear evidence of this, although there is a widely held belief that this is the case.

Communication

In a well-managed process communications are open, rapid and effective. In order for each partner in the process to be able to make correct judgements and optimal decisions, everyone must have all the information they need to make the best decisions. Communications within the City's part of the contract negotiations process are clearly lacking. Secrecy and exclusion characterize the City style. Only a handful of City officials are informed about the contract negotiation process. Even most staff in the Office of Labor Relations are ill-informed. Likewise, City department directors and the City Council are provided with little or no meaningful information. The head of key contract administration activities such as Risk Management and the City Attorney are largely in the dark. In sum, the City's communications systems with respect to contract negotiations have the nature of a closed process known only to a very small, select group of City officials. It may be suggested that secrecy is necessary for an inherently adversarial process but such extreme secrecy is not maintained by the bargaining units nor by many other public and private entities when they engage in contract negotiations.

The unions, in contrast to the City, maintain open communications about contract negotiations. All union members are invited to participate in meetings where contract negotiations processes and objectives are initially discussed. They invite members to serve on the union executive board that reviews the progress of contract negotiations and provides advice and direction to union negotiators. Also, many union members have the opportunity to serve as members of the union contract negotiating team. The unions provide support and recognition to members who participate in the contract negotiations process through formal recognitions and awards to members who contribute to the contract negotiation process.

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Union leaders also meet with their membership after contract negotiations are completed to explain the contract, though Risk Management reports it still receives calls from union members asking for clarification of terms in the contract. Many factors may contribute to these inquiries such as confusion resulting from the information presented to the membership by the collective bargaining units. Alternatively, the employees could be "shopping around" for an answer they like. Perhaps it is a practice that remains from years ago when union members expected Risk Management to interpret the contract for them.

Communications between the City and bargaining units regarding contract negotiations are not particularly productive. Bargaining units complain about City staff not returning their telephone calls and being very slow to respond to written communications. Also, the City does not always notify bargaining units of staff changes that may affect the process. While City leaders claim they maintain good communications with the bargaining units, there are allegations that this is not so.

Communication is also key to implementing any resulting contract changes. Financial Services has a system established to communicate changes to payroll contacts, though communication between the Office of Labor Relations and Financial Services regarding contract changes is not always productive. Financial Services stated they sometimes find it difficult to obtain necessary information from Labor Relations. However, both departments reported collaborating to address this problem.

Recommendation #41: *The Labor Relations Director should take the initiative to invite bargaining unit leaders to join in a professionally facilitated process that will lead to the creation of a vision for the future of contract negotiations in the City of Saint Paul. This facilitated process should review past successes and failures with an eye to developing a common vision of how the process will proceed more effectively and efficiently in the future. This visioning process should occur at least once each year to ensure they continually refine and adjust it to deal with changes in circumstances and changes in leadership.*

Recommendation #42: *Senior leaders from both the City and the bargaining units should define the values that will govern the contract negotiation process and commit themselves to ensuring these values are regularly articulated and followed without exception. A mechanism for identifying and correcting any failures to adhere to these values should be established and enforced.*

Recommendation #43: *The City would be better served if it were to be much more open and inclusive in developing and communicating with other City officials and union representatives about contract negotiations. Certainly such key players as Risk Management and the City Attorney should be kept fully informed and invited to participate in the development and pursuit of City contract negotiation objectives. The City should cease treating contract negotiations as the exclusive purview of a small cabal of City officials and seek the active participation of a wide spectrum of City managers and elected officials. We believe whatever tactical advantages may be lost by reducing secrecy and exclusivity will be more than offset by the benefits to be derived by involving a wide spectrum of City officials in the contract negotiation process.*

TRAINING & DEVELOPMENT

Summary Rating: ☆☆

KEY TRAINING & DEVELOPMENT CONCEPTS:

- Job Design
- Recognition
- Education & Training
- Employee Well-Being

Employees in successful organizations are provided the tools they need to produce quality work. These same employees are given encouragement and resources to develop a set of skills that allows them to contribute effectively to organizational undertakings. For example, if an organization identifies continuing education for its employees as a key strategic value, it will provide workers the opportunity and resources needed for them to attend classes, seminars or in-house training. If an organization values promoting from within, it will have well-defined advancement systems that are attainable through hard work and adherence to organizational priorities. Successful organizations also link the training and development of their employees to the organization's goals and priorities. This linkage occurs through the development and release of a long-term strategic plan that identifies organization strategies that are widely known and tied to basic organizational values.

Education & Training

Training and development does not appear to be a high priority for either the City or most union negotiators. On the City side, the Labor Relations Director is the only staff person in the Office of Labor Relations that negotiates for the City.¹¹ Organizationally, this is not a healthy situation. This situation is exacerbated by the Director's history of not sharing information and customer expectations with her staff. While Labor Relations staff have expressed interest in becoming negotiators, there is currently no formal training program for them to accomplish this goal within the City.

Union negotiators make use of some training offered through their union affiliations. Unfortunately, all unions do not have the resources nor the infrastructure necessary to train and develop future negotiators. In many instances individuals on the negotiation teams are untrained volunteers with no discernable negotiation experience.

Job Design

The Office of Labor Relations recently hired a Labor Relations Manager with a requirement that he or she have five years of contract negotiation experience. This will improve the situation of inexperienced city negotiators. The Labor Relations Director has informally passed on some negotiation strategies to her staff. Similarly, some staff have attended MPFLRA conferences where limited training did occur.

City staff, based on their particular position and role in contract implementation, have some opportunities to contribute to the process. Labor Relations staff all have specific roles related to implementation and contribute through their respective roles; however, the primary

¹¹ In 1994, 1995, 1998 and 1999 the City hired Labor Relations consultants. In 1994 and 1995 the consultants worked with the Health Insurance Labor Management Committee and in 1998 and 1999 the consultants assisted in contract negotiations.

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decisions are made by the director. Risk Management and Financial Services contribute greatly to the process, and implement the contract changes as required. However, this is somewhat problematic, as some contract changes that are agreed to may in reality be very difficult to implement.

Employee Well-Being & Recognition

Participants in the contract negotiation process reported significant levels of distrust. Apparently, this distrust is not only between the City and the collective bargaining units but also between participants within their respective groups.

Within the City, participants in the process hold different views on negotiation strategies and disagree about the level of service that should be provided to their competing customers. It was reported the actions of some department heads run contrary to the vision of contract negotiation expressed by the Administration. Labor Relations staff expressed concern that some department heads are making decisions contrary to the policies of the Office of Labor Relations. In contrast, some department heads and other key staff believe they are left out of the negotiation process and feel excluded by the Director.

City staff involved in contract implementation expressed some frustration with the difficulty in obtaining the necessary information regarding contract changes. These employees also work under stressful conditions when implementing contract changes, as the time frame between contract ratification and implementation is often very limited.

Some union participants reported they do not always feel respected by their leaders. Smaller collective bargaining units reported the negotiation process tended to be a positive experience for them, while some participants from larger unions felt worn down by the length of time it takes to reach an agreement. They believe extending the time it takes to reach an agreement is a negotiation strategy employed by the City to better its outcomes.

Recommendation #44: *The Office of Labor Relations should make contract negotiation training for eligible staff a priority. This should occur either in-house or through continuing education at an off-site facility.*

Recommendation #45: *All unions should offer training in contract negotiation to members of the negotiation team.*

Recommendation # 46: *The Office of Labor Relations, Financial Services, and Risk Management should develop a formal communication system to communicate and implement contract changes.*

See also Recommendation #56, page 69 on maintaining at least two negotiators on staff in the OLR.

INFORMATION AND ANALYSIS

Summary Rating: ☆☆☆

KEY INFORMATION & ANALYSIS CONCEPTS:

- Collection of Data
- Use of Data
- Analysis of Data
- Comparison with Others

Information and analysis are vital for managing and improving processes. Performance improvement information includes customer, employee-related and cost information. Collecting data serves little purpose if it is not analyzed and used to make improvements. Extracting larger meaning from data to support evaluation and decision making for the contract negotiation process is very important. Analysis should include trends, projections and comparisons. Using data and analysis systematically in setting priorities is important in properly setting goals, developing plans and allocating resources. Information should be available to all parties to the process and used to evaluate the process and assess progress. Information is essential in monitoring performance against measurable goals and it should play a key role in the decision-making process.

Collection, Analysis, and Use of Data

Both the City and the unions are good at collecting and using data related to contract negotiation. While the City's systems for collecting and analyzing data have historically been weak, they are now better and continuing to improve. Past City problems have been primarily related to inadequate computer hardware, unstable software and weak technical support. Improvement is due to better technical systems and support and the higher priority placed on the maintenance of quality data by the Labor Relations Director. The City continues to maintain two computer-based systems intended to do "total package costing." This apparent duplication is not only inefficient but, they tell us, often produces different cost projections. This duplication and instability suggest that more work needs to be done to improve the situation.

Other City departments also collect varying amounts of information related to negotiation and implementation. The Payroll Office in Financial Services keeps copies of letters sent to employees describing pay changes, though they do not keep any other formal files of changes. Benefits collects data on sick leave use and other benefits.

Collective bargaining units also use data and computer analysis to evaluate proposals and compare agreements with other jurisdictions. The use of this type of data and analysis varies among the bargaining units with some being more sophisticated in their use of computerized data analysis than others. Most, if not all, bargaining units use data and analysis at least to some extent to evaluate the products of the contract negotiation processes.

Comparison with Others

The collective bargaining units collect and share a fair bit of information on comparable contracts. They generally obtain this information from other locals or from national labor organizations. This comparative data is used extensively by unions to study trends and to assess the equity of settlement proposals offered by the City.

While City staff attend and participate in meetings with the labor relations directors of other governmental units in the metro area, the information gathered in this forum is thought to be

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 of limited value. This is because shared information often lacks sufficient detail to accurately assess the total agreement and the desire of participants to make the settlements they have achieved look as good as possible to their peers. This group is sometimes, jokingly, called the "liars club." Nevertheless, the collection of this type of comparative information is important and helps the City understand the broader collective bargaining environment.

Regarding the outcomes of the contract negotiation process, some data is collected and analyzed by both parties, however; little data is collected by either party about the process itself. There is no systematic information gathered regarding the costs of the current process in either time or money. Lacking such information there is little incentive or basis for seeking to make process improvements.

Recommendation #47: *The City should continue to seek to improve its data collection and analysis capabilities and should implement the total package costing program. Likewise, unions need to continue to improve their systems and find additional support for those units that do not currently have quality systems.*

Recommendation #48: *The City and unions should continue to work to improve their data collection and analysis systems for negotiation outcomes. The parties should also mutually define process cost measures and jointly collect and share data on these indicators. These data should then be used to analyze the efficiency of the process with an eye to making improvements. This information can be used for a comparative evaluation of alternative negotiation methods. Alternatives should be used experimentally until proven and then adopted for all contract negotiations. The process would be well-served if present leaders were to make a concerted effort to break free of their long-standing beliefs about how to conduct contract negotiation and seriously consider alternative dispute resolution processes. Some of these alternatives, may, prove to be superior to current processes which are, unfortunately, performing poorly in many cases.*

PROCESSES FOR IMPROVEMENT

Summary Rating: ★★

KEY PROCESSES FOR IMPROVEMENT CONCEPTS:

- Improving Services
- Improving Support Services
- Improving Supplier Services

This section reviews the design, management and improvement of the contract negotiation and implementation processes. Improvement practices should be an integral part of any process. Both parties should be seeking to eliminate problems at their source and be driven by opportunities to improve. Improvements may be directed toward responsiveness, timeliness and efficiency in the use of resources. Improvement must contain cycles of planning, implementation and evaluation that require information and methods for assessing progress. It is critical they continuously evaluate all processes to identify problems and successes.

The contract negotiation process reflects little management of the process by either party. All recognize their inability to complete contract negotiations on a timely basis but little, if anything, is being done to remedy this most serious process failure. Despite the high cost of this continuing failure in both frustration and direct expense, the parties have done nothing

effective to ameliorate this problem. While trends are not entirely clear, in part because no one bothers to collect data on timeliness and track trends, this situation continues. 99-860

Although it is commonly believed by the parties that the current "zero-sum" type of bargaining is ineffective and needlessly expensive, there have been few attempts to improve the process by adopting alternative models. Some have tried to use "interest-based bargaining" with parts of a few contracts, but they have not attempted to pursue new and possibly better methods of resolving differences between the parties. Leaders on both sides seem to be deeply invested in long-standing contract negotiation processes and either cannot see, or do not want to see, that there may be better ways of reaching mutually acceptable collective bargaining agreements.

One reason there may be so little impetus to improve the contract negotiation process is no systematic evaluation of current processes is ever done. No one collects or analyzes quantitative data about the methods in use. Without systematic evaluation, there is no way to know how current processes are working and to identify the areas in need of improvement.

Recommendation # 49: *Parties involved in contract implementation should conduct surveys to identify levels of supplier performance and search for areas and ideas for improvement. Suppliers might include those agencies and individuals who provide necessary information for the negotiation process.*

See Recommendations #47 and #48, page 64 on information analysis in contract negotiations.

CUSTOMER FOCUS

Summary Rating: ☆☆

Attention to customer needs is crucial if an organization is striving toward excellence. Organizations that excel in customer satisfaction have obtained information by creating and managing relationships with their customers that give the organization key service requirements, near and long-term expectations and degrees of customer satisfaction. The successful use of customer satisfaction information is linked to an organization's ability to gather and analyze data concerning customer requirements. Knowing the requirements of its customers enables an organization to develop service standards. In order for these standards to be effective they must be distributed throughout the organization and understood by everyone.

KEY CUSTOMER FOCUS CONCEPTS:

- ▣ Customer Identification
- ▣ Customer Knowledge
- ▣ Customer Relations

Customer Identification

When it comes to contract negotiation both the City and the unions have a pretty clear idea of who their customers are. The collective bargaining units have identified the rank and file membership and the citizens of Saint Paul as their primary customers. Those individuals who are involved in the negotiation process for the city have identified the Mayor, City Council, department heads, the rank and file and citizens as their primary customers.

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Interestingly enough, even though the City Council was identified as a customer, no actions during the negotiation process back this statement. The Council is not kept up-to-date on contract negotiations, collected information is not forwarded to them, information on staff changes is forwarded slowly and presentations before the Council by the Labor Relations Director are not regularly scheduled.

Customer Knowledge

The participants in the contract negotiation process have a clear understanding of who their customers are. They also believe they have a clear understanding of their customer's needs and expectations. However, in spite of this belief, the participants do not have formal processes to assess customer needs, expectations and satisfaction.

The Office of Labor Relations identified multiple customers but the only customer who is involved in any kind of process to determine customer needs, expectations and satisfaction level is the Mayor. The Labor Relations Director held frequent meetings with the Mayor where the Mayor shared his vision for the future concerning the direction in which contract negotiations should proceed. This information was then used by the Office of Labor Relations in subsequent negotiations. Unfortunately, very little was done to capture information on the needs and expectations of other customers identified by the Office of Labor Relations. The OLR Director indicated that on at least one occasion a survey of department and office directors was conducted. Similarly, there were very few regularly scheduled meetings with the City Council to assess their needs and expectations.

According to some collective bargaining units, informal conversations and occasional surveys were used by union leaders to monitor the expectations and needs of the rank-and-file. They held informal conversations with union members after negotiations to determine their satisfaction with a settlement. The information shared at these meetings tended to revolve around financial and benefit matters; no information concerning improved practices and meeting behavior was usually given. Furthermore, these practices have not been formalized or practiced over time in order to compare customer satisfaction results with other jurisdictions or with past performances.

Negotiators do not follow any formal customer service standards or guidelines when it comes to such issues as communication between offices, information analysis, meeting time lines and negotiation behavior. Customer service standards, if shared with all key negotiators and their staff, would provide a framework for all participants in the negotiation process to understand the vision, goals and expectations of key customers prior to and during negotiations.

Customer Relations

High quality organizations stress relationship enhancement as an important part of an overall "listening and learning strategy." Some members of larger collective bargaining units did report communication problems between themselves and the leadership. For the most part however, union negotiators did provide information concerning the negotiation process to its membership on a regular basis. Unfortunately, no formal consistent process to determine customer satisfaction exists between the leadership and its members. Therefore, important customer feedback may not make it to union negotiators in a timely manner. Without an effective method to assess the needs and expectations of key customers the effectiveness of the negotiation process is limited.

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Recommendation #50: *The unions should create a formal process to measure the expectations and satisfaction levels its members have concerning the contract negotiation process. The issues identified in this process should not be limited to financial and benefit outcomes but should also stress communication between the leadership and its members, information dissemination, staff changes, timeliness, processes for improvement and general leadership concerns.*

Recommendation #51: *Both the City and the unions should use the information it receives from surveying its customers to establish customer service standards and guidelines which in turn would be used during the contract negotiation process.*

Recommendation #52: *The Office of Labor Relations needs to examine the role of the City Attorney's Office, the Office of Financial Services and Risk Management to determine if greater partnering accompanied by information sharing would be a more effective approach to negotiation than presently exists. All of these departments should consider surveying their respective customers to determine their level of satisfaction with negotiation and implementation.*

See also Recommendations #17 and #19, pages 24 and 26 respectively, on City Council and other customer communication and information gathering.

RESULTS

Summary Rating: ☆☆

Successful organizations know how well they are doing. By using results they can calculate their efficiency and effectiveness. For example, if the goal of the organization is to provide a high level of customer satisfaction with a product, the organization would collect and analyze data indicative of customer expectations, work practices to meet these expectations and the resulting levels of customer satisfaction. Once they establish outcomes, the organization can track its performance over time and compare its results with those of other organizations. These comparisons with other similar organizations can represent benchmarks against which to compare outcomes, efficiency and effectiveness.

Participants in the contract negotiation and implementation processes do not have formal methods to measure their outcomes. They do not track performance over time and any comparisons to similar organizations are limited in scope and not part of any annual assessment.

Customer Satisfaction

We discovered customer satisfaction with the results of the negotiation process is not systematically measured by either the City or the unions. Only a few unions survey membership periodically. Because no accurate customer satisfaction results are gathered, no current customer satisfaction comparisons to similar organizations can occur.

There is no formal evaluation of the process used for negotiation and implementation of contracts for either the City or unions. Overall, the communication systems between the

KEY RESULTS CONCEPTS:

- ▣ Customer Satisfaction
- ▣ Financial Outcomes
- ▣ Supplier Performance
- ▣ Organization Outcomes

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departments are poor, and even informal evaluations do not seem to be present. Internally, no feedback mechanisms exist for each department to evaluate the services it receives from the others on a holistic or individual level. Therefore, it is even more difficult to achieve efficiencies in the negotiation process for the upcoming negotiation cycle.

Organizational & Financial Outcomes

It is natural for both sides in the contract negotiation process to be concerned about the outcomes of that process. However, the City and the unions have goals that are too narrowly defined as "marginal financial outcomes." Because their goals are limited in scope the unions and the City believe they achieve most of their desired goals. Union and City negotiators occasionally measure the outcomes of a negotiation session by having informal conversations after a round of negotiations. While we recognize concentrating on financial results is a natural reaction to contract negotiations, we must point out that high quality organizations have identified other measurement criteria that determine whether they are achieving their goals. Such criteria deal with issues of communication between participants, information sharing, timeliness, standards of behavior and negotiating environment. Little attention has been given to other aspects of the negotiation process to see if possible efficiencies can be identified and improved upon before the next round of negotiations.

The Office of Labor Relations does compare its financial results to other municipalities. They also compare current financial results to results from other years. Some collective bargaining units informally compare their financial and benefit results to similar organizations and national parent organizations.

Organizational and financial outcomes related to contract implementation are not tracked or evaluated by the City. The Payroll unit states that it measures results by whether paychecks are correct. If they are not, the Payroll unit states it will hear of the problem, and would then consider its results unsatisfactory. Risk Management has a one-month plan to incorporate any benefit changes, and measures its results according to this plan. While individual departments may claim to evaluate their work through these methods, there is no evaluation of the whole process. This lack of evaluation is pervasive and a true hindrance to any improvement practices that may be taking place on either side.

Employee Performance & Well Being

Multiple staff changes in the Office of Labor Relations over the past few years have resulted in a situation where only the Labor Relations Director has the ability and knowledge to negotiate a contract. Historically, the Office has had two, and occasionally three, professional staff capable of negotiating contracts. However, for almost one year the Office has had only the Director and hired consultants able to negotiate contracts. This situation is further exacerbated by an office that does not value additional training and development for its staff. Continuous staff turnover in the Office of Labor Relations has made it difficult for the unions to establish a normal working relationship with the office over time. Internal office assignments shift from person to person without long-term administrative projects being completed.

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Supplier Performance

In 1998 the Office of Labor Relations contracted with a consultant to help with contract negotiations. The Labor Relations Director reports to have formally evaluated the consultant for his value and effectiveness; however, no documentation of this has been produced.

Recommendation #53: *Both the Office of Labor Relations and the unions should develop formal processes to measure and track goal-oriented outcomes. These outcomes should include more than just financial and benefit information. Participants in the contract negotiation process should establish criteria that would also measure aspects of the negotiation process associated with communication between participants, information sharing, timeliness, standards of behavior and the negotiating environment.*

Recommendation #54: *The Office of Labor Relations, Risk Management, Financial Services and the unions should measure customer satisfaction and compare those results with similar jurisdictions. Survey instruments should be developed and sent out bi-annually to all identified customers.*

Recommendation #55: *The Office of Labor Relations in conjunction with the Office of Human Resources should conduct an employee retention study to assist the new director in recruiting and maintaining staff with the goal of reducing employee attrition.*

Recommendation #56: *The Office of Labor Relations should reinstitute the practice of having at least two staff members capable of negotiating a collective bargaining agreement at all times. This would take pressure off the primary negotiator and allow the office to deal with administrative and management tasks more efficiently.*

Recommendation #57: *All contract employees should be evaluated for performance. This data should be used for planning and process improvement.*

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GRIEVANCE PROCESS

POLICY ALIGNMENT

Grievances may arise out of three different sources: 1) interpretation of the contract agreement; 2) disciplinary action; and 3) Civil Service Rules. If an employee or union feels the terms of the contract have been violated a grievance may be filed. An individual employee may also file a grievance if they feel a disciplinary action taken against them was unjustified. Finally, a grievance can be filed if there is an alleged violation of the Civil Service Rules. Civil Service grievances are handled by the Office of Human Resources and the City Attorney's Office. Contract and disciplinary grievances that advance to Step III (explained below) and beyond are managed by the Office of Labor Relations, with some assistance from the City Attorney's Office. This performance audit examines only the grievances handled by the Office of Labor Relations.

Grievances generally follow a four-step process, outlined in each collective bargaining unit's contract. Time limits on each of the steps exist to assist in moving the grievance forward in a timely manner, though time limits can be waived by mutual agreement. Step I of the grievance process involves only the employee and his/her supervisor. They meet informally to resolve the issue. If they are unable to reach a mutually acceptable decision, the grievance moves to Step II, and the union steward meets with the department head or another higher-level management representative. If the grievance cannot be resolved at the two lowest levels, it advances to Step III, at which point the Office of Labor Relations assumes responsibility for the grievance, and meets with the union's business manager. If still no settlement is reached, the grievance may go to arbitration, and the Minnesota Bureau of Mediation Services (BMS) will hear the grievance and make a ruling to which the City and the collective bargaining units must comply. The ruling of an arbitrator may be appealed to district court only under very limited circumstances such as:

- ☐ Evidence of bias on the part of the arbitrator;
- ☐ The arbitrator exceeded his or her powers—he or she did something contrary to law;
- ☐ The arbitrator refused to postpone the hearing when requested—according to law it is unfair for one side to be unprepared;
- ☐ If the subject being appealed is ruled non-arbitrable; or
- ☐ If the decisions is procured by unfair means (such as bribery).

According to the OLR, appeals rarely occur.

Steps and Participants in the Grievance Process¹²

Step I: Informal meeting (oral)	→ Grievant, Supervisor
Step II: Formal meeting (oral)	→ Union Steward, Department Manager
Step III: Office of Labor Relations becomes formally involved (written)	→ Union Business Manager (or President if collective bargaining unit does not have a business manager), Office of Labor Relations
Step IV: Arbitration (written)	→ Bureau of Mediation Services, Union Business Manager, Office of Labor Relations

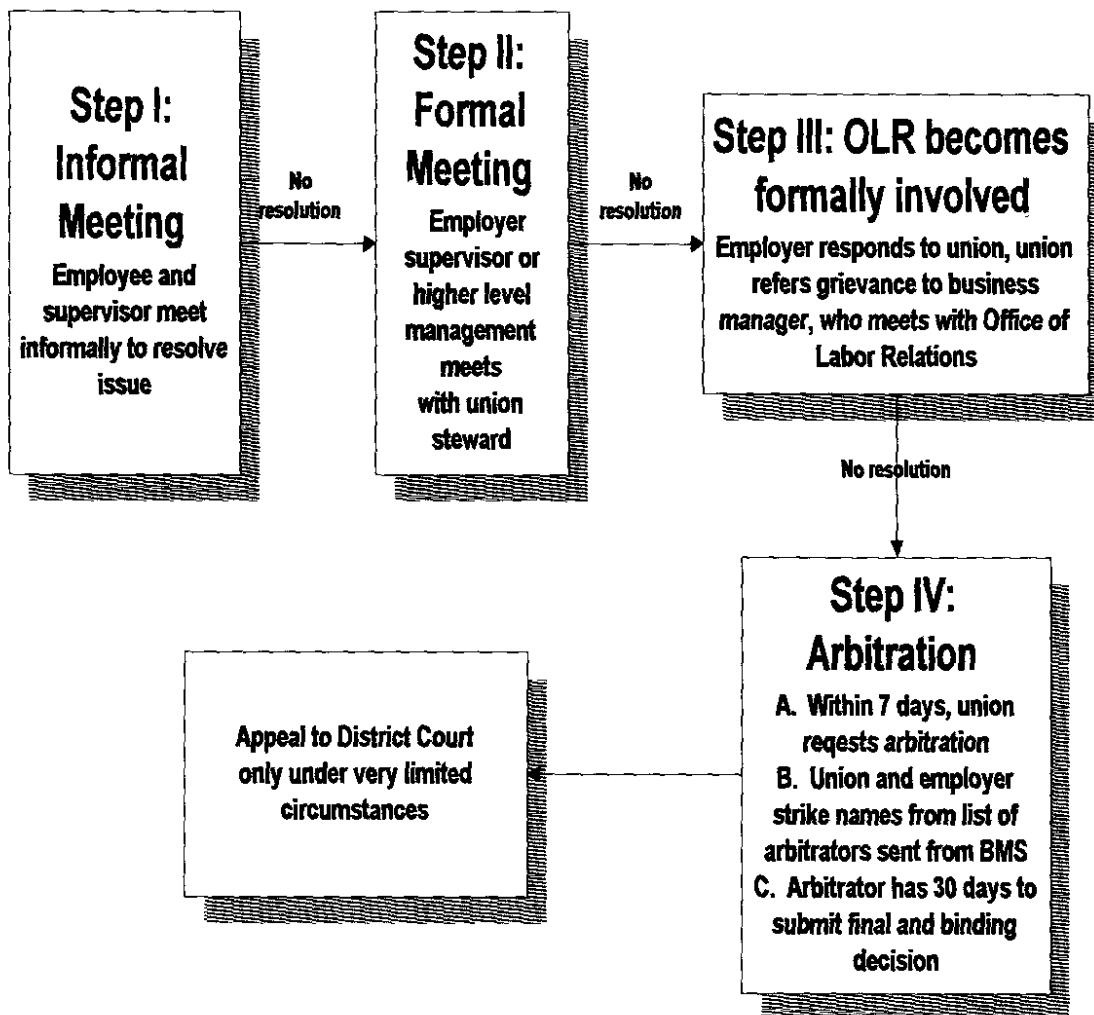
An optional mediation step is also available to collective bargaining units and the City between Step III and IV of the grievance process. Upon request of both parties, the Minnesota Bureau of Mediation Services will assign a mediator to the case. The process is informal, and both sides have an opportunity to present their evidence. This can be done in a joint session or in separate caucuses. At the request of both parties, the mediator may issue an oral recommendation for settlement. Either party may request an assessment from a mediator as to how an arbitrator might rule in the case. If the grievance is resolved through mediation, the grievant will sign a statement accepting the outcome. If the grievance is not settled, it moves to arbitration, Step IV of the grievance process.

In addition to handling contract grievances, the Office of Labor Relations may also represent the City in disciplinary grievances following the process outlined in the collective bargaining agreement. If the employee selects review by the Civil Service Commission, the Office of Human Resources would be involved. However, the City Attorney handles most disciplinary grievances, and works with the department to draft a letter of discipline and if there is a discharge or suspension. The Office of the City Attorney also administers grievances resulting from Civil Service Rules interpretation. The following diagrams illustrate the general grievance processes for both non-disciplinary and disciplinary grievances.

¹² The City Attorney's Office may also participate in any step of the process by providing legal and contract interpretations. The Office of Human Resources will provide additional resources at any step of the process.

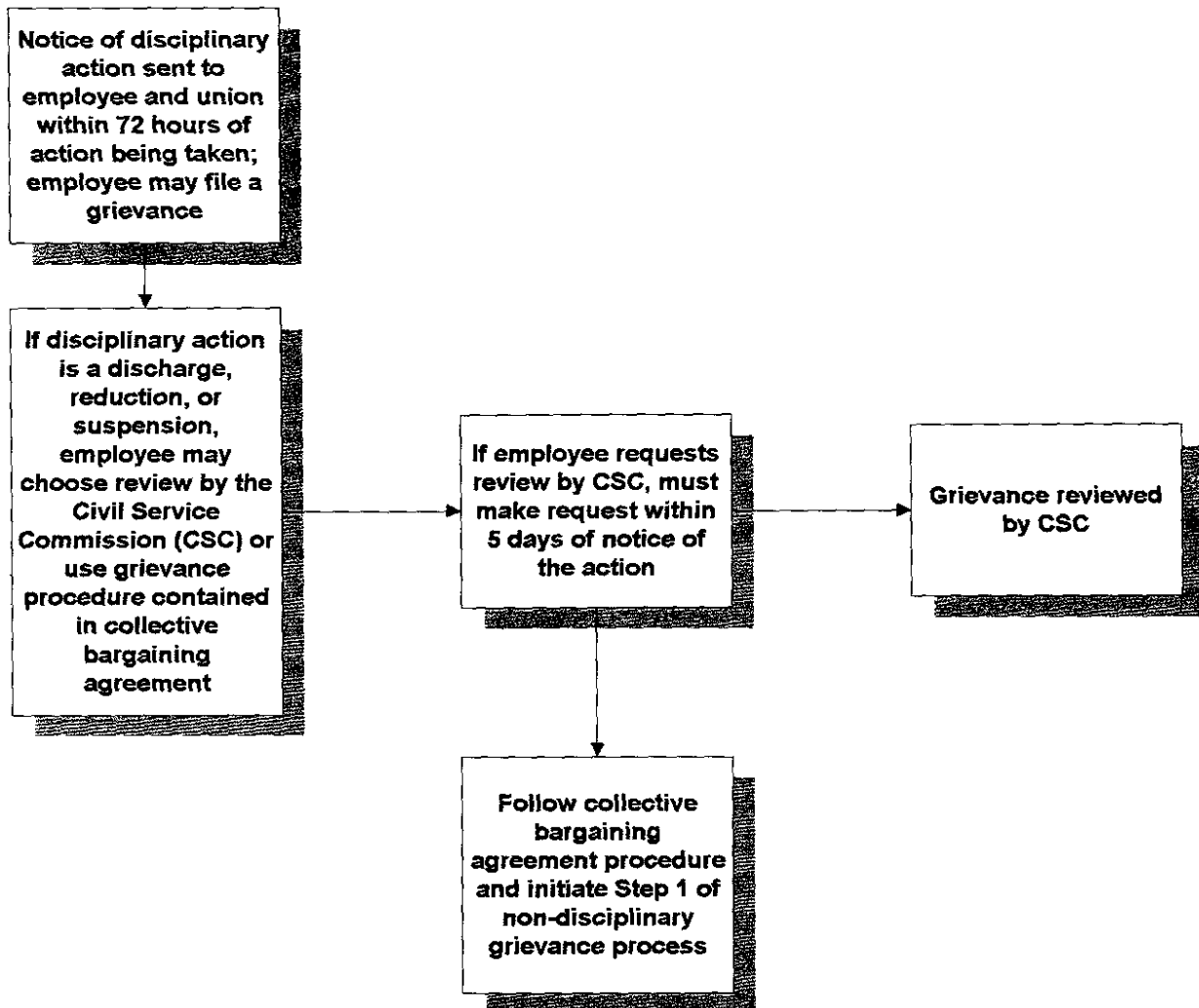
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NON-DISCIPLINARY GRIEVANCE PROCESS



*A non-disciplinary grievance is an alleged violation of the terms and conditions of the collective bargaining agreement.

DISCIPLINARY GRIEVANCE PROCESS



Disciplinary actions include oral and written reprimands, suspensions, reductions in classification and discharges. Any disciplinary action that is not a reduction, suspension, or discharge can be grieved only through the collective bargaining agreement's grievance procedure.

General Grievance Process Policies

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Many of the grievance process policies apply to both parties in a grievance. These policies are listed and discussed below.

General Grievance Process Policies

Expression of views. [The Minnesota Public Employees Labor Relations Act] does not affect the right of any public employee or the employee's representative to express or communicate a view, grievance, complaint, or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as this is not designed to and does not interfere with the full faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative. Sections 179A.01 to 179A.25 do not require any public employee to perform labor or services against the employee's will. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.06 Rights and obligations of employees. Subdivision 1.*

Unfair labor practices A copy of any complaint alleging an unfair labor practice must be filed with the commissioner at the time it is brought in district court. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subdivision 1. Actions.*

Unfair labor practices The party bringing an unfair labor practice action in district court shall also transmit to the commissioner any orders or judgments of the court within ten days of the order or judgment. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subdivision 1. Actions.*

Grievance arbitration If the parties to a contract cannot agree upon an arbitrator or panel of arbitrators as provided by the contract grievance procedures or the procedures established by the commissioner, the parties shall alternately strike names from a list of arbitrators selected by the commissioner until only one name remains. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.21 Subd. 2. Selection.*

Grievance arbitration The parties shall share equally the costs and fees of the arbitrator. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.21 Subd. 2. Selection.*

Independent review. It is the public policy of the state of Minnesota that every public employee should be provided with the right of independent review, by a disinterested person or agency, of any grievance arising out of the interpretation of or adherence to terms and conditions of employment. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.25*

Findings

1) It was reported that upon occasion, a union member may circumvent the exclusive representative and communicate directly with a supervisor or manager regarding the terms and conditions of employment, but we found no obvious violations of the "Expression of Views" statute. Union members may sometimes feel as though they have not gotten a desired transfer or other changes as a result of expressing a view or filing a grievance, but none of the allegations have been substantiated.

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- 2) When unfair labor practice complaints have been filed, both parties have complied with Minnesota Statutes.
- 3) Both parties in arbitrations have complied with the state statutes regarding selection of arbitrators and the sharing of the costs and fees of the arbitrator.
- 4) The right to independent review is believed to be covered by Step IV of the grievance process, which is arbitration. The City is in compliance with this policy.

Grievance Processing in the Office of Labor Relations

As discussed previously, the Office of Labor Relations carries primary responsibility for administering grievances, with the exception of Civil Service grievances. The policies below are those that specifically address the responsibilities of the Office of Labor Relations.

Grievance Processing Policies for the Office of Labor Relations

Develop a training program to train managers on workplace issues and contract administration. *Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives*

Develop joint initiatives which can further both the City's interest and the unionized employee's interest while serving St. Paul citizens. *Office of Labor Relations Ongoing Budget Program Objectives and 1998 Budget Project Objectives.*

Preambles to the Collective Bargaining Agreements (See Example in Appendix E)

Findings

- 1) The Office of Labor Relations does not provide any training for managers on workplace issues and contract administration.
- 2) Few serious joint initiatives have been developed between the Office of Labor Relations and the collective bargaining units. The health insurance labor-management committee was intended to be a joint initiative, but it has not met in over two years. The Violence in the Workplace Committee was also mentioned as a joint initiative, though it is run by the Mayor's Office, not through the Office of Labor Relations. Interest based bargaining (IBB) has also been mentioned as a joint initiative, but has been used only on an extremely limited basis and was not used for such important items as salaries and benefits. The OLR claims a few other activities as joint labor-management agreements and initiatives as listed below, though the OLR is not directly involved in many of them:
 - ☐ Labor-management committees at the department and division level to resolve issues related to seniority with the Tri-Council;
 - ☐ Information Services centralization;
 - ☐ Labor-management committee in the Fire Department;
 - ☐ People Soft payroll project;

- ☐ Ongoing meetings with AFSCME Clerical and Technical to discuss potential merger activity in the City; and the
- ☐ City/County Health Department merger.

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3) Preambles to the agreements are mutual statements made by the employer and the collective bargaining units outlining their mutual interest and responsibilities. They are included here as general policy statements. Neither the collective bargaining units nor the city expressed any problems with adhering to the language in the preambles.

Recommendation #58: *The City of Saint Paul should provide training for supervisors and managers after each contract is ratified or a major arbitration award is handed down. These training sessions would give managers and supervisors needed information on contract changes. If no significant changes arose, a memo could simply be sent out to all relevant supervisors and managers.*

*The Office of Labor Relations should also hold an annual training session for managers and supervisors on general contract policies such as:*¹³

- | | |
|---|--|
| <input type="checkbox"/> the definition of "just cause" | <input type="checkbox"/> differentiating between complaints and grievances |
| <input type="checkbox"/> disciplinary actions (oral and written reprimands and suspensions) | <input type="checkbox"/> sexual harassment prevention |
| <input type="checkbox"/> work assignments | <input type="checkbox"/> reasonable accommodation |
| <input type="checkbox"/> overtime | <input type="checkbox"/> workplace violence |
| <input type="checkbox"/> adherence to City & departmental policy | <input type="checkbox"/> grievance process. |

Such training sessions could potentially reduce the number of grievances resulting from uninformed contract interpretations.

Recommendation #59: *The City of Saint Paul and the collective bargaining units should provide funding and time to anyone involved in negotiations or contract administration to attend the training sessions offered by the Bureau of Mediation Services. Topics include Conflict Resolution, Interest-Based Bargaining, labor-management committees, mediation, basic labor relations, negotiation, and the Minnesota Public Employment Labor Relations Act.*

Recommendation #60: *If the City has the goal of improving the relationship between management and the collective bargaining units, it should be pursuing more initiatives of joint interest. A number of unions expressed interest in interest-based bargaining (IBB) during our interviews. We suggest training on a broader basis and expansion of the use of IBB.*

Employer Role in Grievance Processing

The policies described in this section apply to the City of Saint Paul as the employer, and are applicable to all departments and offices.

¹³ Training topics taken from: Smythe, Cyrus. "The Importance of Supervisor Training." Minnesota Cities. 44. Sept. 1998.

Grievance Process Policies for the Employer

Promotion of an effective and timely dispute and grievance resolution process.

Human Resources Division: Core Consulting Services Ongoing Budget Program Objectives and 1998 Budget Project Objectives

Executive Responsibility [The] office of the mayor shall: Process grievances under collective bargaining agreements in coordination with the office of the city attorney. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Sec. 23.03*

Unfair labor practices Public employers, their agents and representatives are prohibited from interfering, restraining, or coercing employees in the exercise of the rights guaranteed in sections 179A.01 to 179A.25 (Minnesota Public Employees Labor Relations Act). *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subd. 2. Employers*

Unfair labor practices Public employers, their agents and representatives are prohibited from dominating or interfering with the formation, existence, or administration of any employee organization or contributing other support to it. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13. Subd. 2. Employers.*

Unfair labor practices Public employers, their agents and representatives are prohibited from discriminating in regard to hire or tenure to encourage or discourage membership in an employee organization. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subd. 2. Employers.*

Unfair labor practices Public employers, their agents and representatives are prohibited from discharging or otherwise discriminating against an employee because the employee has signed or filed an affidavit, petition, or complaint or given information or testimony under sections 179A.01 to 179A.25 (Minnesota Public Employees Labor Relations Act). *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subd. 2. Employers.*

Unfair labor practices Public employers, their agents and representatives are prohibited from refusing to comply with grievance procedures contained in an agreement. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13. Subd. 2. Employers.*

Unfair labor practices Public employers, their agents and representatives are prohibited from distributing or circulating a blacklist of individuals exercising a legal right or of members of a labor organization for the purpose of preventing blacklisted individuals from obtaining or retaining employment. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subd. 2. Employers.*

Findings

1) The Office of Human Resources has taken four main steps to promote and effective and timely grievance resolution process:

- ☐ Placed the Civil Service Rules on the Internet for easy access;
- ☐ Made improvements in scheduling for Civil Service grievances to speed up the process;

- ☐ Created a handout for those interested in appealing decisions to the Civil Service Commission; and
- ☐ Worked with the Office of Labor Relations to clarify employees' rights to a Civil Service hearing.

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2) The Office of Labor Relations does work on a limited basis with the Office of the City Attorney, though the Attorney's Office serves primarily as a consultant on grievances.

3) We found no instances of City interference with the unions, discrimination because of union membership or action or blacklisting.

Collective Bargaining Unit Role in Grievance Processing

The collective bargaining units must follow certain laws and restrictions in relation to their practices. These policies are listed in the following table.

Grievance Process Policies for Employees and Collective Bargaining Units

Responsibility of labor representatives and employees (3) Present grievances concerning terms and conditions of employment only in accordance with procedures outlined in the collective bargaining agreements or by other grievance procedure established by administrative ordinance of this council. *Saint Paul Administrative Code, Chapter 23: Collective Bargaining Process, Section 23.04.*

Unfair labor practices Employee organizations, their agents or representatives, and public employees are prohibited from restraining or coercing employees in the exercise of rights provided in sections 179A.01 to 179A.25 (the Minnesota Public Employees Labor Relations Act). *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subd. 3. Employees.*

Unfair labor practices Employee organizations, their agents or representatives, and public employees are prohibited from coercing or restraining any person with the effect to force or require any public employer to cease dealing or doing business with any other person. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13. Subd. 3. Employees.*

Unfair labor practices Employee organizations, their agents or representatives, and public employees are prohibited from coercing or restraining any person with the effect to refuse to handle goods or perform services. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13. Subd. 3. Employees.*

Unfair labor practices Employee organizations, their agents or representatives, and public employees are prohibited from coercing or restraining any person with the effect to preventing an employee from providing services to the employer. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13. Subd. 3. Employees.*

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Grievance Process Policies for Employees and Collective Bargaining Units, Continued

Unfair labor practices Employee organizations, their agents or representatives, and public employees are prohibited from causing or attempting to cause a public employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13 Subd. 3. Employees.*

Unfair labor practices Employee organizations, their agents or representatives, and public employees are prohibited from picketing which has an unlawful purpose such as secondary boycott. *Minnesota State Statute 179A: Public Employees Labor Relations Act 179A.13. Subd. 3. Employees.*

Finding

We found no compliance problems with these policies.

GRIEVANCE ADMINISTRATION QUALITY ASSESSMENT

PLANNING**Summary Rating ☆****KEY PLANNING CONCEPTS:**

- Set Strategic Direction
- Develop Action Plans
- Align Work With Plans

Planning is an exercise integral to the development of an organization or function. It integrates values and expectations with practices. Planning requires an assessment of resources, influences, challenges, and requirements that affect future opportunities and direction. As related to grievance administration, planning could include developing activities to prevent future grievances or development of plans to resolve grievances in a timely and efficient manner.

Setting Strategic Direction

The parties involved in grievance administration devote very little time or resources to planning or setting strategic direction. The lack of planning in the City departments is reflective of an overall culture in the City that does not value planning. It is also extremely difficult to develop meaningful short- and long-term plans without a strategic direction.

Developing Action Plans

The collective bargaining units primarily involve only the union steward and the union leadership in the planning process on a grievance-specific basis. As discussed in the previous quality sections, most collective bargaining units focus their planning efforts on contract negotiation.

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While planning is not an integral practice of any participant in the grievance administration process, it is unfair to say that no planning occurs. Both the City and the collective bargaining units do make some short-term plans to administer grievances, although the plans do not incorporate a strategic direction or a philosophy reflective of a future orientation. One City staff person mentioned there are no plans for grievance prevention, only specific plans for each grievance. Therefore, while some plans are made, the focus is too narrow to be considered comparable to planning used by high quality organizations.

Aligning Work with Plans

The process of planning also involves the dissemination and use of plans, and the alignment of work assignments with the overall direction of the plan. This could be considered the action phase of planning. Because the few plans that are developed are limited in scope to specific grievances, they are not widely disseminated or useful to a broad array of people, and do not enhance the overall contract administration process.

The final phase of planning is evaluation of the planning process and evaluation of the plans themselves. Because few plans exist, there can be little evaluation of the contract administration planning process or the actual plans of the participants. Without evaluation, new plans cannot be developed to complement and build on the strengths or correct faults in previous plans.

Recommendation #61: *The Human Resources Division, the Office of the City Attorney and the Office of Labor Relations should develop short-term plans to deal with grievances, in particular addressing communication processes between the departments and each department's respective role in the process. This will address misunderstandings between the departments regarding respective roles, contract interpretation, and lack of communication.*

Recommendation #62: *The Office of Labor Relations, in concert with Risk Management and Office of Financial Services, should develop procedures to implement changes to the contract resulting from a grievance settlement. The changes should be tracked and analyzed by the Office of Labor Relations for use and consideration during the next negotiating cycle.*

LEADERSHIP

Summary Rating: ☆☆

KEY LEADERSHIP CONCEPTS:

- | | |
|-----------|-----------------|
| □ Mission | □ Vision |
| □ Values | □ Communication |

The leadership category is an examination of how senior leaders in the grievance administration process guide the process and set direction, while seeking out future opportunities. Strong leaders relate clear values and high performance expectations. Communication is a key element of effective leadership. Communication is broader than simply verbal communication, and includes a demonstration that stated values, directions and expectations are indeed the basis for the organization's key decisions and actions.

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Mission

An underlying mission of the Office of Labor Relations's grievance process is to make grievance outcomes uniform and therefore fair. However, because of a lack of communication between the OLR and departments, supervisors and managers do not have a broad concept of what interpretation of the contract means for the City. The resulting misinterpretations may lead to repetitive and unnecessary grievances. The Office of Labor Relations is trying to address the problems arising from arbitrary grievance resolutions by centralizing grievances in the Office of Labor Relations and advising departments to advance to Step III of the grievance process when the grievance is complicated or if it could have widespread implications.

Vision

Through interviews, we found very little evidence of a clear vision by any of the leaders in the grievance administration process. This lack of vision is partially a result of unclear values and expectations of leaders in the process. Neither the City nor the collective bargaining units have a coherent or explicit vision for the future. This lack of vision sometimes results in arbitrary interpretations of the contracts by departments.

Values

Part of leadership involves maintaining and communicating a clear set of values. While no formal communication of values occurs within the City departments or the collective bargaining units, some underlying values are reflected in the actions of the participants. Many participants acknowledged an occasional to frequent occurrence of informal recognition of grievance administration participants. The participants also found no evidence of discrimination in the grievance process, and felt the system is structured in such a way to be fair to all participants.

Communication

Previously mentioned as an important aspect of effective leadership, communication is an area in dire need of improvement by all parties in the grievance process. The Office of Labor Relations shares some grievance information with other City departments through the department and office director meetings and through memos, though this is a relatively new practice begun within the last year. Other than these meetings, very little grievance information is shared among Human Resources, the Office of the City Attorney and the Office of Labor Relations. This is a glaring problem considering each department is heavily involved in some aspect of grievance administration.

The primary vehicle for communication regarding grievance administration between the collective bargaining units and the City is the contract. Beyond the contract, little information is shared. One exception may be communication between the Police and Fire Departments and the bargaining units. They appear to have good levels of communication between the unions and their respective departments related to grievances and other aspects of the contract.

Recommendation #63: *Leaders in the grievance administration process should develop a set of principles to guide decisions made about grievance processing.*

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Recommendation #64: *Collective bargaining units and department managers should continue communication practices where currently effective, and other departments should begin the same pattern of on-going communication between the parties to discuss issues of mutual interest.*

TRAINING & DEVELOPMENT

Summary Rating: ☆

Training and development is central to creating a high performance workplace. Work assignments should be aligned with ability, though employee skill development should not be limited to one specific area, but should involve the variety of activities the organization is involved in or the process requires. Work assignments and training and development should allow the employee to contribute as effectively as possible to the organization, meet performance objectives, and allow the employee to adapt to changes in the organization.

KEY TRAINING & DEVELOPMENT CONCEPTS:

- Job Design
- Recognition
- Education & Training
- Employee Well-Being

Job Design

Though the grievance process is fairly rigid, members of collective bargaining units do have opportunities to contribute to the processes used through direct contact with union leadership, surveys, or voting to carry forth a grievance. As the grievance moves through the steps it becomes more removed from the grievant and supervisor, and they receive less and less information until eventually all they hear is the final decision, though they most likely do not hear the reasons for the decision.

Recognition

Few parties in the contract administration process cited formal examples of recognition, though most made mention of informal recognition. Union stewards are informally recognized at meetings as grievances are reviewed. Office of Labor Relations leadership expresses appreciation to staff for their work.

Education and Training

A lack of training is a City-wide problem that pervades many departments, including those involved in contract administration. No meaningful grievance training exists for City staff, particularly for supervisors or managers who oversee unionized employees. One department head commented that "you need to know the system to get what you need." This matter was discussed more fully in the contract administration policy section of the report. The Office of Labor Relations staff do not provide grievance administration training for other city staff. OLR staff have attended some training themselves, though it has been rather limited. The Office claims a lack of staff time and budgetary constraints as reasons for not attending or providing training. The collective bargaining units do provide some training for union stewards related to contract administration, though it is very limited.

Employee Well-Being

A positive aspect of training and development found through interviews was a relatively good level of participant well-being and satisfaction. Many union members stated they feel the grievance process is well structured and fair to all participants. However, they also feel the process takes too long and the City purposely delays responses.

Recommendation #65: *Make training a priority for Labor Relations staff involved in administering contracts and handling grievances. One way to emphasize training may be to make it part of annual review process. The OLR should not use lack of time and staff as an excuse, as a lack of training makes staff even less productive as they fail to develop their skills. It may well be worth the time to provide training if it improves the process and functions of the Office.*

Recommendation #66: *The Office of Labor Relations should develop contract administration training programs for department heads and supervisors. Such an effort may reduce the number of grievances and enhance understanding of the contracts. A component of this plan should specifically address the prevention of grievances.*

See also Recommendation #67, page 84 on grievance information collection and analysis.

INFORMATION AND ANALYSIS

Summary Rating: ☆☆

Collection of Data

The City departments most closely involved in grievance administration actively collect some data to assist them in their operations. The Office of Labor Relations has developed a grievance tracking system that allows them to enter the grievant's name, department, date, subject, status, and the manner in which the grievance was resolved. The Office of Labor Relations expects the data to assist them in determining length of time for grievance resolution and tracking grievance outcomes. However, while the data is being collected, it is not yet being utilized for in-depth or extensive evaluation of the process.

The collective bargaining units maintain varying amounts of grievance information, usually depending on the number of member grievances and the size of the organization. However, all collective bargaining units collect more information for negotiations than for grievance administration.

Use of Data

While it is certainly important to collect data, it is even more vital to accurately analyze and disseminate the information. The data that is collected by the City is available only to a small group of people in City. Others throughout the City may theoretically have access to

KEY INFORMATION & ANALYSIS CONCEPTS:

- Collection of Data
- Use of Data
- Analysis of Data
- Comparison with Others

it, but are not aware of it. In general, the data is used for specific grievances, but not necessarily for planning and improvement of the grievance process. Consequently, the data is not being used to evaluate the process, though the Office of Labor Relations is taking the first steps to do so.

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Analysis of Data

Another vital aspect of data collection and analysis is the information systems used for tabulation and analysis. The City's information systems are adequate and have improved in recent years, but very few people understand the systems and how to use them. Rapid changes in the software used have caused confusion for staff. In addition, the departments' information systems are not integrated. It is difficult for one department to obtain information from another department's system. The current reliance by City departments on an antiquated system that only a select group of people understand is dangerous. If problems arise and the few people with the knowledge are not available, the City may find itself unable to perform necessary functions. Most collective bargaining units use information systems on a very limited basis for grievance administration.

Comparison with Others

The City compares arbitration information with other jurisdictions through the Bureau of Mediation Services, the Minnesota Police and Peace Officers Association, and through negotiators' roundtables. The collective bargaining units do similar comparisons. Information on grievances that do not advance to arbitration is generally not compared.

***Recommendation #67:** The Office of Labor Relations has taken a great step toward improving the grievance process by tracking grievances. The Office of Labor Relations should now determine if grievances are taking longer than they should through comparisons and conversations with other jurisdictions. The Office should also look for industry standards and develop performance indicators accordingly. They should also further incorporate interpretation and evaluation into the data collection process.*

***Recommendation #68:** The City should continue to explore information systems upgrades and reduce reliance on institutional knowledge. Recognize danger of centralizing knowledge in one or two people, and have more widespread training on systems.*

PROCESSES FOR IMPROVEMENT

Summary Rating: ☆☆

KEY PROCESSES FOR IMPROVEMENT CONCEPTS

- ▣ Improving Services
- ▣ Improving Support Services
- ▣ Improving Supplier Services

Processes for improvement encompass methods for efficiency and effectiveness such as process design, a prevention orientation, a linkage to suppliers and partners, cycle time, and evaluation and continuous improvement. Improvement practices examines how processes are designed, managed, and improved.

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Improving Services

The Office of Labor Relations is taking a pro-active role toward improving its contract administration process through development of the grievance tracking system. The Office has also begun to work with departments to resolve grievances before Step III, when City policy mandates they become involved. See figure on page 71. If the grievance is complicated or has widespread implications, the OLR may work with departments to resolve the grievance at Step III to ensure consistent and fair outcomes. Some confusion regarding this practice was expressed by departments. Some felt the Office of Labor Relations was escalating the grievances to Step III simply because the Office was not interested in resolving the grievances at Step I or Step II and would rather control the grievance rather than allowing the individual departments to resolve them. However, the OLR is not informed of grievances until they are at Step III unless they are requested to assist the department. Therefore, these concerns appear to be, for the most part, unfounded.

Improving Support Services

Evaluation of the grievance administration process is a key component of improvement practices that is missing from the activities of most City offices involved in the process, as well as the collective bargaining units. Work assignments are rarely reviewed as roles are fairly well defined and rarely change. Some administrative practices are reviewed, such as the grievance tracking system within the Office of Labor Relations. Some collective bargaining units have examined their method for disseminating information regarding grievances, and others have revised their grievance forms. However, overall administrative practices are rarely reviewed.

Improving Supplier Services

Participants in the process rarely receive formal performance reviews of their work related to grievance administration. Collective bargaining units rarely review the performance of union stewards or others involved in a grievance. For City staff, if their work is reviewed, it is a small component of an overall review. One interviewee suggested evaluating how management and supervisors handle their contract administration duties.

Recommendation #69: *Conduct more evaluations of grievance administration participants, even if they are informal evaluations, to identify areas for improvement and development.*

Recommendation #70: *The grievance tracking system developed by the Office of Labor Relations is very useful and should continue to be refined and evaluated. Human Resources should also consider using a similar system, and share the information with the Office of the City Attorney, Office of Financial Services, and Risk Management.*

CUSTOMER FOCUS

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KEY CUSTOMER FOCUS CONCEPTS:

- Customer Identification
- Customer Knowledge
- Customer Relations

Summary Rating: ★★

Customer Identification and Knowledge

As in the contract negotiation process discussion, different parties in the grievance process identified different customers. Some parties cited department heads as the primary customer, others cited union members, while still others identified citizens as the primary customer. With all of these different customers, it is difficult to meet the needs of everyone, and competing interests may impede the grievance administration process. It is also conceivable that the lack of a uniform definition of the customer by the City could be related to the timeliness issue, discussed in previous sections. While there are many competing customer philosophies, there is no evaluation of customer needs or satisfaction on the part of the City.

The collective bargaining units have a far better understanding of their customer, the union members. While they have an easily identifiable customer, they do very little formal evaluation of their customers' satisfaction or needs related to contract administration.

Customer Relations

The majority of customer service standards for all the parties appear to be behavioral and informal as mentioned in the contract negotiation section. An example is the informal professional ethic the Office of Labor Relations follows. The majority of collective bargaining units also have informal guidelines, with the exception of Police and Fire, which both appear to have more defined guidelines. Customer relations appear to be at an acceptable level, although they could be improved through the establishment of some formal guidelines to educate and guide process participants.

See Recommendation #16, page 24 on Office of Labor Relations Customer Service Guidelines.

See Recommendation #72, page 87 on survey use and customer satisfaction.

RESULTS

KEY RESULTS CONCEPTS:

- Customer Satisfaction
- Financial Outcomes
- Supplier Performance
- Organization Outcomes

Summary Rating: ★

Customer Satisfaction

The Office of Office of Labor Relations, Risk Management, and the Office of Financial Services do not do any formal evaluations of customer satisfaction related to grievance administration. Overall, the communication systems between the departments are poor, and even informal evaluations do not seem to be present. Internally, no feedback mechanism

exists for each department to evaluate the services it receives from the others on a holistic or individual level. The collective bargaining units also fail to measure the level of customer satisfaction with the results of the grievance process, though informally they may receive feedback from particular grievants or other participants in a grievance process.

Financial Outcomes

Measurement of financial results is a larger part of the contract negotiation process than it is in the grievance administration process. Settlements involving large amounts of money would most likely be decided at Step IV of the grievance process, at which point both sides must comply with the decision of the arbitrator, regardless of the amount of money, unless the decision is appealed to court. Both the City and the collective bargaining units will compare the arbitration outcome with other jurisdictions and unions through the Bureau of Mediation Services.

Employee Performance and Well-Being

Employee performance and well-being is evaluated for some through formal annual reviews. However, there are employee participants who do not receive annual reviews and, therefore, their performance related to grievance administration is not reviewed. The collective bargaining units may informally review the performance of grievance participants, but again no formal feedback is provided.

Organizational Outcomes

City departments use varying methods to measure their organizational and process outcomes. The Office of Labor Relations has begun to measure the results of the grievance process through the grievance tracking system, though staff seem unclear of the result they are trying to obtain, and what they are trying to measure. One person has cited reducing the length of time of the grievance as a goal, while another stated the goal is to avoid arbitration. While individual departments may claim to evaluate their work through these methods, there is no overall evaluation of the whole process. This lack of evaluation is pervasive and a true hindrance to any improvement practices that may be taking place on either side.

Recommendation #71: Each department involved in the grievance administration process and the collective bargaining units should establish benchmarks related to their goals and vision, and use the benchmarks to measure results.

Recommendation #72: The collective bargaining units, the Office of Labor Relations, and the Office of Human Resources should survey those who have participated in the grievance process to determine the level of satisfaction with the process and to solicit ideas for improvements.

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PERFORMANCE INDICATORS

Performance indicators, also referred to as performance measures, provide an organization with a means to gauge how well it is achieving its goals. In the case of government organizations, they give information to both the organization—so it can improve itself; and to elected officials and citizens—so they can understand how to best invest public monies. Developing performance indicators begins with identifying what pieces of information indicate the organization's effectiveness, efficiency and quality. Some guidelines for the development of meaningful performance indicators are provided below:

Performance Indicators Should Be:

- ☐ Quantifiable, readily available, easy to calculate, "trackable" over time and show the direction of progress
- ☐ Strongly connected to the mission of the organization
- ☐ Intrinsically meaningful and understood throughout the organization
- ☐ Focused on outcomes and products, rather than processes when possible

Examples of Performance Measures:

- ☐ Customer and employee satisfaction
- ☐ Volume of outputs as work units or products
- ☐ Productivity and efficiency: time and cost per unit of product
- ☐ Errors, mistakes, complaints, waste, return rates or pollution
- ☐ Quality
- ☐ Timeliness
- ☐ Impact: changes resulting from activity

The following discussion provides suggested performance indicators related to the three areas addressed in this report: the Office of Labor Relations, the contract negotiation process and the grievance administration process. In some cases the performance indicators address problem areas which have been identified, such as timeliness. In other cases, they are intended to be broad measures of success. Notably, what follows is not intended to be an exhaustive list, but rather provides what we believe would be good measures for some aspects of the work. Some of the data needed for these measures is already collected, and in a few cases, measures are already being made. However, it is important to note that even though there are some current measures, it is very difficult to draw conclusions because there is no basis for comparison. Comparisons are best when they are made using similar data from similar organizations, or if they compare the same organization over time—thus the notion of tracking information over time. Comparing the City of Saint Paul's performance in these areas over time is likely to yield somewhat more meaningful results because of the idiosyncratic nature of these processes. Therefore, it is recommended that the following measures be tracked at periodic intervals for comparisons.

Performance Indicators for the Office of Labor Relations

- 1) Measure the timeliness of the Office of Labor Relations in the contract negotiation process through the number of weeks from when initial notice to negotiate is submitted to the Office of Labor Relations and the initial meeting of the City and collective bargaining unit.
- 2) Measure on a biannual basis whether Office of Labor Relations employees find their work environment positive and compare these responses over time. Questions to staff could address issues such as intra-office communication, leader's responsiveness to the needs of employees and the general work environment.

Performance Indicators for the Contract Negotiation Process

- 1) Measure the timeliness of the contract negotiation process through a) percent of contracts completed prior to expiration; and b) number of weeks between expiration and approval of new contract for each bargaining unit.
- 2) Both bargaining units and the City should measure the estimated total cost for contract negotiation activities. These should be calculated by contract, and also by employee or bargaining unit member. Bargaining units would then have an indication of negotiation cost per member, and the City would have negotiation cost by employee and negotiation cost by employee and bargaining unit.
- 3) Measure the percent of contracts settled without intervention of mediator or arbitrator.
- 4) Determine the number of times each year key participants in the contract negotiation process update the City Council on the status of contract negotiations.
- 5) Determine the number of times each year that the values of trust, respect, honesty and fairness are violated by each party through the use of an annual survey of contract negotiation process participants.
- 6) The Office of Financial Services and Risk Management should measure the number of days between contract ratification by the bargaining unit and Council and the actual date of contract implementation.

Performance Indicators for the Grievance Process

- 1) Both the Office of Labor Relations and the collective bargaining units could measure the percentage of grievances resolved at Step III. This performance indicator should delineate between collective bargaining units and type of grievance. Use data to determine if a particular type of grievance takes longer to resolve, and what factors may contribute to the longer length of time for resolution.
- 2) Measure the number of weeks it takes to resolve grievances at each step.
- 3) Determine the level of grievants' and department staff' satisfaction with the process and assistance they received through survey distributed following grievance resolution.

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CONCLUSION

The City's labor relations' activities are important far beyond the number of staff involved or the money directly spent on these activities. Labor relations activities affect the City's relationship with more than 3,000 City employees. The terms and conditions negotiated in contracts fundamentally affect the work lives of the City's employees who serve the residents and businesses in the City of Saint Paul. It is, therefore, imperative that the City and its bargaining units follow the best practices and operate with the highest integrity.

Council Research staff were impressed by the competency and high ethical standards of the staff and bargaining unit representatives interviewed. Almost all collective bargaining participants believe that they get what they need and, sometimes, what they want through the process. The negotiation process participants felt overwhelmingly that rules and policies were adhered to the vast majority of the time. Similar views were held by those responsible for implementing contracts and processing grievances. However, some critical deficiencies were noted in the process of conducting this performance audit. In addressing these deficiencies, both the City and its collective bargaining units will develop a stronger relationship and better negotiated agreements and grievance resolutions.

Timeliness

The lack of timeliness of negotiations and grievance settlement was a theme repeated throughout the performance audit process. There was a strong feeling expressed among the bargaining units that both processes took an inordinately long time. It is currently almost impossible to assess if either the grievance process or the negotiation process take longer than they should because there are currently no standards against which Saint Paul's performance can be compared. It should be emphasized that it is not known if Saint Paul's "timeliness" in these areas is better or worse than should be expected. However, the fact that many participants are dismayed by the length of time involved indicates improvements should be made.

The City has only recently begun tracking grievances in a database that allows the relevant information to be analyzed. This system will in the future help the City to determine and measure its performance in resolving grievances efficiently and effectively. Professional literature and the experience of other cities offers little guidance in this area, so improving performance by comparing past to present performance offers the most hope.

Contract negotiation has not, and should not, be measured only by the time it takes to conclude contracts. However, knowing the time and effort expended on individual negotiation and contract implementation activities will assist both the City and bargaining units in planning future negotiations. Moreover, it is known that concluding negotiations in a timely manner allows for the more efficient implementation of contract for the City's payroll and benefits activities. Finally, timely negotiations gives employees more immediate use of their money and the interest it can accrue.

Staffing

The slowness of grievance resolution and contract negotiation was often discussed in terms of the inadequate staffing of the Office of Labor Relations. The OLR has experienced a high

level of staff turnover in recent years, and has routinely operated with at least one vacancy in its five-person staff. Therefore, it is very difficult to assess whether the current level of staff in the OLR is sufficient. This being said, the office's staffing has resulted in two clear situations. First, OLR staff report they operate in a very high stress environment, largely due to under-staffing. Second, the office has depended on the use of outside consultants to conduct negotiations with a number of collective bargaining units. 99-860

Training and professional development opportunities have been very limited for all City staff involved in labor relations activities. The problem is most acute in the Office of Labor Relations where such opportunities will likely improve the efficiency and skill level of staff, thus mitigating the under-staffing issue.

Internal training of supervisors on the grievance process has been noticeably missing for a number of years, although it continues to be listed as a budget priority. This type of training of front line supervisors may well provide an immediate return for the Office of Labor Relations and the City Attorney in terms of decreased time involved in correcting inadvertent mistakes.

Information, Analysis and Evaluation

Both the bargaining units and the City should be given credit for comparing the results of their collecting bargaining agreements with others. Unions which are affiliated on a state, national or international level routinely share information. Unions which are not affiliated also seek out information on comparable bargaining units. The City periodically compares its results to other similar jurisdictions. These information tracking and comparison activities are especially laudable given the poor information systems historically used by the City and bargaining units. All of these activities help to ensure the best quality negotiated agreements.

Despite these admirable efforts, at this time no one knows how much it costs the City or bargaining units in money and time to conduct negotiations, implement contracts or resolve grievances. It is not known whether the City and its bargaining units perform these functions well or poorly in comparison to others. It is known that there is significant variance in these measures across bargaining units—or in the case of grievances, across individual cases. Despite these differences, insights could be gained by gathering and examining information more carefully. Given the importance of the negotiation and grievance resolution processes, as well as the time, energy and hopes invested in them, performance indicators must be developed for these areas.

Communication

There is a very high level of understanding of labor relations policy among the individual participants in the contract negotiation and grievance processes. However, this has not translated into a high level of communication among City staff responsible for negotiating and administering collective bargaining agreements. Two critical communication City staff "disconnects" were identified in the performance audit process. First, there is inadequate planning preparatory to negotiations. What planning does take place, does not involve a sufficiently broad array of stakeholders. Advice, insight and identification of key issues for upcoming negotiations can be gained by implementing a more participatory planning process. Second, there is inadequate communication during and after negotiations with affected stakeholders. For example, periodic updates of the City Council on these activities has been largely absent.

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The Office of Labor Relations has made strides toward systematizing many of the City's labor relations activities in recent years. However, the City of Saint Paul government is made up of departments which have traditionally been semi-autonomous. The City's Code and state statutes are clear that responsibility for negotiating contracts and settling grievances are vested in the City's designated representative, the Office of Labor Relations. To maintain a coherent and fair approach to these critical areas, this office must continue to take the lead in planning and communication. However, a balance of central organization of the City's labor relations function and its departments' independence must be struck, so that input is gathered and information shared.

The labor relations activities of the City of Saint Paul will likely grow in importance in coming years. The City will continue to have a significant unfunded liability for future retiree health insurance. At the same time, the City and its collective bargaining units will face a low regional unemployment rate and competition for qualified employees. And, as elsewhere in the country, there will be a demand for greater wages and also increased costs for health care benefits. It is essential that the City make its labor relations activities, and their improvement, a priority.

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APPENDIX A: List of Interviews Conducted

Most City interview subjects were selected because they have a specific integral role in the contract negotiation and administration process. Representatives from all of the City's labor unions were invited to participate. Please note that names of interview participants were not consistently collected, and therefore listings are incomplete.

Council Research is very grateful to the following individuals and organizations who shared their time and considerable expertise in this performance audit process. It should be noted that participation in interviews for this performance audit does not mean an endorsement of the statements contained in this report.

City Interview Subjects

Office of Labor Relations

Mary Kearney, Director
Jason Schmidt
Steve Sonnabend
Julie Kraus

Office of Financial Services

Joe Reid, Director
Terry Haltiner
Teddi Hayes

Office of Human Resources

John Hamilton, Director

Risk Management

Miriam Monasch
Ron Guilfoile

Office of City Attorney

John McCormick

Public Works Department

Tom Eggum, Director
Bob Horrisberger

Library Services

Carole Williams, Director
Fran Galt
Linda Wilcox

Police Department

William Finney, Chief

Fire and Safety Services Department

Tim Fuller, Chief

Collective Bargaining Unit Interview Subjects

Trades Group

Larry Bennet - Operative Plasterers and Cement Masons Local 633
Bernie Carey - Elevators Constructors, Local 9
Robert Schwartzbauer, United Association Plumbers and Gas Fitters Local No. 34
Jim Wagner, Electrical Workers, Local 110
Dick Vitelli, Electrical Workers, Local 110
Jim Kelzenberg, Sprinkler Fitters, Local 417
Jerry Barnes, Pipefitters Local 455
Carpenters and Pipefitters

Police Federation

Brad Jacobsen
Butch Swintek

American Federation of State, County and Municipal Employees District #14

Local 2508 (Clerical) and Local 1842 (Technical)

Mary Schillinger	Michael Windey
Necia Holerud	Bob Steiner
Patrick Ryan	Louise Langberg
Linda Cobb	Vicki Skupas
A. John Klemanski	Barb Benson
Dave Nelmark	Chris Rider
Corrine Glassing	Robin Madsen
William Hansen	Jerry Serfling

Professional Employees Association and

Steve Roy
Mike Wilde

Classified Confidential Employee Association

Eric Willems

Saint Paul Supervisory Organization

Roger Mohror

Manual and Maintenance Supervisors Association

Ron Rollins

APPENDIX B:

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Malcolm Baldrige Quality Assessment Questions

OFFICE OF LABOR RELATIONS

Strategic Planning

1. How often does the Labor Relations Office make short-term (1-2 years) plans?
2. How often are short-term plans updated?
3. How often does the Labor Relations Office make long-term (3 years or more) plans?
4. How often are long-term plans updated?
5. How many stakeholders are participants in Labor Relations Office planning processes?
6. How often are plans implemented?
7. Who monitors the implementation of plans?
8. How often is the Labor Relations Office evaluated?
9. How many participants in the process are aware of the results of these evaluations?
10. How often are plans changed based on the results of the evaluations?

Leadership

11. How often does the Labor Relations Director convey a clear vision for the future of the Labor Relations Office?
12. How often does the Mayor's Office convey a clear vision for the future of the Labor Relations Office?
13. How often does the City Council convey a clear vision for the future of the Labor Relations Office?
14. How often does the Labor Relations Director recognize staff contributions?
15. Does the Labor Relations Director maintain a work environment that is supportive of employees regardless of race, color, class, gender, age, national origin, sexual orientation or physical ability?
16. Does the Labor Relations Director support participation in professional organizations?

Training and Development

17. Is there an opportunity for staff to contribute to the decisions made about the operations and procedures in the Labor Relations Office?
18. Does the Labor Relations Office create opportunities for employees to contribute meaningfully to the organizations goals?
19. How often does the Labor Relations Office make use of education and training to improve performance?

20. Is the Labor Relations Office work environment conducive to the well-being and growth of all staff?

Information and Analysis

21. For how many of the Labor Relations Office activities is data collected?
22. How often is the collected data used to assist in Labor Relations Office activities?
23. How often is the collected data used for evaluation of Labor Relations Office activities?
24. How often are employees of the Labor Relations Office evaluated?
25. Do computerized information systems meet the needs of the Labor Relations Office?

Improvement Practices

26. How often are work practices changed to improve performance?
27. How often are methods for evaluating employees reviewed for improvement?
28. How often are methods for determining work assignments reviewed for improvement?
29. How often are administrative practices (such as forms and reporting procedures) reviewed for improvement?
30. How often is the performance of vendors (providers of goods and contracted services) evaluated for improvement?
31. How often are methods for the evaluation of the Labor Relations Office improved?

Customer Focus

32. Which of the following do you consider to be your customers?
33. Does the Labor Relations Office have customer service standards or guidelines governing their contract administration? (i.e.: Code of ethics; communication standards; behavior at negotiation table; public information standards.)
34. How often do staff follow established customer service standards or guidelines?
35. How often do staff monitor for changes in customer needs?
36. How often do staff monitor for changes in customer satisfaction?

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37. How responsive is the Labor Relations Office to changes in customers' needs?
38. How well does Labor Relations Office respond to changes in customer satisfaction?

Results (Outcomes)

39. How often does the Labor Relations Office measure results?

40. How often does the Labor Relations Office compare its results to those of similar organizations?
41. How often does the Labor Relations Office measure its customers' satisfaction?
42. How often does the Labor Relations Office compare its customer satisfaction results to those of similar organizations?
43. How often does the Labor Relations Office achieve its desired goals?

CONTRACT NEGOTIATION**Strategic Planning**

1. How often are short term plans made to improve the contract negotiation process?
2. How often are short term plans updated?
3. How often are long term plans made to improve the contract negotiation process?
4. How often are long term plans updated?
5. How many participants in the contract negotiation process are involved in planning?
6. How often are plans implemented?
7. Who monitors the implementation of plans?
8. How often is the contract negotiation process evaluated?
9. How many participants in the process are aware of the results of these evaluations?
10. How often are plans changed based on the results of the evaluations?

Leadership

In the category of leadership, "leaders" or "leadership" is understood as: (1) Office of Labor Relations personnel; (2) Elected Representatives of the unions or collective bargaining units; (3) Business Agents of the collective bargaining units.

11. How often do leaders in the contract negotiation process convey a clear vision for the future?
12. How often do leaders in the contract negotiation process recognize contributions of participants in the process?
13. How often does the race, color, class, gender, age, national origin, sexual orientation, or physical ability of the participants affect the contract negotiation process?
14. How often is information about the contract negotiation process conveyed to all participants?

15. How often are participants in the contract negotiation process informed of staff changes?

Training and Development

16. How often do participants in the contract negotiation process have opportunities to contribute to the decisions made about the procedures to be used during the contract negotiation process?
17. How many participants in the contract negotiation process have opportunities to contribute meaningfully to the process?
18. For how many of the participants is the contract negotiation process a positive experience?
19. How often do participants in the contract negotiation process make use of continuing education and training to improve their skills?
20. How often do participants in the contract negotiation process update their skills through participation in professional organizations?

Information and Analysis

21. For how many of the contract negotiation activities is data collected?
22. How often is the collected data used to assist in the contract negotiation process?
23. How often is the collected data used for evaluation of the contract negotiation process?
24. How many participants in the contract negotiation process have access to the collected data?
25. Do computerized information systems meet the needs of the participants in the contract negotiation process?

Improvement Practices

26. How often do contract negotiation participants change their practices to improve performance during the process?
27. How often are methods for determining work

assignments during the process reviewed for improvement?

28. How often are administrative practices (such as forms, reporting and communication procedures) reviewed for improvement?
29. How often is the performance of participants in the contract negotiation process evaluated?
30. How often are methods for evaluation reviewed and updated?

Customer Focus

31. Which of the following do you consider to be your customers? rank and file union; members; mayor; city council; department heads; citizens; other.
32. How well do participants in the process understand customers' needs and expectations?
33. How often do participants in the process monitor customer needs for changes?
34. How responsive is the contract negotiation process to changes in customers' needs?
35. Do participants in the process have customer service standards or guidelines governing their contract negotiation? (i.e.: Code of ethics; communication standards; behavior at negotiation table; public information standards.)

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36. How often do participants in the contract negotiation process follow established customer service standards or guidelines?
 37. How well do participants in the contract negotiation process respond to changes in customer satisfaction?

Results (Outcomes)

38. How often do participants in the contract negotiation process measure results?
39. How often do the participants in the contract negotiation processes compare their results to those involved in similar activities?
40. How often do the participants in the process measure their customers' satisfaction?
41. How often do the participants in the process compare their customer satisfaction results to those involved in similar processes?
42. How often do participants in the contract negotiation process achieve their desired goals?

CONTRACT ADMINISTRATION

Strategic Planning

1. How often are short term plans made to improve the contract administration process?
2. How often are short term plans updated?
3. How often are long term plans made to improve the contract administration process?
4. How often are long term plans updated?
5. How many participants in the contract administration process are involved in planning?
6. How often are plans implemented?
7. Who monitors the implementation of plans?
8. How often is the contract administration process evaluated?
9. How many participants in the process are aware of the results of these evaluations?
10. How often are plans changed based on the results of the evaluations?

Leadership

In the category of leadership, "leaders" or "leadership" is understood as: (1) High level management; (2) Office of Labor Relations personnel; (3) City Attorney; (4) President of the respective union or collective bargaining unit; (5) Elected Representatives of the collective bargaining unit; (6) Business Agents of the collective bargaining unit.

11. How often do leaders in the contract administration process convey a clear vision for the future?
12. How often do leaders in the process recognize contributions of participants in the process?
13. How often does the race, color, class, gender, age, national origin, sexual orientation, or physical ability of the participants affect the contract administration process?
14. How often is information about the contract administration processes conveyed to all participants?
15. How often are participants in the process informed of staff changes?

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Training and Development

16. How often do participants in the contract administration process have opportunities to contribute to the decisions made about the procedures to be used during the contract administration process?
17. How many participants in the contract administration process have opportunities to contribute meaningfully to the resolution of a grievance?
18. For how many of the participants is the contract administration process a positive experience?
19. How often do participants in the contract administration process make use of continuing education and training to improve their skills?
20. How often do participants in the contract administration process update their skills through participation in professional organizations?

Information and Analysis

21. For how many of the contract administration activities is data collected?
22. How often is the collected data used to assist in the contract administration process?
23. How often is the collected data used for evaluation of the contract administration process?
24. How many participants in the contract administration process have access to the collected data?
25. Do computerized information systems meet the needs of the participants in the contract administration process?

Improvement Practices

26. How often do contract administration participants change their practices to improve performance during the process?
27. How often are methods for determining work assignments during the process reviewed for improvement?
28. How often are administrative practices (such as forms, reporting and communication procedures) reviewed for improvement?
29. How often is the performance of participants in the contract administration process evaluated?
30. How often are methods for evaluation of the contract administration process reviewed and updated?

Customer Focus

31. Which of the following do you consider to be your customers? rank and file union members; mayor; city council; department heads; citizens; other.
32. How well do participants in the process understand customers' needs and expectations?
33. How often do participants in the process monitor customer needs for changes?
34. How responsive is the contract administration process to changes in customers' needs?
35. Do participants in the process have customer service standards or guidelines governing their contract administration? (i.e.: Code of ethics; communication standards; behavior at negotiation table; public information standards.)
36. How often do participants in the process follow established customer service standards or guidelines?
37. How well do participants in the process respond to changes in customer satisfaction?

Results (Outcomes)

38. How often do participants in the contract administration process measure results?
39. How often do the participants in the process compare their results to those involved in similar activities?
40. How often do the participants in the process measure their customers' satisfaction?
41. How often do the participants in the process compare their customer satisfaction results to those involved in similar processes?
42. How often do participants in the contract administration process achieve their desired goals?

APPENDIX C:

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Ten-Year History of Collective Bargaining Agreement Conclusion

Collective Bargaining Units	Contract* Duration Time Period	Duration # Years	Resolution** Ratifying Con.	Lag Time*** (Months)
Tri Council: Laborers, Local 132 & Operating Engineers, Local 49 & General Drivers, Local 120	5/1/86 - 4/30/89	3	7/24/86	3
	5/1/89 - 4/30/92	3	6/14/89	1 ½
	5/1/92 - 4/30/94	2	11/10/92	6
	5/1/94 - 4/30/97	3	7/1/98	50
	5/1/97 - 4/30/2000	3	?	?
Operating Engineers, Local 70	1988 - 1989	2	6/16/88	5 ½
	1990 - 1992	3	9/27/90	9
	1993 - 1994	2	11/9/93	10
	7/1/94 - 6/30/96	2	6/28/95	12
	1997 - 1998	2	10/7/98	9
	1999 - 2000	2	4/14/99	3 ½
Saint Paul Police Federation	1987 - 1989	3	6/11/87	6
	1992 - 1993	2	8/3/93	19
	1994 - 1996	3	7/12/95	18 ½
	1997 - 1999	3	12/22/97	11 ½
Fire Fighters, Local 21	1987 - 1989	3	4/28/88	16
	1990 - 1991	2	7/24/90	6 ½
	1994 - 1996	3	2/28/96	26
	1997	1	7/9/97	6
	1998 - 1999	2	3/10/99	14
Machinists, Lodge 77	7/1/87 - 6/30/89	3	9/10/87	2
	7/1/89 - 6/30/91	2	1/16/90	6 ½
	7/1/91 - 6/30/93	2	12/12/91	5 ½
	7/1/93 - 6/30/94	1	8/25/92	10
	7/1/94 - 6/30/96	2	7/19/95	12 ½
	7/1/97 - 6/30/98	1		
	1/1/97 -		open	25 +
Professional Employees Association, Inc.	1988 - 1989	2	9/22/88	8 ½
	7/1/90 - 12/31/91	1 ½	7/31/90	1
	1992 - 1993	2	6/30/92	6
	1994 - 1996	3	5/22/96	28 ½
	1997 - 1998	2	10/15/97	9 ½
	1999 - 2000	2	6/2/99	6
Saint Paul Supervisors Organization	1988 - 1989	2	8/11/88	7
	1992 - 1993	2	8/4/92	7
	1994 - 1996	3	5/22/96	28 ½
	1997 - 1998	2	2/18/98	13 ½
	1999 - 2000	2	6/16/99	5 ½
Saint Paul Manual and Maintenance Supervisors Assn.	1988 - 1989	2	4/29/88	4
	1990 - 1992	3	5/8/90	5
	1993 - 1994	2	3/23/93	2 ½
	1995 - 1996	2	6/10/96	5
	1997 - 1998	2	8/1/97	7
	1999 -	2	open	6 +

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Collective Bargaining Units	Contract* Time Period	Duration # Years	Resolution** Ratifying Con.	Lag Time*** (Months)
Saint Paul Fire Supervisory Association	1987 - 1989	3	4/12/88	4
	1990 - 1991	2	7/19/90	6 ½
	1991	1	2/18/92	13 ½
	1992 - 1993	2	3/23/93	14 ½
	1994 - 1996	3	?	?
	1998 - 1999	2	6/16/99	17 ½
AFSCME Clerical, Local 2508	1988 - 1989	2	3/29/88	3
	1990 - 1991	2	3/14/90	2 ½
	1992 - 1993	2	2/25/92	2
	1994	1	1/25/95	13
	1995 - 1996	2	9/13/95	8 ½
	1997 - 1998	2	7/9/97	6
	1999 - 2000	2	6/2/99	5
AFSCME Technical, Local 1842	1988 - 1989	2	3/29/88	3
	1990 - 1991	2	5/29/90	5
	1992 - 1993	2	2/25/92	2
	1994	1	1/25/95	13
	1995 - 1996	2	9/13/95	8 ½
	1997 - 1998	2	7/9/97	6
	1999 - 2000	2	6/2/99	5
Saint Paul Classified Confidential Employee Assn.	1988 - 1989	2	11/22/88	10 ½
	1990 - 1991	2	6/14/90	5 ½
	1992	1	8/4/92	7
	1993	1	1/26/94	13
	1994 - 1996	3	9/25/96	33
	1997 - 1998	2	3/18/98	14 ½
	1999 -		open	6 +
AFSCME Legal, Local 3757 (88-91 contracts with Attorney's Professional Association)	1988	1	4/7/88	3
	1989 - 1991	3	5/10/89	4
	1992 - 1993	2	4/21/92	3 ½
	1994 - 1996	3	1/12/96	24 ½
	1997 - 1998	2	10/8/97	9
	1999 - 2000	2	open	6 +
International Alliance of Theatrical Stage Employees	1990 - 1992	3	8/2/90	7
	1993 - 1995	3	3/9/94	14
	1996 - 1998	3	12/4/96	11
	1999 -		open	6 +
Bricklayers and Allied Craftsmen, Local 1	5/1/89 - 4/30/92	3	6/12/90	13 ½
	5/1/92 - 4/30/95	3	4/20/93	11 ½
	1997	1	5/9/97	4
	5/1/98 - 4/30/2001	3	open	15 +
Boilermakers, Local 647	1986 - 1989	3	10/23/86	9 ½
	7/1/89 - 6/30/92	3	6/12/90	11 ½
	7/1/92 - 6/30/95	3	4/27/93	10
	7/1/94 - 9/31/96	2 ¼	11/22/95	16 ½
	10/1/96 - 9/31/98	2	7/9/97	11
	10/1/98 -		open	10 +
Carpenters, MN Statewide	1986 - 1988	3	7/17/86	6 ½
	5/1/89 - 4/30/92	3	5/31/90	13
	5/1/92 - 4/30/95	3	10/11/95	53

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Collective Bargaining Units	Contract* Duration Time Period	# Years	Resolution** Ratifying Con.	Lag Time*** (Months)
	5/1/95 - 4/30/98	3	5/21/97	24
	5/1/98 - 4/30/2001	3	?	
Operative Plasterers and Cement Masons-Local 633	6/1/89 - 5/30/92	3	6/12/90	12
	6/1/92 - 5/30/95	3	4/27/93	11
	5/1/96 - 4/30/98	2	7/8/97	14
	5/1/98 -		open	15 +
Electrical Workers, Local 110	5/1/87 - 4/30/90	3	9/17/87	4 ½
	5/1/90 - 4/30/93	3	9/27/90	5
	5/1/93 - 4/30/95	2	9/30/93	5
	5/1/95 - 4/30/97	2	10/11/95	5
	5/1/97 - 4/30/99	2	?	
	5/1/99 -		open	3 +
Elevator Constructors, Local 9	1988	1	10/6/88	9
	6/1/89 - 5/31/90	2	5/15/90	11 ½
	6/1/90 - 5/31/91	1	8/21/90	2 ½
	6/1/92 - 5/31/94	2	4/8/93	10
	6/1/94 - 5/31/97	3	2/7/96	20
	7/1/97 - 6/30/2000	3	10/8/97	3
Glaziers, Local 1324	1986 - 1988	3	10/16/86	9 ½
Painters, Local 61	5/1/86 - 4/30/89	3	7/31/86	3
	5/1/89 - 4/30/92	3	5/31/90	13
	5/1/92 - 4/30/95	3	5/11/93	12 ½
	5/1/95 - 4/30/98	3	10/11/95	5 ½
	5/1/98 -			15 +
Pipefitters, Local 611	5/1/89 - 4/30/91	2	8/21/90	15 ½
	5/1/91 - 4/30/94	3	10/1/91	5
Plumbers, Local 34	5/1/87 - 4/30/89	2	10/8/87	5
	5/1/89 - 4/30/90	1	6/12/90	13 ½
	5/1/90 - 4/30/91	1	9/13/90	4 ½
	5/1/91 - 4/30/94	3	10/1/91	5
	5/1/94 - 4/30/97	3	12/1/95	19
	5/1/97 - 4/30/99	2	10/1/97	5
	5/1/99 -		open	3 +
Plumbers, Local 34 Meter Readers	5/1/90 - 4/30/92	2	1/17/91	8 ½
	5/1/92 - 4/30/95	3	8/10/93	15
Sheet Metal Workers, Local 10	5/1/87 - 4/30/89	2	1/6/87	- 4
	5/1/89 - 12/31/90	1 ½	1/30/90	9
	1/1/91 - 4/30/94	3 ½	1/20/92	12 ½
	5/1/94 - 4/30/97	3	1/19/96	20 ½
	5/1/97 - 4/30/99	2	open	27 +
	5/1/99 -		open	3 +

* Amendments to Contracts are not included in this table, although in some limited cases the amendments may have acted to extend the contract. It was considered that this extension was not equivalent to settling a contract for the time period in question.

** When resolutions were not in the Office of Labor Relations files, the date the contract was signed is used.

*** The "lag time" represents the time—in months—which elapsed between the expiration of the old contract and the ratification of the new contract. A "+" (plus sign) indicates that the contract applying to the date of the publication of this report is not yet settled. A "-" (minus sign) indicates the contract was completed prior to the previous contracts expiration.

APPENDIX D:

Summary of Interest Based Bargaining

Interest based bargaining (IBB) provides for a greater recognition of the interests of the opposite side, and the needs and values of the organization. IBB comes in many forms with different names, such as win-win bargaining, mutual gains, principles, interest-based negotiation, best practices or integrative bargaining, and interest-based problem solving. While each of these methods varies slightly, the fundamental goal is to reach an agreement that recognizes and satisfies the needs of each side. The process begins by identifying issues to be resolved and discussing the interests and concerns behind the issue, and jointly generating a number of options to resolve the matter. This process often leads to the recognition of mutual interests and goals, though the desired method of achieving the goal and resolving the issue may be different for each side. Two questions can be asked during the IBB process to enhance the level of understanding:

- What are the reasons for that particular position?
- What concern is addressed by that issue?

Interest based bargaining is an attempt to reduce the conflict that occurs during the negotiation process, and quite often can enhance the working relationship between management and labor. Lines of communication may open up, and joint problem solving may become more common and more effective. According to the Federal Mediation and Conciliation Service, a few principles must be followed in order for the IBB process to be effective:

- Sharing relevant information is critical for effective solutions.
- Focus on issues, not personalities.
- Focus on the present and future, not the past.
- Focus on the interests underlying the issues, not only on positions.
- Focus on mutual interests, and help satisfy the other party's interests as well as your own.
- Brainstorming can generate options to satisfy mutual and separate interests.
- Options to satisfy interests should be evaluated by objective and agreed-upon criteria, rather than power or leverage.

Certainly, IBB is not perfect for every negotiation process. The IBB method is likely to fail without a number of necessary components, listed below:

- evidence of labor-management cooperation during the past contract term;
- sufficient time remaining prior to contract expiration to complete the sequence of decision-making about IBB, training and application of the process;
- willingness of both parties to fully share relevant bargaining information;
- willingness to forgo power as the sole method of "winning";
- understanding and accepting the process by all participants and their constituents.

IBB may not entirely replace the traditional method of negotiation. The negotiating parties must determine for themselves when IBB would be appropriate, and must be willing to invest a significant amount of time and energy into the new process to make it truly effective.

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APPENDIX E:

Collective Bargaining Agreement Preamble Sample

The preambles of the collective bargaining agreements between the City of Saint Paul and the bargaining units generally contain preamble language stating the purpose of the agreements, which is in most cases to create a harmonious relationship between labor and management, and introducing the general areas of agreement contained in the contract such as wages, hours of work and other conditions of employment. A few contracts do not have preambles, but rather have purpose statements which are similar to the contracts.

Listed below are three sample preambles:

May 1, 1997- April 30, 1999 Labor Agreement between the City of Saint Paul and the International Brotherhood of Electrical Workers, Local 110. Preamble to the Contract: This AGREEMENT is entered into between the city of Saint Paul, hereinafter referred to as the EMPLOYER and the International Brotherhood of Electrical Workers, Local 110 hereinafter referred to as the UNION. The ~~THE CITY OF SAINT PAUL AND THE UNION~~ ~~AND THE AGREEMENT~~ has as its objective the promotion of the responsibilities of the City of Saint Paul for the benefit of the general public through effective labor-management cooperation. The EMPLOYER and the UNION both realize that this goal depends not only on the words in the AGREEMENT but rather primarily on attitudes between people at all levels of responsibility. Constructive attitudes of the EMPLOYER, the UNION and the individual employees will best serve the needs of the general public.

Preamble to the 1997-1998 Agreement between the City of Saint Paul and City of Saint Paul Classified Confidential Employees Association: This agreement, hereinafter referred to as the Employer, and the City of Saint Paul Classified Confidential Employees Association, hereinafter referred to as the Association, has as its purpose the promotion of harmonious relations between the Employer and the Association, the establishment of an equitable and peaceful procedure for the resolution of differences, the establishment of rates of pay, hours of work, and other conditions of employment.

1997-1998 Collective Bargaining Agreement between The City of Saint Paul and AFSCME Local 3757-Legal. This Agreement entered into between the City of Saint Paul, hereinafter referred to as either the "Employer" or the "City," and the A.F.S.C.M.E. Local 3757-Legal hereinafter referred to as the Union, for the purpose of fostering and promoting harmonious relations between the City and the Union in order that a high level of public service can be provided to the citizens of the City. This Agreement attempts to accomplish this purpose by providing a fuller and more complete understanding on the part of both the City and the Union of their respective rights and responsibilities. The provisions of this Agreement shall not abrogate the rights and/or duties of the Employer, the Union, or the employees as established under the provision of the Public Employee Labor Relations Act of 1984, as amended.

In addition to the three agreements above, we reviewed the following collective bargaining agreements:

- May 1, 1998- April 30, 2001 Maintenance Labor Agreement between the City of Saint Paul and Bricklayers & Allied Craftsmen Local Union No. 1 of Minnesota
- October 1, 1996 through September 30, 1998 Maintenance Labor Agreement between the City of Saint Paul and International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, Lodge 647
- May 1, 1996 thru April 30, 1998 Maintenance Labor Agreement between the City of Saint Paul and Operative Plasterers and Cement Masons International Association, Local 633
- Preamble to the May, 1998 through April, 2001 Labor Agreement between The City of Saint Paul and Lakes and Plains Regional Council of Carpenters and Joiners

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- July 1, 1997-June 30, 2000 Maintenance Labor Agreement between The City of Saint Paul and International Union of Elevator Constructors, Local 9
- 1998-1999 Agreement between The City of Saint Paul and The International Association of Fire Fighters AFL-CIO Local 21
- 1997 Agreement between The City of Saint Paul and The Saint Paul Fire Supervisory Association
- July 1, 1997 through June 30, 1999 Labor Agreement between the City of Saint Paul and District Lodge No. 77 International Association of Machinists and Aerospace Workers AFL-CIO
- 1997-1998 Labor Agreement Between the City of Saint Paul and the Saint Paul Manual & Maintenance Supervisors Association
- 1999-2000 Labor Agreement between the City of Saint Paul and International Union of Operating Engineers Local 70
- 1995-1998 Maintenance Labor Agreement between the City of Saint Paul and International Brotherhood of Painters and Allied Trades Local 61
- May 1, 1997 through April 30, 1999 Maintenance Labor Agreement Between the City of Saint Paul and United Association Pipefitters Local Union No. 455
- May 1, 1997 thru April 30, 1999 Maintenance Labor Agreement Between the City of Saint Paul and the United Association Plumbers Local 34 and Sprinkler Fitters Local Union No. 417
- 1997-1999 Collective Bargaining Agreement between the City of Saint Paul and The Saint Paul Police Federation
- 1997-1998 Collective Bargaining Agreement between the City of Saint Paul and the City of Saint Paul Professional Employees Association, Inc.
- 1997-1998 Collective Bargaining Agreement between the City of Saint Paul and Saint Paul Supervisors' Organization
- May 1, 1997 thru April 30, 1999 Maintenance labor Agreement between the City of Saint Paul and Sheet Metal Workers International Association Local 10
- February 1, 1996 through January 31, 1998 Collective Bargaining Agreement between the City of Saint Paul and International Alliance of Theatrical Stage Employees, Local No. 20
- May 1997 through April 2000 Collective Bargaining Agreement between the City of Saint Paul and the Tri-Council Local 120- Local 49 - and LOCAL 132
- 1997-1998 Agreement between the City of Saint Paul and Local Union 1842, District Council 14, of the American Federation of State, county and Municipal Employees, AFL-CIO.
- 1997-1998 Agreement between the City of Saint Paul and Local Union 2508 District Council 14 of the American Federation of State, County and Municipal Employees, AFL-CIO.

APPENDIX F: Selected Bibliography

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