

**UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD**

**RICHFIELD HOSPITALITY, INC. AS MANAGING
AGENT FOR KAHLER HOTELS, LLC**

and

**Cases 18-CA-187974
18-CA-198527**

UNITE HERE INTERNATIONAL UNION LOCAL 21

DECISION AND ORDER

Statement of the Cases

On September 25, 2017, Richfield Hospitality, Inc. as Managing Agent for Kahler Hotels, LLC (the Respondent), Charging Party Unite Here International Union Local 21 (the Union), and the General Counsel of the National Labor Relations Board entered into a Formal Settlement Stipulation, subject to the Board's approval, providing for the entry of a consent order by the Board and a consent judgment by any appropriate United States Court of Appeals. The parties waived all further and other proceedings before the Board to which they may be entitled under the National Labor Relations Act and the Board's Rules and Regulations, and the parties waived their rights to contest the entry of a consent judgment or to receive further notice of the application therefor.

The National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

The Formal Settlement Stipulation is approved and made a part of the record, and the proceeding is transferred to and continued before the Board in Washington, D.C., for the entry of a Decision and Order pursuant to the provisions of the Formal Settlement Stipulation.

Based on the Formal Settlement Stipulation and the entire record, the Board makes the following

Findings of Fact

1. The Respondent's business

(a) At all material times, the Respondent, a Colorado corporation and a Minnesota limited liability company, has been engaged in the business of providing hospitality services at four hotels in the Rochester, Minnesota area (The Kahler Grand Hotel, Rochester Marriott Mayo Clinic Area Hotel, Kahler Inn & Suites, and Residence Inn Rochester Mayo Clinic).

(b) During 2016, the Respondent, in conducting its operations described above in paragraph 1(a), derived gross revenues in excess of \$500,000.

(c) During 2016, the Respondent, in conducting its operations described above in paragraph 1(a), purchased and received at its Rochester, Minnesota area hotels goods and services valued in excess of \$50,000 directly from suppliers located outside the State of Minnesota.

(d) At all material times, the Respondent has been an employer engaged in commerce within the meaning of Section 2(2), 2(6), and 2(7) of the Act.

2. The labor organization involved

At all material times, the Union has been a labor organization within the meaning of Section 2(5) of the Act.

ORDER

Based on the above findings of fact, the Formal Settlement Stipulation, and the entire record, and pursuant to Section 10(c) of the National Labor Relations Act, the National Labor Relations Board orders that the Respondent, Richfield Hospitality, Inc. as Managing Agent for Kahler Hotels, LLC, Rochester, Minnesota, its officers, agents, successors and assigns, shall

1. Cease and desist from

(a) Failing or refusing to meet and bargain collectively in good faith with the Union, without any preconditions, as bargaining representative of the Respondent's employees in the appropriate unit about wages, hours, and terms and conditions of employment, including, but not limited to, wages and the employee meal benefit program. The appropriate bargaining unit is:

All full-time and regular part-time employees employed in the job classifications and at the hotels listed in Appendix A of the most recent collective-bargaining agreement, which is effective by its terms from October 1, 2011 through August 31, 2014, between the Union and Sunstone Hotel Properties, Inc. as agent for the Kahler Grand Hotel, Rochester Marriott Mayo Clinic Area Hotel, and Kahler Inn & Suites; and all full-time and regular part-time employees employed in the job classifications listed in the Memorandum of Agreement, which is effective beginning on May 4, 2012, between the Union and Sunstone Hotel Properties, Inc., as agent for Residence Inn Rochester Mayo Clinic Hotel; excluding all other employees, guards and supervisors as defined in the Act.

(b) Unilaterally implementing changes in terms and conditions of employment of unit employees, including, but not limited to, wages and the employee meal benefit program, without prior notice to, and bargaining in good faith with the Union to an agreement or lawful impasse concerning any proposed changes.

(c) Undermining and denigrating the Union, including by bypassing the Union and dealing directly with unit employees regarding their terms and conditions of employment.

(d) In any other manner failing or refusing to bargain in good faith, or impeding or interfering with the efforts of the Union as its employees' exclusive representative to bargain collectively on their behalf and to represent them properly in accordance with the requirements of the Act, or thereby interfering with, restraining, or coercing employees in the exercise of the rights guaranteed in Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act.

(a) Upon request of the Union, rescind any changes to the employee meal benefit program for unit employees, and follow the terms of the Union's May 8, 2017 settlement offer, incorporated by reference herein, and attached as Exhibit G.¹

(b) Upon request of the Union, rescind any changes to compensation for unit employees who worked the Easter Brunch event on April 16, 2017, and make them whole by paying them their \$15 per hour base wage rate (no changes will be made to their reported tips for that day).

(c) Upon request, bargain in good faith with the Union as the exclusive collective-bargaining representative of the Respondent's unit employees, as defined above in subparagraph 1(a), concerning their wages, hours, and other terms and conditions of employment, and, if any agreement is reached, embody the agreement in a written, signed collective-bargaining agreement.

(d) Within 14 days from approval of this agreement, the Respondent will make whole all employees affected by the Respondent's unilateral change to compensation for employees employed as banquet servers for the Easter Brunch event which occurred on April 16, 2017 (no changes will be made to their reported tips for that day). The Respondent will make appropriate withholdings for each employee. No withholdings should be made from the interest portion of the backpay. The Respondent will also file a report with the Regional Director allocating the payment(s) to the appropriate calendar year.

(e) Within 14 days from approval of this agreement, the Respondent will reinstitute the employee meal benefit program for unit employees as set forth in the Union's offer of May 8, 2017.

(f) Within 14 days from approval of this agreement, the Respondent will post at all four hotel properties (Kahler Grand Hotel; Kahler Inn & Suites; Rochester Marriott Mayo Clinic Area Hotel; and Residence Inn Rochester Mayo Clinic Hotel) copies of the attached notice marked "Appendix A." Copies of the notice, on forms provided by Region 18, after

¹ Although Exh. G uses the date "May 8, 2018," we note that this is an obvious typographical error.

being signed by the Respondent's authorized representative, shall be posted by the Respondent and maintained for 60 consecutive days in conspicuous places, including all places where notices to employees are customarily posted, in English and in additional languages if the Regional Director decides that it is appropriate to do so. The Respondent will take reasonable steps to ensure that the notices are not altered, defaced or covered by any other material. In the event that, during the pendency of these proceedings, the Respondent has gone out of business or closed the facility involved in these proceedings, the Respondent shall duplicate and mail, at its own expense, a copy of the Notice to all current employees and former employees employed by the Respondent at any time since October 1, 2016.

(g) Within 14 days of approval of this agreement, the Respondent will copy and mail at its own expense, a copy of the attached Notice to all former employees who were employed at any time since October 1, 2016. Those Notices will be signed by a responsible official of the Respondent and show the date of mailing. The Notices will be mailed in English and in other languages if the Regional Director decides it is appropriate to do so. The Respondent will provide the Regional Director written confirmation of the date of mailing and a list of names and addresses of employees to whom the Notices were mailed.

(h) Within 21 days after service by the Region, file with the Regional Director for Region 18 a sworn certification of a responsible official on a form provided by the Region attesting to the steps that the Respondent has taken to comply.

Dated, Washington, D.C., January 12, 2018

Marvin E. Kaplan, Chairman

Mark Gaston Pearce, Member

William J. Emanuel, Member

(SEAL)

NATIONAL LABOR RELATIONS BOARD

APPENDIX A

**NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
An Agency of the United States Government**

**PURSUANT TO A STIPULATION PROVIDING FOR A BOARD ORDER
AND A CONSENT JUDGMENT OF ANY APPROPRIATE
UNITED STATES COURT OF APPEALS**

As you may know, UNITE HERE LOCAL 21, hereinafter called the Union, filed charges against RICHFIELD HOSPITALITY, INC. AS MANAGING AGENT FOR KAHLER HOTELS, LLC, hereinafter called the Employer, alleging that we have violated the National Labor Relations Act. The charges have been investigated and settled. As part of the settlement agreement, we have agreed to post and mail this Notice and comply with its terms.

FEDERAL LAW GIVES YOU THE RIGHT TO:

- Form, join, or assist a union
- Choose a representative to bargain with us on your behalf
- Act together with other employees for your benefit and protection
- Choose not to engage in any of these protected activities.

WE WILL NOT do anything to prevent you from exercising the above rights.

UNITE HERE LOCAL 21 is the employees' representative in dealing with us regarding wages, hours and all other terms and conditions of employees in the following unit:

All full-time and regular part-time employees employed in the job classifications at the hotels listed in Appendix A of the most recent collective-bargaining agreement, which is effective by its terms from October 1, 2011 through August 31, 2014, between the Union and Sunstone Hotel Properties, Inc., as agent for The Kahler Grand Hotel, Rochester Marriott May Clinic Area Hotel, and Kahler Inn & Suites; and all full-time and regular part-time employees employed in the job classifications listed in the Memorandum of Agreement, which is effective beginning on May 4, 2012, between the Union and Sunstone Hotel Properties, Inc., as agent for Residence Inn Rochester Mayo Clinic Hotel; excluding all other employees, guards and supervisors as defined in the Act.

WE WILL NOT undermine and denigrate the Union, including by dealing directly with employees regarding their terms and conditions of employment.

WE WILL NOT bypass the Union, including by offering employees individual wage rates not encompassed by the parties' agreements and by asking employees to sign a

document agreeing to different wage rates than those included in the collective-bargaining agreement.

WE WILL NOT fail and refuse to bargain in good faith with the Union, including, but not limited to by failing to respond to the Union’s offers to meet for negotiations and by conditioning further bargaining on the Union making “acceptable” proposals.

WE WILL NOT unilaterally change employees’ terms and conditions of employment, including, but not limited to the employee meal benefit program and wages, without first notifying and bargaining, upon request, with the Union to agreement or a good faith impasse.

WE WILL NOT in any manner interfere with your rights under Section 7 of the Act.

WE WILL make our unit employees employed in the classification of banquet servers whole for the Easter Brunch event they worked on April 16, 2017, by paying them their \$15 per hour base wage rate.

WE WILL make our unit employees whole by restoring the employee hot meal benefit, in accordance with a settlement agreement that we have reached with the Union, as set forth in the Union’s offer dated May 8, 2017 and incorporated by reference herein.

WE WILL, upon request, bargain in good faith with the Union, which is the collective-bargaining representative of our employees in the Unit described above.

**RICHFIELD HOSPITALITY, INC. AS MANAGING
AGENT FOR KAHLER HOTELS, LLC**

The Board’s decision can be found at www.nlr.gov/case/18-CA-187974 or by using the QR code below. Alternatively, you can obtain a copy of the decision from the Executive Secretary, National Labor Relations Board, 1015 Half St., S.E., Washington, D.C. 20570, or by calling (202) 273-1940.



EXHIBIT G

May 8, 2018

Proposal to settle the meals issue: made to Karl Terrell representing Richfield Hospitality managing agent for Kahler, LLC.

The Union proposes:

That a hot meal is made available at set times of the day (breakfast, lunch, supper and overnight) in accordance with past practice[s], including leaving the food in a hot box. That a Food vending machine also be available for hours not covered by the hot meal period[s].

That the vending machine prices freeze for a period of approximately two and a half (2 ½) years ending on December 31, 2019.

That drink prices freeze until December 31, 2019

That the price of a hot meal be \$3.00 until December 31, 2017

That the price of a hot meal increases to \$3.50 on January 1, 2018 until December 31, 2018

That the price of a hot meal increases to \$4.00 on January 1, 2019 until December 31, 2019

That a chit/ticket of some sort (much like a ticket for a raffle) be available for people. The chit/ticket would have a place for a written name and date to be collected by someone assigned by Management. The second portion of the chit/ticket would be kept by the purchaser.

(Is it possible that a security camera also be placed in the area to assure that chit/tickets are properly collected or placed in a locked box?)

Submitted on May 8, 2018 by Martin Goff, representing Unite Here Local 21, Rochester, Mn.