

IN THE IOWA DISTRICT COURT FOR POLK COUNTY**CITY OF AMES,****Petitioner,**

v.

**IOWA PUBLIC EMPLOYMENT
RELATIONS BOARD,****Respondent.****Case No. CVCV061533****RULING ON APPLICATION FOR
JUDICIAL REVIEW**

Before the Court is Petitioner's March 18, 2021, Petition for Judicial Review. The Court convened a virtual hearing on December 17, 2021. Having reviewed the parties' briefs as well as the relevant case law and statutes, the Court finds and orders as follows.

STATEMENT OF THE CASE**I. Nature of the Case**

Petitioner, City of Ames ("City") filed a Petition for Declaratory Order with the Iowa Public Employment Relations Board ("PERB") requesting PERB issue an order clarifying how the post-House File 291 Chapter 20 is to apply to a bargaining unit that includes both transit employees entitled to specific labor protections tied to the release of federal transit funds (commonly referred to as Section 13(c) protections) and non-transit employees who are not entitled to said protections. The International Union of Operating Engineers, Local 234, ("IUOE") and AFSCME Iowa Council 61 intervened. Ultimately, PERB issued its decision which answered twelve of the City's fourteen questions in the petition by issuing declaratory orders on questions 1 to 3, 5 to 8, and 10 to 14, and declining to issue declaratory orders on questions 4 and 9. In this judicial review, the City seeks to overturn PERB's interpretations of Iowa Code chapter 20 and application of them to the facts.

II. Proceedings

On January 17, 2020, the City filed a Petition for Declaratory Order with PERB seeking an order providing guidance on how Iowa Code chapter 20 applies to bargaining units comprised of both transit and non-transit employees. On February 5, 2020, IUOE filed a Petition for Intervention asserting PERB should decline to issue a Declaratory Order in response to the City's Petition.

On February 14, 2020, PERB granted IUOE and AFSCME's Petitions for Intervention. The City and IUOE briefed their respective positions on July 30, 2020 and July 31, 2020, and on August 6, 2020, the parties presented oral arguments to PERB. On February 16, 2021, PERB issued its decision and determined, with the exception of questions 4 and 9, the City's questions were appropriate inquiries for a declaratory order.

On March 18, 2021, the City filed a Petition for Judicial Review before this Court. On April 21, 2021, AFSCME Iowa Council 61 filed a Motion to Intervene and on April 26, 2021, IUOE filed a Motion to Intervene. The City and PERB did not resist either AFSCME or IUOE's Motions. As such they were granted. The Court held a hearing on December 17, 2021.

III. Statement of Facts

The PERB adequately and thoroughly set out the facts in their declaratory judgement and the Court need not repeat them here as they are not in dispute. However, the Court will note that House File 291 significantly reduced the collective bargaining rights of public employees in Iowa.

STANDARD OF REVIEW

Iowa Code § 17A.19(10) governs judicial review of agency decisions. *Burton v. Hilltop Care Ctr.*, 813 N.W.2d 250, 255 (Iowa 2012). In turn, the Court may grant a party relief if the agency action has prejudiced the substantial rights of the Petitioner and the agency action meets one of the enumerated criteria contained in Iowa Code sections 17A.19(10)(a) through (n). *Id.* at

256. However, the burden of demonstrating the invalidity of the agency's action rests with the party asserting invalidity. *AFSCME Council 61 v. PERB*, 846 N.W.2d 873, 878 (Iowa 2014) (quoting Iowa Code § 17A.19(8)(a)).

The City's petition sets forth five grounds for judicial review under section 17A.19(10). Specifically, the City asserts PERB's decision is

(c) Based upon an erroneous interpretation of a provision of law whose interpretation has not clearly been vested by a provision of law in the discretion of the agency;

(i) The product of reasoning that is so illogical as to render it wholly irrational;

(l) Based upon an irrational, illogical, or wholly unjustifiable interpretation of a provision of law whose interpretation has clearly been vested by a provision of law in the discretion of the agency;

(m) Based upon an irrational, illogical, or wholly unjustifiable application of law to fact that has clearly been vested by a provision of law in the discretion of the agency; and

(n) Otherwise unreasonable, arbitrary, capricious, or an abuse of discretion.

Iowa Code §§ 17A.19(10)(c), (i), (l), (m), and (n).

Sections 17A.19(10)(l) and (m) encompass standards whereupon the agency has discretion in interpretation of law or application of law to fact. Under these two standards, the Court shall give "appropriate deference to the view of the agency" with respect to the particular matters vested. *See* Iowa Code § 17A.19(11)(c). For the other grounds, Iowa Code sections 17A.19(10)(c), (i), and (n), the Court "[s]hould not give any deference to the view of [PERB] with respect to particular matters that have not been vested by a provision of law in the discretion of the agency." *Id.* at § 17A.19(11)(b).

MERITS

I. Introduction

“The legislature may enact any law desired provided it is not clearly prohibited by some provision of the Federal or State Constitution. It is not the province of the courts to pass upon the policy, wisdom or advisability of a statute; they are questions for the legislature.” *Brauch’s Estate v. Beeck*, 181 N.W.2d 132, 134 (Iowa 1970) (citing *Strong v. Town of Lansing*, 179 N.W.2d 365, 367 (Iowa 1970)); *See Auen v. Alcoholic Beverages Div.*, 679 N.W.2d 586 (Iowa 2004). It is the court’s duty to find the intent of the legislature by “the words chosen by the legislature, not what it should or might have said.” *Auen*, 679 N.W.2d at 590 (citing *Painters & Allied Trades Local Union v. City of Des Moines*, 451 N.W.2d 825, 826 (Iowa 1990); *State v. McCoy*, 618 N.W.2d 324, 325 (Iowa 2000)). “Rules of statutory construction are to be applied only when the explicit terms of a statute are ambiguous.” *Carolan v. Hill*, 553 N.W.2d 882, 887 (Iowa 1996). “A statute is ambiguous if reasonable minds could differ or be uncertain as to the meaning of the statute.” *Mall Real Estate, L.L.C. v. City of Hamburg*, 818 N.W.2d 190, 198 (Iowa 2012) (quoting *Sherwin-Williams Co. v. Iowa Dep’t of Revenue*, 789 N.W.2d 417, 424-25 (Iowa 2010)).

The Court agrees with the Union that the question underpinning all of the City’s inquiries is “what are the substantive collective bargaining rights for a public sector bargaining unit in Iowa that includes both public sector transit employees and non-transit employees in the same bargaining unit when the public employer’s receipt of federal funding is jeopardized.” Union Br. at 7. In its decision, PERB applied Iowa Code § 20.32 to the entire bargaining unit to determine the substantive collective bargaining rights enjoyed by members of the entire bargaining unit under Iowa Code § 20.9(3). *See* PERB Declaratory Order (PERB Order).

PERB’s decision was not based upon an erroneous interpretation of a provision of law or based upon an irrational, illogical, or wholly unjustifiable application of law to fact, and the declaratory order was not otherwise unreasonable, arbitrary, capricious, or an abuse of discretion.

It is important to note that the decision made by PERB was based upon the fourteen questions posed to it by the City. PERB did not have input into the manner in which the City posed the questions or the order in which the questions were posed. Instead, PERB was charged with answering the City's fourteen questions in a manner that properly effectuated the HF 291 amendments to Chapter 20 in a way that (1) implemented those amendments and (2) did so in a manner that preserved receipt of federal funds.

To this end, PERB applied the proper test to determine the substantive collective bargaining rights of a bargaining unit containing both transit and non-transit employees. PERB ascertained that there were transit employees in the bargaining unit. Once PERB ascertained that there were transit employees in the bargaining unit, PERB examined whether receipt of federal funds is jeopardized. PERB determined that receipt of federal funds is jeopardized by application of the HF 291 amendments to Chapter 20. PERB's decision then applied section 20.32 to determine the substantive collective bargaining rights of the bargaining unit under Iowa Code section 20.3(11) and § 20.9(3). Upon examination of these provisions, PERB determined that the substantive collective bargaining rights, which are the expanded bargaining rights for a public safety bargaining unit as the unit in question has more than thirty percent transit employees, did not fully protect receipt of federal funds under 49 U.S.C. § 5333(b).

In turn, PERB correctly applied section 20.27 in a limited manner to deem inoperative the offending provisions of section 20.9(3) as applied to the transit employees. PERB also correctly applied the provisions of section 20.27 to deem inoperative section 20.15, which does not implicate the topics of the mandatory substantive collective bargaining rights contained in section 20.9(3), so as to ensure continued receipt of federal funds. Simply put, PERB correctly engaged in the proper analysis for determining the substantive collective bargaining rights of a bargaining unit

that includes both transit and non-transit employees while at the same time interpreting and applying Chapter 20 in a manner that was not erroneous, irrational, illogical, nor constituted a wholly unjustifiable application of law to fact, or was unreasonable, arbitrary, capricious, or an abuse of discretion.

ORDER

Therefore, for the reasons stated above, the Court hereby **DENIES** Petitioner's Petition for Judicial Review.



State of Iowa Courts

Case Number
CVCV061533

Case Title
CITY OF AMES VS IOWA PUBLIC EMPLOYMENT
RELATIONS BOARD
OTHER ORDER

Type:

So Ordered

**Scott D. Rosenberg, District Court Judge,
Fifth Judicial District of Iowa**

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