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 PUBLIC EMPLOYMENT
 RELATIONS BOARD

**BEFORE THE ARBITRATOR
 CHARLES E. BOLDT**

In the matter between:	:	
BREMER COUNTY, IOWA,	:	
Employer,	:	
	:	
and	:	INTEREST ARBITRATION AWARD
	:	PERB CEO #92 SECTOR 2
PUBLIC PROFESSIONAL AND MAINTENANCE	:	
EMPLOYEES, LOCAL 2003,	:	
Employee Organization.	:	

Appearances:

Bremer County, Lloyd Peterson, Senior Partner, Blackstone, Simmons, Peterson and Allan
 PPME Local 2003, Mike Scarrow, Business Manager, IUPAT District Council 81

INDEPENDENT IMPASSE AGREEMENT

On January 30, 2012, Bremer County (County or Employer) and Public Professional Employees, Local 2003 (PPME or Union) entered into an independent impasse agreement pursuant to Section 19 of the Public Employment Act (Act), Chapter 20, *Code of Iowa (2010)* whereby the parties agreed to "waive the timelines for bargaining the Agreement to go into effect July 1, 2012." (Union Ex. Tab 2).

FINDINGS OF FACT

Bremer County is located in the Northeast quadrant of Iowa. The County Seat is Waverly. The population is approximately 24,000 [County Ex. 1, p. 2 (24,276); Union Ex. Tab 3, p. 2 (23,837)]. The County's Secondary Roads Department provides road maintenance and bridge repair throughout the County. There are approximately 24 bargaining unit employees in the Department in classifications including laborer, bridge crew, operators 1 & 2, mechanics, engineering aides, and rodman. These are the only County employees organized for the purpose of collective bargaining.

There are six counties contiguous to Bremer County. These are: Blackhawk, Buchanan, Butler, Chickasaw, Fayette, and Floyd.

There are ten counties of similar population size, five larger and five smaller. These are: Marion (32,987), Sioux (32,525), Benton (26,962), Boone (26,584), Plymouth (24,906), Mahaska (22,289), Washington (21,529), Buchanan (21,405), Winneshiek (21,263), and Fayette (20,996). (Union Ex. Tab 3, p. 3). The County cited different population figures for Buchanan (20,593), Fayette (20,880), and Winneshiek (21,509). The differences are not of a magnitude to engender concern.

Historically, the parties have employed a cents per hour basis for across-the-board (ATB) wage increases. In recent bargaining history, Arbitrator Harvey Nathan awarded a three percent ATB for the 2011-12 contract and cited a three-year preceding contract averaging 3.8% ATB (Nathan, June 2011). The wage used is an average wage of \$18.91 to \$19.00 per hour (the specific wage used to calculate the cents per hour is not in the record). For comparison purposes of translating percentage wage increases in contiguous counties to a cents per hour basis, the Patrol Operator wage rates identified in Union Ex. Tab 3, p. 4 were used.

For the current contract between the parties, they agreed upon an insurance provision that increase deductibles and which treated unionized and non-bargaining employees of the County identically with respect to plan availability, structure of plans, and employee contributions to single and family premium payment (\$15/month single, \$30/month family, regardless of plan chosen). The two plans are characterized as a Blue Cross/Blue Shield (BCBS) Blue Advantage plan with a \$1,000 deductible and a BCBS Alliance Select HSA 2000 plan (Union Ex. Tab 4, p. 1).

During negotiations for the 2012-13 contract between the parties, they agreed upon the all of the provisions with the exceptions Wages ATB and Insurance (Employee contributions). A hearing was conducted by the undersigned on these matters on May 1, 2012.

AUTHORITY OF THE ARBITRATOR

Section 22 of the Act identifies the requirements and the authority of the arbitrator. Subsections 7 and 9 state:

7. The arbitrator shall consider, in addition to other relevant factors, the following factors:

a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.

b. Comparison of wages, hours and conditions of employment of the involved public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.

c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.

d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations

* * *

9. The arbitrator shall select within fifteen days after the hearing the most reasonable offer, in the arbitrator's judgment, of the final offers on each impasse item submitted by the parties.

WAGE PROPOSALS

The County proposed a wage increase of \$.57/hour for all bargaining unit employees (characterized as 3% ATB).

The Union proposed a wage increase of \$.52/hour for all bargaining unit employees (characterized as 2.75% ATB).

While it is rare, it is not unheard of, for an employer to offer more in wages than the union seeks. This practice is normally done to address some imbalance perceived between wages and some other provision of the contract or to entice a litigative neutral to select that party's position on a separate item of impasse. The latter is the case in this matter where each party wants the arbitrator to determine that its position on Insurance is the most reasonable.

Analysis

In considering the criteria in Section 22 (7) of the Act, past collective bargaining agreement and the bargaining which led up to such contracts carries little weight in determining the most reasonable of the parties' proposals. Both parties' proposals are reasonable as a stand-alone impasse item. The County's argument for parity with other County employees is without merit as was discussed by Nathan in his award for the current contract (Nathan, June 2011). It is a common arbitral principle that organized bargaining units are not comparably situated to employees dependent on the largesse of the employer for pay wages. Furthermore, Arbitrator Nathan's decision makes it clear that these disparate groups have not been treated consistently with parity with respect to wages in the past.

The Union's arguments on wages show Bremer County as second largest among contiguous counties in population but third highest in wages for Patrol Operators behind Blackhawk and Floyd Counties. Ironically, this argument actually slightly favors a finding that the Counties proposal is the more reasonable.

The second criterion for the arbitrator's consideration is comparability with other similarly situated employees. The parties have not agreed on a comparability grouping. The County favors the use of contiguous counties with the exception of Blackhawk County since, by population, it is at least five times larger than Bremer and other contiguous counties. The County also added Winneshiek County as a nearby county that is close in size to the rest of the comparability group. PPME favors a comparability group of all contiguous counties and/or by relative size of the counties' populations.

Arbitrator Nathan employed a comparability grouping of all five contiguous counties plus nearby Grundy County. This arbitrator, while largely agreeing with Arbitrator Nathan, was not accorded the same record in this matter. Grundy County was not introduced by either party to this proceeding so no data exist for current or future wages. The concept of using comparable sized counties for comparison was not presented to Arbitrator Nathan. Thus, the undersigned is left to construct a comparability grouping unique, though not definitive, to the set of circumstances extant in this matter.

The Union's population comparability grouping, other than those counties contiguous to Bremer County and Winneshiek County which is also in the northeast quadrant of the State, can be ignored on two grounds. These excluded counties do not share factors "peculiar to the area" as they are widely scattered across the State of Iowa. Secondly, there is an absence of data in terms of wage increases negotiated for successor agreements effective July 1, 2012. Unfortunately, there is also no information on any wage increase for Secondary Roads employees for Blackhawk County.

A comparison of future wage increases conducted this late in the bargaining season has settlements of other contracts that can guide the arbitrator to the most reasonable offer in this matter. In this case, available information for wage increases exists for Buchanan, Butler, Chickasaw, Fayette, and Winneshiek Counties. Winneshiek County, although not contiguous to Bremer County, is considered since it is within the comparability groups offered by both parties.

In applying this criterion of mandatory consideration, the data availability shows that Bremer County has the second highest pay behind Floyd County (wage settlement for Floyd County is unknown but neither proposal would cause Bremer County patrol operators to surpass even the current wage of those in Floyd County). The known wage increases for the 2012-13 contracts are: Buchanan – 2% (\$.37); Butler – 2% (\$.37); Chickasaw – 2% (\$.37); Fayette – 2.25% (\$.40); and, Winneshiek – 1.75% (\$.33).

Neither party broached the subjects identified in the third or fourth criteria for mandatory consideration by the arbitrator and accordingly afforded no weight in this award.

The only "other relevant factor" given consideration was the award between the competing insurance proposals discussed below.

AWARD ON WAGES

The County's proposal increasing wages by \$.57 across-the-board is awarded as the most reasonable.

INSURANCE PROPOSALS

The County proposed increasing the current monthly cost to employees for insurance premiums from \$15 for single coverage and \$30 for family coverage to \$29 for single coverage and \$63 for family coverage.

PPME proposed increasing the current monthly costs to employees for insurance from \$15 for single coverage and \$30 for family coverage to \$25 for single coverage and \$45 for family coverage.

No other changes to insurance were proposed by either party.

Analysis

Consideration of past collective bargaining agreements and the bargaining which led up to those agreements is most illustrative in this matter. The parties mutually agreed to align the organized employees and the non-organized employees of the County relative to insurance availability and employee premium contributions for the 2011-12 contract. As Arbitrator Nathan reasoned in awarding the Union’s positions on Accident Leave and Vacation Carryover, “Arbitrators are reluctant to remove a benefit because they are unaware of what trades were made, or *quid pro quos* were negotiated, to obtain this benefit.” The reasoning behind this statement is pertinent here.

Voluntary alignment between the unionized employees with other employees of the County is in its infancy and it is premature to abandon what was voluntarily agreed upon by the parties absent some significant showing of abuse of discretion by the County. This does not impute immutability to this fledgling practice. It merely begs a “wait and see” approach to see if an opposing argument is strong enough to depart from the practice. This criterion supports the County’s proposal.

The second criterion for arbitral consideration is also key to edifying a position of reasonableness. A comparability table follows:

<u>County</u>	<u>Deductible</u>	<u>Single Coverage Employee Cost</u>	<u>Family Coverage Employee Cost</u>
Blackhawk	\$500	\$60	\$120
Buchanan	\$500	\$10	\$55
Butler	\$750	\$40/\$60	\$60/\$120
Chickasaw	\$500	\$0	\$311.16
Fayette	\$1000	\$0	\$486.72
Floyd	\$500	\$112.69 (2011)	\$298.70
Winneshiek	\$100	\$0	Total Cost
Bremer	\$1000	U-\$25 C-\$29	U-\$45 C-\$63

In viewing the table above, neither the Union’s nor the County’s proposal is unreasonable. The Union argued that the higher deductible yields a potential higher out-of-pocket cost to the employee than all except one in the comparability group. While this is potentially true, the Union failed to present any data demonstrating that this had occurred among the 24 organized employees. Absent any empirical data of likelihood, this remains only a risk factor that the Union accepted when it agreed to this just last year. In single coverage cost, there are three counties with higher costs and four counties with lower costs. This would remain the case under either party’s proposal. In family coverage cost, the Union’s proposal would keep its cost the lowest and the County’s proposal would be third lowest. In the case of most of the comparable counties, the employee cost for family coverage would be considerably lower than those proposed by either party.

Also calculated as an “other relevant factor” is that the County’s higher wage proposal more than covers the \$4 per month difference between the County and Union Proposals for single coverage. The \$18 per month difference between the proposals for family coverage equals \$218 per year. The extra \$.05 per hour yield an additional \$104 dollars per year. Those employees choosing family coverage will only be out-of-pocket \$112 per year more than under the Union’s proposal.

This Arbitrator can find no abuse of Employer discretion sufficient to negate a hitherto mutually agreed upon concept of insurance parity among all County employees.

As previously discussed, no mention or argument addressed either the third or fourth mandatory criteria for consideration and, thus, no weight was accorded consideration of the public welfare, level of services, or the ability of the Employer to finance economic adjustments or levy taxes.

AWARD ON INSURANCE

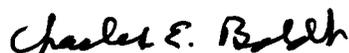
The County's proposed increases to employee contribution to \$29 per month for the single insurance premium and \$63 per month for the family insurance premium is awarded as the most reasonable.

SUMMARY

WAGES: The County's proposal is awarded.

INSURANCE: The County's proposal is awarded.

DATED this 7th day of May, 2012.



Charles E. Boldt, Arbitrator

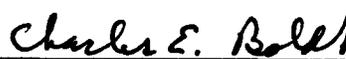
CERTIFICATE OF SERVICE

I certify that on the 7th day of May, 2012, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Lloyd Peterson
Blackstone, Simmons, Peterson & Allan
1369 Mississippi Street
New Brighton, MN 55112

Mike Scarrow
PPME Local 2003
P.O. Box 113
Mason City, IA 50402-0113

I further certify that on the 7th day of May, 2012, I will submit the award for filing by personally delivering it to the Iowa Public Employment Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319.



Charles E. Boldt, Arbitrator