

**State of Iowa
Before the Arbitrator**

In the Matter of the Interest Arbitration Between

City of North Liberty

and

PPME, IUPAT, Local 2003

Iowa PERB
Case 1187/2
(Police)

RECEIVED
2013 MAY -6 AM 8:51
PUBLIC EMPLOYMENT
RELATIONS BOARD

Appearances:

Mr. Joe Rasmussen, Business Representative, International Union of Painters and Allied Trades, District Council 81, P.O. Box 219, Solon, Iowa 52333, on behalf of Local 2003.

Mr. Wilford H. Stone, Esq., Lynch Dallas, P.C., 526 Second Ave., SE, Cedar Rapids, Iowa 52406-2457, on behalf of the City.

Other Attendees:

City:

Gary Ray
Holly Grieder
Ryan Heiar (witness)
Debra Hilton (witness)
Jackie Harris (witness)

Union:

Mitchell Seymour (witness)
Chreighton Regenwether
Chris Shine
Lee Bowstead
Joel Miller

Arbitration Award

The parties jointly selected Arbitrator Sharon A. Gallagher through the Iowa PERB to hear and resolve an impasse between them regarding the terms of the 2013-14 collective bargaining agreement, under the impasse procedures of the Iowa Public Employment Relations Act, Sections 20.19 and 20.22, Iowa Code (2012). Hearing was held by agreement of the parties on April 25, 2013, at the Community Center in North Liberty, Iowa. The hearing opened at 12:30 p.m. and was adjourned at 4:05 p.m. after the receipt of documentary evidence. (Union Exhibits 1 through 19 (Tabs 1-4); City Exhibits, pages 1 through 174, Tabs 1 through 25 (additional unnumbered documents included the City Personnel Manual and external comparable labor agreements). The City called three witnesses, and the Union called one witness, all of whom were sworn on oath/affirmation by the Arbitrator. The Union and the City had full opportunities to describe and discuss

their exhibits, to ask questions and argue regarding their opponent's exhibits, to question witnesses, and to make oral arguments.¹

The parties stipulated that for this one-year contract, there is no negotiability dispute between them and that costing is not in issue.

Final Offers:

There are only three impasse items in dispute in this case: shift differential, insurance, and wages. The Union's final offer read as follows²

Public Professional and Maintenance Employees, Local 2003, proposes no changes to the 2012-2013 collective bargaining agreement for a one-year successor agreement from July 1, 2013 through June 30, 2014, with the exception of the following:

ISSUE # 1 – INSURANCE

Article 9 – Insurance

Section 9.01 – Health Insurance – Change the fifth and sixth sentences to read:

Employees selecting single coverage shall be responsible for thirteen percent (13%) of the monthly single premium. Employees selecting family coverage shall be responsible for thirteen percent (13%) of the monthly family premium.

ISSUE # 2 – WAGES

Article 11 – Wages

Exhibit A – Police Department Hourly Wage Rates July 1, 2013 – June 30, 2014

Increase all hourly wage rates from Exhibit A, July 1, 2012 – June 30, 2013 by the amount of two percent effective July 1, 2013, and an additional one percent (1%) effective January 1, 2014. No other changes to the current Exhibit A.

	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr
7-1-13	\$ 20.49	21.45	22.41	23.37	24.34	25.31	26.28	27.24	28.21
1-1-14	\$ 20.69	21.66	22.63	23.60	24.58	25.56	26.54	27.51	28.49

The City amended its January 25, 2013, final offer on February 20, 2013, as follows:

The City of North Liberty proposes current contract on all items except the following:

ARTICLE 11, Section 11.01 Wage Rates (Page 14) – Change as follows:

Employees shall be compensated for their regular straight-time hours worked pursuant to the schedule set forth in Exhibit A, Police Department Wage Schedule, a copy of which is attached hereto and incorporated herein by this reference as though fully set forth. **All hourly wage rates**

¹ Neither party made any objections during the hearing.

² The Union's final offer also included the tentative agreements because the City failed to formally agree to them before final offers were received by the PERB. At the start of the hearing herein, the City stipulated and agreed the TAs were not in dispute, and neither party made any arguments regarding them.

in Exhibit A shall increase one and one-half percent (1.5%) effective July 1, 2013.

ARTICLE 11, Section 11.03, SHIFT DIFFERENTIAL (Page 14) – Change as follows

11.03 SHIFT DIFFERENTIAL(CORRECTED)

~~Employees shall receive the following shift differentials in addition to their regular straight time hourly rates. Shift differential pay shall be included with the employee's regular straight time hourly rate of pay for the purposes of overtime and fringe benefits:~~

~~Shift starts between 1100 and 1700 ——— 30 cents per hour
Shift starts between 1701 and 0559 ——— 40 cents per hour~~

Those employees regularly assigned to evening and night shifts shall be entitled to the following shift differential.

Shift starts between 1100 and 1700 \$750/Fiscal Year
Shift starts between 1701 and 0559 \$1000/Fiscal Year

Shift differential will be paid out on a monthly basis. Shift differential is to be paid to those who work regularly scheduled evening and night shifts. Employees engaging in occasional work or overtime work occurring during these hours shall not be entitled to such pay.

NOTE: The City's January 25, 2013, Final Arbitration Offer contained an error in the start and end times used to calculate the shift differentials. The City intended merely to copy the times directly from the current contract as now reflected above. This corrected final offer does not alter the City's final substantive offer to pay a flat sum for those employees working on those shifts between those hours. (City, p. 98.)

Regarding the City's request for permission to correct its shift differential offer, the Union refused to stipulate herein to allow the correction because it wanted the full 90 days from the February 20 notice (until May 21, 2013) to consider whether to file a prohibited practice thereon, as is its right under the statute.³

Statutory Criteria:

Section 20.22(9) of the Iowa Code (2012) specifies the following factors, "in addition to any other relevant factors," which must be applied by the Arbitrator to each impasse item so as to assure selection of the "most reasonable offer" (Section 20.22(11), Iowa Code) on each item:

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

³ As required by law, the Arbitrator will proceed to decide all impasse issues before her.

- b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other 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.

The parties stipulated that the City's power to levy (subsection d) and inability to pay (subsection c) are not in issue in this case. With these exceptions, the parties otherwise argued factors (a) through (c) on each impasse item.

Background:

The City of North Liberty (hereafter City) is located in eastern Iowa, in Johnson County, between Cedar Rapids and Iowa City, in what is known as the Iowa City Corridor. The City has a current population of 13,374, and an area of 6.8 square miles. North Liberty is considered a suburb of Iowa City (City, p. 6). The City has been the second-fastest growing city in Iowa for the past three years (City, p. 65). Over the past 40 years, the City's population has grown from just over 1,000 residents to the current level of 13, 374 residents (City, p. 6).

The City has twelve departments: Building Safety & Inspection, City Hall/Administration, Fire (volunteer), Library, Parks/Buildings/Grounds/Maintenance, Police, Planning, Recreation, Streets, Telecommunications, Water, and Wastewater. The Police Department is the only one that has a collective bargaining representative, PPME, since PERB certification on November 24, 2009. The City's non-union employees are covered by its personnel manual (City, TAB 18). The City currently employs approximately 70 full-time and 150 part-time workers. The Police Department (Department) employs eleven full-time officers and one full-time Investigator and two part-time officers, all of whom are represented by the Union. The Department also employs the Chief, one Lieutenant, two Sergeants, and one Administrative Assistant, none of whom are represented by the Union (U. Exh. 3; City, pp. 7-9 and Harris testimony).

There have been no changes to the salary steps applicable to City officers since the salary schedule was set in 2010 by Arbitrator Moeller. The average wage as of the expiration date of the current contract of the eleven officers is \$22.29 per hour (U. Exh. 3).⁴ The Investigator's wage rate is \$24.36. Four covered Department employees have single health insurance, two have employee plus spouse, three have employee plus child, and three have employee plus family.

Although the City has not argued that it is unable to finance economic adjustments or that its power to levy taxes is in issue here, the City's current financial

⁴ In 2012, Arbitrator Behrens found that there were ten unit employees, nine officers and one investigator employed by the City (City, p. 34). In 2011, there were eleven officers covered by the agreement (City, p. 64).

condition is nonetheless relevant and necessary to set the stage for this Award and to apply the statutory criteria.

The City submitted the following chart:

<u>City</u>	<u>2010 Population</u>	<u>Year Organized</u>	<u>Number of Police Officers in Bargaining Unit</u>
Coralville	18,907	2006	24
Hiawatha	7,024	1995	8
Iowa City	67,862	1975	64
Johnson Cnty.	130,882	1976 ⁵	50
Marion	34,768	1976	26
Mount Vernon	4,506	1981	10*
North Liberty	13,374	2009	14

* The ten officers at Mount Vernon include four patrol officers and six reserve officers. (City, p. 5.)

The table shows, *inter alia*, that of the six comparables used by the last two arbitrators, North Liberty currently has the fifth-highest population.⁶ Currently, in total taxable valuation (with G & E), North Liberty ranks fourth of seven externals, but on total tax rate, North Liberty has the lowest rate of the seven comparables (City, p. 9). The City's Debt Service Tax Rate is rising (six of seven), due to rapidly increasing population and demands for municipal services and infrastructure (City, p. 10). From 2004 to 2013, the City taxable property rose by 67% (U. Exh. 6B). The City's 2013 fund balances are all at or above the recommended 25% reserve (except the water fund reserve). Tax rate projections show that the City tax rate is expected to remain the same or slightly decrease through 2014 (U. Exh. 6B). In fiscal year 2013, City Administrator Heiar proposed to add one police officer position, to purchase one new squad car, to make improvements to the Police building and to purchase computer software and radio equipment (U. Exh. 6C).

Bargaining History:

The Union filed the certification petition and showing of interest with PERB, in August, 2009. The Union was certified to represent "all full-time and part-time officers"

⁵ The Union asserted, at the hearing, that it organized Johnson County in the 1990s, not in 1976.

⁶ In 2000, North Liberty ranked 6th of the seven comparables in population.

on November 24, 2009⁷ (City, p. 47). The Union requested bargaining on December 8, 2009. On May 19, 2010, the City filed an objection to proceeding to fact-finding and arbitration, and on June 25, 2010, the Iowa PERB sustained the City's objection and refused to continue impasse procedures between the parties (U. Exh. 2).

Negotiations for the parties' first contract commenced in October, 2010. Negotiations and mediation resulted in three tentative agreements (Recognition, Union Rights, Grievance Procedure), so that Arbitrator Moeller had to decide the terms of the remainder of the contract—thirteen Articles—in his March 23, 2011, award (City, p. 64). Relevant to this case, Moeller selected the Union's offer on Wages, Health Insurance and Shift Differential (City, p. 87). Significantly, Moeller did not address the City's wage ranking *vis-à-vis* the external comparables in his award. Rather, Moeller selected the Union's wage offer based on the fact that none of the external comparables the arbitrator selected had performance-based step movement on their salary grids (like that proposed by the City), but five of six externals had automatic step movement on their salary grids (like that proposed by the Union) (City, pp. 86-87).

Arbitrator Moeller's award resulted in unit employees receiving an 11.8% increases. City officers were placed on the salary schedule with less than their actual years of experience under the Union's offer. Moeller noted in his award that City police officers had suffered a wage freeze in 2010, when all other (non-union) City employees had received a 2% cost-of-living wage increase (City, p. 86). The first collective bargaining agreement, a one-year agreement, took effect on July 1, 2011 (U. Exh. 2).

Regarding shift differential, Moeller noted that the shift differential amounts in both offers were identical (30¢/40¢). However, Moeller ruled in favor of the Union because he found that the City's offer was imprecise—using the undefined terms “mid shift” and “night shift” as the shifts on which differentials would be paid. Moeller also found that the Union's offer of specific shift times (the only difference in the Union's offer on this item) was supported by three of the six comparables, while none of the comparables used undefined shift times (City, p. 83).

In 2011, the City went to a 24/7 police department.⁸ Negotiations for the second collective bargaining agreement began in August, 2011. The parties met three times before one mediation session was held. No tentative agreements were reached on a one-year contract and the parties brought seven issues to Arbitrator Behrens for decision (including wages and shift differential) (City, p. 34). Significantly, the City argued that Behrens should change Moeller's external comparables (City, p. 34). Behrens refused to disturb them (City, p. 36).

Also, in Behrens' case, neither the Union nor the City offered any across-the-board or cost-of-living wage increases for officers. Rather, the City offered only the automatic step increases on the existing salary grid contained in the 2011 contract, which amounted to a 5.15% average increase. The Union offered maintenance of the 2011 salary grid hourly rates, but it added re-slotting of then-current officers to place them on the proper step according to their actual experience, at an average cost increase of 12.08% (City, p. 37). Behrens noted that no officers were “topped out” on the salary grid and that

⁷ The Chief of Police, the Lieutenant, and two Sergeants were expressly excluded from the unit, as well as those excluded by Section 20.4 of the Iowa Code

⁸ Previously, the City had contracted with Johnson County Sheriff's Department for some law enforcement services (U. Exh. 4).

the City's total package cost on its offer was 6.78%, while the total package cost of the Union's offer was 12.13%. On this record, Behrens selected the City's wage offer as the "most reasonable," refusing to order "two double-digit wage increases, back-to-back" for unit employees (City, p. 37). Again, it is significant that Behrens, like Moeller, did not address the City's wage ranking *vis-à-vis* the external comparables in his award.

Regarding shift differential, Behrens noted that the City had recently gone to a 24/7 operation and ceased contracting with Johnson County for law enforcement services and that the City had gone to regular twelve-hour shifts. Behrens ruled that the Union's offer, to change shift times to reflect then-current shift times was the "most reasonable because...it was Arbitrator Moeller's intent to have specified starting and ending times that correspond to current shifts" (City, p. 41).⁹ Behrens issued his award on March 8, 2012.

On October 11, 2012, the parties opened negotiations on the 2013-14 contract. They met twice and engaged in two mediation sessions. Tentative agreements were reached in negotiations (Attachment "A"). The parties then proceeded to interest arbitration before the Undersigned (City, p. 93). This will be their third contract in three years that has been arbitrated.

Comparability:

External Comparables Group:¹⁰

Arbitrator Moeller set the external comparability group in 2011 and Arbitrator Behrens used the same comparability group in his 2012 award. In this case, neither party argued that the external comparability group should be changed. Therefore, the external comparables will remain the same in this third arbitration between the parties: Coralville, Hiawatha, Iowa City, Johnson County, Marion, and Mount Vernon.

Finding on the Applicability of Internal Comparables:

In the instant case, the Union submitted evidence and argument concerning the wages and health insurance benefits given to non-union City employees, as a basis for the Arbitrator to find that the Union's offer on these points is the "most reasonable". The City argued strongly that no use of non-union internal comparables had been made in the past two arbitrations, so that internal comparables should not be applicable in this case, noting that Moeller and Behrens had applied externals only.

It is clear to this Arbitrator that Arbitrator Moeller considered many of the terms and conditions listed in the City's Personnel Manual—applicable to all non-union employees and to Police Department employees before they selected a collective bargaining agent—in reaching his award (see City, pp. 64, 76, 77, 79, 83 and 85). This is so because the City's proposals (including the City's wage offer and both parties' health

⁹ The City had offered the *status quo* on this item.

¹⁰ The City submitted settlements across the state as supportive of its final offer on wages without submitting any additional information thereon (City, pp. 3-4 and 113-120). The City did not argue that any of these municipalities were comparable herein. As the external comparables are all settled for 2013-14, they are the appropriate comparison group.

insurance offers) were based on City past policies and practices, codified in its Personnel Manual. But Moeller relied upon and was persuaded by the external comparables on each impasse item before him.

The question then arises whether internal comparability should be considered in this case and if so, what weight it should be accorded. On one hand, it can be argued that unorganized internal or external comparables should never be used in cases such as this. This is so because, where there is no collective bargaining representative, the municipal employer has the right to set the terms and conditions of its non-union employees as it sees fit within the law, and those non-union employees must accept the terms and conditions offered or seek other employment, because they have no right to bargain collectively or proceed to interest arbitration after impasse. On the other hand, whether employees of a municipality are unionized or not, they share benefits, such as insurance, which must be maintained for the overall municipal group to avoid the increased costs of the employer having to offer different benefits to different portions of its workforce.

Having taken these accepted arguments into consideration and also having considered the Union's arguments herein that the City is not "a union friendly employer", I have reached the following conclusions. First, the Union's arguments that the City's actions toward police officers were discriminatory are neither relevant nor within the arbitrator's authority in an interest arbitration proceeding. Second, what the municipal employer does for its non-union employees is also not relevant to an interest arbitrator, although it may or may not be the subject of a different kind of statutory proceeding.¹¹ Third, the applicable statutory factors make no reference to internal comparables. Rather internal comparables are implicitly excluded from factor (b) as it refers only to "public employees doing comparable work". In these circumstances, the City's treatment of its internals cannot properly and will not be considered herein.

Shift Differential:

The City's offer on shift differential constitutes a significant structural change—it would change shift differential pay from cents per hour for work done on all shifts within the stated time frames to a monetary lump sum payment based on an average number of hours. Assuming, for the sake of argument, that the City's corrected final offer is appropriate for my consideration in this case, based upon the bargaining history and prior contracts here as well as the external comparables, the Union's *status quo* offer on this item is the "most reasonable", and it is selected for the following reasons.

Department Administrative Assistant Jackie Harris' testimony indicated that she spends up to six hours per month recalculating officers' shift differential pay and correcting their timecards due to errors made by the officers or Police Command staff before submission to Harris for payment. On this point, I note that the City failed to submit any detailed evidence showing the cost of Ms. Harris' and Command Staff time to

¹¹ The Union has argued that two ULPs and a grievance, as well as the City's objections and requests for declaratory rulings, show the City has shown bad faith toward the Union. This is not the forum for such assertions and this Arbitrator simply cannot and will not go there.

track and correct shift differential pay for twelve full-time and two part-time officers. Also, the Department is the only 24/7 department in the City, so the amount of work needed to assure correct shift differential pay is limited.

In addition, the parties' proposals in the two prior arbitration awards and the Arbitrators' decisions thereon support selection of the *status quo*. Both Arbitrator Moeller and Arbitrator Behrens found the Union's shift differential offers preferable because they had specified starting and ending times, rejecting the City's offers, which failed to define specific starting and ending times based on real work hours in the Department.

Furthermore, the external comparables continue to fully support maintaining the *status quo* on this item. Although three external comparables (Hiawatha, Marion and Mt. Vernon) do not have shift differential, these three did not have these provisions in 2011 or 2012. The other three comparables (Coralville, Iowa City and Johnson County) have hourly paid shift differential based on actual shift hours (as they did in 2011 and 2012). In short, none of the comparables has monthly paid lump sum shift differential based on average (not actual) hours, and none denies shift differential on overtime hours on the bid shift.

It is probable that the City's need for additional law enforcement hours will increase, making the averaging of shift differential hours less accurate. It is undisputed that the City is the second-fastest growing city in Iowa, and that the City Administrator proposed to add another officer to the Department. The Union has argued that more officers are actually needed (U. Exh. 12). The City's offered \$545.40 total per annum for this change is insufficient, in my view, especially in light of the real potential for changes in needed law enforcement work hours and the inaccuracy of averaging hours to compensate officers for this change.

Also, the Union made several valid observations on this point. The City's offer would change the *status quo* in the following areas: shift differential would be denied to those who bid those shifts, it would be denied to employees who volunteer for or who are forced to work overtime on those shifts, and employees on paid leave such as sick leave, vacation, and Workers' Compensation would be denied shift differential (U. TAB 2). The Union also submitted Union Exhibit 11, a news article detailing the effect on the City's overtime and staffing levels when three officers were placed on administrative leave following an officer-involved shooting and Union Exhibit 12, showing that the City may need six additional officers. These documents also supported the Union's argument that the City's offer on this item would have a tangible negative impact on officers.

To summarize, past contracts/bargaining history, and the comparability factors strongly support the *status quo*. The City's *quid pro quo* of \$545.50 per annum total for this significant structural change and the evidence of relatively minimal administrative inconvenience and time needed to calculate shift differentials are insufficient to outweigh the losses of shift differential pay to certain employees (as described above), and the problem of averaging and annualizing law enforcement hours, in a Department whose employee compliment will likely increase in the future. Furthermore, this is the kind of change that is so significant that it should be negotiated by the parties, not imposed by an arbitrator. In this Arbitrator's view, the interest and welfare of the public factor weighs in favor of the Union on this item because employees will receive shift differential for the

actual hours they work, which would be perceived to be fairer and will therefore support employee morale.¹²

Insurance:

The City has argued that the Union's offer to decrease the percentage monthly premium payments by unit employees from 15% in the 2012-13 contract to 13% in the 2013-14 contract is a "breakthrough" or structural change requiring proof of a compelling need therefor and a *quid pro quo*. I disagree. Had the Union sought to change from a percentage payment to a flat dollar amount per month, that would have been a structural change requiring a *quid pro quo* and proof of compelling need. As the Union argued herein, its offer is simply a lesser percentage payment, which requires (based on the parties' stipulations herein) only an analysis of past contracts/bargaining history, the comparables, and the interest and welfare of the public statutory factors.

Regarding bargaining history and past contracts, I note that the insurance provision has only been in effect for two years. The City is correct that the Union failed to raise internal comparability in the first and second arbitration proceedings. Instead, the Union chose to rely on the external comparables and it won on this item in 2011. In this case, the Union has argued hard for application of internal comparables, urging that the City is treating its union employees unfairly. For the reasons stated above, which shall not be reiterated here, this Arbitrator has found that the Union's internal comparable arguments must be rejected.

In 2012-13, the increase in insurance premiums was 25% (City, p. 37), but in 2013-14, the increase is only 6.2% (U. Exh. 14), so the Union has not proven an urgent need for change on this item in this contract.¹³ Significantly, there have been no dramatic changes in the external comparables on insurance since 2011.¹⁴ In these circumstances, the past contracts/bargaining history factor and the external comparables support the City's *status quo* offer. In addition, the interest of the public would also support a ruling in favor of the City, as the Union has failed to show that the officers' premium share has become onerous in 2013. In all of these circumstances, this Arbitrator finds that the relevant evidence supports the City's offer, and it shall be adopted herein on this item as the "most reasonable".¹⁵

Wages:

¹² This factor also supports the public's interest in having officers properly remunerated for working outside normal business hours and losing time with their friends and families.

¹³ Officer monthly premium payments might have been more persuasively raised before Arbitrator Behrens.

¹⁴ The City's preferences to Hiawatha as having changed from a flat-dollar employee premium payment to a percentage were in error, based on the Hiawatha 2011-2014 labor contract included in the City's exhibits. (Compare City, p. 123.)

¹⁵ The public interest factor also supports the City's offer, as it provides flexibility to the city to treat its long-term non-union employees as it deems appropriate.

The record is clear that unit employees received a 2% COLA increase in 2009; they received 0% in 2010; and they received an 11.8% increase under Arbitrator Moeller's award in 2011, which imposed the salary schedule in effect. In 2012, Arbitrator Behrens awarded only step movement, which amounted to an average increase to all City officers of 5.15%. Here, the Union's offer for 2013-14 is as follows:

	Non-Certified	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr
7-1-13	\$ 16.39/18.44	20.49	21.45	22.41	23.37	24.34	25.31	26.28	27.24	28.21
1-1-14	\$ 16.55/18.62	20.69	21.66	22.63	23.60	24.58	25.56	26.54	27.51	28.49

The City's offer of 1.5% effective July 1, 2013, would result in the following salary schedule:

	Non-Certified	Start	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr	8 yr
\$	16.31/18.35	20.39	21.35	22.03	23.25	24.22	25.18	26.15	27.11	28.07

The City has argued that selection of the Union's offer would change the City's ranking among the comparables on annual percentage wage increases on the salary schedules since 2012 (City, pp. 145-147). A close analysis of City Exhibits, pages 144 through 147, shows that technically, the City is correct that the Union's 2%/1% offer to increase officer rates would move it from last in 2012 (because no percentage increase was made to the 2011 salary schedule), to the second-highest percentage increase among the comparables for the year. But this is only part of the picture regarding where the City has ranked and will rank on wage rates *vis-à-vis* the six external comparables, since 2012.

The Undersigned has created the Table below to show where City officers fall on hourly compensation compared to the external comparables. Entry-level pay and five-year level pay (or the closest step thereto) were used for these comparisons because the City has an eight-step schedule, while the top step for two comparables (Hiawatha and Mt. Vernon) is five years, and others have top steps at 78 months or 6.5 years (Coralville), at 120 months or ten years (Iowa City), seven years (Johnson County), and 20+ years (Marion). The Table below also shows that for 2013-14, four of six comparables have split increases like that offered by the Union herein. Overall rankings for each municipality for entry-level pay and five-year step pay are listed in parenthesis to the right of each of those steps. Comparables that pay longevity are also noted on the Table.

<u>Employer</u>	<u>Entry Pay</u>	<u>Overall Ranking</u>	<u>Five-Year Step</u>	<u>Overall Ranking</u>
Coralville				
7/1/13	\$21.26	(2)	\$26.84	(5)
1/1/14	\$21.47		\$27.11	
Hiawatha				
(Plus longevity				
five years)				
7/1/13	\$19.99	(6)	\$27.27	(4)

1/1/14	\$20.29		\$27.68	
Iowa City				
(Plus longevity five years)				
7/1/13	\$21.06	(1)	\$29.91	(1)
1/1/14	\$21.54		\$30.60	
Johnson County				
(Plus longevity four years)				
7/1/13	\$20.82	(4)	\$28.41	(3)
Marion				
(Plus longevity five years)				
7/1/13	\$20.82	(3)	\$28.49	(2)
1/1/14	\$21.08		\$28.77	
Mt. Vernon				
7/1/13	\$17.89	(7)	\$24.15	(7)
North Liberty ¹⁶				
Union				
7/1/13	\$20.82	(3)	\$28.49	(2)
1/1/14	\$20.69		\$28.77	
City				
7/1/13	\$20.39	(5)	\$25.18	(6)
<hr/>				
(Non-Certified)				
80%	(U) \$16.55		(City) \$16.31	
90%	\$18.62		\$18.35	

The Table above supports the Union's assertion herein that the City Police Department will likely become the training ground for police officers in the Iowa City Corridor, causing turnover in the Department, because of the one year non-certified pay rates in the parties' contract. The Table also shows that four of six external comparables pay some form of longevity pay in addition to annual percentage increases and automatic step increases. This fact demonstrates that officers working in the majority of the external comparables will receive additional pay beginning at four or five years of employment, which will increase the pay gap between City officers and these four external comparables at the fourth or fifth steps and beyond. In addition, the fact that City officers' pay was frozen in 2009, that they received only "automatic" step movement in 2012 and the fact that 2013-14 is the first year that one City officer will be topped out and receive no step movement on the contractual salary schedule will not only exacerbate the

¹⁶ From this Arbitrator's search of the external labor agreements, it appears that North Liberty is the only one of the comparables group that has non-certified start and six-month rates at 80% and 90% of entry level pay.

pay gap between external officers and City officers, but it will also make it more difficult for the City to retain qualified veteran officers.¹⁷

Although under both the Union's and the City's wage offers, City officers' pay at entry and step five years will retain their ranking *vis-à-vis* the comparables at five and six respectively, if the City's offer is selected, City officers at the fifth year step will be paid just \$1.00 more than the lowest comparable, Mt. Vernon.¹⁸ North Liberty is three times larger in population and employs more than three times more full-time officers than Mt. Vernon. Also, looking at Hiawatha, a city of 7,000 residents that employs eight full-time officers, officers there at the fifth step (without longevity) will be paid at the fourth rank among the comparables, two rankings better than North Liberty officers, who will be paid at the sixth rank among the comparables under the City's offer. The City has calculated the total package cost of the Union's offer (including \$2,000 for health insurance premiums shifted to the City) as 7.71%¹⁹ and it has calculated the total package cost of the City's offer as 6.54%, a difference of less than 1.17% (City, pp. 142 and 143). From the Arbitrator's calculations, .35% of this 1.17% is the cost of the Union's health insurance premium payment change. Thus, the real cost of the Union's offer without its insurance change is .82%, making the difference between the two wage offers less significant. Based on the above analysis, I find that the past contracts/bargaining history factor and the comparability factor strongly support the Union's wage offer.

And the interest and the welfare of the public factor also supports the Union's offer. There is a strong interest in paying City officers at a fair wage rate for the work performed and at a rate where the officer can afford to live in the Iowa City Corridor. Also, the wage rate should be sufficient to hire and retain tenured, qualified officers. Here, the facts showed that the City is the second-fastest growing city in Iowa and its taxable property rose by 67% in 2012, while the City's tax rate on property is the lowest of the comparables and the City's fund balances (except water) are healthy. The number of police officers has risen since 2011 from 11 to 14 officers and the City now employs two part-time officers. City Administrator Heiar has proposed the hire of one additional officer and there is evidence that five more officers are actually needed (U. Exh. 12). In these circumstances, the interest and welfare of the public factor favors the Union's wage offer, and it shall be selected as "most reasonable".

¹⁷ Two City officers will reach the eight-year step in four years if officers remain slotted where they are now. (These two officers will actually have been employed by the City for six years in 2013-14) (U. Exh. 3).

¹⁸ Mt. Vernon is a city of 4,000 residents, with a police department of only four full-time police officers.

¹⁹ The Union did not submit total package costs.

AWARD

The Undersigned acknowledges the parties' stipulation that the tentative agreements attached hereto shall become part of the 2013-14 contract and the Arbitrator so orders.

For the reasons set forth herein, the Undersigned selects the following final offers on the three impasse items at issue in this case:

Shift differential: Union offer

Insurance: City offer

Wages: Union offer

Dated and signed this Third Day of May, 2013, at Oshkosh, Wisconsin

A handwritten signature in cursive script that reads "Sharon A. Gallagher". The signature is written in black ink and includes a long, sweeping horizontal flourish at the end.

Sharon A. Gallagher

City of North Liberty
Tentative Agreement on Selected Items
With the Public Professional and Maintenance Employees, Local 2003 IUPAT
Police Department
December 10, 2012

ARTICLE 4, Section 4.06, SHIFT TRANSFER AND VACANCY PROCEDURE (Page 5) –

The voluntary shift transfer procedure shall be opened once a year, in December, effective January 1st.

Effective January 1, 2014, the Chief shall have the discretion to appoint any employee who indicates an interest in the Investigator position. The Investigator job classification shall be opened at least every three years or upon a job vacancy. Although the Employer shall establish the hours of work and shifts for the Investigator, it is agreed that the hours of work and rotation for the Investigator may vary due to the operational requirements for that job classification. If an employee working as an Investigator is permitted to resign or removed from that position by the Chief, that employee shall assume the shift and assignment of his or her replacement. If no replacement is made, then the employee can exercise his or her bumping rights to a new shift.

In the event of a special assignment, the parties shall reach an agreement on the employee's supplemental pay and benefits for the special assignment position before accepting the position.

An employee may request a voluntary transfer of job assignment within a job classification or to a different job classification. All transfer requests shall be in writing to the Chief of Police. When a voluntary transfer is made, the Chief will consider the needs of the department, qualifications, and seniority as factors when making the voluntary transfer. If all factors are determined to be equal by the Chief of Police, seniority should be the determining factor when making a voluntary transfer.

The Employer may ~~involuntary~~ involuntarily transfer an employee in the event that the Employer is unable to fill a vacancy ~~or assignment~~ within a job classification. Such involuntary transfer shall be limited to three (3) calendar months per employee and shall be rotated among employees in the ~~effected~~ affected job classification. An employee involuntarily transferred to an assignment in a higher paid job classification for more than ten (10) calendar days in a fiscal year shall receive the higher pay for all hours worked in that job classification from the first day.

When a vacancy occurs during the calendar year, the vacancy shall be posted for a period of five (5) calendar days for employees to request a voluntary transfer to that vacancy. The Chief of Police will consider the needs of the department, qualifications, and seniority as factors when filling the vacancy. If all factors are

TA - JCR
12-10-12

DA
12/10/12

determined to be equal by the Chief of Police, seniority should be the determining factor when filling the vacancy.

ARTICLE 4, Section 4.09, PRESERVATION OF SENIORITY DURING DEPARTMENT EMPLOYMENT (Page 6) –

When an employee leaves a job classification included within the bargaining unit, and remains an employee of the Department, the employee's bargaining unit seniority shall not continue to accumulate but will remain available should the employee re-enter the bargaining unit. An employee on a special assignment shall continue to accrue seniority in the bargaining unit and upon the completion of said assignment shall be re-assigned to a bargaining unit job classification.

ARTICLE 5, Section 5.04, OVERTIME (Page 7) – TA

Overtime for full-time employees shall be paid at the rate of time and one-half (1/2) the employee's straight-time hourly rate for each hour worked in excess of the employee's normal shift or for any work performed on an employee's scheduled time off.

For part-time employees, overtime shall not be paid unless the employee: (1) works more than forty (40) hours in one week (Sunday-Saturday); or (2) is called in to work by the employer with one hour or less notice by the employer.

In the distribution of overtime known at least 72 hours in advance, the supervisor shall post the opportunity on the workplace bulletin board and make the opportunity for full-time employees to volunteer for available work on a rotational basis from a list of qualified employees established on the basis of greatest seniority. In the event there are insufficient volunteers, the Employer may require employees to perform such overtime work using the same rotational list. Any voluntary or involuntary overtime worked shall cause an employee to be rotated to the end of the rotational list.

ARTICLE 6, Section 6.02, SICK LEAVE NOTIFICATION (Page 8) –

Accumulated sick leave may be used for any of the following:

- A. If the employee is medically unable to work.
- B. Up to forty (40) hours annually for medical or dental appointments or the care of ill or injured members of the immediate family (spouse, son, daughter or parent).
The use of this leave must be used in a minimum of two (2) hour increments.
- C. Difference between workers compensation and regular wage compensation.

ARTICLE 6, Section 6.05, BEREAVEMENT LEAVE (page 9) – TA
City accepts Union proposal.

TA. JVA
12-18-12

DA
12/10/12

ARTICLE 7, Section 7.02, PAY FOR HOLIDAYS AND WORK ON HOLIDAYS (Page 11) -

Eligible employees shall receive a normal work days' pay for each of the holidays set for in 7.01. Employees who are scheduled to work or called in to work on any of the recognized holidays in 7.01 shall be paid at the rate of one and one-half (1 ½) times the regular rate for all hours worked on the holiday, plus the holiday at the normal work day's pay or an additional day off at the employee's election to be used in the month the holiday occurs or within the two months following the month of the holiday.

ARTICLE 8, Section 8.02, SCHEDULING OF VACATION (Page 12) - TA

In determining vacation periods, the ~~Department Head~~ employee's immediate supervisor shall give consideration to employee's preferences, and in case of conflict, a first come - first served basis shall govern. However, no vacation period may be scheduled more than one (1) year in advance of the start of the vacation requested. Vacation requests must be dated and submitted in writing to the ~~Department Head~~ employee's immediate supervisor, and the ~~Department Head~~ employee's immediate supervisor shall provide a written response within five (5) working days for non-priority vacation. Priority vacation requests may be made throughout the month of December for the following calendar year. The five-day response requirement for typical vacation requests shall not apply to priority vacation requests. The employee's immediate supervisor shall respond to priority vacation requests no later than January 10 of the following year. Such priority vacation requests shall be granted according to seniority, with each employee receiving a maximum of two (2) weeks of vacation leave before any additional time is granted to another employee. Priority vacation cannot be changed once approved, and an employee on priority vacation cannot be forced for involuntary overtime.

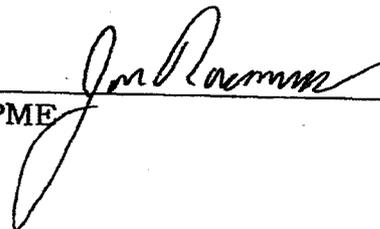
The parties tentatively agree on the above selected items.



City of North Liberty

12-10-12

Date



PPME

12-10-12

Date

CERTIFICATE OF SERVICE

I certify that on the 3rd day of May, 20 13, I served the foregoing Award of Arbitrator upon each of the parties to this matter by (_____ personally delivering) (mailing) a copy to them at their respective addresses as shown below:

Mr. Joe Rasmussen
P.O. Box 219
Solon, IA 52333

Mr. Wilford Stone
526 Second Ave, SE
Cedar Rapids IA 52406-
2457

I further certify that on the 3rd day of May, 20 13 I will submit this Award for filing by (_____ personally delivering) (mailing) it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319.

Sharon A. Gallagher
SHARON GALLAGHER Arbitrator
(Print Name)