

In the Matter of Impasse Arbitration)
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 between)
)
 CITY OF DUBUQUE, IOWA)
)
 and)
)
DUBUQUE POLICE PROTECTIVE ASSOCIATION)

Opinion and Award
 by
 Arbitrator
 Curtiss K. Behrens
 dated
 May 29, 2014

I. APPEARANCES

For the Association:

Stephen Juergens, Attorney at Law and Spokesperson

Kurt Rosenthal, Patrol Officer

Bruce Deutsch, Patrol Officer

Travis Kramer, Corporal

Jeff Tupper, Patrol Officer

For the City:

Randy Peck, Personnel Manager and Spokesperson

Terry Tobin, Assistant Police Chief

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II. INTRODUCTION

The undersigned was selected by mutual agreement of the parties to conduct an impasse arbitration hearing under the statutory impasse procedures of the Iowa Public Employment Relations Act, Sections 20.19 and 20.22. The hearing was held Thursday, May 8, 2014 at the Dubuque City Hall, Dubuque, Iowa. The hearing was formally opened at 10:29 a.m. and closed at 12:30 p.m. after both parties' presentation of evidence and oral argument. The parties agreed that this opinion and award should be mailed (postmarked) no later than Monday, June 3, 2014.

III. BACKGROUND

The City of Dubuque (hereafter also referred to as "City" or "Employer") is located in northeastern Iowa along the Mississippi river and borders the states of Wisconsin and Illinois. It is the tenth most populous city in the State of Iowa with an estimated 2012 population of 58,155.¹ It has a geographical area of approximately 32.35 square miles, making it the ninth largest city in the State of Iowa. The Dubuque Police Department has the seventh largest staffing of municipal agencies in the State of Iowa with 104 sworn and 9 civilian, for a total of 113 personnel. The Dubuque Police Protective Association (hereafter also referred to as "Association" or "Union"), was certified by PERB in December of 1975 to represent the Patrol Officers (74 positions) and Corporals (15 positions) of the Dubuque Police Department.

The parties presented one impasse issue to the arbitrator: wages. The parties agree that the arbitrator's authority is limited to selecting from one or the other final offer, and it is the statutory duty of the arbitrator to select the more reasonable final offer.

¹ Association Talking Points, p. 1, citing US Census 2012. It is noted that the City's exhibits on external comparability list Dubuque as having a population of 57,637.

Section 22, Paragraph 9 of the Iowa Public Employment Relations Act directs that the arbitrator shall consider, in addition to any other relevant factors, the following:

1. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
2. 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.
3. 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.
4. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

The undersigned arbitrator has taken into consideration the above criteria in arriving at this award.

IV. ANALYSIS AND OPINION OF ARBITRATOR

Both parties are proposing an across-the-board wage increase for a one-year contract for FY 2015 (July 1, 2014 – June 30, 2015). The City's final offer is for a 1.50% increase and the Association's final offer is for a 3.0% increase.

The parties are in virtual agreement as to the costs of their respective offers and the City's ability to pay either offer is not in dispute. The City projects the total additional cost impact of its offer to be \$100,095.57 (for a total percentage increase from current costs of 1.64%) and the total additional cost impact of the Association's offer to be \$200,191.13 (for a total percentage increase from current costs of 3.28%). (City Ex. #5)²

² Association Exhibit #8, calculating costs associated with each party's offers, are slightly higher due to the methodology they used which assumed maximum possible increases involving holiday pay.

The City stresses internal comparability to argue that the arbitrator should select its final offer. The City's offer is identical to the across-the-board increase to be received by employees represented by the Teamsters Union, Firefighters Association, Transit Union, Operating Engineers Union and all non-bargaining unit employees in Fiscal Year 2015. The employees represented by these four bargaining units and non-bargaining unit employees will receive a 1.5% across-the-board wage increase effective July 1, 2014. In addition, the City argues that there has been a historical wage relationship of providing identical maximum pay rates for the positions of Patrol Officer and Firefighter and the Association's proposal would destroy this historical wage relationship. (City Narrative, p. 2 and pp. 15 – 38).

The Association stresses external comparability to argue that the arbitrator should select its final offer. The Association notes that the parties have no agreed group of comparability cities to use for external comparability analysis. (Assoc. Ex. #2). As such, the Association submitted several exhibits comparing Dubuque's police wages with the fifteen largest cities in Iowa (includes Dubuque). These cities are, in rank order of population: Des Moines, Cedar Rapids, Davenport, Sioux City, Iowa City, Waterloo, Council Bluffs, Ames, West Des Moines, Dubuque, Ankeny, Urbandale, Cedar Falls, Marion, and Bettendorf. Using the concept of "30-year career earnings," the Association argues that the Dubuque police unit ranks 14th out of 15 in 30-year career earnings. (Assoc. Ex. #3). The Association further argues that while the Dubuque police unit ranks 5th in the comparison group on 1st year earnings, Dubuque drops to 12th on 6th year earnings and then last (15th) on 11th year, 21st year and 30th year earnings. (Assoc. Ex. #4). The Association further argues that the average wage increase for FY 2015 in the

comparison group is 2.36% (not including Bettendorf's bonus or Council Bluff's step increase) and that only two cities report a 1.5% increase for July 1, 2014 (and one of these cities, Marion, will experience a 1.35% increase across-the-board on April 1, 2015). (Assoc. Ex. #5).

For external comparability, the City used Iowa cities with a population of between 20,000 and 60,000 and the City contends that they have been using these cities for its comparability analysis for fifteen years or more. These cities are: Urbandale, West Des Moines, Ames, Bettendorf, Ottumwa, Mason City, Clinton, Fort Dodge, Cedar Falls, Marion, Ankeny, Marshalltown, Muscatine and Burlington. The City argues that Dubuque pays the highest minimum rate and the highest rate after 2.5 years and has one of the highest rates after 25 years of those cities in the comparison group. (City Narrative, p. 12 citing City Ex. #16). The City further argues that only three other cities in the comparison group provide a separate pay classification for the position of Corporal/Detective and that Dubuque has the second highest minimum rate, the highest rate after 1.5 years and the second highest rate after 25 years for this position. (City Narrative, p. 12 citing City Ex. #17).

The City argues that employees represented by this bargaining unit receive a level of benefits that are more lucrative than the level of benefits received by police officers in other Iowa cities and the level of benefits received by other City of Dubuque employees. (City Narrative, p. 2 and City Exs. #11, #12, #13 #14, #15, #18, #19,#20, #21, #22, #23). The Association ranked pension benefits with its comparability cities and compared employee contributions to insurance as well as a comparison of accrued vacation, holiday and personal days to argue that the level of benefits are not more lucrative. (Assoc. Exs.

#6, #9, #10, #11). The City reports that the average Fiscal Year 2015 wage increase is 1.65% in its comparison group and that the City's wage proposal of 1.64% is the more reasonable final offer. (City Narrative, p. 2 and p. 15 citing City Ex. #26).

In September, 2011, the parties went to arbitration before Richard Pegnetter and used the same comparability cities, respectively, that are being used at today's hearing. (Assoc. Ex. cited hereafter as "Pegnetter 2011"). At that arbitration, the City's final offer proposed a zero increase to wages and Arbitrator Pegnetter summarized the City's position as follows:

The City contends that there are three primary reasons why their proposal for no wage increase should be selected. One is the comparison of Dubuque police wages with other police units in similar Iowa cities. The second is the relative growth of Dubuque police wages within the economic climate and cost-of-living in Dubuque and Iowa. The third reason is the comparison of Dubuque police wages with the other bargaining units within the city of Dubuque. The City submits that the sum of these arguments mitigates against a wage increase for the 2011-2012 contract year. (Pegnetter 2011, p. 4).

The Association's final offer proposed a 2% increase to wages and Arbitrator Pegnetter writes, "In sum, the Association submits that its wage position is supported by basic salary comparison data from other large cities, by overall compensation comparisons, and by the increasing work load handled by the Dubuque police unit." (Pegnetter 2011, p. 7). As such, Arbitrator Pegnetter was tasked with selecting the more reasonable final offer of 0% or 2%. And, for the reasons discussed in his award, Arbitrator Pegnetter awarded the Association's final offer of 2%.

Although the parties are using the same comparability cities today that they used before Arbitrator Pegnetter in 2011, that does not automatically result in the Association's position being the more reasonable final offer. Arbitrator Pegnetter did not

attempt to craft a group of comparability cities to be binding upon the parties. He stated, “In their data from other Iowa cities, both parties used some form or grouping of larger city comparisons. The parties have not developed an agreed, consistent group of comparison cities in their past bargaining history. The comparison groups they presented here are similar and I will draw analysis from both comparison groups.” (Pegnetter 2011, p. 9). Comparability, internal as well as external, is a dynamic phenomenon from year to year as well as from one bargaining unit to another as well as from one impasse topic to another. The undersigned arbitrator will draw guidance from both parties’ comparison groups.

There are seven cities common to both parties’ external comparability cities. Ames and West Des Moines are slightly larger, by population, and Ankeny, Urbandale, Cedar Falls, Marion and Bettendorf are smaller, by population. Both parties’ exhibits report Ames with a Fiscal Year 2015 wage increase of 2.25% whereas Association Exhibit #5 reports the West Des Moines Fiscal Year 2015 wage increase as 2.0% while City Exhibit #26 reports the West Des Moines Fiscal Year 2015 wage increase as 1.9%.³ Association Exhibit #5 reports Fiscal Year 2015 wage increases for the five smaller cities as: Ankeny 1.50%, Urbandale 3.25%, Cedar Falls, 2.0%, Marion 1.50% and Bettendorf 1.90%. Averaging these seven cities from Association Exhibit #5 results in a reported Fiscal Year 2015 wage increase of 2.057%. The undersigned arbitrator also considered the parties’ comparability exhibits by including the five larger/five smaller cities, by population. This would add Council Bluffs (2.0%), Iowa City (2.2%) and Waterloo

³ City Exhibit #26 explains this discrepancy as being due to health insurance plan changes such as higher annual out of pocket maximums, higher deductibles, higher co-pays and/or increases in the employees (sic) share of the health insurance premium. All but two of the reported cities have this explanation in the City’s exhibit and two cities are reported as having not yet settled.

(2.9%) from Association Exhibit #26 and results in a reported Fiscal Year 2015 average wage increase of 2.15%. As noted in footnote #3, City Exhibit #26 reports slightly different (lower) net wage increases due to health insurance changes: Ankeny 1.0%, Urbandale 1.90%⁴, Cedar Falls 1.80%, Marion 1.75%⁵ and Bettendorf 1.50%. As such, using the City's reported Fiscal Year 2015 wage increases for the seven cities that are in common, results in an average wage increase of 1.729% and an average wage increase in the five larger/five smaller cities, by population, of 1.92%.

Only two cities are reported by the Association as having a Fiscal Year 2015 wage increase of 3.0% or greater: Des Moines at 3.25% and Davenport at 3.0%.⁶ Des Moines is the largest city, by population, in Iowa and Davenport is the third largest city, by population. (Association Ex. #1). Taken as a whole, the parties' external comparability exhibits support an award of the City's final offer on wages.

Arbitrator Pagnetter did not find the City's arguments regarding internal comparability to be controlling. "Consequently, while given some weight, I do not find the data from other bargaining units within the City as compelling as comparison data from similar police units in other Iowa cities." (Pagnetter 2011, p. 9). The undersigned arbitrator does not disagree with Arbitrator Pagnetter.

⁴ Association Exhibit #5 reports Urbandale as having a 3.25% increase for FY 15 whereas the City reports Urbandale's increase as 1.90%. Whether this rather large discrepancy (compared to the other reported cities) is due solely to the already noted methodology of the City reducing wage increases due to health insurance plan increases was not specifically discussed at the hearing.

⁵ The only city which is reported as having a higher FY 15 wage increase by the City than that reported by the Association is Marion. Reported as 1.75 % in City Exhibit #26 and as 1.50% in Association Exhibit #5. However, Association Exhibit #5 notes that Marion will experience a 1.35% increase across-the-board on 4/15 and that this was not included in the Association's average calculation of this exhibit.

⁶ Note the arbitrator's discussion involving Urbandale in footnote #4.

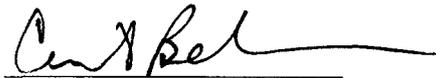
However, in context with the external comparability data in this record, internal comparability further supports an award of the City's wage offer as being the more reasonable final offer between the two.

V. AWARD

For the reasons set forth above, the undersigned arbitrator hereby selects the City's final offer of a 1.50% across-the-board wage increase.

Dated this 29th day of May
2014, Evanston, Illinois.

Respectfully submitted,



Curtiss K. Behrens
Arbitrator

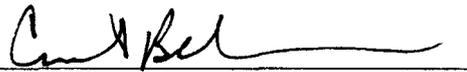
CERTIFICATE OF SERVICE

I certify that on the 29th day of May, 2014, I served the foregoing Opinion and Award by Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Stephen J. Juergens, Attorney at Law
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The City of Dubuque
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I further certify that on the 29th day of May, 2014, I submitted this Opinion and Award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319.



Curtiss K. Behrens, Arbitrator