

Before

Rex H. Wiant

Arbitrator

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PUBLIC EMPLOYMENT  
RELATIONS BOARD

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City of Milford, Iowa )

and )

Teamsters 554 )

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Impasse Arbitration

Decision

Iowa PERB CEO1029/Sector 1 & CEO 1164/Sector 1

For the Employer:

Harold Dawson, Chief Spokesman and City Attorney

Bill Reinsbech, Mayor

LeAnn Houge, City Administrator and Clerk

For the Union:

Jay Smith Chief Spokesman and Attorney

Todd Bell, Local 554 Recording Secretary

Bob Clark, Member

Jurisdiction:

The parties selected Rex H. Wiant to hear and decide the instant arbitration. A hearing was held at the Milford City Council Chambers on March 11, 2016. Both sides presented complete cases on the one outstanding issue of general wage increase. The hearing was recorded.

As part of the preliminaries, the party's agreement concerning the award and rationale was reviewed and agreed to by the both the City and Union. On March 7, 2016 the Arbitrator had received agreement by the parties via email. The agreement was that the Arbitrator would make a ruling and notify the parties by

March 15, 2016. He would have fifteen days from the hearing to issue his rationale for his award.

Background:

Milford, Iowa (hereinafter the “Employer”) is located in northwest Iowa and is part of Dickenson County. It is primarily rural with both agriculture and industrial production. What makes it unique is it is part of a tourist area around what is called “the Iowa Great Lakes”. Each summer there is a significant influx of vacationers.

Teamsters Local 554 (hereinafter the “Union”) represents two units that have chosen to bargain together and are under one collective bargaining agreement. The Union represents the police and public works department. There are three members of the police bargaining unit and three members of the public works bargaining unit.

This is the first time in the bargaining history that the parties have been to impasse arbitration.

Findings of Fact:

The parties bargain under the Iowa Public Employment Relations Act, Chapter 20, Iowa Code. They began bargaining in the fall of 2015 and did not reach conclusion through the mediation step. They requested a list of possible impasse arbitrators from the Iowa PERB and selected the undersigned. Iowa law is very clear regarding the factors that an Arbitrator must examine in impasse arbitration. Section 20.22 (9), Iowa Code required that in addition to other relevant factors, the Arbitrator must consider the following:

- Past Agreements
- Comparability
- Ability to Pay
- Standard of Service

The Arbitrator has reviewed all factors and will focus on Past Agreements and Comparability because that is where the parties made their cases. No argument was made on Ability to Pay or Standard of Service.

Issue 1. General Wage Increase:

- Employer Position: 2.5%
- Union Position: 3.5%

Conclusion of Law:

The Arbitrator selects the Union Position.

As agreed this decision will not include rationale. A decision including rationale will be issued within fifteen (15) days of the hearing.

Respectfully submitted,

/s/ Rex H. Wiant

Rex H. Wiant

Arbitrator

Dated on March 15, 2016 in Kansas City, Missouri.

Before  
Rex H. Wiant  
Arbitrator

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City of Milford, Iowa ) Impasse Arbitration  
and ) Rationale  
Teamsters 554 )  
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Iowa PERB CEO1029/Sector 1 & CEO 1164/Sector 1

The undersigned Arbitrator issued an impasse arbitration decision on March 15, 2016. The hearing was held on March 11, 2016 and it was agreed that the decision would be made by March 15, 2016 and the Arbitrator would have fifteen days from the hearing to issue his rationale.

Issue 1. General Wage Increase.

Employer Position: 2.5% increase.

- The Iowa Great Lakes communities of similar size are the correct comparability group. They include the following communities: Arnolds Park, Estherville, Lake Park, Okoboji and Spirit Lake.
- When compared to similar positions, employees are above average in wages.
- Most Employees receive a step increase.
- The Employer pays a large amount for health insurance.

Union Position: 3.5% increase.

- The Iowa Great Lake communities and those of similar size are the correct comparability group. They include the following communities: Estherville, Okoboji, Arnolds Park, Spirit Lake, Onawa, Missouri Valley, Eldora and Madrid.

- When actual wages are compared, Milford employees are behind those in the comparability group.
- Health insurance increases have been lower than the amounts negotiated and those in comparable cities.

Discussion:

Bargaining history and comparability are the two keys to this case. Ability to pay and standard of service argument were examined by the Arbitrator and rejected because neither party presented any evidence in those areas.

The towns in the Iowa Great Lakes are a good comparability group because the Employer, the Union and the local citizens compare to those of other towns. Towns like Madrid and Eldora are poor because they are so far away that they do not compare on anything else. Another way to look at this is the competition for talent. Has Milford either recruited an employee or lost an employee to another town? I am sure that they have done both to towns in the Lakes area but I seriously doubt that they have to the towns of Madrid and Eldora. The Arbitrator uses the following towns in his comparability group: Arnolds Park, Estherville, Lake Park, Okoboji and Spirit Lake.

The second part of comparability is to compare actual positions. Jobs must be filled and consist of similar duties. In essence “apples to apples” comparisons are the best. Some contracts have larger steps.

After examining the exhibits the Union position is supported.

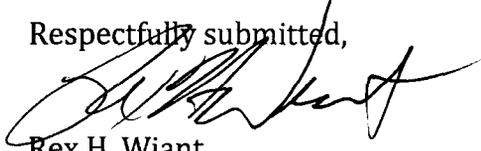
The Employer also made a verbal argument that they were already paying a large amount of money for health insurance and that should be considered in wages. Yes, the Employer is paying a large amount of money to health insurance. Everybody is paying a large amount of money. It is a cost of doing business in the current age.

Costs have been skyrocketing for over thirty years. The Affordable Care Act did slow the increases for a couple of years but they have started to climb again for everybody.

Conclusion of Law:

The Arbitrator selects the Union Position.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rex H. Wiant', written over the typed name.

Rex H. Wiant

Arbitrator

Date on March 23, 2016 in Kansas City, Missouri.