

**INTEREST ARBITRATION
BEFORE ARBITRATOR MICHAEL T. LOCONTO**

In the Matter of the Arbitration between

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS,
LOCAL 238,**

Certified Employer Organization,

and

**MUSCATINE COUNTY, IOWA,
Public Employer.**

Issue: July 1, 2024 to June
30, 2025 CBA
**(Sheriff's Deputies
Unit).**


Iowa Public Employment Relations Board / Employment Appeal Board (Unit #1102).

AWARD OF THE ARBITRATOR

The parties' collective bargaining amendment shall be amended as follows, with an effective date of July 1, 2024 through June 30, 2025:

1. The Union's position on Article 17 – Hourly Rates is awarded (5% across the board increase for FY25, on an 8-step salary scale).
2. The Employer's position on Article 19 - Insurance is awarded (increased premium contribution rates and expanded plan options).

All other provisions of the Agreement remain in effect for the contract term.



Michael T. Loconto, Esq.
Arbitrator

Dated: November 1, 2024

In the Matter of the Arbitration between

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS,
LOCAL 238,
Certified Employer Organization,**

and

**MUSCATINE COUNTY, IOWA,
Public Employer.**

**OPINION
AND
AWARD**

Iowa PERB / EAB (Unit #1102, Sheriff's Deputies – Interest Arbitration, 2024-2025 CBA).

Following a recent round of negotiations, the International Brotherhood of Teamsters, Local 238 (“Teamsters” or the “Union”) and Muscatine County (the “County” or “Employer”) were unable to reach agreement on a successor collective bargaining agreement (CBA or the “Agreement”) for the deputies unit in the County sheriff’s department for the period of July 1, 2024 through June 30, 2025. The Union is a Certified Employer Organization and the Employer is a Public Employer under the laws of the State of Iowa.

The parties attended a mediation session on or around June 14, 2024, but were unsuccessful in resolving this dispute. The parties contacted the Iowa Public Employment Relations Board (the “Board”)¹ following the declaration of an impasse in collective bargaining. On or around August 4, 2024, the parties mutually selected Arbitrator Michael Loconto from the Board’s roster to hear this dispute pursuant to Iowa Code Section 20.22. A remote scheduling conference took place via Zoom on August 12, 2024. The parties met on August 29, 2024 to exchange positions on two issues for resolution at arbitration; specifically, wages and insurance.

¹ On July 1, 2024, the Board merged with the Iowa Employment Appeal Board. See <https://eab.iowa.gov>.

Upon request, the parties submitted preliminary statements to the Arbitrator on September 26, 2024.

On October 1, 2024, the Arbitrator convened a one-day arbitration hearing with the parties at the County Administration Building in Muscatine, Iowa. Party witnesses were sworn under oath. Ann Smisek, Esq. of the Des Moines law firm Ahlers & Cooney, P.C. appeared on behalf of the Employer. Sheriff Quinn Riess and County Director of Administrative Services Nancy Schreiber provided testimony on behalf of the Employer. Angela Altieri, Esq. of The Previant Law Firm, S.C. in Milwaukee, Wisconsin appeared on behalf of the Union, and the following Union representatives gave testimony: Michael Channon, a corporal and the shop steward, and Business Agent Richard Hoffman. The parties submitted 14 exhibits during the hearing, and the Arbitrator developed an audio record of the hearing proceedings; hearing exhibits and the audio recording were provided to the Board upon issuance of this Award. The parties did not file post-hearing briefs in the matter, and the Arbitrator declared the record closed at conclusion of the October 1, 2024 hearing.

ISSUES

The parties submitted the following issues to the Arbitrator for determination:

- 1. Article 17 – Hourly Rates.
 - a. Union proposal
 - i. 5% across-the-board wage increase.
 - ii. Reduce the salary scale from 10 steps to 8 steps, as follows:

Step 1	Base Rate
Step 2	1 Year
Step 3	2 years
Step 4	3 years
Step 5	4 years
Step 6	6 years
Step 7	8 years
Step 8	10 years

- b. Employer proposal:
 - i. 4% across-the-board wage increase.
 - ii. 1% bulk payment due in December 2024 for those individuals in the bargaining unit who have reached the maximum step on the salary scale as of July 1, 2024.
2. Article 13 – Insurance.
- a. Union proposal: no change.
 - b. Employer proposal: add new employee plan options and increase employee premium and co-insurance contribution rates.

RELEVANT LAW

IOWA CODE SECTION 20.22(7)

For an arbitration involving a bargaining unit that has at least thirty percent of members who are public safety employees, the arbitrator shall consider and specifically address in the arbitrator's determination, in addition to any 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 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.

BACKGROUND

This matter arises out of an impasse between the Union and the Employer during the current round of negotiations for a successor collective bargaining agreement. The Union and the Employer have been engaged in a collective bargaining relationship since 1998 and have enjoyed a positive working relationship throughout the period. The parties have not previously invoked the Board's interest arbitration services. The current collective bargaining agreement commenced on July 1, 2021 and expired on June 30, 2024.

The Employer. Muscatine County is located in eastern Iowa along the western bank of the Mississippi River, which forms the state's border with Illinois. The County covers approximately 440 square miles, with a declining residential population that currently stands at 42,218. The County has maintained good relationships with each of its four employee bargaining units. Three of these units are represented by the Teamsters: the corrections officers unit; the secondary roads unit; and the sheriff's deputies unit, which is covered by the Agreement in dispute. The remaining bargaining unit, which is comprised of corrections support staff, is represented by the American Federation of State, County and Municipal Employees (AFSCME). The sheriff's department is led by an elected official, Sheriff Quinn Riess.

Sheriff's Deputies. The Teamsters represent multiple police officer and sheriff's deputy bargaining units across Iowa, in addition to other non-public safety county and municipal employees. According to Richard Hoffman, the Union's business agent, the deputies unit in Muscatine County is somewhat unique given that deputies are represented in a standalone bargaining unit. Hoffman represents 13 sheriff's deputy bargaining units and 18 police officer bargaining units across the state. In other sheriff's departments, bargaining units often combine deputies, corrections officers (COs) and clerical staff in a single bargaining unit. In Muscatine County, a sheriff's department employee may be represented by one of three bargaining units or work in non-represented status; representation is dictated by position and rank.

There are 23 sworn officers in the sheriff's department, which includes non-union supervisory staff: five sergeants, one lieutenant and one captain. In the deputies' bargaining unit, the Teamsters represent 16 sworn officers at the rank of deputy or corporal; deputies may also receive duty assignments as canine handlers, detectives or field training officers. Most deputies perform patrols around the County, responding to calls that can include domestic disputes and

traffic accidents, and provide other law enforcement services in criminal and civil matters. Specifically, deputies may also execute forced entries, serve legal papers, execute civil committals and evictions, and transport prisoners.

Corporal Michael Channon, who has also served as the Union's shop steward for more than a decade, estimated that the average age of the bargaining unit is 27 years old. Deputies may be hired at 18 years of age; the typical age at hire is 21, according to Channon. The bargaining unit has experienced significant change in recent years, with Sheriff Riess noting a trend toward a younger workforce. Over the last eight years, 10 members have left the bargaining unit; seven of those departures were due to resignation or retirement, and three others were involuntary terminations. The Union and the County agreed that recruitment and retention can be difficult, given the danger – and public perception – of a law enforcement career.

While there are no current position vacancies in the bargaining unit, Riess indicated that two previous deputy resignations resulted in lateral transfers to nearby police departments. One deputy transferred to a hybrid position, in Wilton, that combined police officer duties with coordination of the municipality's ambulance fleet and emergency medical services – at a significantly higher rate of pay. The other deputy transferred to a police officer position in Durant. Concurrently, the County hired two deputies away from other counties – Winn and Louisa – that sponsored the deputies as recruits during academy training. The County has also recruited police officers from municipal departments in Wilton, West Liberty and Muscatine.

Other County Bargaining Units. In the current round of negotiations, the Employer has settled agreements with two non-public safety employee bargaining units: the secondary roads unit represented by the Teamsters, and the corrections support staff represented by AFSCME. These agreements became effective on July 1, 2024. On wages, the secondary roads unit

negotiated a 4% across-the-board (ATB) wage increase for the period July 1, 2024 through June 30, 2025. This contract period covers the County's Fiscal Year 2025 (FY25). The corrections support unit negotiated a 3.25% ATB increase for the same period.

On September 11, 2024, Arbitrator Susan M. Bauman issued an Award resolving the sole issue in dispute, wages, between the Employer and the corrections officer unit. IAC section 20.22(8) limits the resolution of non-public safety bargaining unit wage disputes to compensation increases that cannot exceed either 3% per annum, or the consumer price index for all urban consumers in the Midwest region (CPI-U). The parties agreed that the applicable CPI-U in effect at the time of the hearing was 2.8%; concurrently, the Employer's offer was a 2.8% ATB increase to base wages for FY25. The Arbitrator awarded the Employer's position.

THE EMPLOYER'S POSITIONS

The Employer presented a preliminary statement, evidence, and testimony at the hearing to support its position on the two issues before the Arbitrator. At the outset, the Employer acknowledged its decades-long and mutually respectful relationship with the Union. The Employer also acknowledged that these parties have not previously invoked interest arbitration with the Board. The Employer did not dispute its ability to pay for wage increases and other cost drivers in the parties' proposals but remained focused on fiscal responsibility in the collective bargaining process.

Within this context, the Employer asserted that its total compensation package of wages, benefits and working conditions has resulted in a relatively low turnover rate among members of the bargaining unit. Cumulatively, the Employer's proposals will maintain its competitive ability to recruit and retain sheriff's deputies.

Wages. The Employer has made an effort to provide equitable wage increases across internal bargaining units and, accordingly, has proposed a 4% ATB increase to sheriff's deputy wages in FY25. The Employer has also proposed an additional 1% bonus, payable in December 2024, for the two deputies at the top step of the salary scale.

The Employer has proposed a reasonable pool of external comparators that includes six other counties with reasonably proportional residential populations – a “three up, three down” comparator pool. By comparison, the two largest counties in the “five up, five down” pool alternative proposed by the Union – Story and Pottawatomie – have residential populations more than two times larger than that of Muscatine. The Employer would be amenable to considering other nearby counties in recognition of the workforce's ability to transfer within the region, yet cautions that the populations of Johnson and Scott counties are nearly four times larger than that of Muscatine. The Arbitrator should also take into account the effects of Iowa's “Back the Blue” legislation, which resulted in salary increases ranging from 3 to 50% for county sheriffs across the state. In the Union's proposed alternative pool that includes “surrounding counties,” Cedar² and Louisa deputy wage scales are pegged to the sheriff's salary. Recent sheriff's salary increases that were driven by the state legislation led to disparate increases for deputies in those localities.

Within this context, the Employer asserted that language changes are best left to the bargaining table and the Union's proposal for a reduction to the number of steps in the salary scale should be rejected by the Arbitrator. Specifically, “[a]rbitrators should only implement a change to contractual language if it has been shown that the language at issue has been submitted to arbitration numerous times with no resolution and that comparability dictates a change.” The

² Muscatine County Sheriff Riess added that the sheriff's deputies in Cedar county are not organized in a collective bargaining unit.

Employer further asserted that the *status quo* should be given substantial weight. The parties only recently adopted a step system for the bargaining unit salary scale. The Union initially proposed six- and eight-step salary scales before agreeing to the 10-step scale that is present in Article 17 of the 2021-2024 CBA. The Union has failed to demonstrate that the present step system represents an ongoing concern in the bargaining unit or that comparators dictate the need for a change.

Schreiber, who has participated in collective bargaining negotiations with the Employer's bargaining units throughout her 30 years as director of administrative services, indicated that the effective cost of the Employer's one-year offer on wages is 5.4%, or \$63,392. This figure includes the costs of the proposed 4% ATB wage increase for FY25, the proposed 1% bonus payment for two deputies at the top of the salary scale³ and the current deputies progressing in the steps of the salary scale. By comparison, the effective costs of other internal bargaining unit wage increases for FY25 are: 4.78% in the corrections officer unit; 4.68% for non-union staff; and 4.28% for the corrections staff unit.

Schreiber further asserted that the Union's proposed wage package carries an effective cost of 6.56%, or \$76,996, which includes the proposed 5% ATB increase, the cost of step progression, and the cost of the Union's proposed reduction in salary scale steps. Specifically, the Employer disputed the Union's claim that its salary step proposal would not trigger additional costs in FY25. On the contrary, the Employer asserted that one deputy would be elevated to the next step on the scale as a result of the Union's proposal. The effective cost of the change, if implemented, would be \$3.31 per hour, or \$5,561 for FY25.

³ According to Schreiber, the incremental cost of the 1% bonus payment for the two deputies at the top step of the salary scale would be \$1,630.

The Employer asserted that its proposal on wages will keep pace with peer comparators. For these reasons, the Employer's wage proposal on wages is more reasonable than the Union's proposal.

Insurance. Comparator data is the most important factor for the Arbitrator to consider when assessing the parties' competing proposals on insurance. Within this context, internal comparators should be given substantial weight because it is difficult to compare the unique combination plan designs and contribution rates negotiated by other employers. The Employer also asserted that internal uniformity should be given substantial weight because it is difficult to administer differing insurance plans and rates across multiple employee groups.

The Employer self-funds employee health insurance. The Employer's proposal would increase premiums on existing health insurance plans, which include in-network and out-of-network provider options. The proposal would also introduce two new HMO plan options, which eliminate out-of-network provider options and co-insurance, at a lower premium cost for the Employer and individual subscriber-members. Practically speaking, Schreiber indicated that the in-network benefits of the new HMO plans include all doctors practicing in Iowa.

Schreiber also estimated that the effective cost of the Union's proposal to maintain the *status quo* on insurance would be \$6,780 for FY25. By comparison, adopting the Employer's proposal will result in an average incremental cost increase of \$367.50 for members; alternatively, the average increase equals \$30.63 per month, or \$0.18 per hour. The corresponding cost increase for the Employer is \$600 per member. If employees choose one of the new HMO options, costs will decrease for both the member and the Employer. Schreiber added that the Employer has maintained premiums at the FY24 rate for bargaining unit members

pending resolution of this matter, and two members of the bargaining unit have enrolled in one of the newly offered HMO plans.

As such, the Arbitrator should adopt its proposal on insurance.

THE UNION'S POSITIONS

The Union presented a preliminary statement and testimony at the hearing to support its position on the two issues before the Arbitrator.

At the outset, the Union also acknowledged its longstanding and mutually respectful relationship with the Employer. Within this context, the Union has sought wage increases that maintain competitiveness in the market relative to other sheriff's departments in peer communities.

Wages. The Union proposed a 5% ATB increase in base wages for bargaining unit members in FY25. The Union also proposed a consolidation of steps in the contractual salary scale; the current CBA includes 10 steps that span 14 years. The Union's proposal reduces the number of steps in the scale to eight; deputies would thereby reach the top step in 10 years.

Critically, the reasonableness of the parties' respective positions on wages relies on the adoption of an appropriate pool of external comparators. The peer communities that form reasonable comparisons for wages and other benefits is in dispute. The Union proposed two alternatives to the Employer's proposed three up, three down pool for consideration. The first, which Union business agent Hoffman testified is the standard approach under IAC section 20.22(7), is a five up, five down approach that follows the same logic as the County's proposed pool but includes the five Iowa counties ranked immediately above and below Muscatine in population size.

In addition, the Union proposed an expanded alternative pool to include four geographically contiguous counties – Scott, Johnson, Cedar and Louisa – as a more accurate

reflection of the regional wage market. This alternative proposed pool combines the five up, five down approach with the four surrounding counties to provide a more complete picture of the market for sheriff's deputy wages and other benefits in Iowa.

When viewed in this light, the Union's proposal for a 5% ATB wage increase in FY25 is more reasonable than the Employer's proposal on wages. Specifically, the Union's proposal would maintain the County's competitive position on wages, situated in between the middle and the bottom of the Union's alternative comparator pool. In the Employer's proposed three up, three down comparator pool, a 5% ATB increase in wages would elevate the County's relative rank among its peers.⁴

Muscatine's current 10-step salary scale is above the peer average and is near the maximum number of salary steps relative to other external comparators. Using the Union's proposed five up, five down comparator pool, only Warren county has more steps on the salary scale for sheriff's deputies. The pool average is eight steps.⁵ Even if the Arbitrator limits consideration to the Employer's smaller proposed comparator pool, the average number of steps is 8.2; among surrounding counties, the average number of steps is 8.4. The Union's proposal is the most reasonable approach to resolving the wages in dispute.

Insurance. The Union proposed to maintain the *status quo* for employee health insurance benefits. By contrast, the Employer has proposed increasing premium contributions for employees, and it bears the burden of proving that the proposed changes are more reasonable and appropriate. Specifically, the Employer's proposal adds co-insurance costs and increases

⁴ The Union also argued that the County utilized a wage study that included police officers in forming its wage proposals during bargaining. The Union also provided testimony on the differences between police officer and sheriff's deputy job duties. The County did not, however, enter a wage study in evidence and did not base its wage proposal at arbitration on police officer comparators. Therefore, I have not examined the relative job duties of sheriff's deputies and police officers in considering this Award.

⁵ Hoffman indicated that the sheriff's deputy salary scales in two counties in the comparator pool, Cerro Gordo and Sioux, do not include steps.

premium contributions for members and would also reduce out-of-network provider availability for members who choose one of the newly proposed HMO plans.

OPINION

Interest arbitration is intended to be a last resort for resolving contract disputes when the parties cannot reach a mutual agreement through collective bargaining. This principle is reflected in the longstanding and peaceful relationship between Muscatine County and the bargaining unit comprised of sheriff's department deputies. This is the parties' first resort to interest arbitration over the course of a 26-year collective bargaining relationship.

When called upon to break an impasse, interest arbitrators proceed in a conservative manner. As a substitute for a bargained resolution, interest arbitration proceedings are intended to approximate the intent of the parties and produce a result that tracks the agreement that most likely would have been reached absent an arbitrator's intervention. As such, interest arbitration is not a forum for wholesale contractual revisions absent exceedingly compelling external factors. This does not mean that a collective bargaining agreement provision may never be changed once negotiated. Generally speaking, where circumstances have changed since the last time the parties negotiated an agreement, it may well be appropriate that the contract be amended to account for those changes. What this means in practice is that the party seeking to alter an existing term has the burden of persuasion that the change is justified. In other words, the proposing party must show that the parties' previous assessment of what constituted a proper balancing of the statutory factors is no longer valid.

The Employer and the Union are seeking resolution of the FY25 CBA; specifically, the wage and insurance provisions. The statutory criteria articulated in Iowa Code Section 20.22(7) provide a basis to evaluate the parties' proposed changes to the existing Agreement. Within this context, Iowa interest arbitrations are governed by what are known as "modified baseball" rules;

that is, I am limited by Section 20.22(3) to select one of the parties’ proposals on each issue presented for resolution rather than fashion an independent solution through this process. Accordingly, I must proceed within these bounds in choosing the most appropriate party proposal on each of the individual issues that are before me. This is particularly notable with respect to the parties’ wage proposals, which include changes to the hourly rates and the steps of the salary scale in Article 17 of the Agreement.

For the reasons discussed below, the Union’s wage proposal is adopted and the Employer’s insurance proposal is adopted.

Wages. In considering the statutory criteria outlined in Iowa Code Section 20.22(7)(a)-(c), the Union’s proposed across-the-board wage increase of 5%, inclusive of an 8-step salary scale, is the most appropriate proposal and is adopted effective July 1, 2024. The statutory criteria that support adoption of the Union’s wage proposal are as follows.

Bargaining History and Internal Comparators.

Hourly Rate Increase and Bonus Proposals. The parties presented evidence of historical wage increases across the County’s four bargaining units:

Contract Year	Bargaining Unit			
	<i>Deputies</i>	<i>Corrections Officers</i>	<i>Secondary Roads</i>	<i>Corrections Staff</i>
2018-2019	3.5%	3%	2.75%	2.75%
2019-2020	3.5%	3%	2.75%	2.75%
2020-2021	3.5%	3%	2.75%	2.75%
2021-2022	1.75%	2.5%	2%	1.25%
2022-2023	2.25%	2.5%	2%	1.25%
2023-2024	2.25%	2.5%	2%	1.25%
2024-2025	TBD	2.8% ⁶	4%	3.25%

⁶ Schreiber indicated that the County’s Board of Supervisors approved a supplemental payment to COs in addition to the 2.8% ATB awarded in interest arbitration. The amount was not disclosed; however, as noted *supra*, Schreiber asserted that the total cost of the wage items in the current CO contract is 4.78%.

In the current round of collective bargaining, the across-the-board wage increase proposed by each party exceeds the recent experience with the deputies unit and with the Employer’s other bargaining units in recent years. Only the secondary roads unit, also represented by the Teamsters, equals the Employer’s proposed increase for sheriff’s deputies in FY25.

The lack of consistency in comparable wage increases across the internal bargaining units is notable. While deputies led the other bargaining units on increases between 2018 and 2021, deputies trailed corrections officer wage increases during the 2021 – 2024 contract term. Deputy and corrections officer wage increases have, however, consistently exceeded those provided to the secondary roads and corrections staff units. Additionally, the parties did not submit evidence of other wage and economic items negotiated between the Employer and the other internal bargaining units. Therefore, it is difficult to compare the value of the 1% bonus payment proposed by the Employer for the two sheriff’s deputies at the top of the wage scale with the other County bargaining units. The incremental cost of this wage item is \$1,630.

Finally, it is notable that the Employer’s last wage offer in bargaining, on August 5, 2024, was a 4.5% ATB increase that did not include the 1% bonus at the top step of the scale. The Employer’s initial offer in June, a 3.25% ATB wage increase for the unit, included the 1% bonus. The Employer’s July offer, at 4%, removed the 1% bonus – which was subsequently restored in the final offer made in advance of arbitration, on August 29. The parties did not disclose the incremental cost of a 1% ATB increase for the unit, which is useful in assessing the relative value of the Employer’s previous offer. Some rough assumptions can be made using Schreiber’s calculations of the total effective cost of the wage proposals made at arbitration:

<i>Costs of:</i>	<i>Union Proposal (5% ATB)</i>	<i>Employer’s Proposal (4% ATB)</i>
	\$76,996	\$63,392
	<u>-\$5,561</u> (step increase – 1 deputy)	<u>-\$1,630</u> (1% bonus at top step)
<i>Subtotals</i>	\$71,435	\$61,762

Effective cost of a 1% ATB: \$9,673

The difference between the Employer's and the Union's base wage proposals is 1%. The value of the change in the Employer's position from its last offer at bargaining, on August 5, to the August 29 proposal at arbitration – a 0.5% reduction in ATB with the 1% bonus at the top step reinstated – can be calculated as:

$$\$9,673 \text{ (value of 1\% ATB)} \times 0.5 \text{ (ATB reduction)} - \$1,630 \text{ (value of 1\% bonus)} = \$3,206.50$$

The Employer's wage package at arbitration is slightly regressive – equivalent to a reduction in value of roughly one-third of one percent in across-the-board increases to the unit. The Union did not raise this issue in these proceedings, and it is not necessary to calculate the changes in value that occurred in the earlier proposals made by the Employer. Nevertheless, the reduction in valuation is relevant to consider in the context of the wage proposal and more broadly when considering the total value of this Award – which includes costs associated with the proposed changes to the insurance provisions of the Agreement. Under IAC section 20.22(7), the deputy bargaining unit is the only unit in the County that is empowered to seek arbitration over non-wage items – and is not otherwise encumbered by the wage increase restrictions found in section 20.22(8). With the stated goal of reaching an outcome at interest arbitration that would have most likely approximated a bargained-for outcome, it is reasonable to take into account the costs of the parties' insurance proposals when considering the parties' wage proposals.

In summary, the estimated costs of the Employer's proposal more closely tracks the costs of implementing other internal unit wage increases. On the other hand, the superior bargaining power granted to public safety bargaining units under Iowa law supports the adoption of the Union's wage proposal given the corresponding adoption of the Employer's insurance proposal, which is discussed in further detail below.

Proposed Changes to Steps in the Salary Scale. Internal comparators do not provide enough data to indicate support for either party's step proposal. The Employer put forth evidence of salary scales in the other bargaining units. The corrections staff salary scale includes 10 steps; corrections officers have seven steps. No evidence was submitted on the secondary roads unit. Additionally, the Employer asserted that non-union staff are compensated according to several salary scales ranging from 12-20 steps.

Within the deputies' unit, however, the parties' bargaining history provides some support for adoption of the Union's step proposal. It is notable that the parties negotiated the introduction of steps to the salary scale in the 2021-2024 CBA. Steps did not exist in the previous agreement, which was in place from 2018 to 2021. The parties did not disclose whether steps were proposed in earlier rounds of bargaining. During bargaining over the 2021-2024 CBA, the deputies initially sought a six-step salary scale, in which a deputy would reach the top step at eight years of service. The deputies later revised their offer to seek the current proposal, an eight-step salary scale with the top step at 10 years of service. The parties eventually agreed upon the current provision in the CBA – 10 steps with a top step at 14 years of service. That the Union proposed the 8-step salary scale in the prior round of bargaining, and reached a compromise by adopting the 10-step salary scale in the 2021-2024 CBA where no such system previously existed, is some evidence of a pattern. By adopting the incremental change proposed by the Union, the step structure in the salary scale will reach parity with communities in the comparator pool. I will discuss external comparators in further detail below.

As a final note, the Employer and the Union disputed the cost of the proposed step reduction. The Union asserted that there are no costs associated with its step proposal for the contract year in dispute. The Union further asserted that costs would accrue in the following contract years, with two deputies eligible to be elevated under its proposal in contract year 2025-

2026, and one in contract year 2026-2027. After that time, the Union estimated that one or two bargaining unit members would move up on the scale each year thereafter. The Employer agreed with the general principle that one or two deputies would be elevated each year; however, the Employer further asserted that one deputy would be elevated during the contract year in dispute. The value of that change (\$5,561) was included in the Employer's total assumed cost of the Union's wage proposals. The parties did not provide evidence to support their differing views on the effects of the Union's step proposal and, as such, I cannot determine with certainty the FY25 cost impact of the proposal. I note, however, that costs will continue to rise as individual deputies progress through the steps of either proposed salary scale.

Defining and Considering an Appropriate Pool of Comparable Peers. As an initial matter, the parties have requested that the Arbitrator define the appropriate external comparator group. In reviewing the options proposed by the parties, I have selected the largest proposed pool of external peers for consideration in evaluating the parties' wage proposals. Specifically, the Union's proposed method of surveying the five immediately larger and smaller Iowa counties relative to Muscatine's population, and further considering the four surrounding counties – Scott, Johnson, Cedar and Louisa – provides a broad spectrum of data to compare in reaching an appropriate wage increase.

To be certain, this method is imperfect. As the Employer noted, the population of two counties in the five up, five down pool are more than twice the size of Muscatine – and the populations of neighboring Scott and Johnson counties are quadruple in size. The Employer's assertions about the impacts of recent legislation on sheriff's salaries also provides useful context for considering the comparable deputy wages in Cedar and Louisa counties.

By the same token, however, seeking perfection in creating a comparator pool should not result in the sacrifice of useful data. The Union's proposed baseline of five up, five down

represents a standard approach to comparators under IAC section 20.22. Aside from the practicalities noted by the Employer with respect to the size of certain peers in this baseline pool, it is notable that the counties are geographically dispersed across Iowa. For example, Story county is in the center of the state, north of Des Moines and home to a major university in Ames; Webster county is much smaller and adjacent to Story. Pottawatomie county is to the west on the border of Nebraska, adjacent to Omaha; further north along the Nebraska border is the smaller county of Sioux. Muscatine is on the eastern border of Iowa, adjacent to Illinois and south of the Quad Cities region.

It is therefore reasonable and appropriate to consider surrounding counties. The comparisons are inexact; population figures vary widely among these comparators, and there is some evidence that deputy wages in two counties have been influenced by external factors. Nevertheless, the parties cannot avoid the regional nature of the workforce market. Workers are much more likely to travel to neighboring counties to find alternative employment. As Sheriff Riess testified, the department has recruited deputies from – and lost deputies to – the Wilton police department, which straddles Muscatine and Cedar counties. The department has also lost deputies to the police department in Durant, which straddles Cedar, Muscatine and Louisa counties, and hired a deputy out of the academy who was sponsored by the Louisa sheriff's department.

The combined comparator pool of five up, five down and surrounding counties have adopted FY25 wage increases as follows (surrounding counties in *italics*):

<u>County</u>	<u>Population</u>	<u>Entry / Top Hourly Rate</u>	<u>Wage Increase</u>	<u>Steps on Salary Scale</u>
<i>Scott</i>	<i>173,924</i>	<i>\$29.91 / 39.60</i>	<i>2 – 2.5%</i>	<i>10</i>
<i>Johnson</i>	<i>156,420</i>	<i>N/A</i>	<i>N/A</i>	<i>8</i>
<i>Story</i>	<i>98,566</i>	<i>\$31.25 / 40.91</i>	<i>12.3 – 16.2%</i>	<i>7</i>
<i>Pottawatomie</i>	<i>93,179</i>	<i>\$31.50 / 43.34</i>	<i>N/A</i>	<i>8</i>
<i>Warren</i> ⁷	<i>55,205</i>	<i>\$30.27 / 41.43</i>	<i>3%</i>	<i>11</i>
<i>Clinton</i>	<i>46,158</i>	<i>\$32.45 / 39.48</i>	<i>3%</i>	<i>6</i>
<i>Cerro Gordo</i>	<i>42,406</i>	<i>\$30.80 / 41.30</i>	<i>3 – 3.25%</i>	<i>N/A</i>
Muscatine	42,218	Union: \$29.90 / 39.03 Employer: \$29.63 / 38.66	Union: 5% Employer: 4%⁸	Union: 8 Status Quo: 10
<i>Marshall</i>	<i>40,014</i>	<i>\$28.85 / 35.11</i>	<i>5 – 6.3%</i>	<i>6</i>
<i>Des Moines</i>	<i>38,253</i>	<i>\$25.05 / 34.48⁹</i>	<i>3.25%</i>	<i>7</i>
<i>Jasper</i>	<i>37,919</i>	<i>\$29.11 / 39.23</i>	<i>4.75%</i>	<i>9</i>
<i>Webster</i>	<i>36,425</i>	<i>\$27.91 / 39.28</i>	<i>2.5%</i>	<i>8</i>
<i>Sioux</i> ¹⁰	<i>36,246</i>	<i>\$33.84 / \$39.81</i>	<i>4.5%</i>	<i>N/A</i>
<i>Cedar</i>	<i>18,399</i>	<i>\$35.69 / 44.97</i>	<i>8.5 – 10.3%</i>	<i>7</i>
<i>Louisa</i>	<i>10,409</i>	<i>N/A</i>	<i>N/A</i>	<i>7</i>

Wages. The parties are essentially aligned in their respective views of the effects of the proposed ATB increases on the County’s relative rank in the comparator pools. The Union asserted that a 5% ATB increase would leave the unit ranked between the middle and bottom of the comparator pool. The Employer asserted that its wages would remain competitive if its

⁷ Warren county is unique among the departments listed, with a two-grade deputy job classification system. A Deputy 1 must meet certain performance metrics and take on additional duties to obtain a Deputy 2 position. The upper end of the Warren county CBA salary scale reflects Deputy 2 positions.

⁸ The top rate does not include the 1% bonus payment proposed by the Employer.

⁹ The top rate in Des Moines county effective July 1, 2023 was \$44.40; the current year top rate of \$34.48 represents a 22.3% reduction from the previous year’s top rate. The parties did not explain this anomaly. The 3.25% increase reflects the year-over-year change in entry rates.

¹⁰ The parties listed different counties on their respective grids in evidence to represent the five up, five down comparator pool. The last county listed on the Union’s grid is Sioux, population 36,246. The bottom of the Employer’s list is Wapello county, population 35,437. See Exhibits 10, 11.

Notably, the Employer also suggested Lee county as a further comparator in one scenario. I have excluded Lee county from consideration. First, the Employer did not provide wage data for the 2023-2024 contract year that would assist in establishing year-over-year increases. Second, Lee’s population is greater than Cedar or Louisa counties, at 33,555; yet the county is located further away than the surrounding counties and is not within the five up, five down group relative to Muscatine’s population. While tempting to seek out additional alternative comparators among Iowa’s 99 counties, Lee county does not qualify under the organizing principles utilized herein to establish a baseline comparator pool.

proposal to increase wages across-the-board by 4% were adopted. Data reflected in the chosen comparator pool supports each view.

Specifically, the average FY25 wage increase among the external peer group is 3.56%. I have reached this figure by excluding Johnson, Story, Pottawatomie, Cedar and Louisa counties from the calculation. Johnson, Pottawatomie and Louisa are excluded because the parties did not provide data from each of those counties that is needed to calculate year-over-year increases; Story and Cedar are excluded because of the outlier figures associated with the year-over-year increases for FY25 – double-digit increases indicate the influence of external factors on wage growth. For other counties that included a range of year-over-year increases (Scott, Cerro Gordo and Marshall), which were calculated by comparing the respective entry and top-level steps in FY24 and FY25, I have used the midpoint of the range.

This snapshot is some evidence of comparability. Among the nine counties included in the above calculation, three provided average wage increases in excess of the Employer's proposal in this matter, and one of those increases exceeded the Union's proposal. Either party's wage proposal would exceed the average increase among comparators. The Union's proposal would rank second among the nine comparators used in the calculation; the Employer's proposal would rank fourth.

Using raw hourly pay data, each party's proposal would have the same relative effect on the unit's rank among comparators. At the entry rate of pay, Muscatine would be ranked nine of 13 counties reporting data in the comparator pool. At the top step in the salary scale, Muscatine would be ranked 11 of 12; I have excluded Des Moines county in comparing top step wages, given the noted concerns about the reliability of the data provided. *See* fn. 9.

In reviewing the totality of the evidence, external data supports the Union's proposal on wage increases. While the pool average is less than the across-the-board wage increases

proposed by each party, there are other year-over-year increases present in the pool that equal or exceed the Union’s proposal. Additionally, the effect of the relative proposals on Muscatine’s pool ranking for entry- and top-level hourly pay rates is identical. Among the fifteen counties surveyed in the comparator pool that has been established for these proceedings, Muscatine is ranked eighth in population – squarely in the middle of the pack. However, assuming the adoption of either proposed increase – Muscatine would be ranked in the bottom half of the pool. Given that base wage increases are cumulative, the adoption of the Union’s proposal would better position the unit to keep pace with peers now and in the future. Specifically, and given that 10 of the 16 bargaining unit positions have turned over in the last eight years, adoption of the Union’s proposal will promote workforce stability in the young department.

Steps. The Union provided data regarding steps in the salary scales negotiated by bargaining units in the comparator pool. In the adopted comparator pool, which combines the five up, five down grouping of counties relative to Muscatine’s population size with four surrounding counties, the average number of steps is 8. This calculation is based on thirteen counties, including Muscatine with the present 10-step scale, but excluding Cerro Gordo and Sioux counties where steps are not part of the salary scale. By excluding Muscatine, the average of steps among the remaining twelve comparators is 7.8. The averages calculated under the alternative pools proposed by the parties are similar:

<u>Pool</u>	<u>Average Steps</u>
Five up, five down	8
Three up, three down	8.2
Surrounding counties	8.4

Presently, only Warren county has more steps on the salary scale for sheriff’s deputies. External data supports the Union’s proposal on salary steps.

Public Policy. The statutory criteria for evaluating interest arbitration proposals includes effects on operations and service delivery. *See* IAC section 20.22(7)(c). The Union raised the issue of retirement. Hoffman is a retired sheriff's deputy from Black Hawk county and is a voting member of the Iowa Public Employees Retirement System (IAPERS) board. Specifically, IAPERS sets the minimum retirement age for sheriff's deputies at age 50, and requires a minimum of 22 years of service to obtain maximum benefits. The Union argued that its proposed wage increase and corresponding reduction in time for deputies to reach the top step serves the public policy goal of providing a wage base for deputies seeking maximum benefits at the time of retirement.

By comparison, fiscal responsibility in government is also important. The Employer did not specifically frame its goal of fiscal responsibility in the context of public policy, nor did the Employer raise its ability to pay as a defense. Nevertheless, when viewed in this light, the value of the parties' respective goals are reasonably equivalent. Accordingly, there is no public policy at stake in this dispute that would favor adoption of either wage proposal.

Insurance. As previously stated, the interest arbitration forum is intended to replicate the agreement that might have been reached by the parties absent outside intervention. From this perspective, it is exceedingly difficult to envision a scenario in which the Employer would agree to the Union's offer on wages without demanding acceptance of the Employer's proposal to increase premium contribution rates and manage overall insurance costs by introducing HMO options for Union members.

Bargaining History and Internal Comparators. The parties did not present evidence of bargaining history on the Agreement's insurance provisions, although the current health insurance plan provisions have remained consistent over the previous two terms of the collective bargaining agreement (2018-2021 and 2021-2024). With respect to internal comparators, the

Employer asserted that the Union, the other bargaining units and the non-represented employees have historically had equivalent access to health insurance coverage options. The other bargaining units and non-represented employees have adopted the FY25 health insurance plan premium contribution schedule and coverage options that were proposed in this unit.

It is notable that Iowa law does not permit the Employer's other non-public safety bargaining units to seek resolution of insurance coverage disputes through interest arbitration. *See* IAC section 20.22(8). Similarly, non-represented employees do not have the power to bargain over changes to employee health insurance benefits. While there is no evidence to indicate whether these other groups did or would have challenged the Employer's implementation of insurance changes for FY25, the deputies' ability to do so prevents a clear comparison among internal comparators on this issue.

External Comparators. As the Employer noted, the complexity of health insurance plan design and premium contribution schemes makes a side-by-side comparison of benefits among a group of employers exceedingly difficult, and the parties declined to offer evidence of health insurance benefits among units in the comparator pool.

Public Policy. As noted, the Employer has not asserted an inability to pay for the costs associated with the parties' proposals.

Discussion. Taken cumulatively, the traditional measurements available under IAC section 20.22(7) do not provide support for the proposal of either party. Viewed narrowly, maintenance of the *status quo* as proposed by the Union would be the most reasonable path forward. However, a broad assessment of the likely outcome that would have occurred at the bargaining table in light of the adoption of the Union's wage proposal supports the adoption of the Employer's insurance proposal. First, there is a cost associated with maintaining the *status quo*. The Employer estimated that the cost of maintaining a separate set of insurance plans at the

FY24 rates would be \$6,780 in FY25. Recall that the Employer's position on wages at arbitration represented a slight cost reduction from its last position at the bargaining table – approximately \$3,206.50. Concurrently, I have calculated the value of a 1% ATB wage increase for the unit at \$9,673. By taking into account these factors, it becomes clear that the total financial impacts of this Award are roughly equivalent to the Employer's final offer at the bargaining table.

Some employees will see higher insurance costs as a result of this Award. The Employer estimated an average incremental cost increase of \$367.50 for bargaining unit members. This average cost increase equals \$0.18 per hour; in context, members' hourly rate pay increases will range between \$1.42 and \$1.86 via adoption of the Union's wage proposal. In addition, the average impact of the Employer's insurance proposal will not have an equal effect among individual members of the bargaining unit. For example, some bargaining unit members may opt out of Employer-provided health insurance coverage and seek alternatives through a spouse or public options. Those who choose among the offered single or family coverage plan options will also experience different impacts. For example, the two new HMO plans offer significant cost savings to subscribers. The record reflects that two of the 16 bargaining members – 12.5% of the unit – have elected single coverage under one of the new HMO plan options. The monthly premium for single coverage under the Plan 3 HMO option is \$25. *At status quo*, the lowest premium available is \$50 – for the Plan 3 non-HMO option. While the record does not reflect the previous choices made by the two bargaining unit members who elected the new Plan 3 HMO option, at minimum each individual has achieved a \$300 cost savings in FY25.

The lack of out-of-network provider coverage under the two new HMO plan options is another important consideration. The Employer asserted that all Iowa doctors are covered as in-network options under the new HMO plans. The record does not reflect whether such coverage

extends to other providers who are not qualified as doctors. Likewise, the record does not reflect whether any covered employees have sought care outside of Iowa. Nevertheless, it can be reasonably inferred that the new HMO plan options will not significantly limit provider options for most subscribers.

By adopting the Employer’s proposal on insurance, subscribers will not experience significantly reduced care options, the potential increased costs borne by bargaining unit members do not significantly diminish the wage increases awarded herein and the corresponding adoption of the Union’s wage proposal is the most reasonable option in light of what might have otherwise been agreed upon at the bargaining table. The Employer’s proposed schedule of insurance coverage, as adopted in this Award, is attached hereto as Attachment A.

This Award shall be integrated with the current collective bargaining agreement and shall become effective immediately, and retroactive to July 1, 2024.

AWARD

The parties’ collective bargaining amendment shall be amended as follows, with an effective date of July 1, 2024 through June 30, 2025:

- 3. The Union’s position on Article 17 – Hourly Rates is awarded (5% across the board increase for FY25, on an 8-step salary scale).
- 4. The Employer’s position on Article 19 - Insurance is awarded (increased premium contribution rates and expanded plan options).

All other provisions of the Agreement remain in effect for the contract term.



Michael T. Loconto, Esq.
Arbitrator
November 1, 2024

ATTACHMENT A

Muscatine County - Health Insurance
Plan Options as of July 1, 2024

PLAN 1		Monthly	Annual
Deductible	\$500 - Single / \$1,000 - Family	\$1,200.00	\$1,800
Coinsurance	20% in network; 30% out of network	\$150.00	\$1,800
Out of Pocket Maximum	\$1,000 - Single / \$2,000 - Family		
Prescriptions	\$0/\$25/\$50/\$75 prescription card	\$1,775.00	\$6,300
Out of Pocket Maximum Rx	\$5,000 - Single / \$10,000 - Family	\$525.00	\$6,300
		\$725.00	\$8,700

PLAN 2		Monthly	Annual
Deductible	\$750 - Single / \$1,500 - Family	\$1,155.00	\$1,260
Coinsurance	20% in network; 30% out of network	\$105.00	\$1,260
Out of Pocket Maximum	\$1,500 - Single / \$3,000 - Family		
Prescriptions	\$0/\$25/\$50/\$75 prescription card	\$1,685.00	\$5,220
Out of Pocket Maximum Rx	\$5,000 - Single / \$10,000 - Family	\$435.00	\$5,220
		\$635.00	\$7,620

PLAN 2 HMO		Monthly	Annual
Deductible	\$750 - Single / \$1,500 - Family	\$1,125.00	\$900
Coinsurance	20% in network	\$75.00	\$900
Out of Pocket Maximum	\$1,500 - Single / \$3,000 - Family		
Prescriptions	\$0/\$25/\$50/\$75 prescription card	\$1,605.00	\$4,260
Out of Pocket Maximum Rx	\$5,000 - Single / \$10,000 - Family	\$355.00	\$4,260
		\$555.00	\$6,860

PLAN 3		Monthly	Annual
Deductible	\$1,000 - Single / \$2,000 - Family	\$1,110.00	\$720
Coinsurance	20% in network; 30% out of network	\$60.00	\$720
Out of Pocket Maximum	\$2,000 - Single / \$4,000 - Family		
Prescriptions	\$0/\$25/\$50/\$75 prescription card	\$1,595.00	\$4,140
Out of Pocket Maximum Rx	\$4,850 - Single / \$9,700 - Family	\$345.00	\$4,140
		\$545.00	\$6,540

PLAN 3 HMO		Monthly	Annual
Deductible	\$1,000 - Single / \$2,000 - Family	\$1,075.00	\$300
Coinsurance	20% in network	\$25.00	\$300
Out of Pocket Maximum	\$2,000 - Single / \$4,000 - Family		
Prescriptions	\$0/\$25/\$50/\$75 prescription card	\$1,550.00	\$3,600
Out of Pocket Maximum Rx	\$4,850 - Single / \$9,700 - Family	\$300.00	\$3,600
		\$500.00	\$6,000

DENTAL		Monthly	Annual
Deductible	\$25 - Single / \$75 - Family	\$40.00	\$0
Coinsurance	20%; 50% Orthodontics	\$0.00	\$0
Benefit Year Maximum	\$2,000; waived Orthodontics	\$95.00	\$660
		\$55.00	\$660

Musc. County
Health Insurance Plans

	FY23/24		FY24/25	
	Employer Monthly Cost	Employee Monthly Cost	Employer Monthly Cost	Employee Monthly Cost
Plan 1				
Single coverage	\$1,000.00	\$110.00	\$1,050.00	\$150.00
Family coverage; annuity applied	\$1,200.00	\$445.00	\$1,250.00	\$525.00
Family coverage; annuity not applied	\$1,000.00	\$645.00	\$1,050.00	\$725.00
Plan 2				
Single coverage	\$1,000.00	\$80.00	\$1,050.00	\$105.00
Family coverage; annuity applied	\$1,200.00	\$385.00	\$1,250.00	\$435.00
Family coverage; annuity not applied	\$1,000.00	\$585.00	\$1,050.00	\$635.00
Plan 2 HMO				
Single coverage			\$1,050.00	\$75.00
Family coverage; annuity applied			\$1,250.00	\$355.00
Family coverage; annuity not applied			\$1,050.00	\$555.00
Plan 3				
Single coverage	\$1,000.00	\$50.00	\$1,050.00	\$60.00
Family coverage; annuity applied	\$1,200.00	\$325.00	\$1,250.00	\$345.00
Family coverage; annuity not applied	\$1,000.00	\$525.00	\$1,050.00	\$545.00
Plan 3 HMO				
Single coverage			\$1,050.00	\$25.00
Family coverage; annuity applied			\$1,250.00	\$300.00
Family coverage; annuity not applied			\$1,050.00	\$500.00