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PUBLIC EMPLOYMENT  
RELATIONS BOARD

INTEREST ARBITRATION

IN THE MATTER OF ARBITRATION	)	
	)	
OKOBOJI COMMUNITY SCHOOL	)	
DISTRICT	)	
	)	
EMPLOYER,	)	INETEREST ARBITRATION
	)	
and	)	AWARD
	)	
OKOBOJI EDUCATION ASSOCIATION	)	
	)	
EMPLOYEE ORGANIZATION.	)	

**APPEARANCES**

FOR THE EMPLOYER

Stephen F. Avery, Attorney at Law  
Katy Sporrer, Business Manager  
Gary Janssen, Superintendent  
Jeff Nielsen, Board Member

FOR THE UNION

Todd Louwagie, UniServ Director  
Shelly Staker, UniServ Director  
John Studer, Advocacy Specialist

**STATEMENT OF JURISDICTION**

This matter proceeds to Interest Arbitration pursuant to the provisions of Chapter 20, Code of Iowa. Okoboji Community School District, Milford, Iowa, is a public employer (hereinafter "Employer" or "District"), and the Okoboji, Education Association (hereinafter "Association") is a public employee organization.

A hearing was held on June 15, 2016 at the District Office in Milford, Iowa. The hearing commenced at approximately 10:05 AM. At hearing the parties were afforded the full and complete opportunity to introduce evidence and frame arguments in support of their respective positions on each item at impasse. Solely upon the evidence in the record and the arguments of the parties at hearing, this Award is rendered.

**CRITERIA APPLIED IN DRAFTING THIS RECOMMENDATION**

The Iowa Public Employment Act contains the criteria that are to be used by interest arbitrators in the formulation of interest arbitration awards. Chapter 20 Section 22 paragraph 7 of the Act sets forth the following criteria:

The arbitrator shall consider, 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.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

An interest arbitrator may choose one of two possible positions on an item or items at impasse. He or she may select the position of the public employer or the public employee organization on each item submitted for hearing and decision.

### **BACKGROUND**

The Okoboji Community School District (hereinafter "Employer" or "District"), is located in Dickinson County, Iowa. The Okoboji Education Association (hereinafter "Association") represents the employees in the Certified Bargaining Unit for purposes of collective bargaining. The Employer and the Union mutually agreed to the selection of the undersigned Arbitrator.

The Association represents 82 employees of the District who work the equivalent of 81.8 employees. During the school year the ended in 2016 the student enrollment was 959.2 students and the District ranked 113 in size of Iowa School districts. The District is a member of the Siouxland athletic conference.

The Association and the District have engaged in collective bargaining beginning in 1989 and have reached voluntary agreements for all Collective Bargaining Agreements except for one time.

### **FINAL OFFER OF THE ASSOCIATION**

The Association is proposing to increase the Schedule A Base by \$600

Total Package Increase:	3.58%
Total Package Cost:	\$203,808

## **FINAL OFFER OF THE EMPLOYER**

### **1. Article Three – wages and salary**

Increase the base on Schedule A by \$500. Employees eligible for seniority step increase or horizontal move will be so compensated.

### **2. Balance of contract remain as in the 2015-2016 contract except dates will be advanced.**

## **STIPULATIONS**

At the hearing the parties agreed to receive the award by electronic communication.

## **DISCUSSION**

An interest arbitrator must select either the final offer of the Union or the final offer of the Employer on each item at impasse and lacks the authority to do other. Further, in weighing the final offers the arbitrator must apply the factors contained in The Public Employment Relations Act, Chapter 20, Section 22, and Sub-section 9. The Act specifically sets forth the authority of an Arbitrator as follows:

The arbitrator shall consider, 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.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

The undersigned arbitrator must consider the statutory factors when rendering a decision upon each issue presented by the parties and has been applied those factors in formulating the decision in the instant impasse.

The Association offered the following arguments in favor of its proposal:

1. Their final offer is below the average base increase settlements contained in past collective bargaining agreements.
2. Their final offer is comparable to or less than the settlement in their proffered comparability groups.
3. The total cost for the certified staff will decrease from the cost last year.
4. There are significant turn over savings for the 2016-2017 contract year and such savings will cover the cost of their final offer
5. Enrollment is projected to increase for the next several years.
6. The unspent balance will be greater than the District has projected and has been greater than such projections for the last several years.

The Association presented evidence that was, in relevant part, uncontroverted by the District. The Association noted that the difference in the final offers was \$14,284 by their calculation and \$15,069 according to the District. The percent of difference is either .27% (using District calculations) or .25% (using the Association calculations).

The Association noted that the history of bargaining supported its position. Specifically the Association pointed out the average settlement for the past 18 years of bargaining was 1.79% above the average new money received by the district. Further, the Association note that in the years in which the District had received new money near or in excess of 6% the settlements had averaged 4.3%.

The Association offered four comparability groups, being: 1. the Siouxland Athletic Conference, 2. schools with in a sixty mile radius of Milford, 3. the ten larger and the ten small schools, and, 4. schools receiving between 5% and 7% increases in new money.

Within the Siouxland Conference the average settlement were as follows:

- \$16 above the Association's proposed increase
- \$25 above the Association's proposed salary
- 1.46% below the new money as compared to the Association's 2.49%

Within a sixty mile radius

- \$28 above the Association's proposed increase
- 1.32% above new money as compared to the Association's 2.49%

The ten larger and ten smaller Districts

- .81% above new money as compared to the Association's 2.49%

Districts that received between 5% and 7% new money

- \$326 above the Association's proposed salary increase
- .41% total package settlement above the Association's proposal

- 1.68% below new money as compared the Association's 2.49%

The Association projected a turnover savings of \$220,428 (savings due to reductions in staff and replacement of current staff with less senior staff). Thus the actual cost of their 3.58% total package when such turnover saving are applied becomes -.29% and if the District's figures are used the final cost is -.54%. The Association noted that there had been three years of significant cost reductions as attributed to the bargaining unit employees.

The Association also noted that enrollment has increased over the last five years and is projected to increase over the next five years. According to the Association the increase in enrollment will increase the money available to the District but will not necessarily mandate an increase in the number of certified staff.

The Association also noted that the District had underestimated its unspent balance for eight of the last nine years. According to the Association the District's projections have been inaccurate and that in reality the District will have increased unspent balances due to increase in enrollment.

Lastly, the Association noted that its' proposed settlement will not increase taxes and that the District can afford the increase.

The District noted that under either its' final offer or the Association's final offer all bargaining unit employees would receive a raise and an increase based upon tenure.

The District argued that it is in the unique situation of being located between two large school districts, Estherville and Spenser and that open enrollment options must be considered as a relevant factor. According to the District, while there have been some students have been open enrolled into the District others have open enrolled out of the District. School funding is based upon the number of students enrolled and the uncertainty from year to year caused by the ability to open enroll mandates prudent financial management.

Further, the District noted that the growth in housing has not resulted in a large increase in enrollment as many of the homes are either summer vacation homes or occupied by older couples without school age children in the home. Further, the District noted that the last two measures voted upon to increase the taxes have failed. Again, mandating the necessity for prudent financial management.

With respect to "new money" the District noted that in some years' salary increases were

greater than the new money received from the state and in other years less than that received from the state. The inconsistency of the new money received from the state mandates prudent financial management.

The crux of the District's argument is that it is in "competition" with the two contiguous districts as noted above and that it must stay competitive in the education in offers to its constituency.

Carefully considering the evidence and arguments presented at the hearing and applying the factors mandated by the Public Employment Relations Act the final offer of the Association is the most reasonable offer. The history of collective bargaining, comparability, projected increases in enrollment and the ability of the District to fund the Association's final offer all weigh heavily in favor of the Association.

**AWARD**

The Schedule "A" Base shall be increased by \$600.

**DATED** this 1st day of August, 2016 at Minburn, Iowa.



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John R. Baker,  
Attorney at Law  
Arbitrator

CERTIFICATE OF SERVICE

I certify that on the 1<sup>st</sup> day of August, 2016, I served the foregoing Award of Arbitrator upon each of the parties to this matter by electronically mailing a copy of them at their respective E-Mail addresses as shown below:

Steven F. Avery  
[steve@cabslaw.com](mailto:steve@cabslaw.com)

Todd Louwagie  
[Todd.Louwagie@isea.org](mailto:Todd.Louwagie@isea.org)

I further certify that on the 2nd day of August, 2016 I will submit this Award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street, Suite 1B, Des Moines, IA 50319.



John R. Baker  
Attorney at Law  
Arbitrator