

IN THE COURT OF APPEALS OF IOWA

No. 1-054 / 10-0910

Filed April 27, 2011

DON BANEY, CARL BRANDT, SARA BROOKHART, WILLIAM DANE, PAULA ELLIOTT, JOE EMBERLIN, JENNIFER GUILD, TROY JONES, RICHARD KENWORTHY, JENNIFER KIMBROUGH, CHRISTINE KING, KASEY KIRTS, DAVID LOCKRIDGE, WHITNEY MANN, BONNIE MATEJSKI, MARY JO MELLOY, LOIS OSBORN, TONY SCHMITZ, CARRIE SCHNEIDER, SHELLY SILVER, LUANN SMITH, RYAN SMITH, VICKIE WHITE, LANCE WIGNALL, DON WOLTER, and JAMES YOUNG,

Plaintiffs-Appellants,

vs.

**FIFTH JUDICIAL DISTRICT,
DEPARTMENT OF CORRECTIONAL SERVICES,**

Defendant-Appellee.

Appeal from the Iowa District Court for Polk County, James H. Carter,
Judge.

The plaintiffs appeal from the district court's order granting summary judgment in favor of the defendant. **AFFIRMED.**

Pamela J. Walker of Sherinian & Walker Law Firm, West Des Moines, for appellants.

Thomas J. Miller, Attorney General, and Jeffrey C. Peterzalek and Matthew Oetker, Assistant Attorneys General, for appellee.

Heard by Vogel, P.J., Vaitheswaran, J., and Mahan, S.J.*

*Senior judge assigned by order pursuant to Iowa Code section 602.9206 (2011).

VOGEL, P.J.

The plaintiffs appeal from the district court's order granting summary judgment in favor of their current or former employer, the Fifth Judicial District Department of Correctional Services (District). Because we agree with the district court that the plaintiffs' claims were resolved in binding arbitration, we affirm the grant of summary judgment.

I. Background Facts and Proceedings.

The plaintiffs are current or former employees of the District. The plaintiffs were covered under a collective bargaining agreement (CBA) between the State and the American Federation of State, County, and Municipal Employees (AFSCME).

On March 2, 2006, AFSCME filed a grievance under the CBA on behalf of "all affected employees" against the District. It alleged that employees who were promoted or reclassified were not receiving appropriate pay increases according to the Community-Cased Corrections Personnel Classification System (Classification Plan). The grievance was denied and went to binding arbitration. The parties disagreed as to whether the claim was arbitrable—the District argued that the grievance did not arise under the CBA and could not be arbitrated, whereas the plaintiffs argued that wages were negotiated under the CBA and the Classification Plan was a method to apply the wage scales.

On July 25, 2008, the arbitrator issued a forty-nine page decision and award. It stated that the issues as presented by both the parties were (1) whether the issue was arbitrable; (2) whether the District violated the CBA when it failed to apply the Classification Plan to calculate the pay of employees upon

their promotion or reclassification; and (3) the appropriate remedy. The arbitrator found that the claim was based upon the interplay of the CBA and the Classification Plan, and was arbitrable. The arbitrator further found that under the CBA, the Classification Plan had to be approved by the District's Board of Directors before it was effective and the Classification Plan was not adopted until April 26, 2006. Therefore, the provisions of the CBA regarding wages had not been violated. With respect to their claims accruing after April 26, 2006, the plaintiffs had not exhausted the grievance procedures in the CBA. Therefore, the arbitrator found no violation of the CBA.

On September 10, 2008, the plaintiffs filed suit claiming a violation of the Iowa Wage Payment Collection Law. See Iowa Code ch. 91A (2007). They alleged the District failed to pay them the correct amount of wages as required by the Classification Plan. The District answered and raised several affirmative defenses. The District moved for summary judgment asserting that (1) the plaintiffs' suit was barred because the plaintiffs' claims against the District were resolved through binding arbitration; (2) the plaintiffs' claims arising after April 26, 2006, should be dismissed because the plaintiffs failed to exhaust the grievance remedies; and (3) the plaintiffs' claims that accrued before September 10, 2006, were barred by the statute of limitations. The plaintiffs resisted and moved for partial summary judgment.

On April 29, 2010, the district court ruled on the summary judgment motions, denying the plaintiffs' and granting the District's. It found,

It was the decision of the arbitrator that employees of the Defendant obtained no rights under the classification plan until April 26, 2006, when it was formally adopted by the Defendant's board of

directors. . . . It is the conclusion of the Court that the arbitrator's decision denying all claims based on promotions prior to April 26, 2006, is binding on all the named Plaintiffs in this action. Plaintiffs urge that their wage claims are independent statutory causes of action that exist irrespective of the arbitrated issues. The Court disagrees. The cases . . . relied on by Plaintiffs involved an independent statutory source of substantive rights. In contrast, Iowa Code chapter 91A, on which the Plaintiffs rely in the present action, creates no independent substantive rights to wages. The source of such rights is the contract of hire. Those contractual rights or lack thereof have been determined in arbitration and should not be re-examined in this action. In the alternative, the Court rules, based upon its own independent conclusion, that no employee rights to compensation under the classification plan arose prior to April 26, 2006. . . .

The foregoing conclusions support the grant of summary judgment denying all Plaintiffs' claims based on wage payments prior to April 26, 2006. Personnel transactions occurring after April 26, 2006, are sufficiently removed from those transactions that have been grieved so as to require a renewed grievance under the procedures established in the collective bargaining agreement. It appears without dispute that no renewed grievance has been presented. Accordingly, the post April 26, 2006, claims must be rejected for failure to exhaust contractual remedies.

The plaintiffs appeal.

II. Standard of Review.

We review a district court's ruling on a motion for summary judgment for correction of errors at law. Iowa R. App. P. 6.907. Summary judgment should be granted when the entire record demonstrates there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. Iowa R. Civ. P. 1.981(3).

Thus, on review, we examine the record before the district court to decide whether any material fact is in dispute, and if not, whether the district court correctly applied the law. In considering the record, we view the facts in the light most favorable to the party opposing the motion for summary judgment.

Shriver v. City of Okoboji, 567 N.W.2d 397, 400 (Iowa 1997) (internal citations and quotation omitted).

III. Analysis.

The plaintiffs assert the district court erred in finding the arbitration was binding regarding their current claim. “[I]n determining the arbitrability of a grievance, the ‘threshold’ question is whether the parties agreed to settle the disputed issue by arbitration. In fact, as will be seen, this appears to be the only question in such controversies.” *Postville Cmty. Sch. Dist. v. Billmeyer*, 548 N.W.2d 558, 560 (Iowa 1996). “A court’s inquiry in a case which has gone to binding arbitration is limited to whether the grievance is arbitrable, and whether the decision of the arbitrator draws its essence from the agreement.” *Woodruff v. Associated Grocers of Iowa, Inc.*, 364 N.W.2d 215, 216 (Iowa 1985).

Put another way, the court need only determine (1) whether the grievant has alleged a violation of the collective bargaining agreement, and (2) whether the agreement’s grievance procedure authorizes the arbitration of this particular dispute. Beyond this two-part analysis, judicial inquiry into the merits of the dispute is not permitted. This limited judicial review gives the parties what they have bargained for—binding arbitration, not merely arbitration binding if a court agrees with the arbitrator’s conclusion.

Postville Cmty. Sch. Dist., 548 N.W.2d at 560 (internal citations and quotations omitted).

The plaintiffs assert their claim was not arbitrable. However, at the arbitration hearing they asserted the opposite, arguing that the CBA had been violated because pursuant to it, the Classification Plan applied and they should have been paid more upon promotion or reclassification. See *id.* at 561 (“[A] mere claim or ‘allegation’ relating to violation of the collective bargaining

agreement is sufficient to meet the first prong of the two-pronged arbitrability test.”). The grievance procedure under the CBA authorized arbitration in this dispute. The arbitrator found that the plaintiffs’ claim relied on the interplay between the CBA and the Classification Plan and their claim was arbitrable. We too find the claim was arbitrable.

The plaintiffs also assert that irrespective of the arbitrated issues, their wage claims are an independent cause of action under Iowa Code chapter 91. The plaintiffs argue that they are not claiming substantive rights from chapter 91, but are claiming substantive rights under the Classification Plan. Essentially, the plaintiffs argue that because the arbitrator found the Classification Plan did not apply until April 26, 2006, they should now be permitted to file in district court and again argue the Classification Plan applied to them prior to April 26, 2006. This is the same claim raised and decided against them in arbitration, and is binding.

Because we find the district court properly entered summary judgment in the District’s favor, we do not reach the plaintiffs’ argument the district court should have entered summary judgment in their favor.

AFFIRMED.