

STATE OF WASHINGTON

BEFORE THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

COWLITZ COUNTY JAIL EMPLOYEES'
GUILD,

Complainant,

vs.

COWLITZ COUNTY,

Respondent.

CASE 27162-U-15

DECISION 12483 - PECB

FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND ORDER

Christopher J. Casillas, Attorney at Law, Cline and Casillas. for Cowlitz County Jail Employees' Guild.

Howard Rubin, Attorney at Law, and *Daniel L. Boyer*, Attorney at Law, Ogletree, Deakins, Nash, Smoak & Stewart, P.C., for Cowlitz County.

On April 13, 2015, the Cowlitz County Jail Employees' Guild (Guild) filed an unfair labor practice complaint with the Public Employment Relations Commission, alleging that Cowlitz County (employer) refused to bargain by insisting to impasse on a proposal which is alleged to be a permissive subject of bargaining, and by pursuing this proposal to interest arbitration in violation of Chapter 41.56 RCW. Unfair Labor Practice Manager Jessica J. Bradley reviewed the complaint under WAC 391-45-110 and on April 30, 2015, found a cause of action to exist. On May 21, 2015, the Commission assigned the matter to Stephen W. Irvin. On July 17, 2015, the parties filed cross-motions seeking summary judgment of the issue. As part of those motions, the parties jointly stipulated to the material facts relating to the issue, and sought judgment as a matter of law. The parties filed opening briefs and response briefs to complete the record.

ISSUE

Did the employer refuse to bargain by insisting to impasse on a proposal which is alleged to be a permissive subject of bargaining, and by pursuing this proposal to interest arbitration?

The employer did not submit its proposal to maintain the language of Article 7, Section 7.3 to interest arbitration, and therefore did not refuse to bargain in violation of Chapter 41.56 RCW by insisting to impasse on a permissive subject of bargaining.

BACKGROUND

The Guild is the exclusive bargaining representative for the employer's full-time and regular part-time corrections officers.¹ The bargaining unit involved in this case consists of "uniformed personnel" within the meaning of RCW 41.56.030(13), and the parties' bargaining relationship is subject to the interest arbitration provisions of RCW 41.56.430, *et seq.* The events that led to the unfair labor practice complaint occurred while the parties were negotiating a successor collective bargaining agreement (CBA) to the agreement that expired December 31, 2013.

On August 27, 2013, prior to the parties beginning negotiations for a successor CBA, Director of Corrections Marin Fox Hight notified the Guild that the employer intended to lay off three corrections officers as part of cost-cutting measures that included the elimination of six corrections officer positions. On August 29, 2013, Fox Hight notified the three officers of the layoffs, which were to be effective on December 31, 2013.

In a letter to Fox Hight dated September 3, 2013, Guild attorney Christopher J. Casillas demanded to bargain the layoff decision and any of its associated impacts. Director of Human Resources Jim Zdilar responded to Casillas in a letter dated September 9, 2013, stating that "[i]t is the County's position that the Guild expressly waived its right to bargain on layoffs attendant to lack-of-funding under the CBA."

In support of the employer's position, Zdilar referred to the CBA's management rights article and Article 7, Section 7.3, which read in relevant part:

¹ *Cowlitz County, Decision 6347 (PECB, 1998).*

ARTICLE 7 SENIORITY

7.3 The Director of Corrections may lay off any employee, after two weeks prior notice in writing without prejudice because of lack of funds, curtailment of work, or other reasons outside the employee's control which do not reflect discredit on the services of the employee. No full-time employee, however, shall be laid off while there are temporary or probationary employees serving in the same class or position. Layoff due to reduction in force shall be made in inverse order of seniority by his/her classification date in the Cowlitz County Jail. For purposes of this section classifications are understood to be: Corrections Officer.

In a letter to Casillas dated October 8, 2013, Howard Rubin, the employer's legal representative, reiterated the employer's position that the CBA's management rights article and Article 7, Section 7.3 "waive any right of the Guild to bargain about either the County's decision to lay off bargaining unit employees or the effects of those layoffs."

The parties discussed the upcoming layoffs through the fall of 2013 and eventually reached agreement on the issues surrounding the layoffs in December 2013. During that period, the parties also discussed Article 7, Section 7.3 as part of their negotiations for a successor CBA.

On October 22, 2013, the Guild provided the employer an opening proposal that included the following change to the first sentence of Article 7, Section 7.3. The Guild proposed no other changes to the article.

~~The Director of Corrections may lay off any employee, after two weeks prior notice in writing without prejudice because of lack of funds, curtailment of work, or other reasons outside the employee's control which do not reflect discredit on the services of the employee~~ consistent with its collective bargaining obligations.

The employer proposed no changes to Article 7, Section 7.3 in the initial proposal it provided to the Guild. In the course of bilateral negotiations and subsequent meetings with a mediator in 2013 and 2014, the employer did not propose changes to Article 7, Section 7.3, and the Guild did not alter its opening proposal on the article.

During bilateral negotiations and mediation, the Guild informed the employer that it believed Article 7, Section 7.3 was a waiver of its bargaining rights and therefore a permissive subject of bargaining that the employer could not insist upon to the point of impasse. The employer did not agree with the Guild's contention, and held its position that it wanted to maintain current contract language on the article.

Neither party agreed to the other's proposal. The parties submitted a written list of issues for certification to interest arbitration in accordance with WAC 391-55-200. The Guild included Article 7, Section 7.3 as a remaining issue for arbitration, but the employer did not request that the article be considered for certification. On January 8, 2015, Executive Director Michael P. Sellars certified Article 7, Section 7.3 for arbitration along with the parties' other remaining issues. The Guild filed its unfair labor practice complaint on April 13, 2015, and on July 14, 2015, Executive Director Sellars suspended the determination of Article 7, Section 7.3 in interest arbitration proceedings pending the outcome of the unfair labor practice complaint.

APPLICABLE LEGAL STANDARDS

Summary Judgment

An examiner may grant a motion for summary judgment "if the written record shows that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." WAC 10-08-135; *State – Office of the Governor*, Decision 10948 (PSRA, 2010). "A material fact is one upon which the outcome of the litigation depends." *State – General Administration*, Decision 8087-B (PSRA, 2004), citing *Clements v. Travelers Indem. Co.*, 121 Wn.2d 243 (1993). Summary judgment is only appropriate when the party responding to the motion cannot or does not deny any material facts alleged by the party making the motion. *State – General Administration*, Decision 8087-B.

Duty to Bargain

A public employer has a duty to bargain with the exclusive bargaining representative of its employees over mandatory subjects of bargaining. RCW 41.56.030(4). Whether a particular item

is a mandatory subject of bargaining is a question of law and fact for the Commission to decide. WAC 391-45-550. To decide, the Commission applies a balancing test on a case-by-case basis. The Commission balances “the relationship the subject bears to the wages, hours and working conditions” of employees, and “the extent to which the subject lies ‘at the core of entrepreneurial control’ or is a management prerogative.” The decision focuses on which characteristic predominates. *City of Seattle*, Decision 12060-A (PECB, 2014), citing *International Association of Fire Fighters, Local 1052 v. PERC (City of Richland)*, 113 Wn.2d 197, 203 (1989). While the balancing test calls upon the Commission and its examiners to balance these two principal considerations, the test is more nuanced and is not a strict black and white application. One case may result in a finding that a subject is a mandatory subject of bargaining, while the same subject, under different facts, may be considered permissive. *City of Seattle*, Decision 12060-A.

An interest arbitration-eligible party can bargain to impasse and seek interest arbitration of a mandatory subject of bargaining. *Washington State Ferries (Inlandboatmen's Union of the Pacific)*, Decision 12134-A (MRNE, 2015). A party commits an unfair labor practice violation when it bargains to impasse over a permissive subject of bargaining. *Washington State Ferries (Inlandboatmen's Union of the Pacific)*, Decision 12134-A, citing *Klauder v. San Juan County Deputy Sheriffs' Guild*, 107 Wn.2d 338 (1986). For interest arbitration-eligible parties, a refusal to bargain by insisting to impasse only occurs where the party advances a nonmandatory subject of bargaining to interest arbitration. *Washington State Ferries (Inlandboatmen's Union of the Pacific)*, Decision 12134-A, citing *City of Lynwood*, Decision 7637 (PECB, 2002); *City of Richland (IAFF, Local 1052)*, Decision 1225 (PECB, 1981); see also *Spokane International Airport (International Association of Fire Fighters, Local 1789)*, Decision 7889-A (PECB, 2003).

It is well established that if a subject of bargaining is permissive, parties may negotiate, but each party is free to bargain or not to bargain, and to agree or not to agree. *Washington State Ferries (Inlandboatmen's Union of the Pacific)*, Decision 12134-A, citing *City of Pasco*, 132 Wn.2d 450 (1997); *Whatcom County*, Decision 7244-B (PECB, 2004). Including a permissive subject of bargaining in a collective bargaining agreement does not render that subject mandatory. *Washington State Ferries (Inlandboatmen's Union of the Pacific)*, Decision 12134-A; see also *Chemical Workers v. Pittsburg Glass*, 404 U.S. 157 (1971). Agreements on nonmandatory subjects of bargaining “must be a product of renewed mutual consent” and expire with the parties’

collective bargaining agreement. *Washington State Ferries (Inlandboatmen's Union of the Pacific)*, Decision 12134-A, citing *Klauder*, 107 Wn.2d 338.

Suspension of Interest Arbitration

If a party believes that a nonmandatory subject of bargaining is being advanced to interest arbitration, it may file an unfair labor practice complaint against the party that insisted to impasse on the nonmandatory subject. WAC 391-55-265(1)(a). The party claiming that a nonmandatory subject of bargaining is being advanced to interest arbitration must have communicated its concern to the other party "during bilateral negotiations and/or mediation." WAC 391-55-265(1)(a).

The objecting party must file and process an unfair labor practice complaint prior to the conclusion of the interest arbitration proceedings if the party advancing the proposal has not withdrawn or cured the proposal. WAC 391-55-265(1)(a). If a preliminary ruling is issued under WAC 391-45-110, the Executive Director suspends the certification of the disputed issues for interest arbitration. WAC 391-55-265(1)(a).

The suspension of the issue remains in effect until a final ruling is made on the unfair labor practice. WAC 391-55-265(1)(c). If the issues were unlawfully advanced or affected by unlawful conduct, the issue shall be stricken from the certification issued under WAC 391-55-200, and the party advancing the proposal shall only be permitted modified proposals that comply with the remedial order in the unfair labor practice proceedings. WAC 391-55-265(2)(a). If the suspended issues were lawfully advanced, the suspension shall be terminated and the issue shall be remanded to the interest arbitration proceeding for a ruling on the merits. WAC 391-55-265(2)(b).

ANALYSIS

The employer argues that the Commission has long considered contract provisions that dictate procedures around layoffs a mandatory subject of bargaining, and that Article 7, Section 7.3 is aligned with Commission precedent because it details the reasons the employer can lay off employees and the manner in which the layoffs will occur. The Guild does not dispute that the subject matter of Article 7, Section 7.3 concerns layoffs, a mandatory subject of bargaining, but it

counters that the language in the article is a waiver of the Guild's collective bargaining rights surrounding layoffs and therefore is a permissive subject of bargaining.

A party may waive its right to bargain through the language in its collective bargaining agreement. A contractual waiver of statutory collective bargaining rights must be consciously made, must be clear, and must be unmistakable. *Yakima County*, Decision 11621-A (PECB, 2013), citing *City of Yakima*, Decision 3564-A (PECB, 1991). When a knowing, specific, and intentional contractual waiver exists, an employer may lawfully make changes as long as those changes conform to the contractual waiver. *City of Wenatchee*, Decision 6517-A (PECB, 1999). An employer's proposal seeking a waiver of a union's bargaining rights is not a mandatory subject of bargaining. *Community Transit*, Decision 10647-A (PECB, 2011), *aff'd*, 178 Wn. App. 1022 (unpublished 2013).

Article 7, Section 7.3 allows the employer to "lay off any employee, after two weeks prior notice in writing without prejudice because of lack of funds, curtailment of work, or other reasons outside the employee's control which do not reflect discredit on the services of the employee." The existence of this language in the parties' CBA indicates that at some point during the parties' bargaining history, there was a meeting of the minds that the employer could proceed with a layoff unencumbered by the duty to bargain with the union if certain preconditions were met.

The Guild proposed altering the language of Article 7, Section 7.3 when negotiations for the parties' successor agreement began in October 2013. The Guild's proposed change would have allowed the employer to lay off "consistent with its collective bargaining obligations," but the employer proposed keeping the article's language intact. Neither party accepted the other's proposal.

In accordance with WAC 391-55-265(1)(a), the Guild informed the employer during bilateral negotiations and mediation that it believed Article 7, Section 7.3 was a waiver of its bargaining rights and therefore a permissive subject of bargaining that the employer could not insist upon to the point of impasse.

The employer argues, relying on *Washington State Ferries (Inlandboatmen's Union of the Pacific)*, Decision 12134-A, that it did not insist to impasse on the issue because it did not submit

it to interest arbitration. The Guild contends that *Washington State Ferries* is not controlling in this case, and that the employer insisted to impasse by making acceptance of a permissive subject of bargaining a precondition for resolution of the CBA, in violation of the Washington State Supreme Court's ruling in *Klauder v. San Juan County Deputy Sheriffs' Guild*.

The Guild argues that the employer insisted to impasse on a permissive subject of bargaining, even though the employer did not submit Article 7, Section 7.3 as one of its issues to be considered for certification to interest arbitration. In support of its argument, the Guild hones in on the portion of the *Klauder* decision in which the Court, citing *NLRB v. Sheet Metal Workers, Local 38*, 575 F.2d 394, 397 (2d Cir. 1978), wrote that "[a] party violates the duty to bargain collectively if it insists, as a precondition for reaching an agreement, on inclusion of a provision concerning a nonmandatory subject of bargaining."

The employer did so, the Guild contends, by proposing to maintain the language in Article 7, Section 7.3, and insisting that its position be accepted in order to reach agreement on the parties' successor CBA. During bilateral negotiations and mediation, the Guild informed the employer that it believed Article 7, Section 7.3 was a waiver of its bargaining rights and therefore a permissive subject of bargaining that the employer could not insist upon to the point of impasse.

When the employer declined to withdraw or change its proposal, the Guild asserts that it had no choice but to move the matter to arbitration. The Guild argues that the employer would likely present its case for maintaining the existing contract language to an arbitrator and, in doing so, continue to insist upon inclusion of a provision concerning a permissive subject of bargaining.

The employer argues that its actions were in line with those of the union in *Washington State Ferries*, in which the union and employer could not reach agreement on articles covering rules for deck department and terminal relief employees. The employer in that case proposed deleting the articles because it believed the articles to be permissive subjects of bargaining, while the union disagreed with the employer's contention and did not agree to delete the articles.

The employer included the terminal relief article on its list of issues for certification to interest arbitration. The union did not include either disputed article on its list of issues, but the Executive Director certified the terminal relief issue as submitted by the employer to interest arbitration. The

employer then filed an unfair labor practice complaint, alleging the union insisted to impasse on permissive subjects of bargaining.

Reviewing the case on its own motion, the Commission concluded in *Washington State Ferries* that the union did not insist to impasse on either disputed provision because the employer was the only party that moved the disputed issues to impasse by submitting them for certification to interest arbitration. The Commission wrote that “[f]or interest arbitration eligible parties, a refusal to bargain by insisting to impasse only occurs where the party advances a nonmandatory subject of bargaining to interest arbitration.” *Washington State Ferries (Inlandboatmen’s Union of the Pacific)*, Decision 12134-A

In this case, the Guild submitted Article 7, Section 7.3 for certification for interest arbitration, but the employer did not. The employer, content with language it considered a waiver of the Guild’s rights, did not fully engage with the Guild in finding a mutually agreeable alternative, but it did not commit an unfair labor practice by insisting to impasse on a permissive subject of bargaining.

The Guild’s assertion that the employer violated its duty to bargain collectively by insisting on the inclusion of a permissive subject of bargaining as a precondition for reaching an agreement is contrary to the Commission’s decision in *Washington State Ferries*. Because the parties are interest arbitration-eligible parties, their impasse procedures are governed by the interest arbitration procedures. If the parties are at impasse on an issue, the process to resolve the impasse is to move that issue forward to interest arbitration, or drop the proposal. An interest arbitration-eligible party cannot essentially insist on inclusion of a permissive subject of bargaining as a precondition for reaching an agreement.

An interest arbitration-eligible party who is seeking a provision it believes to be a mandatory subject of bargaining may advance that issue to interest arbitration. An interest arbitration-eligible party who believes the provision is a permissive subject of bargaining would have the option – after communicating to the other party its belief during bilateral negotiations and/or mediation – to file an unfair labor practice complaint if the other party did not withdraw or modify its proposal.

An interest arbitration-eligible party who previously agreed to a subject in a CBA that it believes is permissive similarly has options. If the provision is permissive, it should expire with the contract. Accordingly, that party would also have the option of filing an unfair labor practice complaint when the other party seeks to enforce the provision after the expiration date of the CBA.

In this instance, the employer did not agree to the Guild's proposed changes to Article 7, Section 7.3, but the employer did not move that article to interest arbitration. Because the employer did not move Article 7, Section 7.3 to interest arbitration, it did not commit an unfair labor practice. Should a layoff become necessary in the future, however, the employer will not have the luxury of intransigence. The employer and union agree that Article 7, Section 7.3 contains a contractual waiver. As such, the parties' lack of agreement on the subject of leaves the parties' successor CBA silent on the issue because the waiver expired on December 31, 2013. To avoid an unfair labor practice complaint, any procedures around future layoffs would have to be a result of the parties' mutual agreement.

CONCLUSION

The employer did not submit its proposal to maintain the language of Article 7, Section 7.3 to interest arbitration, and therefore did not refuse to bargain in violation of Chapter 41.56 RCW by insisting to impasse on a permissive subject of bargaining.

FINDINGS OF FACT

1. Cowlitz County (employer) is a public employer within the meaning of RCW 41.56.030(12).
2. Cowlitz County Jail Employees' Guild (Guild) is an exclusive bargaining representative within the meaning of RCW 41.56.030(2).
3. The Guild is the exclusive bargaining representative for the employer's full-time and regular part-time corrections officers.

4. The bargaining unit involved in this case consists of “uniformed personnel” within the meaning of RCW 41.56.030(13), and the parties’ bargaining relationship is subject to the interest arbitration provisions of RCW 41.56.430, *et seq.*
5. The events that led to the unfair labor practice complaint occurred while the parties were negotiating a successor CBA to the agreement that expired December 31, 2013.
6. On August 27, 2013, prior to the parties beginning negotiations for a successor CBA, Director of Corrections Marin Fox Hight notified the Guild that the employer intended to lay off three corrections officers as part of cost-cutting measures that included the elimination of six corrections officer positions.
7. On August 29, 2013, Fox Hight notified the three officers of the layoffs, which were to be effective on December 31, 2013.
8. In a letter to Fox Hight dated September 3, 2013, Guild attorney Christopher J. Casillas demanded to bargain the layoff decision and any of its associated impacts.
9. Director of Human Resources Jim Zdilar responded to Casillas in a letter dated September 9, 2013, stating that “[i]t is the County’s position that the Guild expressly waived its right to bargain on layoffs attendant to lack-of-funding under the CBA.”
10. In support of the employer’s position, Zdilar referred to the CBA’s management rights article and Article 7, Section 7.3, which read in relevant part:

ARTICLE 7 SENIORITY

7.3 The Director of Corrections may lay off any employee, after two weeks prior notice in writing without prejudice because of lack of funds, curtailment of work, or other reasons outside the employee’s control which do not reflect discredit on the services of the employee. No full-time employee, however, shall be laid off while there are temporary or probationary employees serving in the same class or position. Layoff due to reduction in force shall be made in inverse order of seniority by his/her classification date in the Cowlitz County Jail. For purposes of this section classifications are understood to be: Corrections Officer.

11. In a letter to Casillas dated October 8, 2013, Howard Rubin, the employer's legal representative, reiterated the employer's position that the CBA's management rights article and Article 7, Section 7.3 "waive any right of the Guild to bargain about either the County's decision to lay off bargaining unit employees or the effects of those layoffs."
12. The parties discussed the upcoming layoffs through the fall of 2013 and eventually reached agreement on the issues surrounding the layoffs in December 2013. During that period, the parties also discussed Article 7, Section 7.3 as part of their negotiations for a successor CBA.
13. On October 22, 2013, the Guild provided the employer an opening proposal that included the following change to the first sentence of Article 7, Section 7.3. The Guild proposed no other changes to the article.

~~The Director of Corrections may lay off any employee, after two weeks prior notice in writing without prejudice because of lack of funds, curtailment of work, or other reasons outside the employee's control which do not reflect discredit on the services of the employee~~ consistent with its collective bargaining obligations.

14. The employer proposed no changes to Article 7, Section 7.3 in the initial proposal it provided to the Guild. In the course of bilateral negotiations and subsequent meetings with a mediator in 2013 and 2014, the employer did not propose changes to Article 7, Section 7.3, and the Guild did not alter its opening proposal on the article.
15. During bilateral negotiations and mediation, the Guild informed the employer that it believed Article 7, Section 7.3 was a waiver of its bargaining rights and therefore a permissive subject of bargaining that the employer could not insist upon to the point of impasse. The employer did not agree with the Guild's contention, and held its position that it wanted to maintain current contract language on the article.
16. Neither party agreed to the other's proposal.
17. The parties submitted a written list of issues for certification to interest arbitration in accordance with WAC 391-55-200. The Guild included Article 7, Section 7.3 as a

remaining issue for arbitration, but the employer did not request that the article be considered for certification.

18. On January 8, 2015, Executive Director Michael P. Sellars certified Article 7, Section 7.3 for arbitration along with the parties' other remaining issues.
19. The Guild filed its unfair labor practice complaint on April 13, 2015, and on July 14, 2015, Executive Director Sellars suspended the determination of Article 7, Section 7.3 in interest arbitration proceedings pending the outcome of the unfair labor practice complaint.

CONCLUSIONS OF LAW

1. The Public Employment Relations Commission has jurisdiction in this matter under Chapter 41.56 RCW and Chapter 391-45 WAC.
2. Based upon Findings of Fact 17, the Guild was unable to prove that the employer failed to bargain in good faith by insisting to impasse on a permissive subject of bargaining.

ORDER

The complaint charging unfair labor practices filed in the above-captioned matter is dismissed.

ISSUED at Olympia, Washington, this 23rd day of November, 2015.

PUBLIC EMPLOYMENT RELATIONS COMMISSION



STEPHEN W. IRVIN, Examiner

This order will be the final order of the agency unless a notice of appeal is filed with the Commission under WAC 391-45-350.



PUBLIC EMPLOYMENT RELATIONS COMMISSION

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RECORD OF SERVICE - ISSUED 11/23/2015

DECISION 12483 - PECB has been mailed by the Public Employment Relations Commission to the parties and their representatives listed below:

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