

**Warehouseman's Union Local No. 117—Police Unit
And
City of Auburn
Fact Findings
Arbitrator: Kenneth M. McCaffree
Date Issued: 04/19/1977**

**Arbitrator: McCaffree; Kenneth M.
Case #: 00758-F-77-00033
Employer: City of Auburn
Union: Teamsters; Local 117
Date Issued: 04/19/1977**

In a matter in dispute between)	
)	
City of Auburn)	
)	
and)	Findings of Fact and
)	Recommendations
)	
Warehouseman's Union)	by
Local No. 117--)	
Police Unit)	Fact-Finding Committee:
)	
)	Mark C. Endressen
)	Stanley P. Kersey
)	Kenneth M. McCaffree,
)	Chairman
Pursuant to RCW 41.56)	
)	
Representatives :)	
)	
For the City: Richard N. Burt)	
For the Union: Russ Olson)	April 19, 1977

Background

These parties, after reaching an impasse in their negotiations over the terms of a wage increase in accordance with Article XXI, Section 1 a, of the Agreement between them, effective on June 8, 1976 and in force through December 31, 1977 ask for a Committee to issue findings of fact and recommendations to the parties under RCW 41.56.440. The Fact-finding Committee was selected, and a duly-scheduled hearing was convened in Seattle, Washington on March 24, 1977. The parties were given full opportunity to present evidence, call witnesses and provide arguments in

support of their respective positions. The Fact-finding Committee met subsequently to consider the facts, to deliberate on the issue, and to reach a recommendation. Data and arguments presented by the parties were reviewed, and with due regard to the standards and guidelines set forth in RCW 41.56.460, and subject to the provisions in RCW 41.56.950, the Committee makes the following findings of fact and recommendation.

Findings of Fact

The sole issue submitted to the Fact-finding Committee is the determination of the percentage increase in the base rate of pay, specifically the percent increase to apply to column 1 of Wage Plan B for patrolmen, and column A of Wage Plan B for others as set forth in Appendix "A" of the Agreement between the City and the Union. Further, the parties stipulated that the ten cities listed in Table 1 were those to be used by the Committee for comparisons of wage levels, negotiated percentage increases for 1977 over rates prevailing in 1976, and other data relevant to the issue in accordance with RCW 41.56.460.

At the conclusion of negotiations under the auspices of mediation, the Union had offered to settle for a general wage increase of eight percent. The City proposed a five percent increase. These were the positions of the parties which were submitted to the Fact-finding Committee, and all other issues were agreed resolved.

The Union contended before the Committee that the eight percent base wage rate increase was justified on the basis of (1) the negotiated percentage wage increases for police officers and others in the bargaining units in the ten comparison cities; (2) the level of wages already negotiated for patrol officers and others in the ten comparison cities; and (3) the annual percentage rate of increase in the cost of living (in the Seattle Consumer Price Index) computed quarterly over the past year, demonstrating that the cost of living was rising more rapidly than the requested wage increase.

The City of Auburn argued before the Committee that a five percent base wage rate increase was appropriate for the following reasons: (1) the level of wages for members of the bargaining unit would be maintained relative to patrol officers and others in the ten comparison cities; (2) the increase in wages since 1971 was slightly in excess of the increase in the cost of living and equal to the growth in the General Fund of the City of Auburn, from which Police Department expenses and wages were taken; (3) the percent of the General Fund allocated to the Police Department for total budget and for police salaries and benefits exceeded the averages for these two items for the ten comparison cities, including the fact that the per capita expenditures in the Police Department were \$3.48 greater in Auburn than the average per capita cost in the ten comparison cities in 1976; (4) the budget revenue estimates are up by \$67,000 (2.3 percent) over 1976, and the ability of the City to balance the budget, which is required by law, depends upon an uncertain \$364,000

of federal revenue sharing funds. Thus, on balance, the expected revenues for the City are inadequate to finance a greater wage increase than five percent. (The \$13,027 estimated cost for agreed upon changes in health benefits are not included in the projected 1977 expenditures, and accordingly additional funds would be required to balance the City's budget on this account. In addition, the difference in the eight percent wage increase proposed by the Union and the five percent increase offered by the City would represent an increase in expenditures of \$21,126. A one percent increase in wages and salaries for all city employees would equal approximately \$22,000.)

The data presented to the Committee have been summarized in the tables attached to these Findings of Fact and Recommendations.
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Analysis and Discussion

In reaching a recommendation on the issue before the Committee, the following relationships and situations were observed.

(1). The Auburn base rate for patrolmen was the median rate among the eleven cities (sixth from the highest), and \$5 per month below the average rate in the ten comparison cities in 1976. An increase of five percent would lower the rank of Auburn among the eleven cities to seventh and leave the base rate \$20 below the average of the nine comparison cities whose negotiations are concluded in 1977. Alternatively, an eight percent increase in 1977 for Auburn would increase the base rate to fourth highest among ten cities, and up to \$12 per month in excess of the average of the remaining nine cities. (Kent has been excluded in the 1977 comparisons.) See Table 1, columns 1 and 2.

(2). The average percentage increase negotiated in the comparison cities, although ranging from 5.3 percent to 8.2 percent, was 6.86 percent. The wage rate increases in each city, if weighted by the numbers in the bargaining units, average 7.0 percent. See Table 1, column 6.

(3). The percentage increase in the Seattle Consumer Price Index (cost of living index) between November 1975 and November 1976 was 5.13 percent. The percentage increase in the Index between February 1976 and February 1977 (the latest data available) was 5.99 percent. See Table 2, including footnote #4.

(4). Since 1971, the percentage increase in the base wage rate for Police officers in Auburn has been approximately one percentage point per year higher, on the average, than the percentage rise in the cost of living index. The annual percentage increase in the wage has exceeded the annual percentage change in the index in four of the six years. See Table 2.

(5). "Police salaries and benefits" along with "Total Police Department expenditures" as a percentage of the General Fund of the City of Auburn exceeded the average percentage for these items among the ten comparison cities by 6.1 percentage points in 1976 for both categories

of expenditures. No data are available for 1977 that compare Auburn to the ten comparison cities. The proposed 1977 budget for Auburn does increase the percentages for "Police salaries and benefits" and for "Total Police Department Expenditures" (expressed as a percent of the General Fund) by 2.6 percentage points and 5.0 percentage points respectively. Cash, federal revenue sharing monies, and miscellaneous income are deducted from the aggregate total dollars in the General Fund budget for these comparisons. See Table 3. In Table 4, however, when all monies in the General Fund are considered, the proportions of "police wages" and "police benefits" of the total dollars in the General Fund are seen to change very little with a five percent wage increase included.

It is recognized by the Committee that wages and benefits, as well as total Police Department expenditures are determined only in part by the level of wages and depend to some extent on other things such as the number of personnel in the Department, materials and supplies. Although there are many determinants of the volume of police services and the numbers of police officers required, the City of Auburn has a lower ratio of population per Police officer than any of the ten comparison cities. See Table 1.

(6). Tax and general revenues are estimated to increase by 2.34 percent, or \$67,596, in 1977 over 1976. The increase in 1976 over 1975 was \$260,000, or 9.8 percent, less a one-time increment in the sales and use tax receipts of about \$105,000. (Seven, rather than six, bimonthly sales tax payments from the state were received in 1976, and the \$105,000 represents approximately one-seventh of the sales and use taxes.) Comparable Percentage increases in tax and general revenues across the two years are 2.34 percent in 1977 and 5.7 percent in 1976. See Table 4.

Essentially no increases in business and utility taxes are estimated for 1977 over 1976, and the collection of miscellaneous revenue from non-business licenses, gambling taxes and a variety of other Sources are estimated to decline in 1977 by \$31,000. See Table 4.

The Percentage increase in General Fund expenditures is estimated to be about eleven Percent in 1977 over 1976. The difference in the percentage increases between tax and revenue funds and expenditures is accounted for by a large cash balance carried forward from 1976 which allows the budget to be balanced. See Table 4 and City Exhibit VII.

(7). The 1976 population estimate of 22,300 for Auburn is expected to increase by 1500 to 2000 persons by the end of 1977, or approximately a mid-year percentage increase of about four percent.

Conclusions and Recommendations

The Committee concludes that the position of neither the Union nor the City can be unequivocally supported by the data and by the observed relationship of wages for Auburn police officers to the wages of members of police units in the ten agreed upon comparison cities.

On the one hand, in no case has a wage settlement been completed between a city and its police unit as low as five percent. Although the cost of living increase between November 1975 and November 1976 was approximately five percent, the Committee is of the opinion that the February 1976 to February 1977 change is a more appropriate annual change to consider. This increase is 6.0 Percent. Furthermore, in the opinion of the Committee, after considering the estimated population growth, estimated taxes and revenues and probable expenditures, the proposed budget of the City of Auburn appears, overall, to be adjustable by a further modest increase in wages and expenditures without seriously jeopardizing the financial viability of the City. At the same time, it is recognized that substantial uncertainty surrounds the receipt of federal revenue sharing funds and the rate of population growth of a relatively small city. The City of Auburn does not have unlimited resources at its disposal.

An eight percent increase in the base wage rate, as Proposed by the Union, would approximate the largest increase obtained by any bargaining unit in the ten comparison Cities. Such an increase would make the wage level of the Auburn Police unit higher than the median and would thus increase the position of the Auburn base rate relative to the rates in the other cities. Such an increase would also change the differential between the Auburn base rate and the average base rate among the ten comparison cities from a minus \$5 to a plus \$12, with much larger changes applicable for higher pay grades. Finally, the six percent increase in the cost of living over the past year alone does not support an eight percent wage increase, although in the history of the wage changes for patrolmen in Auburn the annual percentage increases in wages, on the average, have exceeded the annual cost of living increase by a small amount.

After some deliberation, and mindful of the guidelines set forth in RCW 41.56.460, the Committee recommends that an appropriate percentage increase in the base wage rate for the police unit in Auburn would be 6.9 percent, effective January 1, 1977.

Respectfully submitted,

Kenneth M. McCaffree, Chairman
Mark C. Endressen
Stanley P. Kersey

Table 1: Wage Rates and Negotiated Increases,
Ten Cities and Auburn, 1976-1977

City	Base Rate 1976 Patrolman ¹ (1)	Base Rate 1977 Patrolman ² (2)	Computed Percent Wage Increase (3)	Number of Police Officers ³ (4)	Population per Police Officer ⁴ (5)	Negotiated Percent Wage Increase ⁵ (6)
Mercer Island	\$1025	\$1080	5.37	25	820	5.3
Lynnwood	1048	1123	7.15	24	820	7.2
Renton	1149	1243	8.18	46	595	8.2
Kirkland	1034	1054	1.93	20	747	8.0
Redmond	1035	1119	8.12	18	845	8.1
Olympia	982	1034	5.30	27	935	5.3
Mountlake Terrace	1064	1113	4.61	18	972	5.3
Edmonds	1074	1146	6.70	24	1068	6.7
Longview	1082	1164	7.58	46	631	7.6
Kent	1038	N/A ⁶	--	30	588	N/A ⁶
Average--Cities	1053	1120	6.1	--	802	6.86 ⁵
Range	982-- 1149	1034-- 1243	--	--	531-- 1068	5.3-- 8.2
Auburn	1048	--	--	--	531	--
5% increase	--	1100	--	--	--	--
8% increase	--	1132	--	--	--	--

¹ City Exhibit I.

² City Exhibit II and Union Exhibit 1. Union Exhibit yields average for ten cities of \$1110.

³ Data provided by parties orally at the hearing. Numbers in bargaining units.

⁴ Computed by use of column (4) and data in column 1 of City Exhibit VI.

⁵ Compiled from Union Exhibit 3 and City Exhibit IX. Excluding Kent, Union Exhibit yields 7.02 percent average increase. Including 5.3 percent change for Kent as offered by Union, yields an average percent increase for all ten cities of 6.87 from Union Exhibit 3. The increases weighted by numbers in the bargaining units yields an average percent increase of 7.0.

⁶ Final settlement had not been made at time of Committee hearing although Union reported a 5.3 percent increase in wage in 1977 over 1976.

Table 2: Wage Increases and Changes in the Seattle Consumer Price Index, 1971-77

Year	Wage Rates	Consumer Price Index	Wage Increase In excess of
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	Base Rate Auburn ¹	Percent Change Over Prior Year	February Seattle Index ² Prior Year	Percent Change Over (Percentage points)	or (under) CPI Change
1977	--	-- 171.4	^{3,4} 5.99	--	
1976	⁵ 1048	10.0	161.7	6.50	3.5
1975	953	12.6	151.8	11.80	0.8
1974	846	6.0 135.8	10.30	(4.3)	
1973	814	5.5 123.1	3.40	1.1	
1972	772	3.0 119.0	3.80	(0.8)	
1971	750	6.6 114.6	1.81	4.79	
Sum of Per- centage In- creases		43.7		⁶ 37.61	6.09
Percentage In- crease over 1970		48.86 ⁶		41.10	7.76

¹ City Exhibit IV.

² City Exhibit III,

³ Computed on basis of Bureau of Labor Statistics March, 1977 release of Seattle CPI data for February, 1977.

⁴ The percent increase in the Seattle CPI from November, 1975 to November, 1976 was 5.13. The quarterly change, November, 1976 to February, 1977 was at an annual rate of 8.32 percent. See Union Exhibit 4.

⁵ Wage increase effective 6/8/76.

⁶ Computed from City Exhibit III

Table 3: Police Department Expenditures and General Funds, Auburn, 1976-1977

Year and City	Percent Police Salaries and Benefits of General Fund ¹	Percent Police Budget of General Fund ¹	Per Capita Cost of Police Depart- ment Budget (Dollars)
1976			

Average ten			
Cities	23.95	28.60	41.52
Auburn	30.10	34.70	45.00
1977 (Proposed by City)			
Auburn	32.70 ²	39.70 ³	48.75 ⁴

¹ Data from City Exhibit VI.

² Computed from City Exhibits V and VII: \$821,816 plus \$146,269 divided by \$2,961,688. (Amount include five percent wage increase but exclude \$13,027 estimated cost of negotiated fringe benefit package).

³ Computed from City Exhibits V and VII: \$1,174,939 divided by \$2,961,668. (Includes five per cent wage increase, but excludes \$13,027 estimated cost of negotiated fringe benefit package).

⁴ Computed from City Exhibit V: \$1,174,939 divided by expected year end population of 24,100, up 1800 from estimate for 1976 which is contained in City Exhibit VI. Data in Exhibit VI were presumed to be year end estimates.

Table 4: General Fund Expenditures and Revenues by Selected Categories of Expenditures and Revenue Sources for the City Auburn, 1976-1977¹

Item	Actual-1976		Estimated-1977		Change 1977 Over 1976	
	Amount	Percent	Amount	Percent	Amount	Percent
General Fund Expenditures	\$3,187,362	100.0	\$3,543,273	100.0	--	11.20
Wages: Police	737,516	23.14	821,816	23.19	o	11.43
All Dept.	1,974,7656	2.0	2,133,166	60.2	t	8.0
Benefits: Police	134,962	4.23	146,269	4.13	c	8.38
All Dept.	365,870	11.48	422,410	11.92	o	15.45
Wages and Benefits					m	
Police	872,478	27.37	968,085	27.32	p	10.96
All Dept.	2,340,635	73.4	2,555,575	72.10	u	9.2
					t	
					e	
Police Dept. Expenditures	1,003,719	31.0	1,174,939	33.2	--	17.1
General Fund Revenues	3,336,545	100.00	3,543,273	100.00	\$206,728.	6.0

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Cash:Fed. Rev sharing	442,473	13.23	581,605	16.41	139,132.	31.44
Tax & Gen.- Rev	⁴2,894,072	86.77	2,961,668	83.59	67,596.	2.34
Property Tax	973,562	.-	994,046	.-	20,484.	2.10
Sales & Use Tax	733,767	Not	699,693	Not	(34,074.)	11.25²
Bus. & Utility	355,987	.-	357,375	.-	1,388.	0.04
State Shared Rev	381,962	com-	451,661	com-	69,699.	18.25
Other sources	360,632	.-	329,033	.-	(31,599.)	-8.76
Acc't #349	88,160	puted	129,860	puted	41,700.	47.30

¹ Data take from or computed from City Exhibits V and VII,

² The percent increase was computed on the basis of \$628,944 of sales and use taxes received in six bi-monthly payments from the State.

³ A five percent wage increase has been included in all expenditure data.

⁴ Represents an increase of 98 percent over 1975 tax and general revenues, adjusted to 5.7 percent when extra bi-monthly sales and use tax payment is excluded.