

**The Olympia Police Guild
And
City of Olympia
Interest Arbitration
Arbitrator: Michael E. de Grasse
Date Issued: 07/05/1984**

**Arbitrator: de Grasse; Michael E.
Case #: 04941-I-83-00108
Employer: City of Olympia
Union: Olympia Police Guild
Date Issued: 07/05/1984**

**BEFORE THE ARBITRATION PANEL CONSISTING
OF MICHAEL E. de GRASSE, ALICE DALE AND CABOT DOW**

In the Matter of)	
the Interest Arbitration)	
between)	
)	
THE CITY OF OLYMPIA,)	
)	PERC No. 4941-1-83-108
Employer,)	AWARD
)	
and)	
)	
THE OLYMPIA POLICE GUILD,)	
)	
Union.)	
)	

This matter having been submitted to the arbitration panel following a hearing, briefs of counsel, extensive consideration of the issues by the panel and the chairman having made written findings of fact, the chairman now makes the following written determination of the issues in dispute, based on the evidence presented.

1. SALARIES: The base salaries established in Appendix A of the parties' 1983 contract shall be increased 5.40%, effective January 1, 1984.

2. EDUCATIONAL INCENTIVE AND PREMIUM PAY:

A. This is a new provision in the parties' contract and shall become effective January 1, 1985.

B. Educational incentive and premium pay shall be a sum paid as a premium in addition to the officer's base salary. It shall not be included in the base salary for purposes of computing call back, court time, overtime, the cost of living increase, holiday pay, sick leave, vacation leave or other premiums.

C. Each officer who has or is awarded an associate degree from an accredited institution of higher education shall receive 2% of his or her base salary.

D. Each officer who has or who is awarded a bachelor's degree from an accredited institution of higher education shall receive 4% of his or her base salary.

E. Each officer who has or who is awarded a master's degree from an accredited institution of higher education shall receive 6% of his or her base salary.

F. The incentive and premium pay for each degree shall not be cumulative. Thus, an officer who has an associate degree and a bachelor's degree shall receive 4% of his or her base salary, and not 6%.

G. No officer shall receive educational incentive and premium pay until he or she has had three years of experience on the Olympia Police force with satisfactory performance evaluations. In the case of officers who have had Police experience other than with the Olympia Police force, the Chief of Police in the reasonable exercise of his or her discretion may reduce the foregoing qualifying period to one year.

H. To continue to receive educational incentive and premium pay after qualifying initially, the eligible officer must continue to receive satisfactory performance evaluations.

I. To continue to receive educational incentive and premium pay after qualifying initially, the eligible officer must maintain a program of continuing education in police science where the officer completes at least 3 college hours or the equivalent of course work in police science or an equivalent field at an

accredited institution of higher education or its equivalent
This minimum continuing education requirement must be satisfied within two years after the officer initially qualifies for educational incentive and premium pay; it must be satisfied during each 2-year period thereafter. The parties are directed to meet and confer to develop standards for determining that which is equivalent to: 3 hours of course work; a police science curriculum; an accredited institution of higher education.

3. **INSURANCE**: There shall be no change in the provisions for insurance currently contained in the parties' 1983 agreement, provided that the parties are directed to meet and confer to develop a cost containment program incorporating some or all of the following: (1) a requirement for mandatory second opinions for particular surgical procedures, including hysterectomies, hernia repair, cataract removal, heart bypass and heart valve repair; (2) encouragement of out-patient treatment by structuring benefits provided employees or by structuring funds paid physicians; (3) negotiation of fixed fees for all major surgical procedures with health care providers; (4) introduction of fitness or wellness programs in the employee's daily activity; (5) consideration of premium pay for nonsmokers or for particular levels of fitness or wellness; (6) preventive care for cardiovascular victims, or for those employees whose family backgrounds make them higher risks for particular types of diseases; (7) payment to employees of incentives if they are able to secure health insurance through their spouses' place of employment; (8) encouragement of home care or day care alternatives to inpatient care; (9) increase in insurance deductibles; (10) revision of coinsurance.

4. **COURT AND CALL BACK OVERTIME**: The parties shall continue the arrangement contained in their 1983 contract.

5. **OVERTIME AVERAGING FOR DETECTIVES**: The parties shall continue the arrangement contained in their 1983 contract.

6. **SICK LEAVE CONVERSION**: The parties shall continue the arrangement contained in their 1983 contract.

7. **MAXIMUM SICK LEAVE ACCUMULATION**: There shall be an

increase in maximum sick leave accumulation for officers covered by LEOFF II to 960 hours.

8. **HOLIDAYS**: The arrangement contained in the parties' 1983 contract will be retained, unless an additional legal holiday in honor of Martin Luther King is established resulting in an additional paid holiday for federal or state employees, in which case the number of holidays will be increased to twelve.

9. **CANINE PREMIUM**: The current arrangement of one training day per month for canine officers shall become a part of the parties' contract.

10. **CALCULATION OF PREMIUMS**: Calculation of premiums shall be based on a percentage. Motorcycle officers shall receive a premium monthly of 2.5 percent of their base salary. Detectives shall receive a premium of 3.3 percent per month of their base salary, except for those detectives covered by Article IX, paragraph B (1)(a) of the parties' 1983 contract. Senior patrol officers shall receive a monthly premium of 3.3 percent of their base salary.

11. **CALCULATION OF OVERTIME**: The arrangement contained in the parties' 1983 agreement shall be retained.

12. **TERM OF AGREEMENT**: The parties' agreement shall be two years in duration from January 1, 1984 through December 31, 1985. All provisions of the agreement shall remain as stated in the 1983 agreement of the parties, except as modified above, unless otherwise agreed. The general salary increase shall be effective January 1, 1984. Effective January 1, 1985, wages set forth in the parties' new agreement will be increased by a percentage equal to the average rate of increase in the Seattle, CPI-W between 1983 and 1984 for the following months: July-July, September-September, and November-November.

13. **CONTINUING JURISDICTION** : The panel of arbitrators shall retain jurisdiction of this matter for forty-five days following this decision to resolve any difficulties presented in implementing this award. This continuing jurisdiction is

made a part of this award pursuant to the parties' stipulation.
Dated this 5th day of July, 1984.

Michael E. de Grasse
Neutral/Chairman, Arbitration Panel

**BEFORE THE ARBITRATION PANEL CONSISTING
OF MICHAEL E. de GRASSE, ALICE DALE AND CABOT DOW**

In the Matter of the)	
Interest Arbitration between)	PERC. No. 4941-I-83-108
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THE CITY OF OLYMPIA ,)	
)	OPINION AND FINDINGS
Employer,)	
)	
and)	
)	
THE OLYMPIA POLICE GUILD,)	
)	
Union.)	
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NATURE OF PROCEEDING

This matter arose from the parties' inability to negotiate a collective bargaining agreement to succeed their agreement that was effective through December 31, 1983. After the Executive Director of the Washington State Public Employment Relations Commission concluded that an impasse had been reached, the panel of arbitrators composed of Michael E. de Grasse (neutral chairman), Alice Dale (partisan arbitrator for the Olympia Police Guild) and Cabot Dow (partisan arbitrator for the City of Olympia) was formed. The chairman was furnished with a statement of the issues to be resolved.

A hearing was held in Olympia, Washington on April 18 and April 19, 1984. The above-named panel of arbitrators presided at that hearing where the Guild was represented

by Will Aitchison and the City was represented by Otto G. Klein, III. A verbatim transcript of the hearing was prepared by Aitchison Court Reporting. The reporter at the hearing was Peggy Aitchison, Will Aitchison's Spouse. The parties stipulated to the acceptability of Peggy Aitchison as the reporter in this proceeding. Following the hearing, extensive briefs were submitted by both parties, and the matter has been deemed submitted on May 29, 1984, for a final decision by the panel.

A proposed decision was drafted by the chairman and mailed to the partisan arbitrators. The entire panel then met in Portland, Oregon to discuss the proposed decision on June 14, 1984. Following this meeting, a proposed opinion, findings and award were prepared by the chairman. The proposed opinion, findings and award were discussed by the chairman and the partisan arbitrators telephonically before this matter was formally determined. To the extent that the final determination of this matter has absorbed more than the statutory period of thirty days following submission, the parties have stipulated to that additional period of time necessary to resolve this case.

STIPULATIONS OF THE PARTIES

1. This matter is arbitrable under RCW 41.56.
2. This matter is properly before the hearing panel composed of Michael E. de Grasse, Alice Dale and Cabot Dow.
3. All procedural objections to arbitration of this matter pursuant to RCW 41.56 are waived, including the timetables set forth in RCW 41.56.450. At the hearing, the thirty-day time limit for rendering a decision was not waived. This waiver occurred after the hearing.
4. The partisan arbitrators may have contact with their respective principals during the course of the hearing and before the decision is rendered.
5. Any contact or communication with the chairman of the arbitration panel by the other members of the panel

or by the parties will be a joint communication, or will be with prior notice to the other party or panel member, which party or panel member will have the option of participating in the communication or contact.

ISSUES PRESENTED

1. Whether base salaries should be increased, and, if so, how much of an increase should be awarded.
2. Whether officers should receive incentive and premium pay for educational attainment or for longevity, or both.
3. Whether the health insurance benefits should be increased by the City's assumption of 100% of the premiums for dependents' coverage, or decreased by the officers' assumption of those premiums
4. Whether court and call back overtime benefits should be increased.
5. Whether detectives should continue to be paid for overtime as worked or whether detectives should receive a fixed, monthly premium of \$100.00 in lieu of overtime.
6. Whether officers should be permitted to convert accumulated sick leave at the rate of 50% to cash upon retirement.
7. Whether maximum sick leave accumulation should be unlimited or increased to 960 hours for officers covered by the Law Enforcement Officers' and Firefighters' Retirement System after October 1, 1977 (LEOFF II).
8. Whether the number of holidays and the method of holiday compensation should be changed.
9. Whether canine officers should receive a monthly premium of 8 hours of compensatory time.
10. Whether premiums for motorcycle officers, senior patrol officers and certain detectives should be changed from a fixed dollar sum to a percentage of base pay. These premiums will be effective January 1, 1984.

11. Whether overtime should be averaged or continued to be paid as worked.

12. Whether the agreement should be for one or two years, and, if the latter, what salary increase should be granted during the second year.

OPINION AND FINDINGS

I. SALARIES

A. The City's Selection of Comnarable Employers

The City offered criteria composed of cities, counties and the local labor market. In selecting comparable cities, five factors were used:

	<u>Factor</u>	<u>Range</u>
(1)	population	15,000 to 50,000
(2)	assessed valuation	\$500 mil. to \$1.5 bil.
(3)	assessed valuation per capita	20,000 to 60,000
(4)	number of officers	25 to 75
(5)	geographical distance from major metropolitan area	26-100 miles

By revising the use of the assessed valuation factor, the city narrowed its selection of comparable cities to avoid the "unmanageable size of the sample of California cities" (City Brief at 14) The statute speaks only in terms of "like employers of similar size on the west coast." RCW 41.56.460(c). Thus, there seems little statutory warrant for rejecting cities simply because they are in California. Nonetheless, I do not find the City's use of this narrowing device to affect adversely its choice of comparable cities. The City thus concluded that the following cities were comparable to Olympia: Bellingham, Longview, Puyallup, Washington; Albany, Corvallis, and Springfield, Oregon; Corona, Livermore, Pleasanton, and Redlands, California. Factors 1, 2, 3 and 4 have become generally accepted in the increasingly sophisticated analysis of comparable employers. Factor 5 is somewhat novel.

In using the last factor shown above, the City

selected as cities comparable to Olympia those that are 26 to 100 miles from a "hub city" A "hub city" was defined as one with a population equal to or greater than 300,000. That police salaries decline as the distance from a hub city increases is well supported by the evidence. ("A Selection of Comparable Cities by Statistical Methods," by Richard O. Zerbe, Jr., PhD., Ex. L-22) However, there is a dearth of evidence indicating whether or how this distance factor should be delimited. In the words of Dr. Zerbe: "All of the variables have 'natural' cutoff points except distance." I find that the use of the 26 to 100 mile cutoff points is a serious deficiency in the City's method of selecting comparable employers. There are no mathematical or empirical grounds for this 26 to 100 mile range, and, indeed, there is no evidence of an accepted method for measuring such a distance. Therefore, I have rejected this factor as an appropriate means of selecting comparable employers.

The City next developed a list of comparable counties on the grounds that the recent amendment of RCW 41.56.460 now permits cities to be compared to counties. In selecting comparable counties, the City used these factors:

	<u>Factor</u>	<u>Range</u>
(1)	number of officers	25 to 75
(2)	distance between county seat and hub city	26 to 100 miles

Only Washington counties were subjected to the selection factors. Three counties were chosen as comparable: Lewis, Thurston and Whatcom. Putting aside the Guild's argument that counties may not be compared to cities, I find insufficient grounds for concluding that the counties chosen by the City are truly comparable employers. There is no evidence indicating that these counties and Olympia are "like employers." Clearly, law enforcement in a county may differ from that in a city. There is no evidence showing sufficient similarity in function to justify treating the counties proffered by the City as employers "like" the City. Additionally, I find no basis for considering only Washington counties. The statute clearly directs the parties to consider employers on the west coast of the United States, and provides no basis for

limiting employers to agencies within one state. Finally, the second factor of distance from a hub city, I find to have the same deficiencies that are described in my discussion of the City's choice of comparable cities.

The City has urged consideration of the local labor market as an aid in determining the salary issue. Thus, the City has proffered the police departments of the cities of Lacey and Tumwater, the Thurston County Sheriff's department and the Washington State Patrol as composing the local labor market. Certainly, the local labor market may properly affect this analysis, but there must be an evidentiary basis for defining the "local labor market." I find insufficient evidence supporting these law enforcement agencies as composing the local labor market.

On the basis of its choice of comparable employers, its view of the local labor market and its method of computing the value of pension contributions by the employer, the City contends that an appropriate base salary increase would be 1.5 percent for the year 1984 and a 3 percent increase for the year 1985.

B. The Guild's Selection of Comparable Employers

The Guild chose comparable employers using the following factors:

Factor	Range
(1) number of police officers	Olympia times 2 and Olympia divided by 2
(2) population	"
(3) crime index	"
(4) assessed valuation per capita	"
(5) retail sales per capita	"
(6) crime index per capita	"
(7) retail trade per capita	"
(8) number of officers per 1,000 population	Olympia times 2 and Olympia divided by 2
(9) population trends	"
(10) hub city	"

Based on the uniform application of these factors, the Guild proposed as cities comparable to Olympia: Auburn,

Lynnwood, and Renton, Washington; and Campbell, Covina, Gardena, La Mesa, Los Gatos, San Bruno, San Rafael, and Walnut Creek, California. On the basis of these comparable employers, the Guild contends for a general salary increase of 10 percent for the year 1984.

Factors 1 through 8 are reasonable and are similar to those used by the City. The factor based on population trends and the hub city or "mini-hub" factor are new. Both are resisted Strongly by the City.

I find use of population trends to be appropriate in selecting comparable employers given the statute's clear requirement that comparisons be to "like employers of similar size." RCW 41.46.460(c). Reasonably applied, "similar size" should not be limited to cities of a similar size at only a particular moment in time. Whether the proposed comparable city is increasing or decreasing in population at a rate significantly different from the city in question is useful in any rational consideration of whether a given city is truly comparable to another.

Inarguably, a city's population and number of police officers are indicators of comparability. Using the factor of population trends will avoid skewing those two factors (as well as others) by eliminating cities where police departments are understaffed or overstaffed as a result of population change that is different from the city in question. The population trend factor also refines the use of gross population by eliminating cities where the similarity in size to the city in question is purely transitory.

I find use of the hub city criterion by the Guild to be inappropriate. Essentially, the proposal that Olympia is a hub city flows from studies showing a great daily influx of automobiles into Olympia and an interpretation of the statistical work of Richard O. Zerbe, Jr., Ph.D. (Ex. L-22). Traffic studies and the fact that Olympia is the capital of Washington may well be significant, however, I find no evidence showing how these characteristics are used in choosing comparable cities as "hubs." Moreover, these characteristics should be reflected in the other factors used by the Guild in selecting comparable cities.

Dr. Zerbe's analysis of Seattle does not compel the finding that Olympia is a hub city. Dr. Zerbe did not testify in support of the Guild position. Rather, the Guild argued from his written work that concerned Seattle. Yet Seattle is clearly not comparable to Olympia. Dr. Zerbe's analysis proceeded from the assumption that the "hub city" is one with a population equal to or greater than 300,000. Nothing in his work presented at the hearing clearly defines a hub city as other than one with a population of 300,000 or more. No permissible inference from Dr. Zerbe's work shows Olympia to be a hub city. Defining a "hub city" and articulating a method for determining whether a given city is a "hub city" is crucial to using this concept as an additional factor in selecting comparable cities. The record gives neither a definition nor a determining method. Therefore, the Guild's use of a hub city factor in selecting comparable employers is rejected.

C. The Appropriate Salary Increase

I find that modifying the Guild's method of selecting comparable cities by eliminating the hub city factor results in the following comparable employers: Auburn, Bellingham, Lynnwood, and Renton, Washington; Corvallis, Oregon; Campbell, Covina, Gardena, La Mesa, Los Gatos, San Bruno, San Rafael, Walnut Creek, San Luis Obispo, Lodi and Santa Maria, California. I find these employers to be comparable to the City of Olympia. The factors used in selecting these cities are rational and have an empirical relationship to police salaries and work. They have been selected through the application of consistent and uniform ranges. Therefore, they satisfy the statutory requirement to compare "like employers of similar size on the west coast of the United States." RCW 41.56.460(c).

An Olympia police officer's base salary is approximately 5.4 percent lower than the average base salary of the employers I find to be comparable. Because of this difference between Olympia and the comparable employers, as well as other facts described below, I find that Olympia police officers' base salaries as set forth in Appendix A of the parties' 1983 contract should be increased 5.4 percent effective January 1, 1984.

In determining the amount of the salary increase I am guided by two facts in addition to the foregoing analysis of comparable employers. First, there is no contention that the City is unable to pay the 10 percent increase sought by the Guild.

Second, the Olympia Police are strikingly productive. Their productivity was proven at the hearing without cavil by the City, through the use of data showing an increase in the clearance rate by arrest for crimes against persons and property. The clearance rate by arrest for crimes against persons increased from 43% in 1979 to 83% in 1983. The clearance rate by arrests for crimes against property increased during the same period from 17% to 34%. The raw number of these crimes had declined during this period, as well. Evidence submitted by the Guild showed the Olympia clearance rate for person and property crimes to exceed the national average by a substantial percentage. I find that the City's police department is remarkably well managed. Unquestionably, the effective police work shown by the evidence is a result of sound management, but it is also a result of consistently professional and conscientious performance by members of the bargaining unit. This work should not go uncompensated.

I find that a 5.4 percent increase during 1984 and an increase equal to the rise in cost of living for 1985 to be appropriate in view of the City's position with respect to comparable employers, the City's ability to pay and the productivity of the Olympia police officers. With this increased productivity, raising salaries beyond that indicated by cost of living figures for 1984 does not misapply wage market principles. This salary increase is not awarded simply because it is fair, though it is certainly fair. It is awarded in great part because it has been earned. Thus, the increase is consonant with the controlling statutory standards of RCW 41.56.460(f).

The City has contended that any increase in salary should incorporate its method of computing the value of pension contributions as opposed to the Guild's method. The City proposes a net salary analysis like that used by Arbitrator Kienast in a recent Seattle Police Guild case. Following the Kienast method, the base wage is reduced by the amount of pension contribution actually

paid by the employee. Contrarily, the Guild's analysis adds the employer's payment of the employee's "share" of the pension cost to the base wage. If the City's method is used in conjunction with the comparability analysis followed above, then base salaries should be increased 3.77 percent instead of 5.4 percent.

I find the Guild's evaluation of pension contributions on the basis of wage costs preferable to the City's method. In this case, the other factors composing total compensation have been derived using a wage cost analysis. To use a net benefit analysis in considering one item of the compensation package is inconsistent and may distort the total compensation package's value. Before such an approach may be used it should be applied to every element of the compensation package to ascertain how that approach affects other items of compensation such as insurance benefits. No such comprehensive analysis has been suggested or performed here. Thus, I find no reason to depart from the wage cost methodology in the area of pension contribution except that it could reduce the awarded salary increase. I find that increase to be justified by comparison to similar employers and by factors normally or traditionally considered in determining compensation. Therefore, the Guild's approach is accepted.

In summary, the bargaining unit members should have a salary increase of 5.4 percent effective January 1, 1984. This increase is justified by comparison to "like employers of similar size on the west coast of the United States." Although the increase may exceed the rise in cost of living during the past year, it is, nevertheless, justified by increased productivity and the City's ability to pay. I find that to preserve this salary increase the base salary should be increased, effective January 1, 1985, by the amount the Seattle CPI-W increases during 1983-1984 for the periods of July-July, September-September and November-November. I find the CPI-W to be the appropriate index because it includes only wage earners and has been used by these parties in the past.

II. EDUCATIONAL INCENTIVE AND PREMIUM PAY: LONGEVITY PAY

The Guild has urged adoption of a new contractual provision to compensate officers for education and longevity. The proposal is similar to that awarded in the 1983 Renton Police Guild arbitration. The City argues against this proposal contending that there is no correlation between performance and education or longevity. The City also contends that its discretionary tuition reimbursement plan and ample opportunities for training adequately satisfy any need perceived by the Guild.

Concerning longevity, there is no substantial evidence supporting a correlation between time on the job and increased effectiveness. Although it makes sense that this be so, the record is bereft of any factual support for this position. To the contrary, the City persuasively contended that, at least in individual cases, there can be no positive correlation seen between longevity and good police work. Therefore, I find that a premium or incentive on the basis of longevity alone is not warranted in this case.

Concerning educational attainment, the Guild introduced evidence that compels the conclusion that increased education contributes to good police work. Not only does education make an officer more effective in dealing with the public, but it also makes the officer a better employee by reducing absenteeism. I do not find that educational attainment in and of itself will insure better police work or that an officer without a college degree cannot be an effective police officer. Nonetheless, I find that educational attainment is sufficiently correlated to good police work, that it should be encouraged and rewarded. Therefore, the award will contain provisions for incentive and premium pay for educational attainment, subject to certain constraints. This education incentive and premium pay will become effective January 1, 1985. It shall be paid as a premium in addition to the officer's base salary. It shall not be included in the base salary for purposes of computing call back, court time, overtime, cost of living increase, holiday pay, sick leave, vacation leave or other premiums.

Education does not make, ipso facto, a good police officer. Therefore, no officer should receive educational

incentive and premium pay until he or she has demonstrated general fitness as an officer. Thus, I find that the educational incentive and premium pay should not be due until an officer has had three years of experience on the Olympia police force with satisfactory performance evaluations. In the case of officers who have had police experience other than with the Olympia police force, the Chief of Police in the reasonable exercise of his or her discretion may reduce the foregoing qualifying period to one year. Competent conduct as an officer should continue as a condition of educational incentive and premium pay. Therefore, I find that the continuation of educational incentive and premium pay must be conditioned on the eligible officer's satisfactory performance.

As educational incentive and premium pay, each officer who has or who is awarded an associate degree from an accredited institution of higher education shall receive 2% of his or her base salary. Each officer who has or who is awarded a bachelor's degree from an accredited institution of higher education shall receive 4% of his or her base salary. Each officer who has or who is awarded a master's degree from an accredited institution of higher education shall receive 6% of his or her base salary. The incentive and premium pay for each degree shall not be cumulative. Thus, an officer who has an associate degree and a bachelor's degree shall receive 4% of his or her base salary, and not 6%.

To see that the City benefits from one of the advantages of educational attainment, namely, the desire and ability to learn even more, I find that the new agreement should contain a requirement for continuing education. To continue to receive educational incentive and premium pay after qualifying initially, the eligible officer must maintain a program of continuing education in police science. The officer should complete at least 3 college hours or the equivalent of course work in police science or an equivalent field at an accredited institution of higher education or its equivalent. This minimum continuing education requirement must be satisfied within two years after the officer initially qualifies for educational incentive and premium pay. It must be satisfied during each two-year period thereafter. It is within the competence of the parties to develop

particular standards for determining how this continuing education requirement may be satisfied at other than an accredited institution of higher education, or, perhaps, in a field other than "police science." Officers should not be handicapped by the scarcity of "institutions of higher education," or by catalogues that do not use the rubric "police science." The parties shall be directed to meet and confer to develop standards for determining that which is equivalent to 3 hours of course work; a police science curriculum; an accredited institution of higher education.

III. INSURANCE

The Guild proposed that the City pay 100% of the premium for dependents' health insurance coverage. The City now pays 85%. The City contended that as a cost containment measure, the bargaining unit members should bear 100% of the cost of dependents' health insurance coverage. It is important to distinguish between cost shifting and cost containment. To some extent shifting costs causes containment. An individual who has to pay a greater portion of his medical expense may become more prudent in spending for medical services. The City's objective of cost containment is laudable, but I do not find that simply shifting premium costs to the employees is an appropriate cost containment mechanism. I also do not find that increasing the City's share of dependents' health insurance coverage is appropriate given the already rather substantial compensation increases that will be awarded here.

There shall be no change in the provisions for insurance currently contained in the parties' 1983 agreement, provided that the parties are directed to meet and confer to develop a cost containment program incorporating some or all of the following: (1) a requirement for mandatory second opinions for particular surgical procedures, including hysterectomies, hernia repair, cataract removal, heart bypass and heart valve repair; (2) encouragement of out-patient treatment by structuring benefits provided employees or by structuring funds paid physicians; (3) negotiation of fixed fees for all major surgical procedures with health care providers; (4) introduction of fitness or wellness programs in the

employee's daily activity; (5) consideration of premium pay for nonsmokers or for particular levels of fitness or wellness; (6) preventive care for cardiovascular victims, or for those employees whose family backgrounds make them high risks for particular types of diseases; (7) payment to employees of incentives if they are able to secure health insurance through their spouses' place of employment; (8) encouragement of home care or day care alternatives to inpatient care; (9) increase in insurance deductibles; (10) revision of coinsurance.

IV. COURT AND CALL BACK OVERTIME

The Guild wishes to increase court and call back overtime to a minimum of 4 hours. The current agreement provides 2 hours. The City resists this proposal. I find that comparable employers do not depart significantly from the parties' current arrangement. The increase proposed by the Guild has not been justified by the evidence of the actual experience of Olympia police officers. Therefore, I find that the new agreement should retain the arrangement contained in the parties' 1983 contract.

V. OVERTIME AVERAGING FOR DETECTIVES

The City proposes that detectives be paid a flat \$100.00 per month premium in lieu of all overtime. The Guild urges that the parties' present arrangement be retained. Under the current plan, detectives are paid for overtime as worked. The City argues that certain detectives exhaust budgeting funds for overtime early in a fiscal period. By adopting the flat monthly premium, this problem would be solved by giving detectives a disincentive to "overdo" overtime. I find that the City's proposal should be rejected because it shifts the burden of management to nonmanagerial employees. The evidence shows that the Olympia Police Department is well managed, and, thus, it seems that the problem described by the City should be handled in other ways.

VI. SICK LEAVE CONVERSION

I am persuaded that permitting cash conversion of accumulated sick leave at retirement would constitute nothing other than a form of severance pay. Sick leave is not severance pay. The present compensation and retirement scheme does not indicate the need for severance pay. Finally, I do not find evidence that use of sick leave has been, is or will be abused. I also do not find that the Guild's proposal effectively corrects such abuse. Therefore, the arrangement contained in the parties' 1983 agreement should be retained.

VII. MAXIMUM SICK LEAVE ACCUMULATION

The Guild seeks unlimited sick leave accumulation for all employees. Currently, the major portion of the sick leave benefit for employees hired before October 1, 1977 is handled through the Law Enforcement Officers' and Firefighters' System. Those officers hired after October 1, 1977 are covered by a more limited disability benefit program created by amendments to the Law Enforcement Officers' and Firefighters' Retirement Act (LEOFF II). LEOFF II officers may now accumulate a maximum of 720 hours. The City resists the unlimited sick leave accumulation proposal, but concedes that LEOFF II officers may accumulate 960 hours. In view of the parties current and awarded compensation arrangements, I find the City's position to be appropriate. Therefore, the new agreement will increase sick leave for Leoff II officers to a maximum of 960 hours.

VIII. HOLIDAYS

Each party submitted proposals to change the present holiday compensation structure. Essentially, the Guild wishes to increase the number of holidays by one per year to twelve paid holidays. The City wishes to revise the way in which holidays are compensated by obtaining control over when certain officers or whether certain officers may work a holiday. I find that the evidence does not warrant changing the parties' present arrangement. There was some controversy as to whether there will be a mandated additional holiday in honor of Martin Luther King. If such an additional holiday is established resulting in an additional paid holiday for federal or state employees,

then the number of holidays accorded members of the bargaining unit shall be increased to twelve.

IX. CANINE PREMIUM

The Guild has proposed an additional day of compensatory time per month for canine officers. Canine officers now receive a training day per month during which time they may work with their dogs. I do not find the evidence supports an increase in compensation for canine officers. Therefore, the current arrangement of one training day per month for canine officers shall become a part of the parties' contract.

X. CALCULATION OF PREMIUMS

Currently motorcycle officers, certain detectives and senior patrol officers receive a fixed dollar premium each month. The Guild proposes changing to a percentage rate based on 1979 dollars. I am persuaded that a percentage method of computing these premiums is appropriate. This method preserves the value of the premium and eliminates the need to renegotiate these premium items on a case by case basis. Such negotiation may be an advantage to the employer, but it is only a tactical one. Indeed, it places a burden on the employee to negotiate an increased provision to retain that employee's same position. Therefore, the method of computing premiums will be changed to a percentage as reflected by the relationship between those premiums and the 1983 base salary. The parties' awarded compensation structure does not indicate a need to revise those percentages upward by using 1979 dollars. Senior patrol officers and detectives described in Article IX paragraph B(1)(b) shall receive, effective January 1, 1984, a monthly premium of 3.3 percent of base pay. Motorcycle officers shall receive effective January 1, 1984 a monthly premium of 2.5 percent of base pay.

XI. CALCULATION OF OVERTIME

The City proposes averaging overtime to simplify the administration of overtime compensation. I find that the present arrangement of compensating overtime as worked

should be retained. The City's method would sacrifice equity to efficiency. I do not find such a change warranted, especially in the sensitive area of overtime compensation.

XII. TERM OF AGREEMENT

In order to provide a period during which the parties may operate with the new agreement without the necessity of having to formulate positions to bargain a new agreement, I accept the City's proposal of a two-year contract. The parties' new agreement shall be two years in duration from January 1, 1984 through December 31, 1985. All provisions of the agreement shall remain as stated in the 1983 agreement of the parties, except as modified or created by this award, or as agreed by the parties. The general salary increase shall be effective January 1, 1984. Effective January 1, 1985, salaries set forth in the parties' new agreement will be increased by a percentage equal to the average rate of increase in the Seattle, CPI-W between 1983 and 1984 for the following months: July-July, September-September, and November-November.

CONCLUSION

An award shall be rendered in accordance with the foregoing opinion and findings. The panel of arbitrators shall retain jurisdiction of this matter for forty-five days following this decision to resolve any difficulties presented in implementing this award. This continuing jurisdiction is made a part of this decision pursuant to the parties' stipulation.

Dated this 5th day of July, 1984

Michael E. de Grasse
Neutral/Chairman, Arbitration Panel