

IN THE MATTER OF

CITY OF SPOKANE

AND

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS,
LOCAL NO. 29

RECEIVED

OCT 10 1988

PUBLIC EMPLOYMENT
RELATIONS COMMISSION
OLYMPIA, WA

PERC No.: 7150-I-87-166

Date Issued: September 26, 1988

INTEREST ARBITRATION OPINION AND AWARD

OF

ALAN R. KREBS

ARBITRATION PANEL

NEUTRAL CHAIRMAN: ALAN R. KREBS
CITY APPOINTED MEMBER: PAT DALTON
UNION APPOINTED MEMBER: MICHAEL J. McGOVERN

Appearances:

CITY OF SPOKANE

Otto G. Klein, III
Bruce L. Schroeder

**INTERNATIONAL ASSOCIATION OF FIRE
FIGHTERS, LOCAL NO. 29**

James H. Webster

TABLE OF CONTENTS

PROCEDURAL MATTERS	2
APPLICABLE STATUTORY PROVISIONS	3
ISSUES	5
PROPOSALS	6
COMPARABLE JURISDICTIONS	6
COST OF LIVING	15
A. Change in Consumer Price Index	15
B. Cost of Living Difference Between Spokane and the Comparators	18
OTHER CONSIDERATIONS	23
A. Ability to Pay	23
B. Settlements With Other City Bargaining Units	28
C. Productivity	29
D. Comparison by Statewide Ranking	30
E. Turnover	30
FIRE EQUIPMENT OPERATOR POSITION	30
HOURS	34
MEDICAL BENEFITS	37
WAGES	40

IN THE MATTER OF
CITY OF SPOKANE

AND

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS,
LOCAL NO. 29

OPINION OF THE NEUTRAL CHAIRMAN

PROCEDURAL MATTERS

In accordance with RCW 41.56.450, an interest arbitration hearing involving certain uniformed personnel of the city of Spokane was held before an arbitration panel consisting of three persons. City of Spokane appointed Patrick Dalton as its designee on the Panel. International Association of Fire Fighters, Local No. 29 appointed Michael J. McGovern as its designee on the Panel. Arbitrator Alan R. Krebs was selected as the Neutral Chairman of the Panel. The hearing was held in Spokane, Washington, on May 9, 10, and 11, 1988. The City was represented by Otto G. Klein, III and Bruce L. Schroeder of the law firm Heller, Ehrman, White & McAuliffe. The Union was represented by James H. Webster of the law firm Webster, Mrak & Blumberg.

At the hearing, the testimony of witnesses was taken under oath and the parties presented documentary evidence. A court reporter was present, and, subsequent to the hearing, a copy of the transcript was submitted to the Neutral Chairman. In view of the lengthy record, the parties agreed to waive the

statutory requirement that the interest arbitration award be issued within 30 days following the conclusion of the hearing.

The parties agreed upon the submission of post-hearing briefs. The briefs of the parties were received by the Neutral Chairman on July 21 and 22, 1988. On July 25, the Neutral Chairman received an attachment to the Union's brief, which, the Union explained, had been inadvertently omitted when it had mailed its brief. On August 26, the Neutral Chairman met and consulted with the other members of the Arbitration Panel.

APPLICABLE STATUTORY PROVISIONS

Where certain public employers and their uniformed personnel are unable to reach agreement on new contract terms by means of negotiations and mediation, RCW 41.56.450 calls for interest arbitration to resolve their disputes. In interest arbitration, an arbitrator or arbitration panel adjudicates a resolution to contract issues regarding terms and conditions of employment, which are at impasse following collective bargaining negotiations. RCW 41.56.030 defines "uniformed personnel," for whom interest arbitration are available, as encompassing fire fighters. The parties agree that RCW 41.56.450 is applicable to the bargaining unit of fire fighters involved here.

RCW 41.56.460 sets forth certain criteria which must be considered by an arbitrator in deciding the controversy:

41.56.060 Determination of bargaining unit--Bargaining representative. In making its determination, the panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and as additional standards or guidelines to aid it in reaching a decision, it shall take into consideration the following factors:

- (a) The constitutional and statutory authority of the employer;
- (b) Stipulations of the parties;
- (c)

* * *

(ii) For employees listed in RCW 41.56.030(6)(b), comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of public fire departments of similar size on the west coast of the United States. However, when an adequate number of comparable employers exists within the state of Washington, other west coast employers shall not be considered:

(d) The average consumer prices for goods and services, commonly known as the cost of living;

(e) Changes in any of the foregoing circumstances during the pendency of the proceedings; and (Police Lts / CAPTS Agreement)

(f) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment.

RCW 41.56.430, which is referred to in RCW 41.56.460, reads as follows:

41.56.430 Uniformed personnel--
Legislative declaration. The intent and purpose of this 1973 amendatory act is to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of

settling their labor disputes; that the uninterrupted and dedicated service of these classes of employees is vital to the welfare and public safety of the state of Washington; that to promote such dedicated and uninterrupted public service there should exist an effective and adequate alternative means of settling disputes.

ISSUES

The Union represents 295 of the uniformed employees in the City's fire department, up to and including the rank of captain. The Union and the City are parties to a collective bargaining agreement which expired on December 31, 1987. They were unable to reach an agreement on a new contract despite their efforts in negotiations and the efforts of a mediator. In accordance with RCW 41.56.450, the executive director of the Washington State Public Employment Commission certified that the parties were at impasse on a number of issues. The statutory interest arbitration procedures were invoked. Additional negotiations reduced the number of unresolved issues to four:

1. Wages
2. Hours
3. Medical Benefits
4. Maintenance of the fire equipment operator position

With the exception of these four issues, the parties have agreed to all contract provisions for a one-year agreement, effective from January 1, 1988.

PROPOSALS

The City proposes that the base wage for all bargaining unit employees, other than fire equipment operators, be increased by 2 percent. The City proposes deletion of the fire equipment operator position and suggests that all money saved from this position's deletion be utilized to increase the base fire fighter wages. These additional monies would be provided to the bargaining unit employees in addition to the proposed 2 percent wage increase. The City proposes retaining current contract language on hours. Finally, the City proposes that its contribution rate for medical benefits be established at 108 percent of the level paid in 1987. All additional amounts necessary would be paid by the employee.

The Union proposes that all base pay rates be increased by 7.25 percent. The Union opposes the City's proposal to abolish the position of fire equipment operator. The Union proposes that the number of hours worked be modified in order to reduce the average workweek from 52 to 50 hours. The Union further proposes that the City continue to pay 100 percent of the premiums for medical coverage under its current medical plan.

COMPARABLE JURISDICTIONS

One of the primary standards or guidelines enumerated in RCW 41.56.460 upon which an arbitrator must rely in reaching a

decision is a "comparison of the wages, hours, and conditions of employment of personnel involved in the proceeding with the wages, hours, and conditions of employment of like personnel of public fire departments of similar size" The statute specifies that the comparable jurisdictions should be selected from within the state of Washington unless this results in an inadequate number of comparable employers, in which case, comparable employers should be selected from the west coast of the United States.

The parties stipulated that the following ten jurisdictions should be considered as comparable for the purpose of RCW 41.56.460(c)(ii):

Tacoma
Bellevue
Kent
Everett
Bellingham
Vancouver
Clark County Fire District No. 5
Spokane County Fire District No. 1
King County Fire District No. 39
Pierce County Fire District No. 2.

The parties have opposing positions regarding whether the following cities should be considered as comparable jurisdictions:

Seattle
Yakima

The parties further stipulated that they would argue the relative weight that should be given to any particular comparable or group of comparables.

The statute was amended in 1987 so as to require the selection of comparable employers by choosing "public fire departments of similar size." Based on this language; one can look primarily at either the population of the service area or the number of department employees in order to determine similarly sized jurisdictions. Listed below are the stipulated and contested comparable jurisdictions along with the figures representing their population and total fire department personnel. The figures for the city of Spokane are included and are highlighted, as are the two contested jurisdictions.

	<u>Population</u>	<u>Total F. D. Personnel</u>
<u>Seattle</u>	500,000	970
<u>Spokane</u>	172,000	313
Tacoma	160,000	375
Bellevue	100,655	141
CCFD #5	87,000	69
SCFD #1	85,000	98
Kent	85,000	110
KCFD #39	81,000	94
PCFD #1	65,000	80
Everett	60,100	147
<u>Yakima</u>	50,000	82
Bellingham	46,000	111
Vancouver	45,000	76

The City argues that Yakima must be included as a comparable employer because it is larger in both population and number of department employees than are other jurisdictions which the Union stipulated as being comparable with Spokane. As additional justification, the City points

out that there is only one other jurisdiction located in eastern Washington on the list of comparables. Thus, according to the City, Yakima should be included to ensure some semblance of geographic balance.

The City argues that Seattle is not comparable to Spokane. Seattle's population is 328,000 more than that of Spokane. The smallest jurisdiction which the parties agreed to as comparable was only 127,000 below the population of Spokane. Thus, including Seattle on the list of comparators results in an upward population band compared with Spokane which is three times greater than the lower band. The City further points out that Seattle has more than three times the number of fire department personnel than does Spokane. Unlike Spokane, Seattle's fire department has fire boats and an emergency medical transport capability. Seattle also has many more high-rise buildings than does Spokane. In other interest arbitrations involving the City of Seattle, Spokane has never been deemed comparable to Seattle.

The City argues that it would be inappropriate to give special status to any one comparable jurisdiction. It asserts that it is well recognized that the Arbitrator should select an adequate number of comparables for a fair comparison. The City contends that if the Arbitrator is inclined to give a certain comparable jurisdiction greater weight, then Spokane County Fire District No. 1 should be the only one accorded

such status, inasmuch as it is the only one located in the same local labor market as Spokane.

The Union argues that Seattle should be considered as a comparable jurisdiction since it falls within the population range of a third to three times that of Spokane. The Union further points out that Seattle and Spokane are the state's two largest cities. Each is the hub of economic activity for a large part of the state. They are two of only four Class II cities recognized in the state by the fire insurance industry. The other two Class II departments in the state are included on the list of comparators. All the other stipulated comparators have lower ratings, meaning that they have been rated as providing a lesser level of fire protection. The Union argues that Yakima should not be considered to be an appropriate comparable jurisdiction because it falls below one-third the size of Spokane in the number of employees in the fire department, assessed evaluation, and the number of emergency responses.

The Union argues that comparative data concerning Tacoma deserves the greatest weight. It points out that Tacoma is by far the closest in size to Spokane when measured by population, assessed value, size of bargaining unit, and number of responses. The Union points out that in the only other interest arbitration award in a proceeding involving the city of Spokane, Tacoma served as the only comparable

jurisdiction utilized by the arbitrator. The Union contends ² that after Tacoma, the Panel should consider those departments that fall within the population range of one third to three times the size of Spokane. The Union asserts that since the cities of Bellingham and Vancouver are substantially smaller than one third the size of Spokane, these departments should not weigh in the economic comparisons.

It is the finding of your Neutral Chairman that Yakima and ² ~~Spokane~~ ^{SEATTLE} shall both be considered as jurisdictions comparable to Spokane. The list of stipulated comparators includes only one eastern Washington jurisdiction. Spokane is in eastern Washington. In view of the dominance of Puget Sound jurisdictions on the stipulated list, the inclusion of another eastern Washington fire department seems appropriate, so long as the inclusion of the proposed department is defensible on the basis of size. Given the parties' stipulation that Bellingham and Vancouver should be on the list, there is no reason to exclude Yakima on the basis that Yakima is too small. Yakima services a larger population than either Bellingham or Vancouver, and its fire department has more personnel than Vancouver, Pierce County Fire District No. 1, or Clark County Fire District No. 5.

Spokane is little more than one-third the size of Seattle. Generally, Arbitrators would view such a disparity in size as too large to be considered "similar in size."

Moreover, the differences between Seattle and Spokane are even more pronounced when comparing number of department employees and assessed value. However, here, among the ten jurisdictions which the parties have agreed should be on the list of comparators, are one that is only one-fourth the size of Spokane, two that are close to one-third in size, four that are less than one-half the size, one that is barely half the size, and one that is about 60 percent of the size of Spokane. The stipulated list contains only one jurisdiction that is close in size to Spokane and none that are larger. It would not be fair to compare Spokane only with smaller jurisdictions, most of which are much smaller, when a larger one is available and is arguably comparable. If it can be said that Spokane may be three times the size of a particular jurisdiction and still be comparable, then it would seem that a jurisdiction which is three times the size of Spokane should also be considered comparable. The parties' stipulation of comparable jurisdictions serves to compare Spokane with jurisdictions which would ordinarily be considered as too small to be considered as comparable with Spokane. Seattle, though significantly larger than Spokane, should not be disqualified from comparison if the smaller jurisdictions are not.

RCW 41.56.060(c)(ii) indicates that "an adequate number of comparable employers" must be selected. This implies that

there should be a sufficient number of comparable jurisdictions selected such that the Panel can determine terms and conditions of employment which are usually negotiated by similar bargaining units. Trends and commonly negotiated terms cannot be ascertained by viewing a single jurisdiction. Many factors can influence a particular jurisdiction to agree upon contract terms which would be very different from those which other similarly sized jurisdictions would generally agree upon. This is why an "adequate" sample is necessary. Relying on a single jurisdiction as a lone comparator is inappropriate in view of the language of the statute.

Arbitrator Richard J. Ennis, in a 1978 interest arbitration decision involving the City of Spokane and Spokane Police Guild, Washington State Public Employment Relations Reporter, FA 125, did compare Spokane to a single jurisdiction: Tacoma. For the reasons stated above, I disagree with Arbitrator Ennis' use of only one comparator. Moreover, as can be seen from the other interest arbitration awards submitted by the parties, Arbitrator Ennis' approach has not been followed by other arbitrators. City of Seattle and International Association of Fire Fighters, Local 27, et. al., PERC Nos. 6576-I-86-150 and 151 (Michael H. Beck, 1988) ✓(7 comparators used); City of Walla Walla and Walla Walla Police Guild, PERC No. 6213-I-86-139 (Thomas F. Levak, 1986) ✓(10 comparators used); City of Seattle and Seattle Police

Management Association, PERC No. 5059-I-84-114 (Alan R. Krebs, ✓1984) (7 comparators used); King County and Public Safety Employees. Local 519, SEIU, PERC No. 5500-I-84-125 (William H. Dorsey, Jr., 1985) (4 comparators used); City of Bellevue and Bellevue Firefighters Local 1604, PERC No. 6811-I-87-162 (Janet L. Gaunt, 1988) (11 comparators used).

In each of the above-cited cases, the arbitrator compared the average situation of the comparators with that of the jurisdiction there at issue. Greater or lesser weight was not given to particular comparators based on how close in size the comparator was to the jurisdiction in dispute. Once deemed "similar in size" each of the comparators was given equal weight. I cannot agree with the Union's argument that of the stipulated comparable employers, special weight should be given to Tacoma and no weight should be given to Vancouver and Bellingham. Once the parties stipulated to a list of comparable employers within the meaning of RCW 41.56.060(c)(ii), they, in effect, agreed that they were all "similarly sized" to Spokane. Therefore, they should all be utilized in order to calculate the average situation of the comparable jurisdictions. N.B.

The City's argument that Spokane County Fire District No. 1 should be given special consideration because it is in the same labor market area as the city of Spokane has some merit. Arbitrators frequently consider the situation in the

Besides some labor Mkt. what else might constitute "Special Consideration"

local labor market as one of the "other factors" which may be considered pursuant to RCW 41.56.060(f). City of Walla Walla, supra; City of Seattle and Seattle Police Management Association, supra; City of Bellevue, supra. It is safe to say that during negotiations, the parties will pay special attention to the wages and benefits received by employees of neighboring fire departments. However, there are a number of reasons that limit the significance of the local labor market here. First, there is only one other paid fire fighting entity in the local labor market area. As previously discussed, there are reasons not to place too much emphasis on any single jurisdiction. Moreover, that particular jurisdiction is already receiving consideration as one of the comparable jurisdictions. Also, Spokane Fire District No. 1 services only about half the population, with about one-third of the personnel, than does the city of Spokane's fire department. Other arbitrators have held that a disparity in size serves to reduce or eliminate the special consideration which may be given to a neighboring jurisdiction. City of Seattle and IAFF, supra; City of Bellevue, supra.

COST OF LIVING

(A) Change in Consumer Price Index

RCW 41.56.460(d) requires that the arbitrator take into consideration "[t]he average consumer prices for goods and services, commonly known as the cost of living." The City

asserts that the Panel should focus on the change in the Seattle-Everett consumer price index for urban wage earners and clerical workers (CPI-W), published by the United States Department of Labor, Bureau of Labor Statistics, for the period between July 1986 and July 1987. The City contends that this is the most relevant time period for considering the change in the cost of living because the statistics are put out semiannually and the July figures would be used during bargaining for a new contract, since such bargaining will occur in the summer and fall. The Union argues that the Panel should disregard the consumer price index because one of the primary utilities of such data in interest arbitration proceedings is to serve as a proxy for future compensation changes in comparison cities during the term of the collective bargaining agreement. The Union asserts that sufficient comparative data is available from the comparable employers, and that that data, not the CPI, should be used to judge the size of the appropriate compensation increase. In any event, the Union points to the 5.2 percent increase in the CPI-W for "all cities" which occurred between December 1985 and December 1987. The Union asserts that it is appropriate to look at this two-year period since the last wage increase for bargaining unit members occurred in January 1986.

The Union's view that changes in the cost of living criteria should be disregarded where comparative data is

available from the comparable jurisdictions is not supported by the applicable statute. RCW 41.56.460 does not make comparability a superior criteria to cost of living such that cost of living data will be insignificant if comparability data is available. Rather, the cost of living is listed as a primary standard for the Panel in the same manner as comparability. Therefore, the cost of living figures will be given significant weight for the purpose of determining the appropriate compensation increase. N.B.

Consideration will be given to the change in cost of living during the period suggested by the City, since that is the period that would most likely have been used during collective bargaining. Consideration will also be given to the change in the cost of living during the 1987 calendar year, since that corresponds to the duration of the expired agreement, and since RCW 41.56.060(e) requires the consideration of changes which occur during the pendency of the proceedings. No consideration shall be given to the change in cost of living prior to July 1986, since, presumably, that data was already utilized in reaching the wage and benefit packages for the 1986 and 1987 contracts.

The parties disagree as to whether to utilize the CPI-W index for "all cities" or the index for the Seattle-Tacoma area. Each has its advantages. Dr. David Knowles, a labor economist, testified on behalf of the Union that the

Department of Labor has advised that the "all cities" index is less volatile than the local indexes. He testified that, historically, the local index has usually been used for purposes of collective bargaining, though he senses that there has been some switching to the all cities index. Of course the benefit of using the Seattle-Everett index is that it is closer geographically to Spokane, and most of the comparables are located in western Washington as well. On the other hand, it is not necessarily the case that the change in the cost of living in Spokane is closer to the Seattle-Everett experience than it is to the rest of the country. The record does not establish whether the parties have, in past collective bargaining negotiations, relied on one cost of living index as opposed to the other. Included below are figures using both indexes:

	CPI-W (All cities)	CPI-W (Seattle-Everett)	Avg. of all cities & Sea.-Ev.
July '86 - July 87	3.9%	1.4%	2.65%
1987	4.1%	3.4% (avg. for year)	3.75%

(B) Cost of Living Difference Between Spokane and the Comparators

The City argues that the difference in the cost of living between Spokane and the comparators must be considered. It points out that seven of the comparators are located in the Seattle-Tacoma metropolitan area. The City asserts that when comparing Spokane with these comparators, which are Tacoma,

Seattle, Bellevue, Kent, Everett, King County Fire District No. 39 and Pierce County Fire District No. 2, an adjustment should be made to reflect a 10 percent difference in the cost of living. The Union responds that the data presented suggests that there is merely a 2 percent difference in earnings between workers in Spokane and those in western Washington urban areas.

If it can be shown that the wages and cost of living in Spokane are generally lower than in the comparable jurisdictions, the differences should be considered. Such differences are generally recognized in collective bargaining to justify differing compensation levels between localities. Moreover, Professor Knowles testified that economists generally recognize that differences in the cost of living between localities will often correlate to differences in wage levels.

The City justifies its contention that there is a 10 percent differential in cost of living between Spokane and the Seattle metropolitan area on reported differences in wages and per capita income. The City provided data on all cities in the state with a population of between 15,000 and 250,000. Those cities located within 50 miles of Seattle or Portland had a per capita income which was 23.7 percent greater, on average, than other Washington cities. The cities on the west side of the state had a per capita income which was 21.4

percent greater than those on the east side. Fire fighters in metropolitan areas and those on the west side of the state received over 9 percent higher wages than other fire fighters in the state. Relying on the Washington City and County Employee Salary and Benefit survey for 1987, the City also pointed out that for public employees in 11 selected occupations, there were substantially higher salaries on the west side of the state and in metropolitan areas.

These statistics are not particularly helpful here. As Professor Knowles explained in his testimony, it is not reasonable to group Spokane with all other non-metropolitan or east side cities in the state. Spokane's situation in eastern Washington is unique. Spokane has a population of 172,000. There are no other cities in Washington which lie outside of a metropolitan area and have a population over 50,000. There are no cities of more than 15,000 people within 75 miles of Spokane, and only one within 130 miles. Nothing is to be gained by comparing Spokane with cities between one-third and one-twelfth its size and located at considerable distance.

On the other hand, even Professor Knowles concedes that the cost of living in the Seattle metropolitan area is higher than in Spokane. The city of Spokane and Spokane County Fire Department No. 1 are both situated in Spokane County. According to statistics collected by the United States Bureau of the Census, the per capita income of Spokane County for

1985 is 16.5 percent less than the average for King, Pierce and Snohomish Counties. King, Pierce and Snohomish Counties are in the Seattle metropolitan area. Seven of the twelve comparators are situated in these three counties. Clark County which contains two of the comparators, has a per capita income which is 3.2 percent higher than Spokane County. Whatcom County, in which Bellingham is located, has a per capita income which is 1.0 percent less than Spokane County. Yakima County per capita income is 13.75 percent less than Spokane County.

Professor Knowles also provided data collected from area wage surveys produced by the Washington State Employment Security Department. The Department provides wage surveys, by locality, for various categories of occupations. Professor Knowles testified that he is familiar with the data collection procedures of the Department, and that the data is reliable. Professor Knowles compared all occupations contained in the area wage surveys for Spokane, Pierce, and Yakima Counties, Seattle, and the Vancouver area. A few occupations were omitted because they were not included in each of the surveys. However, between 70 and 80 occupations were used. They were divided into three categories of occupations in the same manner as the state categorizes the jobs: clerical, managerial-professional-technical, and general. Inasmuch as the individual surveys were issued at different times,

Professor Knowles adjusted the figures to reflect the changes in the cost of living. Compared to Spokane, the area wage surveys reflect the following, with a "+" reflecting a higher average monthly wage than that of Spokane County, and a "-" reflecting a lower figure:

	Clerical	Managerial, Professional & Technical	General	
Seattle	+2.7%	+2.2%	+4.1%	?
Pierce County	+3.7%	+1.1%	+8.7%	^{1/}
Vancouver Area	+0.6%	+1.4	+2.1%	
Yakima County	-2.4%	-3.2%	-3.3%	

If the six figures from Pierce County and Seattle are averaged, the result reflects wages which are 3.75 percent higher than that of Spokane County. While this may not accurately reflect the precise difference in the cost of living between the Seattle metropolitan area and Spokane, it is the best information available to the Panel. If the majority of comparators are to be taken from the Seattle metropolitan area, then consideration must be given to that region's higher wages and cost of living. The differences between Spokane, on the one hand, and Vancouver, Yakima,

^{1/}The Union contends that this 8.7% figure should be disregarded since it appears to be significantly greater than all other comparisons. I have chosen to give consideration to this figure since its effect has been diminished by considering the average of the various employment categories and also because the Union's own expert witness submitted this figure and offered no reason why it would be inaccurate.

Bellingham and Clark County on the other, tend to balance out and will be disregarded. Viewed as a whole, the 12 comparators have an average cost of living which is about 2 percent higher than that of Spokane.

OTHER CONSIDERATIONS

In addition to the specific criteria set forth in RCW 41.56.060(a)-(e), RCW 41.56.060(f) directs the Panel to consider "such other factors . . . which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment." Such factors, which are discussed below, have been considered, but with lesser weight than that which is given to the specifically enumerated criteria of comparability and cost of living.

(A) Ability to Pay

A factor frequently raised in contract negotiations and also considered by arbitrators is the ability of the employer to pay wage and benefit increases. The City asserts that it faces a very real financial crisis and that it is unable to pay the Union's demands. The City points to its declining reserves, its borrowings to meet payroll, its reduction in the number of its employees, its declining bond rating, its high rate of taxation and its limited ability to raise more. The Union argues that the City is able to pay for its wage and benefit demands. It contends that the City maintains

substantial unrestricted fund balances in its annual budget, enjoys an extremely low level of bond indebtedness, has excellent bond ratings, and has not tapped a significant revenue source, namely, the business and occupation tax.

It is evident that the City is experiencing financial difficulties. This Union as well as others appear to have recognized this in the recent past since there was a virtual city-wide wage and benefit freeze in 1987. The City has reduced its total work force in each of the past three years. Revenues for the City were lower in 1987 than they were in 1986. The 1988 budget reflects projected revenues which are less than 1 percent higher than they were in 1986.

The City's year-end general fund balance has declined each year since 1986. The Union suggests that the drop in the general fund in 1987 can be attributed to expenditures for the construction of an agricultural trade center. Half the cost of that trade center was paid for by the state. The City paid its share from general fund monies. That may very well have contributed to the decline in the year-end general fund balance during 1987.

The Union points to the substantial balance in the City's internal service fund. However, that fund is used, for the most part, to fund the City's various self-insured insurance programs. In this regard, there was no evidence presented which would indicate that the amount contained in the internal service fund was more than was necessary.

The City had to borrow almost four million dollars in 1987 in order to meet its payroll. In the first five months of ^{Revenues in} 1988, it has had to borrow four million dollars already. Peter ^{Apr.} Fortin, the City's finance director, testified that since he was hired in 1981, the City never had to borrow to meet payroll until 1987.

Mr. Fortin testified that the three largest current sources of City revenue are the sales tax, the property tax, and taxes on private utilities. The state legislature has set maximum rates on these taxes that municipalities may impose, and the City is at the maximum rate allowable for each of these sources of revenue. The only potential revenue available to the City, besides additional borrowings, would be a business and occupation tax (B and O tax). Mr. Fortin testified that no city in eastern Washington levies a B and O tax and that such a tax was just not politically feasible.

It would have been helpful to know how the tax structure of Spokane compared with that of the comparable jurisdictions. N.B. For instance, do all or most of the comparable cities located in western Washington impose a B and O tax? If so, how do the total taxes paid compare? Without this information it is difficult to assess Spokane's tax burden as compared to that of the comparable jurisdictions. If the B and O tax were not considered, then it would appear that the tax burden imposed by Spokane was among the highest. However, the B and O tax must

N.B. be considered in evaluating the tax burden and that information was not presented to the Panel. If Spokane were unusual among the larger cities of Washington State in not imposing a B and O tax, and if such a tax could produce substantial revenue, then it is the decision of the Spokane political establishment and citizenry that its taxes be kept down. Such lower taxes necessarily result in lesser government services. However, under the statutory criteria, that does not dictate that individual fire fighters should be denied fair compensation comparable to other similarly sized fire departments. N.

The Union emphasizes the City's favorable bond ratings. Moody's Credit Report rates the City's general obligation bonds as Aa. Its report says:

The city's importance as a regional economic center and moderate debt burden contribute to the high quality security. Continued ability to expand revenue sources and maintenance of adequate financial reserves are essential to future credit quality

* * *

Financial strain is evidenced in declining reserves.

Moody's Credit Report also indicates that as of September 1987, the unemployment rate in the City is 6.2 percent, the same as the state figure. Standard and Poor recently downgraded the City's bond rating for bonds requiring only city council approval from AA to AA-, while continuing the AA

rating for bonds with voter approval. The following was reported in Standard and Poor's Credit Week:

The downgrades are based on reduced financial flexibility that results from issuers approaching their statutory property tax rate limit, coupled with lower operating fund balances and slower tax base growth.

The lower bond rating may cause borrowing to be more expensive for the City. Nevertheless, as Mr. Fortin concedes, the City's bond ratings remain good.

The foregoing information does not indicate that the City's economy is booming. The slow growth in tax revenue raises some question about the health of the economy. However, the rate of unemployment in the City does not suggest an economy that is severely depressed. The City does appear to have some difficulty in raising enough revenues to pay for the government services which it has decided to offer. As a result, as Assistant Fire Chief Ronald Payton testified, a number of desirable capital expenditures have been put off. The number of City employees has declined. Nevertheless, it has not been shown that this has been caused by a severe economic downturn. The City's current budget difficulties result from tax revenues which are insufficient to pay for the level of services it has decided to provide and which are also insufficient to maintain its fund balances at the level which it finds prudent. However, in order to prove that it is

NB
unable to afford what otherwise would be considered a fair compensation increase, the City must show that it is in economic difficulty and cannot be expected to raise additional revenues or shift funds. Not only has it not been shown that the City is in a severe economic slump, it has also not been shown how the total level of taxes imposed in the City compares with that of other similarly sized jurisdictions in the state. It has not been shown that Spokane cannot raise more revenues, or shift funds, or should not be expected to, given its economic situation when compared with other similarly sized jurisdictions. Therefore, I am unable to conclude that the City is without the financial means to pay compensation which is comparable with similarly sized jurisdictions.

(B) Settlements With Other City Bargaining Units

NB
From the standpoint of both the Employer and the Union, the settlements reached by the Employer with other bargaining units are significant. While those settlements are affected by the peculiar situation of each individual bargaining unit, still there is an understandable desire by the Employer to achieve consistency. From the Union's standpoint, it wants to do at least as well for its membership as the other unions have already done. At the bargaining table, the settlements reached by the Employer with other unions are likely to be brought up by one side or the other. Thus, it is a factor which should be considered by the Panel.

Four other bargaining units of City employees settled for wage and benefit increases in each case totalling between 2.8 and 2.9 percent for 1988. Three of these bargaining units represented bargaining units of police or fire department employees who were entitled to, but did not utilize, interest arbitration. These included a bargaining unit of fire department battalion chiefs who settled for a compensation increase of 2.8 percent.

(C) Productivity

The Union argues that consideration must be given to the increased productivity of Spokane fire fighters over the past decade. The Union asserts that the City's cost per fire call has significantly decreased during this period, much more so than the cost per police department call. The Union asserts that the increase in fire fighter productivity has not been reflected in the relative salaries between police and fire employees.

The increase in the total of fire department calls over the past decade is mostly the result of a much larger number of emergency medical response (EMS) calls. The number of EMS responses have likewise increased among the comparable jurisdictions as they have taken on this new role, so that Spokane does not appear to be unusual in this respect. Comparing the actual present productivity of fire fighters and police officers is not possible based on the evidence

presented, inasmuch as the nature of their work is so different.

(D) Comparison by Statewide Ranking

The Union points out that there are 28 fire departments in the state which pay a higher monthly wage than does Spokane. Many are much smaller than Spokane. None of these departments are in eastern Washington. The statute calls for comparison of similarly sized jurisdictions. Negotiators and arbitrators sometimes consider jurisdictions which are not similarly sized if they are situated nearby. There is no basis in the statutory criteria for considering jurisdictions which the parties agree are not similarly sized and which have no connection except that they are situated on opposite sides of the same state.

(E) Turnover

During the past six years, the Department has experienced only one non-retirement resignation. During the last recruitment, in 1986, there were 641 applicants for fire fighter positions in the city of Spokane. These statistics indicate that the compensation package paid by the City is more than sufficient to attract and retain employees.

FIRE EQUIPMENT OPERATOR POSITION

The City proposes deletion of the fire equipment operator position. Fire equipment operators now receive a monthly

salary which is 5.1 percent higher than that of a fire fighter. The City proposes that the bulk of the money that it saves would be utilized to increase the base wages for all fire fighters. The City reasons that only a very small number of the comparable jurisdictions have a separate fire equipment operator position, that the duties of the fire equipment operator are routinely performed by employees classified as fire fighters, and that those duties do not warrant more pay than is paid to fire fighters.

The Union argues that the fire equipment operator classification should be retained. It asserts that the City's proposal is illegal, since the City's civil service rules require that it first seek permission from the Civil Service Commission before proposing reclassification in bargaining. The Union further argues that the fire equipment operators have responsibilities which are deserving of extra recognition and compensation. The Union asserts that elimination of this classification is not justified by a comparison with the comparable jurisdictions.

The City is not legally precluded from negotiating the removal of a particular classification before the matter is acted upon by the City's Civil Service Commission. The Union points to civil service rules that require reclassification "by order of the Civil Service Commission subject to final action by the City Council." The Union states in its brief

that the City is internally bound by the procedures set forth in the city charter, and accordingly, must first seek permission from the Civil Service Commission before proposing the elimination of a classification. However, in Rose v. Erickson, 106 Wn.2d 420 (1986), the Washington Supreme Court held that the state's collective bargaining laws are dominant over local civil services laws where there is a conflict between the two. RCW 41.56.030(4) sanctions "collective negotiations on personnel matters" and the execution of a written agreement on such matters. Classifications and wage scales are personnel matters within the meaning of RCW 41.56.030(4). Thus, the parties are free to negotiate with regard to the fire equipment operator classification. Any resulting agreement would prevail over the local civil service rules. Even if this were not the case, I know of no reason why the City could not negotiate the elimination of a classification, subject to the later approval of the Civil Service Commission.

The fire equipment operator position has existed in the City since 1969. In view of the existence of such a longstanding practice, the City must bear the burden of proving that a change is in order. The evidence presented was not sufficient to prove that the fire equipment operator position should be eliminated.

It is not unreasonable for the fire equipment operators to be classified separately from fire fighters and to receive a

higher wage. In recognition of the special skills required of the job, an applicant for the position of fire equipment operator must pass an examination. Then every three years, recertification is required on each type of apparatus that might be driven. The fire equipment operator serves as lead man over fire fighters with regard to the care and maintenance of equipment, and usually becomes acting company officer when the officer is absent. The fire equipment officer is responsible for the inspection, maintenance, and operation of vehicles costing as much as \$150,000 in the case of pumpers, and often considerably more than that for ladder trucks. They are required to have knowledge of hydraulics, pumps, and aerial ladders. They must be skilled in the operation and maintenance of various types of fire apparatus. They must maneuver their apparatus through traffic at high speeds, position the apparatus at the fire scene, and then perform the complicated task of setting up the equipment. Thus, the fire equipment operators operate as lead persons, are responsible for very expensive and complicated equipment, and in general have special responsibilities for which special recognition is not out of order. That fire fighters fill in for absent fire equipment operators more than one-third of the time does not mean that the fire equipment operator does not perform work justifying additional compensation. The parties have heretofore agreed upon extra pay for fire fighters who

fill in for the equipment operator, just as extra pay is paid to employees who fill in for the company officer.

Of the stipulated 12 comparable jurisdictions, four currently employ fire equipment operators, and one other, Tacoma, will do so in 1989. The City asserts that the implementation of the fire equipment operation position in Tacoma is irrelevant, since this Panel should not be concerned with the practice of the comparators in 1989. However, the situation in Tacoma, following the implementation of the equipment operator position in Bellevue this year, indicates an expanding trend to recognize that position, not to eliminate it. Thus, while in 1987, only 3 of 12 comparators gave recognition to the fire equipment operator position, by 1989, 5 of 12 will. Thus, the City's practice of recognizing that position does not stand out as significantly different from that of the comparators. There is insufficient reason to delete the fire equipment operator position and thereby decrease the wages of a significant number of the bargaining unit employees.

HOURS

The Union proposes to reduce the weekly hours of duty for 24-hour shift personnel from 52 to 50 by increasing the number of "Kelly" shifts off from one every six weeks to one every four weeks. The Union asserts that this is justified because

personnel in the comparable fire departments generally work fewer hours than in Spokane.

The City argues that the current 52-hour workweek should be maintained. It asserts that this workweek keeps Spokane in line with its comparables, is less than that of others in the local market, and is fair to employees. The City also asserts that the costs associated with the Union's proposal are exorbitant.

The bargaining unit members work a schedule of 24 hours on duty, followed by 48 hours off duty. During the 24 hours on duty, in addition to their assigned work, employees have periods for meals, rest and recreation, and sleep. Every six weeks, each employee is entitled to one Kelly day, i.e., one shift off. This schedule results in each employee working an average of 52 hours per week.

All of the comparable jurisdictions but one also work 24-hour schedules, with Kelly day adjustments. The lone exception is Everett, which works, alternately, 10 or 14 hours at a stretch. Thus, Everett fire fighters must report for more shifts than do the fire fighters in Spokane or any of the comparable jurisdictions. Inasmuch as Everett fire fighters do not work the 24-hour shift worked by Spokane and the other 11 comparable jurisdictions, and since no evidence was presented which would establish the extent of the significance of this variable, I have decided to disregard Everett's

situation with regard to hours. In City of Bellevue, supra, Everett's situation was similarly disregarded.

Listed below are the average weekly hours scheduled by the comparators other than Everett:

Seattle	45.20	
Tacoma	46.60	
Bellevue	50.48	
CCFD #5	52.00	—
SCFP #1	53.05	—
Kent	52.32	—
KCFD #39	48.00	
PCFD #2	51.84	—
Yakima	52.00	—
Bellingham	51.50	—
Vancouver	<u>49.00</u>	
Average	<u>50.18</u>	?
Median	<u>51.50</u>	

The hours worked by the Spokane fire fighters are less than two hours higher than the average, but only one half hour above the median number of hours worked in the comparators. In the majority of the utilized comparators, the hours worked are within about one hour, plus or minus, of the hours worked in Spokane. Spokane County Fire Department No. 1, which is in the same labor market area as the city of Spokane, is one of these. Overall, there has been no showing with regard to hours worked, that the situation of the Spokane fire fighters compared with the situation among the comparators is such that it requires correction.

MEDICAL BENEFITS

In the expired agreement, for each employee, the City committed to pay a designated amount which covered the insurance premium for the Washington State Council of Firefighters/Blue Cross Plan. In that agreement, the parties provided that any premium increase during the term of the Agreement would be paid by the employee, but would be subject to negotiation for the next contract year.

The City asserts that its proposal to cap its contribution rate for medical benefits for 1988 at 108 percent of the level paid in 1987 is reasonable as a cost containment mechanism. The City points to two very large premium increases which resulted in medical premiums for the latter half of 1988 which were 54.8 percent higher than they were during 1987. This was for a medical plan which the Union insisted upon utilizing during negotiations for the expired agreement. These increases occurred on January 1 and July 1, 1988. The City also points out that other City employees had no premium increase, with the exception of police LEOFF I employees who had a premium increase of 13.9 percent.

The Union proposes that the City continue to pay 100 percent of the medical premium, as it has in the past. The Union asserts that medical insurance costs for fire fighters have increased throughout the state. The Union recognizes that the increased premium for medical insurance must be factored into the total economic package.

The following chart lists the costs for Spokane and the comparable jurisdictions of monthly premiums for health benefits for a fire fighter with ten years of experience and with a wife and children. These figures encompass such items as premiums for medical, dental, life, and disability insurance.

Seattle	200
Tacoma	313
Bellevue	341
CCFD #5	301
SCFP #1	313
Kent	242
KCFD #39	331
PCFD #2	345
Everett	230
Yakima	231
Bellingham	195
Vancouver	259
Average (1988)	275
Median (1988)	280
Spokane (1987)	256
Spokane (1st half - 1988)	313
Spokane (2nd half - 1988)	367
Spokane (avg. - 1988)	340

These figures reflect that while Spokane's current contribution would rank eighth out of 13 if grouped with the comparators, the current cost of health premiums for Spokane fire fighters if paid entirely by the City would be 6 percent higher than the highest paid by a comparator. The current premium for insurance is 33 percent higher in Spokane than is the average among the comparables. Considering the lower premiums paid by Spokane fire fighters during the first half

of 1988, still the average premiums for the year for Spokane fire fighters would still be within five dollars of the highest health insurance costs paid by a comparator, and 24 percent higher than the average.

The cost of health premiums for Spokane fire fighters rose a total of 43 percent during 1988. Medical premiums were 54.8 percent higher on July 1, 1988, than they had been at the end of 1987. The Union points to several examples of other insurance plans in the state which have had substantial insurance premium increases during 1988. However, there has been no showing that such increases were common among the comparators. Such increases were not common for insurance plans utilized by other bargaining units representing City employees. In the expired contract, the parties had agreed upon the concept of cost sharing for future premium increases which occurred during 1987. Given the unusually large increase in premiums during 1988 which is out of proportion to the change in the cost of living or the increase in health costs among the comparators, it is appropriate that the employees pay a portion of that increase.

? A 10 percent increase in monthly medical benefits to \$222.20 shall be granted here. Total monthly health benefits will amount to \$276.20. This would place health benefits in Spokane at a level which is very close to the average and the median of the comparators. The amount required to pay the

remainder of the medical premium after the City has made its contribution shall be paid by the employee. In view of the substantial wage increase which is awarded, and the fact that most of the benefit year has passed, the Panel has unanimously agreed that the City's increase in medical premium contributions shall not be retroactive, but rather shall be effective as of October 1, 1988.

WAGES

The City and the Union agree that a comparison of the wages of Spokane and the comparators must take into account the monetary premium which Spokane and four of the comparable jurisdictions pay for the fire equipment operator. For instance, in Spokane, since 38 percent of the fire fighters are equipment operators, that percentage of the premium for equipment operators was added to the base monthly wage in order to arrive at the weighted base wage. Since the average Spokane fire fighter has over 13 years of service, I have based my comparisons on the basis of a fire fighter with 10 years of experience. Both parties agree that any wage increase should be the same percentage for all ranks.

Listed below are the 1987 monthly weighted base wages for a fire fighter with ten years of service in Spokane and the comparators:

Seattle	2668
Tacoma	2756
Bellevue	2629
CCFD #5	2427
SCFP #1	2427
Kent	2691
KCFD #39	2725
PCFD #2	2801
Everett	2857
Yakima	2519
Bellingham	2423
Vancouver	<u>2559</u>
Average	<u>2623</u>
Spokane	<u>2530</u>

This reflects that in 1987, a Spokane fire fighter with ten years of experience received a monthly wage which was 3.7 percent less than the average of the comparators.

All of the comparable jurisdictions have already reached collective bargaining agreements for 1988. Listed below are the 1988 monthly weighted base wages for a fire fighter with ten years of service in the comparators:

Seattle	2756
Tacoma	2852
Bellevue	2736
CCFD #5	2787
SCFD #1	2427
Kent	2765
KCFD #39	2808
PCFD #2	2871
Everett	2942
Yakima	2519
Bellingham	2543
Vancouver	<u>2654</u>
Average	<u>2721</u>

The wage increase required to bring the weighted base wages of a Spokane fire fighter to the average of that of the comparators in 1988 is 7.5 percent.

The 1988 weighted base wage increases for each of the comparable jurisdictions are as follows:

Seattle	3.0%
Tacoma	3.0%
Bellevue	4.0%
CCFD #5	15.0% ^{2/}
SCFD #1	0.0%
Kent	3.0%
KCFD #39	3.0%
PCFD #2	2.5%
Everett	3.0%
Yakima	0.0%
Bellingham	5.0%
Vancouver	<u>4.0%</u>
Average	3.79%
Median	3.16%

The parties agree that a comparison of compensation levels requires more than a mere comparison of base wage levels. The City argues that longevity pay and education premiums, in addition to driver premiums, should be considered. The City asserts that the plethora of other premiums that exist in certain collective bargaining agreements should be disregarded because there are just too many individualized premiums that

^{2/}The City asserts in its brief that the large wage increase in Clark County Fire District No. 5 was attributable to its merger with another fire district. No evidence was presented which would substantiate or explain this assertion.

differ from jurisdiction to jurisdiction. The City points out that this was the approach taken in the recent City of Bellevue decision. The City asserts that insurance premiums should not be lumped together with wages for purposes of comparison, but rather that insurance programs should be separately compared. The City argues that the level of insurance premiums does not necessarily indicate the level of benefits offered. It also points out that, by statute, employees hired before October 1, 1977 (LEOFF I employees) are treated differently with respect to medical coverage than those who were hired afterwards. (LEOFF II employees). All LEOFF I employees are statutorily entitled to broad medical coverage paid for by the Employer. LEOFF I dependents and LEOFF II employees and dependents receive the level of benefits which are established as a result of collective bargaining. The City argues that there is no evidence in the record with regard to the cost of health insurance for LEOFF I employees, and that therefore it is not possible to make a proper overall comparison of health benefits.

The Union argues that a proper compensation comparison should include all fringe benefits, including longevity, holiday pay, insurance, federally mandated overtime, retirement (other than LEOFF), and all forms of premium pay.

I have determined to compare the entire compensation packages, with the exception of a few items which are either

insignificant or difficult to compare. Generally, in negotiations, the parties consider the entire compensation package. The cost of items are generally discussed at the bargaining table. One party or the other may request that money be shifted from wages to benefits or vice versa. Some jurisdictions may agree upon lower base wages, and a higher level of benefits. Others may take the opposite approach. The fairest comparison of compensation requires an examination of the entire compensation package.

Insurance costs are included, though the costs of insurance for LEOFF I employees and for social security are omitted, since those items were not placed into evidence. Insurance benefits may vary from program to program, as the City asserts. In my view, this does not provide sufficient justification for disregarding the cost of insurance, when comparing compensation levels. First of all, the parties are free to negotiate different plans. Moreover, the amount of insurance premiums paid by the employer is a very significant aspect of compensation.

I have not considered holiday pay inasmuch as it is paid in lieu of compensatory time off which other jurisdictions offer. EMT premiums are considered on a weighted basis since it is significant in amount and application. I view it in the same manner as the premium for the fire equipment operator which the parties have agreed should be considered. Bellevue

and Pierce County Fire District No. 2 each have supplementary retirement plans. The cost of those has been considered. Finally, there are a number of premiums which are given to relatively few employees and are insignificant in the totals. They shall be disregarded. Federally mandated overtime is also insignificant and shall be disregarded.

Listed below are the total 1988 compensation figures for fire fighters with ten years of experience in the comparable jurisdictions. The wage figures are again weighted for the fire equipment operator premium. Where there are differences between the figures supplied by the City and the Union, I have taken the average of the two figures. These differences were not significant.

<u>Seattle</u>	
Wages	2756
Longevity	110
Medical	155
Dental	<u>45</u>
Total	3066

<u>Tacoma</u>	
Wages	2852
Longevity	114
Medical	259
Dental	44
Life	<u>9</u>
	3278

<u>Bellevue</u>	
Wages	2736
Education	46
Supp. Retirement	205
Medical	278
Dental	57
Life	<u>5</u>
	3327

<u>CCFD #5</u>	
Wages	2787
Longevity	90
Medical	268
Dental	<u>33</u>
	3178

<u>SCFD #1</u>	
Wages	2427
Longevity	140
Cleaning Allowance	10
Medical	268
Dental	33
Disability	<u>12</u>
	2890

<u>Kent</u>	
Wages	2765
Longevity	111
Medical	239
Life	<u>3</u>
	3118

<u>KCFD #39</u>	
Wages	2808
Longevity	50
Medical	268
Dental	60
Life	<u>3</u>
	3189

<u>PCFD #2</u>	
Wages	2871
Education	14
Supp. Retirement	50
Medical	268
Dental	58
Disability	<u>18</u>
	3279

<u>Everett</u>	
Wages	2942
Longevity	101
Medical	<u>230</u>
	3273

<u>Yakima</u>	
Wages	2519
Longevity	76
Medical	179
Dental	47
Life	<u>5</u>
	2826

<u>Bellingham</u>	
Wages	2543
Longevity	20
Medical	155
Dental	40
	<u>2758</u>

<u>Vancouver</u>	
Wages	2654
EMT Premium	25
Medical	205
Dental	45
Life	5
	<u>2934</u>

The average total wages and benefits of the comparable jurisdictions is \$3093. The following reflects the total wages and benefits for Spokane, excluding the wage and medical premium increases awarded here:

<u>Spokane</u>	
Wages	2530
Longevity	99
Medical	202-?
Dental	37
Life	5-? b1.26
Disability	12 - only for 1/3 Job
	<u>2885</u>

The total wages and benefits received by Spokane fire fighters is 7.2 percent less than the average of the comparable jurisdictions for 1988.

The Union urges that hourly compensation should be compared. It calculates hourly compensation by dividing the annual compensation figure in each jurisdiction by the number of hours scheduled in a year, adjusted for the number of hours corresponding to the allotted Kelly days, holidays, and vacations. I have determined to compare monthly compensation

figures, rather than hourly figures. First of all, there is no evidence that the parties have ever negotiated wages based on an hourly figure. At least since 1981, all collective bargaining agreements between the parties have listed wages on a monthly basis and an annual basis, but not on an hourly basis. Further, as I previously stated in a decision involving the City of Bothell and International Association of Firefighters, Local No. 2099, (1987), while the number of hours worked directly relates to the level of hourly compensation, it would be misleading to factor hours worked, holidays and vacations into the compensation equation for comparative purposes, and to ignore a host of other issues related to hours. For instance in this bargaining unit, compensation is affected by provisions relating to call back and holdover pay, overtime, and court time. The Union's suggested hourly wage comparison also disregards such related items as military leave, education leave, as well as meal periods, sleep time, and other nonactive work time which may significantly affect what may be considered the "hourly" compensation paid by Spokane and the comparators. How in the world?
N.B.

As previously discussed, Spokane fire fighters receive total monthly compensation which is 7.2 percent less than that received, on the average, by the comparators. Items already agreed to during negotiations, when added to the medical benefit increase which is being awarded for the last three

months of 1988, amount to a compensation increase of about 0.4 percent. This reduces the difference to 6.8 percent. The best estimate of the cost of living among the comparators, compared with that of Spokane, indicates that, on the average, Spokane's cost of living is about 2 percent less than that of the comparators. That leaves a 4.8 percent difference in effective compensation. A 4.8 percent wage increase would be significantly higher than the median 3.16 percent or average 3.79 percent wage increase among the comparators for 1988. It is about two percentage points higher than the compensation increases negotiated with other City bargaining units. It is also higher than the cost of living increase, no matter which index or time period is relied upon. For these reasons, and in view of the statutory criteria that requires consideration of not only comparability, but also cost of living, and other factors normally taken into consideration in the determination of wages, I find that a wage increase of 4.5 percent is appropriate. That will result in a total compensation increase of about 4.9 percent.

A 4.5 percent wage increase would be a higher percentage increase than that which was received in all but two of the comparable jurisdictions. As a result of the 15 percent wage increase which occurred in Clark County Fire Department No. 5, Spokane's base wage ranking will drop one notch, from ninth out of thirteen, to tenth among the comparators. Still, the

larger than average increase which is awarded here, will serve to narrow the compensation gap between Spokane and the comparable jurisdictions.

INTEREST ARBITRATION AWARD

It is the determination of your Neutral Chairman that the 1988 Collective Bargaining Agreement between the City of Spokane and the International Association of Fire Fighters, Local No. 29 shall include the the following:

- A. The Fire Equipment Operator classification shall be retained in the Agreement.
- B. Current contract language reflecting a 52-hour workweek shall be retained.
- C. Effective October 1, 1988, the City's contribution for medical insurance premiums shall be increased by 10 percent.
- D. Effective January 1, 1988, the monthly rates of pay for all employees covered by the Agreement shall be increased by 4.5 percent.

Redmond, Washington

Dated: September 26, 1988


Alan R. Krebs, Neutral Chairman