

**Local 27, Local 2898, International Association of Fire Fighters
And
City of Seattle
Interest Arbitration**

**Arbitrator: Philip Kienast
Date Issued: 05/18/1989**

**Arbitrator: Kienast; Philip
Case #: 07625-I-88-00176
Employer: City of Seattle
Union: IAFF; Locals 27 and 2898
Date Issued: 05/18/1989**

IN THE MATTER OF ARBITRATION

Between

CITY OF SEATTLE)	OPINION AND AWARD
)	OF
(Employer))	NEUTRAL CHAIRMAN/
)	ARBITRATOR PHILIP KIENAST
)	
-and-)	May 18, 1989
)	
)	
LOCAL 27 LOCAL 2898,)	Re: Contract Terms
INTERNATIONAL ASSOCIATION)	(PERC Case No.
OF FIRE FIGHTERS,)	7626-1-88-177)
)	
(Union))	
_____)	

APPEARANCES

For the Employer:

**Marilyn F. Sherron, Assistant City Attorney and Lizanne
Lyons, Labor Negotiator**

For the Union:

James F. Webster, attorney at law

Partisan Arbitrators

For Local 27: Bruce Amer
For the City: Patrick LeMay
For Local 2898: Robert Averson

OPINION

This proceeding is in accordance with RCW 41.56 and WAC 391-55. A hearing in this matter was held on February 6, 7, 8, 10, 13, 17, 20, 21 and 28. The Arbitration Panel met on April 22 to deliberate the preliminary findings of the neutral chairman. The neutral chairman, Philip Kienast, after the panel discussion and review of subsequent submittals from the partisan arbitrators has written this opinion and award and is solely responsible for its contents and conclusions pursuant to WAC 391-55-245. Partisan arbitrators were informed they could file concurring and/or dissenting opinions on their own motion. The bargaining unit represented by Local 27 includes the ranks of fire fighter, lieutenant and captain. The bargaining unit represented by Local 2898 includes the ranks of deputy and battalion chiefs.

In accordance with WAC 391-55-220 the parties submitted the following proposals to the arbitration panel:

City's proposal

Re: Local 27

A. WAGES/HOURS (ARTICLE 5 AND APPENDIX A)

Effective 09/01/88:

3% wage increase; with no increase in hours worked per week

or

Any wage increase in excess of the above to be accompanied by a proportionate increase in hours worked so that the fire fighters' relative position with respect to the average west coast monthly salary and the average west coast workweek

is the same.

Effective 09/01/89:

90% of the increase in the Consumer Price Index for Urban wage Earners and Clerical Workers (CPI-W) for Seattle from the first half of 1988 to the first half of 1989; with a floor of 1.5% and a ceiling of 6%; with no increase in hours worked per week

or

Any wage increase in excess of the above to be accompanied by a proportionate increase in hours worked so that the fire fighters' relative position with respect to the average west coast monthly salary and the average west coast workweek is the same.

Effective 09/01/90:

90% of the increase in the Consumer Price Index for Urban wage Earners and Clerical Workers (CPI-W) for Seattle from the first half of 1989 to the first half of 1990; with a floor of 1.5% and a ceiling of 6%; with no increase in hours worked per week

or

Any wage increase in excess of the above to be accompanied by a proportionate increase in hours worked so that the fire fighters' relative position with respect to the average west coast monthly salary and the average west coast workweek is the same.

B. DURATION (ARTICLE 30)

Three-year contract effective 09/01/88 through 08/31/91.

Re: Local 2899

A. WAGES/HOURS (ARTICLE 4 AND APPENDIX A)

Effective 09/01/88:

3% wage increase; with no increase in hours worked per week

or

Any wage increase in excess of the above to be accompanied by a proportionate increase in hours worked so that the fire fighters' relative position with respect to the average west coast monthly salary and the average west coast workweek is the same.

Effective 09/01/89:

90% of the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Seattle from the first half of 1988 to the first half of 1989; with a floor of 1~5% and a ceiling of 6%; with no increase in hours worked per week

or

Any wage increase in excess of the above to be accompanied by a proportionate increase in hours worked so that the fire fighters' relative position with respect to the average west coast monthly salary and the average west coast workweek is the same.

Effective 09/01/90:

90% of the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Seattle from the first half of 1989 to the first half of 1990; with a floor of 1.5% and a ceiling of 6%; with no increase in hours worked per week

or

Any wage increase in excess of the above to be

accompanied by a proportionate increase in hours worked so that the fire fighters' relative position with respect to the average west coast monthly salary and the average westcoast workweek is the same.

Effective 09/01/90:

90% of the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for Seattle from the first half of 1989 to the first half of 1990; with a floor of 1.5% and a ceiling of 6%; with no increase in hours worked per week

or

Any wage increase in excess of the above to be accompanied by a proportionate increase in hours worked so that the fire fighters' relative position with respect to the average west coast monthly salary and the average west coast workweek is the same.

B. DURATION (ARTICLE26)

Three-year contract effective 09/01/88 through 08/31/91.

Local 27's Proposal

- 1. Contract term - two years, commencing September 1, 1988.**
- 2. Increase salaries for all bargaining unit employees as follows:**
 - a. Effective September 1, 1988, 5.3 percent.**
 - b. Effective September 1, 1989, 2.0 percent, plus the same percentage as the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1982-84 = 100) for Seattle from the first half of 1988 (dated July 1988) to the first half of 1989 (dated July 1989).**

c. Effective September 1, 1990, in the event the Panel should award a three-year contract, and as a condition for such an award, the same percentage as the increase in the Seattle CPI-W from the first half of 1989 (dated July 1989) to the first half of 1990 (dated July 1990).

3. Reject the City's proposal for increased hours.

Local 2898's Proposal

1. Increase wages for all bargaining unit employees as follows:

a. Effective September 1, 1988, 6.6 percent.

b. Effective September 1, 1989, (1) the same percentage as the increase in the U.S. Cities Average CPI-W (July 1988 to July 1989) with a minimum of four percent and a maximum of six percent, plus (2) 1.6 percent.

c. Effective September 1, 1990, (1) the same percentage as the increase in the U.S. Cities Average CPI-W (July 1989 to July 1990) with a minimum of four percent and a maximum of six percent, plus (2) 1.6 percent.

2. Reject the City's proposal for increased hours.

Stipulations

In addition the parties submitted the following stipulations:

1. The comparison group of west coast cities pursuant to 41.56.460 (c) shall be: San Diego, Long Beach, San Jose, Oakland, San Francisco and Sacramento, California plus Portland, Oregon. (Hereinafter noted as WC7)
2. The differential between fire fighter and lieutenant and captain; and battalion

chief and deputy chief shall be 15%.

Background

Local 27 represents a bargaining unit composed of the ranks of fire fighter, lieutenant and captain. The first collective bargaining agreement covering this unit was effective in 1968. Between 1968 and 1981 the parties negotiated successor agreements without resort to interest arbitration until 1982 when negotiations under a wage reopener clause ended in impasse. This Arbitrator awarded a wage increase for 1982 only. The parties negotiated their 83-85 Agreement and had their 86-87 Agreement arbitrated by Michael Beck. Mr. Beck awarded salary increases aimed at moving unit members salaries toward the WC7 average.

Local 2898 represents a bargaining unit of battalion and deputy chiefs that negotiated its first collective bargaining agreement in 1983. The record discloses the reason for the emergence of the chiefs unit was the decision of the Employer to give chiefs a lower percentage increase than that received by the Local 27 unit in 1982. The initial contract for this unit was the 83-85 Agreement. Their 1986-87 Agreement was also arbitrated by Michael Beck.

The WC7 has been an historic comparison group for the parties dating back to at least the mid 1970's (Ex. 288). The parties bargained wages, hours and conditions of employment against the backdrop of conditions in these seven cities. Accordingly, the Arbitrator will attempt to place both units' salaries squarely in the context of the historic pattern the parties have set in relation to the seven stipulated cities.

RCW 41.56.460 sets forth the basis for determination of the issues presented by the neutral chairman:

41.56.460 Uniformed personnel--Interest arbitration panel--Basis for determination.

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) **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 like employers of similar size on the west coast of the United States.**
- (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**
- (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.**

Although the foregoing statute sets out the factors to be considered in a determination it does not specify the relative weight to be accorded each factor. After consideration of the record made in this matter and with attention to the common law of arbitration in interest disputes, the neutral chairman assigned primary weight in his determination to: (1) "wages, hours and conditions of employment" of fire department personnel in the seven West Coast cities (WC7) stipulated as comparable to Seattle by the parties; and (2) the pattern of settlements between the parties from 1970-1987 relative to the WC7. He has assigned secondary weight in his determination to other factors enumerated in RCW 41.56.460.

Primary Factors

Both parties have expressed a desire for the Arbitrator to explicate his rationale for weighing the various factors the parties have argued are pertinent to the determination of salaries for the various ranks in question. The Employer has argued that primary weight be given to hourly compensation comparisons and cost of living differences among the WC7. The Union has argued that primary weight be given to historical monthly salary patterns negotiated by the parties relative to the WC7. On balance, the Arbitrator finds the Union arguments more persuasive than the Employer's.

The Employer introduced extensive testimony and documentation that hourly compensation has been a focus of discussion in wage bargaining between the parties since the late 1960's. This evidentiary emphasis occurred because of the finding of arbitrator Beck that the parties had previously bargained solely in the context of monthly salaries. perceiving that Mr. Beck's decision was overly influenced by this evidentiary finding, the Employer stressed in its case that hours of work have always been a central focus in the parties' negotiations on pay levels. This Arbitrator agrees with the Employer on this point of evidence and argument.

However, the Arbitrator finds that despite this acknowledged attention to the shorter hours worked by unit personnel as compared to the WC7, the evidence shows the Employer agreed to raise unit personnel base monthly salaries between 1970 and 1982 from below the average to above the average of the WC7. To illustrate, in 1972 a Seattle fire fighter's monthly salary was \$942 and the average for the WC7 was 11% higher at \$1,046. After a series of negotiated salary increases, 1981-82 found Seattle's salary at \$2,240 or 6% higher than the WC7 average of \$2,114 (Ex. 27). This change occurred despite an increase of 1.4 hours in the difference in weekly hours worked in Seattle relative to the WC7. In 1972 Seattle fire fighters worked 7.3 hours less per week than the WC7 average; in 1981 the difference had increased to 8.7 hours.

Moreover, the evidence discloses that the wage pattern established through bargaining was relatively independent of cost of living differences among Seattle and the WC7 cities. The Employer introduced a Bureau of Labor Statistics (BLS) 1979 study to prove a positive and direct relation existed between wage rates and cost of living in other metropolitan areas (Ex. 120). The study reported on cost of living as measured by the Urban Family Budget (UFB) in 1977. Table 1 compares BLS/UFB cost of living data to hourly wage rates for the period 1967 to 1988.

Analysis of the data in Table 1 discloses that Seattle's hourly wages rose from 7.6% to 31.7% above the California average between 1970-1977 while its cost of living changed from being higher to lower than the California average. These results are exactly the opposite of the general conclusion reached in the 1979 BLS study, namely, that as cost of living rose in one area as compared to another so did its wage rates. The exception does not disprove this general rule, however it cautions against automatic application to any particular situation. However,

these results suggest factors other than inter-area cost of living differences were prime factors in the parties determination of wage rates.

TABLE I
URBAN FAMILY BUDGET INDEX AND HOURLY WAGE RATES
1968 - 1988

	1967 UFB	1970 Hourly Wage	1977 UFB	1977 Hourly Wage	1987 UFB	1987-88 Hourly Wage
San Diego	99	\$3.92	96	\$6.06	93	\$11.37
LA/Long Beach	101	4.07	98	7.04	97	12.21
SF/Oakland	105		106		105	
San Francisco		\$4.21		\$7.75		\$14.83
Oakland		\$4.83		\$7.73		\$14.27
San Jose		\$4.00		\$6.70		\$13.46
AVERAGE	101.7	\$4.21	100	\$7.06	98	\$13.23
Seattle/Everett	103	\$4.53	98	\$9.30	93	\$14.44
(Difference of Seattle to WC7 Average	(+1.3%)	(+7.6%)	(-2%)	(+31.7%)	(-3.6)*	(+9.1%)

Source: Ex. 210 and Ex. 197.

The Union's and City's economists both testified that only 75-80% of observed inter-area difference in wage rates can be accounted for by inter-area differences in the cost of living. Alternately stated, other factors account for 20-25% of the variance. The BLS study (E210) states that in the case of some occupations other factors may account for up to 35% of the variation, as in the case of clerical wages (E210, p. 26) The study goes on to suggest that employer size and degree of unionization appear as the kind of factors that cause differences in area wages not accounted for by differences in cost of living when controlled for industry mix.

In any event, the evidence is clear that area cost of living differences cannot be used with any precision in deciding whether Seattle's monthly salary should be five percent, or ten percent higher or lower than the WC7 given that 25--30% of the difference among them may be accounted for by other factors.

The BLS studies of inter-area wage differences have typically used four selected occupations: (1) unskilled plant; (2) skilled maintenance; (3) office clerical and (4) electronic data processing. The Arbitrator finds skilled maintenance as the occupation most similar to fire fighters from among the four occupational groups used by the BLS in its studies of inter-area wage differences. Jobs included in this classification include maintenance electricians, machinists, pipefitters, mechanics, carpenters and tool and die makers. By the time a fire fighter has completed his 42 month apprentice to reach the level of top step fire fighter he must have some of the knowledge and skills of all these skilled occupations as well as those unique to fire service and emergency medical service. Table 2 arrays data for this group of employees over the bargaining history of the parties' Analysis of the data in Table 2 discloses that Seattle area skilled maintenance workers were paid 5 to 12% over the national average through the twenty year period, as they were also in the other metropolitan areas shown.

Table 2

	1967	1977	1982	1986				
San Diego	108	102	103	106				
LA/Long Beach	105	101	117	109				
SF/Oakland	113	118	117	120				
Sacramento			107	107				
Portland	--	--	113	106				
		WC7 1970	WC7 1978	WC7 1982	WC7			
1998		Salary	Salary	Salary				
Salary								
AVERAGE	108	\$978	107	\$1,638	108	\$2,269	110	\$2,912

Difference of Seattle 5.8% to Average	-3%	-.3.4%	+4%	+2.3%	+4%	+3.1%	-1%	-
Seattle/Everett \$2,756	105	\$945	111	\$1,676	112	\$2,337	109*	

*Estimate

Source:

Ex. 123, Ex. 210, U.S. Department of Labor Studies reported in Monthly Labor Review, February 1989 and March, 1969

The wage and salary trends that emerge from analysis of Table 1 show that Seattle salaries have varied from below average at the start to above average in the middle years (1977-84) to below average the last five years. While Seattle's salaries went from below to above the WC7 average the cost of living in Seattle went from above to below average for the WC7. Seattle salary trends tracked those for skilled employees in the WC7 labor markets, that is from below to above to below during the period. Finally, salaries rose and fell despite the fact that throughout the period Seattle fire fighters worked substantially fewer hours than their WC7 counterparts.

Averaging the trends over the period in terms of hourly wage rates, the negotiated wages from 1970 to 1982 for fire fighters averaged 16.2% above the average of the WC7; over the entire period (1970 to 1988) it was 16.9%. The 5.3% increase requested by the Union for 1988-89 would raise Seattle's hourly rate to \$14.75, placing it below this historic average at 14.8% above the average for the WC7. On a monthly basis a 5.3% increase would still leave Seattle's salary at \$2,902 or 2.4% below the average of \$2,972 for the WC7.

Secondary Factors

Arbitrators typically consider secondary factors to the extent they may indicate modification of conclusions drawn from consideration of the primary factor. In this regard, the

14

Employer contends that changes in the Seattle area cost of living and its limited ability to pay should be considered in determining appropriate wage increases. By contrast, the Union contends that when total compensation and variations in wage structure/unit labor costs across WC7 fire departments are considered its requested salary increases appear even more reasonable. The Union also argues its proposed increases are in line with practices in larger Puget Sound fire departments.

The Employer contends that cost of living increases--those in line with changes in the Seattle CPI--adjusted for Employer paid increases in health plan costs are appropriate and fair. This factor alone cannot be used to modify the conclusion drawn from prevailing patterns. Why? Because the evidence discloses the Employer has over twenty years agreed to wage increases in excess of Seattle area CPI increases. Between 1967 and July of 1988 the parties settled on aggregate base wage increases of 298% whereas the CPI for Seattle rose only 222%--a difference of 76% (Ex. 108). If additional cost increases for longevity and health coverage are factored in the difference would be 116% (Ex. 109). The evidence discloses a similar pattern of compensation increases versus CPI increases for the WC7 over this period.

Unusual fiscal constraints on an employer have caused arbitrators to modify wage awards. However, the evidence does not show the Employer is facing atypical fiscal constraints. In fact it suggests just the opposite namely, that Seattle's fiscal

15

I

—

condition is sound and its economic future bright. Mayor Royer's 1988 State of the City address delivered in August stated (E48):

I am pleased to report that by traditional measures the State of the City is healthy and strong. The economy is good and growing; the budget balanced; our reserves solid; and our taxes relatively low. .

The Mayor's budget address delivered on September 26, 1988 suggests the City has additional taxing authority it is willing to

use to increase neighborhood services. He states that he is
'I proposing to increase the Business and Occupatio~al Tax rate by

2%. (U49, p. 13). This tax increase was effectuated and
except for special levies, Seattle's statutory taxing limits have
been met.

The record does disclose that the Employer has in the past
faced abnormal fiscal constraints. In 1983 Mayor Royer wrote
Local 27 asking that "In view of current economic difficulties,
the City believes that is reasonable for fire fighters to accept

certain changes in conditions of employment which will 'hold the
'I

line' for 1984." Even in the face of these economic difficul-
ties," the City agreed to raise base salaries by 3.0% despite the
fact that Seattle's CPI had dropped 0.3% during the year pre-
ceding negotiations. In the Arbitrator's opinion if the Employer
voluntarily granted a wage increase over 3% higher than the
increase in the CPI in the face of economic difficulties, then it
certainly would not be imprudent for the Arbitrator to award

16

above CPI increases when the Employer's fiscal situation is
"healthy and strong.

To recapitulate, the Employer has failed to provide evidence
that consideration of Seattle area cost of living changes and/or
its current fiscal condition warrant a moderation of the wage
decision indicated by analysis of the primary factors of prevail-
mg patterns and bargaining history.

The Union presented evidence that Seattle's salary structure
is different from the norm of the WC7, specifically that 77% of
Local 27 unit employees hold the rank of fire fighter. Only San
Francisco and Portland are similar in this regard. The other
five West Coast comparables average only 49% at the rank of fire
fighters with 51% holding higher pay classifications (Engineer,
Lieutenant and Captain) . The weighted average salary for unit
personnel in the WC7 is \$38,897. In Seattle the same weighted
average is \$34,519--a difference of \$4,378. (Ex. 250)

The Arbitrator concludes this difference in salary structure is noteworthy. It makes clear that Seattle provides its fire suppression and medical emergency service at a lower total salary cost than if the Employer adopted the salary structure typical of the WC7.

On a related point, the Union also introduced evidence that Seattle mans its basic unit of production, the fire engine,

— typically with 3 unit personnel while WC7 cities normally man with 4 unit personnel. This difference in manning level allows a

17

Seattle engine company to operate at significantly reduced labor costs. Since an engine company's response to a fire or medical emergency is the typical unit of production in a fire department, Seattle engine company I unit labor costs are approximately 25% less than other WC7 departments.

These foregoing differences in salary structure and manning levels hold true regardless of how much money the Employer decides to spend on the provision of fire and emergency services. For example, an employer at its sole discretion may choose to have more engine companies, fire houses and personnel to achieve certain service levels, e.g. shorter response times. However, once this policy decision is made it is clear that under Seattle's salary structure and manning levels the basic unit of production—engine company response—can be provided at substantially lower labor costs than in the average WC7 city.

It is a well established fact that more productive employees are normally paid more than their less productive counterparts. The question that remains is how Seattle's superior productivity is to be factored into the determination of the salary issue before this Arbitrator. Since there is nothing to suggest that there has been any recent change in the salary structure or manning levels the Arbitrator will not use the productivity factor to justify any additional salary increases. This conclusion is based on the presumption that the Union negotiated their wage pattern over the years with the knowledge that

18

Seattle's salary structure and manning levels were different than the WC7.

It appears from the evidence as a whole that the Union has

been willing to settle for monthly salary levels, that over the period 1970-1987 averaged only slightly above the WC7, because its members worked fewer hours. This fact also suggests a reasonable hypothesis as to why the Employer agreed over the years to pay average WC7 monthly salaries despite shorter work hours in Seattle, namely, higher~productivity. It makes rational what might otherwise appear unreasonable to outsiders unaware of the substantially lower unit labor costs of Seattle fire suppression personnel over their West Coast counterparts. In 1988 the average total annual compensation for a ten year fire

ghter in the WC7 was \$39,495 compared to \$36,268 for a Seattle fi
fire fighter--a difference of 9% (Ex. 126). In 1988 the base

monthly salary difference was 8%, a proportional difference. The Arbitrator notes that differences in pension contribution rates are more fairly acc9unted for in the Employer's rather than the Union I5 analysis of total compensation. In light of the above the Arbitrator finds no cause in the evidence on total compensation to warrant a modification of his decision based on primary factors.

The Arbitrator finds that Tacoma is the only comparable city to Seattle in the Puget Sound area. It is the second largest city after Seattle and works under the same statutory authority

19

as Seattle. The evidence showsthat for the past 18 years that

—
in roughly half theyears Seattle's base monthly salary for fire fighters was above Tacoma 5 and vice versa for the other half. Tacoma's negotiated salary for 1988 was \$2,853. The 5.3% increase that will be ordered for Seattle fire fighters will place their monthly salary \$39 ahead of Tacoma. This difference is well within the historic pattern of salary relationship between these two cities.

Summary

Consideration of the legislative directive in 41.56 and the evidence and argument of the parties in this matter lead the Arbitrator to conclude thatthe Union 5 requestfor a 5.3% increase in its salary is warranted and prudent. In light of prevailing patterns established by the parties over two decades

of collective bargaining, the prevailing pattern established by parties similarly situated in the WC7 as well as historic salary relationships with Tacoma, Local 27 unit personnel should be paid the WC7 average monthly salary.

The evidence strongly suggests that the reason Seattle's monthly salary has averaged at about the mean salary for the West Coast comparables despite its shorter hours is because of labor cost efficiencies gained by the City's atypical salary structure and engine manning levels. On balance the parties appear to have traded off substantially higher productivity for shorter hours

20

rather than above average salaries. Regardless of why the parties have established Seattle as a historically average. salary city in comparison to comparable West Coast cities, the fact remains that they have. The Arbitrator has no better guide to what constitutes an appropriate salary increase than the pattern established by the parties over 20 years of bargaining.

Neither party was able to demonstrate that conditions underlying the parties' prevailing salary practices has changed so substantially as to warrant a deviation from those practices. Cost of living differences with California cities, shorter hours but higher productivity in Seattle have been relatively constant underlying conditions against which the parties have bargained salaries.

Moreover, the Employer's strong fiscal condition currently is different from those it experienced in the mid 1980's when salary increases were tempered by the parties in negotiations due to the fiscal difficulties faced by the Employer. This fact argues that now is the time to get Seattle's salary at least. back to the average for comparable West Coast cities given the current healthy fiscal picture for the City of Seattle.

Chiefs Unit

The record discloses that until 1983 battalion and deputy chief salaries were determined by maintaining an established differential between battalion chiefs and captains. It was the

21

attempt by the Employer to alter these relationships that caused the chiefs to organize their own bargaining unit. The chiefs unit has only bargained one agreement to date and arbitrated another.

In 1984 a Seattle fire fighter's salary stood at 99.2% of the WC7 average and a chief's salary at 100.6% of the WC7 average (Ex. 34 and 54). At this time a chief's salary was 161% of a fire fighters, whereas the average differential for the WC7 was 157%. More importantly this salary pattern resulted from negotiations. Neither the Employer nor Local 2898 has shown any evidence of why this relationship should be different in 1988. The Arbitrator notes that if chiefs are given the same 5.3% increase as fire fighters for 1988 a chief's salary will remain 161% of a fire fighters. The Arbitrator finds this to be fair and reasonable in light of the short bargaining history between the parties.

The WC7 average salary for a battalion chief in 1988 was \$4,755 as compared to \$4,445 for Seattle--a difference of 7.0% (Ex. 54) Except for Sacramento, no WC7 city pays longevity pay on top of base salary (Ex. 53). If the chiefs unit were given a 5.3% increase for 1988-89 their monthly salary would be \$4,681--only \$74 (1.6%) less than the WC7 average for 1988.

In' terms of local area comparison a 5.3% increase would place them ahead of Tacoma 5 battalion chief's base salary of \$4,475, but behind Tacoma by \$152 when longevity pay of \$358 per

22

month in Tacoma is considered. Seattle chiefs receive no longevity pay.

The Arbitrator 5 earlier analysis of primary and secondary factors is also applicable to the chief's unit. Since Seattle has fewer lieutenants and captains than other WC7 cities it is a reasonable presumption that battalion and deputy chiefs exercise

more direct management responsibility than their counterparts in the WC7. In the Arbitrator's opinion this additional responsibility is compensated in large part by the shorter hours Seattle chiefs work in comparison to their counterparts in the

WC7.

Final Conclusion

The above analysis leads the Arbitrator to conclude that both Local 27 and 2898 unit employees receive a 5.3% increase retroactively effective to September 1, 1988. Effective September 1, 1989 and 1990 the base monthly salary for top step fire fighters will be set at the average of the WC7. Other represented ranks will have their salaries raised by an equivalent percentage.

The Arbitrator has settled on this average salary formula rather than a CPI plus fixed percentage formula for several reasons. First, the Employer's partisan arbitrator expressed a desire that the formula be based either on the WC7 or the CPI, but not both. (5/5/89 letter, p. 3) The formula awarded makes

—

23

it clear that the WC7 average is the touchstone for salary determination.

Second, basing second and third year increases on Seattle area CPI changes plus a fixed percentage could result in salary increases that would place unit personnel wages above the WC7 average. The Arbitrator takes judicial notice that current boom times in the Seattle area have seen housing prices begin to take off. Accordingly, it is probable that Seattle area CPI increases will exceed those in the WC7 in 1989-90 if salaries were pegged to the CPI plus a fixed percentage.

Third, the thrust of the Union argument in this case is that unit personnel should at least be paid the average of the WC7 in light of bargaining history. The formula used for second and third year increases meets this standard.

Fourth, the parties stipulated that the WC7 should be the

comparison group pursuant to RCW 41.56. The Arbitrator believes a formula based on the WC7 reflects proper and prudent deference to this stipulation as well as bargaining history. Moreover, as noted above negotiated salary increases have over twenty years outpaced area CPI increases.

Fifth, both parties have asked the Arbitrator to determine an unequivocal guideline on which future salary changes could be based. The Arbitrator's decision on the formula for the second and third year gives the parties just such a guideline. Absent dramatic changes in the wages, hours or conditions of employment

24

in Seattle and the WC7, the parties can utilize this guideline in the future.

Sixth, the formula for the second and third year is consistent with the decision of Arbitrator Beck. He stated "Seattle fire fighters should receive an increase which takes them . toward reaching the average paid by the comparators [WC7I" (Ex. 39, p. 28). The formula awarded here is consistent with

Mr. Beck's conclusion.

Finally, the chief executive of the Employer has declared the Employer to be in good financial health. The Arbitrator concludes now is the appropriate time to bring salaries up to the WC7 average.

AWARD

1. **1988 Salaries:**
5.3% increase for all unit employees effective retroactively to September 1, 1988.
2. **1989 and 1990:**

Set base monthly salary of top step fire fighter to WC7 average. All other ranks to be adjusted by the percentage increase or decrease needed to accomplish same. Changes to be effective September 1 of each year based on average computed as of September 1 of each year for salaries of WC7 fire fighters effective on that date. Changes in WC7 salaries after September~1 of each year shall not alter the WC7 computation for that contract year.

3. The Arbitrator retains jurisdiction solely to resolve any disputes over the implementation of the foregoing award.

4. Pursuant to 41.56, the Arbitrator assigns his fees and expenses equally to the Union and the Employer.

~ThTh\:/ j I//

\ I

Philip Kienast 4~

May 18, 1989

Seattle, Washington