

**IN THE MATTER OF
INTEREST ARBITRATION**

**INTEREST ARBITRATION
OPINION AND AWARD**

BETWEEN

OF

CITY OF CENTRALIA, WASHINGTON,

M. ZANE LUMBLEY

and

**FOR THE
ARBITRATION PANEL**

**INTERNATIONAL ASSOCIATION OF
FIREFIGHTERS, LOCAL NO. 451**

AAA Case No. 75 L 390 00218 96

PERC Case No. 11866-1-95-253

Hearing: Centralia, Washington
May 12, 1997

Record Closed: June 23, 1997

Arbitration Panel: M. Zane Lumbley, Neutral Chairman
Michael Guerin, City-Appointed Member
Michael McGovern, Union-Appointed Member

Appearances:

For the City: Otto G. Klein, III, Esq.
Summit Law Group, PLLC
1505 Westlake Avenue N.
Seattle, Washington 98109

For the Union: James L. Hill
7th District Vice President
International Association of Firefighters
1069 Adams Street S.E.
Olympia, Washington 98501

Issues: Wages, Hours of Work and Overtime

Date Neutral Chairman's Initial Opinion and Award Issued: September 9, 1997

Date Neutral Chairman's Amended Opinion and Award Issued: September 17, 1997

Date Final Interest Arbitration Panel Opinion and Award Issued: September 19, 1997

INTEREST ARBITRATION OPINION

BACKGROUND

Procedural Matters

An Interest Arbitration Panel was convened pursuant to the procedures specified in RCW 41.56.450. The City-appointed Arbitrator was Michael Guerin and the Union-appointed Arbitrator was Michael McGovern. The undersigned Neutral Chairman of the Panel was selected by the parties through the offices of the American Arbitration Association.

A hearing was conducted before the Interest Arbitration Panel on May 12, 1997, in Centralia, Washington. The City of Centralia, Washington (hereinafter the "Employer" or "City") was represented by Otto G. Klein, III, Esq. of the Summit Law Group, PLLC. Appearing as witnesses on behalf of the Employer were Employer Labor Relations Consultant Nancy Dombrowski, Centralia City Manager/City Attorney Craig Nelson and Centralia Fire Chief Dana Murphy. International Association of Firefighters Local No. 451 (hereinafter the "Union") was represented by James L. Hill, International Association of Firefighters 7th District Vice President. Appearing as witnesses on behalf of the Union were Union President/Centralia Firefighter Driver/Engineer Richard Mack, Centralia Fire Captain Robert Denman and Retired Centralia Fire Captain Alfred Gray.

At the hearing, testimony was taken under oath and the parties presented documentary

evidence. No court reporter was present. Instead, the Neutral Chairman tape recorded the proceedings in order to supplement his personal notes. The parties agreed upon the filing of posthearing briefs and timely briefs were received by the Neutral Chairman on June 23, 1997, and mailed to the party-appointed members on June 25, 1997. On July 22, 1997, the panel conferenced by telephone call to consider the evidence.

Relevant Statutory Provisions

RCW 41.56.030 specifies, in relevant part:

41.56.070 Definitions. As used in this chapter:

...

(7) "Uniformed personnel" means:

...

(e) fire fighters as that term is defined in RCW 41.26.030;

...

Thereafter, RCW 41.56.465 specifies:

(1) 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) (i) . . .

(ii) For employees listed in RCW 41.56.030(7)(e) though (h), 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 may 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 circumstances under (a) through (d) of this subsection during the pendency of the proceedings; and

(f) Such other factors, not confined to the factors under (a) through (e) of this subsection, that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment. For those employees listed in RCW 41.56.030(7)(a) who are employed by the governing body of a city or town with a population of less than fifteen thousand, or a county with a population of less than seventy thousand, consideration must also be given to regional differences in the cost of living.

. . .

Bargaining History

The Union has represented the City's firefighters for many years. The parties' last collective bargaining agreement was facially effective from January 1, 1992, through December 1, 1994. They commenced negotiations with respect to a successor in July of 1994. Eventually, when they were unable to reach agreement after some fourteen months of

negotiations, the Executive Director of Washington's Public Employment Relations Commission certified a list of eleven issues for interest arbitration on September 21, 1995. By the time the undersigned was notified of his selection as the Neutral Chairman of the Arbitration Panel in October of 1996, the parties had pared down the list of issues in dispute to the three on which evidence eventually was taken at the May 12, 1997, hearing, namely wages, hours of work and, to the extent it is affected by the decision with respect to hours of work, overtime compensation.

FINDINGS OF FACT AND DECISION

Approach of the Neutral Chairman

The approach of the Neutral Chairman will be to quote the language appearing with respect to each issue in the parties' last Agreement and then to set forth the parties' current proposals and their arguments in support thereof. I shall then discuss and decide the hours of work/overtime issue and the wage issue separately, commencing with hours of work/overtime, a decision regarding which will affect the analysis of wages for the remainder of 1997.

Hours of Work/Overtime

Relevant Provisions of the Collective Bargaining Agreement

The 1992-1994 collective bargaining agreement contained the following hours of work

provisions:¹

ARTICLE II DEFINITIONS

(a) Full-Time Employees. An employee who is regularly scheduled to work an average of forty-two (42) hours per week.

...

ARTICLE X WORK SCHEDULE

(a) The normal work day or shift for employees shall consist of twenty-four (24) hours commencing at 0800. The normal work schedule for said employees shall consist of one shift on and three shifts off.

Positions of the Parties

The Employer seeks to increase the work week from forty-two to forty-five hours by requiring each employee to work one debit day every eight weeks.² It argues such an increase is necessary to allow the Department to reduce the amount of overtime pay it currently is required to pay and to improve its ability to train firefighters. It contends the increase sought is more than justified in comparison to comparable jurisdictions, any selection of which demonstrates that City firefighters work far fewer hours than the average

¹ The parties' agreement does not contain a true overtime provision but only a set of detailed call back provisions in Article XI. However, the parties are in agreement that overtime pay is appropriate after performance of the current 42-hour work week and would apply equally after performance of the work week found appropriate pursuant to this proceeding.

² In the course of a year the 2190 currently scheduled hours of work are spread over approximately 52.14 weeks, making the average work week 42 hours.

municipal firefighter.

The Union resists the increase sought by the Employer, asserting the current work week was agreed to by its members more than thirty years ago in lieu of a wage increase and should not have to be given back now no matter what is occurring in comparable jurisdictions. The Union finds it particularly egregious that the City offers no corresponding wage increase for the 7% increase in hours it seeks. In the Union's view, had the Employer trimmed its initial bargaining demand for a fifty-three-hour work week to a request for forty-five hours with a corresponding 7% wage increase during negotiations, the parties might have been able to resolve that issue short of interest arbitration. Finally, the Union asserts it is inappropriate to grant in interest arbitration the kind of novel result sought by the City.

Wages

Relevant Provisions of the Collective Bargaining Agreement

The 1992-1994 collective bargaining agreement contained the following wage provisions:

APPENDIX A EMERGENCY MEDICAL TECHNICIANS

The City of Centralia hereby agrees to pay One Hundred (\$100.00) dollars per month to all Certified Emergency Medical Technicians (EMTs) employed by the Centralia Fire Department. It is further agreed by the City of Centralia that such monthly pay be included for retirement purposes and not to [sic] be included in computing the hourly wage for overtime purposes.

APPENDIX B WAGES

Classifications and Ranges

| | |
|-----------------|----|
| Captain | 16 |
| Driver/Engineer | 14 |
| Firefighter | 13 |

Effective January 1, 1992: Employees covered by this Agreement shall receive a cost-of-living adjustment equivalent to ninety percent (93% = 4%) of the 1991 second half of the Seattle Consumer Price Index for all wage earners (Seattle CPI-W). All wage increases for 1992 shall be retroactive to January 1, 1992. Employees covered by this Agreement shall receive in the month of December 1992 a six hundred dollar (\$600.00) premium pay.

Employees covered by this Agreement who hold the rank of Captain shall not receive a current salary schedule step increase.

Effective January 1, 1993: Employees covered by this Agreement shall receive a cost-of-living adjustment equivalent to one hundred percent (100%) of the 1992 first half of the Seattle Consumer Price Index for all wage earners (Seattle CPI-W). In no case should the cost of living adjustment be less than four percent (4.0%) nor more than six percent (6.0%). Said adjustment shall be in addition to any step increases received by the employee.

Effective January 1, 1993: Employees covered by this Agreement who hold the rank of Captain shall receive a current salary schedule step increase.

Effective January 1, 1994: Employees covered by this Agreement shall receive a cost-of-living adjustment equivalent to one hundred percent (100%) of the 1993 first half of the Seattle Consumer Price Index for all wage earners (Seattle CPI-W). In no case should the cost of living adjustment be less than four percent (4.0%) nor more than six percent (6.0%). Said adjustment shall be in addition to any step increases received by the employee.

CITY OF CENTRALIA - 1992 SALARY SCHEDULE

This salary schedule shall become effective on January 1, 1992. This salary schedule

reflects a four percent (4%) base wage increase and shall become part of the 92-94 Centralia Fire Department Collective Bargaining Agreement.

| Salary Range | A | B | C | D | E | F | G |
|--------------|------|------|------|------|------|------|------|
| 1 | 1066 | 1103 | 1142 | 1181 | 1224 | 1265 | 1309 |
| 2 | 1142 | 1181 | 1224 | 1265 | 1309 | 1354 | 1401 |
| 3 | 1225 | 1265 | 1309 | 1354 | 1401 | 1449 | 1499 |
| 4 | 1309 | 1354 | 1401 | 1449 | 1499 | 1550 | 1604 |
| 5 | 1401 | 1449 | 1499 | 1550 | 1604 | 1657 | 1715 |
| 6 | 1499 | 1550 | 1604 | 1657 | 1715 | 1774 | 1836 |
| 7 | 1604 | 1657 | 1715 | 1774 | 1836 | 1898 | 1965 |
| 8 | 1715 | 1774 | 1836 | 1898 | 1965 | 2032 | 2102 |
| 9 | 1836 | 1898 | 1965 | 2032 | 2102 | 2174 | 2248 |
| 10 | 1965 | 2032 | 2102 | 2174 | 2248 | 2325 | 2407 |
| 11 | 2102 | 2174 | 2248 | 2325 | 2407 | 2487 | 2575 |
| 12 | 2248 | 2325 | 2407 | 2487 | 2575 | 2662 | 2755 |
| 13 | 2407 | 2487 | 2575 | 2662 | 2755 | 2849 | 2947 |
| 14 | 2575 | 2662 | 2755 | 2849 | 2947 | 3047 | 3153 |
| 15 | 2755 | 2849 | 2947 | 3047 | 3153 | 3259 | 3374 |
| 16 | 2947 | 3047 | 3153 | 3259 | 3374 | 3488 | 3611 |
| 17 | 3153 | 3259 | 3374 | 3488 | 3611 | 3733 | 3864 |
| 18 | 3374 | 3488 | 3611 | 3733 | 3864 | 3994 | 4134 |
| 19 | 3611 | 3733 | 3864 | 3994 | 4134 | 4274 | 4424 |
| 20 | 3864 | 3994 | 4134 | 4274 | 4424 | 4573 | 4734 |
| 21 | 4134 | 4274 | 4424 | 4573 | 4734 | 4892 | 5065 |
| 22 | 4424 | 4573 | 4734 | 4892 | 5065 | 5235 | 5417 |
| 23 | 4734 | 4892 | 5065 | 5235 | 5417 | 5604 | 5800 |

REVISED CITY OF CENTRALIA SALARY STRUCTURE
 *** CENTRALIA FIRE DEPARTMENT - 1994 - ***

| SALARY RANGE | A | B | C | D | E | F | G | |
|--------------|----------|--------|--------|--------|--------|--------|--------|--------|
| 9 | Hourly | 10.88 | 11.25 | 11.65 | 12.04 | 12.45 | 12.88 | 13.33 |
| | Monthly | 1,985 | 2,053 | 2,126 | 2,198 | 2,173 | 2,351 | 2,432 |
| | Annually | 23,820 | 24,636 | 25,512 | 26,376 | 27,276 | 28,212 | 29,184 |
| 10 | Hourly | 11.65 | 12.04 | 12.45 | 12.88 | 13.33 | 13.78 | 14.26 |
| | Monthly | 2,126 | 2,198 | 2,273 | 2,351 | 2,432 | 2,515 | 2,603 |
| | Annually | 25,512 | 26,376 | 27,276 | 28,212 | 29,184 | 30,180 | 31,236 |
| 11 | Hourly | 12.45 | 12.88 | 13.33 | 13.78 | 14.26 | 14.73 | 15.26 |
| | Monthly | 2,273 | 2,351 | 2,432 | 2,515 | 2,603 | 2,689 | 2,785 |
| | Annually | 27,276 | 28,212 | 29,184 | 30,180 | 31,236 | 32,268 | 33,420 |
| 12 | Hourly | 13.33 | 13.78 | 14.26 | 14.73 | 15.26 | 15.78 | 16.33 |
| | Monthly | 2,432 | 2,515 | 2,603 | 2,689 | 2,785 | 2,879 | 2,980 |
| | Annually | 29,184 | 30,180 | 31,236 | 32,268 | 33,420 | 34,548 | 35,760 |
| 13 | Hourly | 14.26 | 14.73 | 15.26 | 15.78 | 16.33 | 16.89 | 17.47 |
| | Monthly | 2,603 | 2,689 | 2,785 | 2,879 | 2,980 | 3,082 | 3,188 |
| | Annually | 31,236 | 32,268 | 33,420 | 34,548 | 35,760 | 36,984 | 38,256 |

| | | | | | | | | |
|----|----------|--------|--------|--------|--------|--------|--------|--------|
| 14 | Hourly | 15.26 | 15.78 | 16.33 | 16.89 | 17.47 | 18.06 | 18.68 |
| | Monthly | 2,785 | 2,879 | 2,980 | 3,082 | 3,188 | 3,296 | 3,410 |
| | Annually | 33,420 | 34,548 | 35,760 | 36,984 | 38,256 | 39,552 | 40,920 |
| 15 | Hourly | 16.33 | 16.89 | 17.47 | 18.06 | 18.68 | 19.32 | 19.99 |
| | Monthly | 2,980 | 3,082 | 3,188 | 3,296 | 3,410 | 3,525 | 3,649 |
| | Annually | 35,760 | 36,984 | 38,256 | 39,552 | 40,920 | 42,300 | 43,788 |
| 16 | Hourly | 17.47 | 18.06 | 18.68 | 19.32 | 19.99 | 20.67 | 21.40 |
| | Monthly | 3,188 | 3,296 | 3,410 | 3,525 | 3,649 | 3,773 | 3,905 |
| | Annually | 38,256 | 39,552 | 40,920 | 42,300 | 43,788 | 45,276 | 46,860 |

Although the copies of the collective bargaining agreement given the undersigned did not contain a separate wage table for year 1993, it is clear that all steps of the salary range were increased by 4% in January 1993. Not only was this the recollection of Employer Chief Negotiator Dombrowski, it is confirmed by application of the provision quoted above increasing that year's wages by ". . . one hundred percent (100%) of the 1992 first half of the Seattle Consumer Price Index for all wage earners (Seattle CPI-W) . . . [but not] . . . less than four percent (4.0%) nor more than six percent (6.0%) . . ." and the fact the relevant index reflected a 3.5% increase.³

³ City Exhibits No. 36 and 37 report that wages were increased 3.87% in 1993 and 3.88% in 1994. Performing the math on the 1992 and 1994 schedules provided confirms the increase was actually 4% in both 1993 and 1994. As Ms. Dombrowski testified, the 3.87% and 3.88% were arrived at by computing the change from 1992 to 1993 and from 1993 to 1994 employee wages after addition of the \$100 per month EMT stipend to their base wage.

In this connection, I note the City, on page 22 and note 13 of its brief, attempts to correct a similar oversight in City Exhibit No. 37 which also reports that firefighters received a 3.87% wage increase in 1992. Unfortunately, in doing so, the City mistakenly refers to the year "1991" on line 19 of page 22 rather than 1992 as intended. Interestingly, if the above-cited contractual language regarding the agreed-upon increase for 1992 had been applied, i.e. ". . . ninety percent (93% = 4%) of the 1991 second half of the Seattle Consumer Price Index for all wage earners (Seattle CPI-W) . . .", the appropriate 1992 increase would have been 3.87% inasmuch as the 1991 second half CPI-W was 4.3%. However, it is clear that Ms. Dombrowski testified correctly, and thus the City properly asserts at note 13 of its brief, that firefighters actually received a 4% increase when one compares the 1992 schedule reproduced above with the rates set forth in the 1990 schedule of wages contained in the 1990-1991 contract provided the Neutral Chairman as part of Union Exhibit No. 1. While no schedule of 1991 wages is contained in the exhibits, the 1990-1991 agreement notes at Appendix B on page 14 that the increase to be applied to the 1990 salary schedule in 1991 was ". . . 100% Seattle CPI-W . . . [but in no case] . . . less than four percent (4.0%) nor more than six percent (6.0%) . . ." Because City Exhibit No. 39 reflects the 1990 Seattle CPI-W was 7.1%, firefighters would have received a 6% increase in 1991. Applying this knowledge to the top-step wage of a Range 13 firefighter confirms the 4%

(continued...)

Positions of the Parties

The Union seeks the following wages for 1995 through 1997:

Effective January 1, 1995, a percentage increase in wages equal to 100% of the Seattle area CPI-W, mid-year 1994, plus an additional 2% effective July 1, 1995;

Effective January 1, 1996, a percentage increase in wages equal to 100% of the Seattle area CPI-W, mid-year 1995, plus an additional 2% effective July 1, 1996; and

Effective January 1, 1997, a percentage increase in wages equal to 100% of the Seattle area CPI-W, mid-year 1996, plus an additional 2% effective July 1, 1997.

It argues the CPI-based increases are necessary in order to continue the historic practice of the parties of giving annual cost of living increases and to maintain the historic position of the bargaining unit relative to those other jurisdictions the Union presented the Interest Arbitration Panel for comparison. It asserts the separate 2% mid-year adjustments are necessary in order to compensate City firefighters for the significant increase in productivity experienced over the last decade.

The City contends the following wages are appropriate for the term of the replacement agreement:

1995: No change;

³(...continued)

increase received in 1992 since \$2674 (1990 wage) x 1.06 (1991 wage) x 1.04 (1992 wage) leads to a 1992 wage of \$2947, precisely the amount set forth in the 1992 schedule of wages reproduced above. In any event, because the requisite math confirms the correction sought by the City on brief, City Exhibit No. 37, as well as City Exhibit No. 36, since it contains the same numbers, are hereby corrected.

1996: No change; and

1997: Effective January 1, 1997, base salaries to be increased 3.5%.

The City contends its recommended wages are justified in light of the assertedly much higher net hourly pay received by its firefighters when compared to any set of comparables provided by either party. In the City's view, this position is also supported by the need for continuing internal equity between firefighters and police officers, the City's stagnant economic condition and recent increases in the CPI.

Decision of the Neutral Chairman

Having now had the opportunity to consider carefully the entire record in this case, including the oral testimony, numerous economic exhibits, opinions of other neutrals and arguments of the parties in support of their respective positions, I have determined that I must adopt the City's position as to hours of work/overtime but that I cannot adopt either party's proposal with regard to wages.

As both parties advised on brief, Professor Carlton Snow noted at page 14 of his interest arbitration opinion rendered in **Seattle Police Management Association and City of Seattle**, PERC Case No. 6502-I-86-148 (unpub. 1988), Attachment B to the City's brief and Attachment 2 to the Union's brief:

. . . the goal of interest arbitration is to produce a final decision that will, as nearly as possible, approximate what the parties themselves would have reached if they had continued to bargain with determination and good faith.

To reinforce this point, both parties chose to quote yet another decision of Arbitrator Snow wherein he held:

In interest arbitration, it is the task of an arbitrator to render an award that applies statutory criteria. If the process is to work correctly, it should not produce a result that is substantially different from what would have been obtained had the parties resolved the dispute at the bargaining table. Interest arbitration is an extension of the bargaining process, and it is not a forum in which a party should expect to obtain a novel result. . . .

. . .

As an extension of collective bargaining, the parties are under an obligation to proceed in the utmost good faith. In interest arbitration, the requirement of good faith means that an arbitrator should exclude unreasonable positions and should expect the parties to submit a clear-cut, defensible rationale for particular requests.

International Association of Firefighters, Local 1758, and City of Ellensburg,

Washington, (unpub. 1992), sl. op. at 6. I agree with the approach suggested by Professor Snow. In the case at hand, whereas I believe the hours of work position advanced by the City is reasonable and should be adopted, I believe the wage positions advanced by both parties are unreasonable.

Selection of Comparable Jurisdictions

It is beyond cavil that I am bound by statute, as Professor Snow found, to apply certain criteria in reaching my decision in this dispute. Foremost among those, from the perspective of an interest arbitrator, is the matter of comparability, i.e. a comparison of the

wages of the employees at issue with those of employees performing similar work in similar jurisdictions. As Arvid Anderson, past president of the National Academy of Arbitrators has said:

The most significant standard . . . in the public service is comparability. Comparability relates to the subject matter at bargaining and the question of with which employers and employees the comparison should be made.

3 **The Labor Lawyer** 745, 750 (1987). While there is still plenty of room for argument, the field of comparison has been narrowed in Washington State to:

. . . 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 may not be considered.

RCW 41.56.465(1)(c)(ii). In this connection, although the Union is correct that this comparison may include fire districts as well as city fire departments, assuming the requisite size variable is met, I choose not to include fire districts for the reasons that they have very different tax bases, purposes and authorities from those of cities as defined by statute and, in my view, should only be used where it is impossible to devise an adequate list of city comparators. Especially in view of the fact that, unlike cities, which exist to provide a panoply of services to their citizenry, fire districts are single-purpose entities whose sole responsibility is the provision of fire protection services, they simply do not provide

meaningful comparisons for city fire departments.⁴ The key to the selection process thus becomes the matter of "similar size."⁵

The parties approached the question of size in somewhat similar fashion, beginning with a selection of cities with populations and assessed valuations from 50% smaller to 100% larger than Centralia.⁶ For the City, this resulted in a list of twenty comparables from across the state after jurisdictions without fire departments were excluded. Viewing this list as too large, the City attempted to restrict its bands, both population and assessed valuation, to those cities from 25% smaller to 50% larger than Centralia. After excluding the City of Enumclaw because it employed no shift workers and thus did not appear comparable, the City's list shrank to six cities assertedly satisfying the selected parameters, namely Anacortes, Tumwater, Aberdeen, Ellensburg, Moses Lake and Sunnyside.⁷ Although preferring its list of six cities, in the event the Interest Arbitration Panel preferred more than six comparables or perhaps a greater number of Western Washington cities, the City

⁴ If there ever was justification for including fire districts in the list of fire departments to be compared to the City, that justification disappeared with the demise of the mutual, or automatic, response agreement between the City and Lewis County Fire District No. 12 in recent years. As Union President Mack candidly testified, the Union did not seriously expect its original list of eleven comparables, which included, *inter alia*, two King County, Washington, fire districts, to be adopted. Accordingly, although it presented data regarding all the jurisdictions on its original list in the interest of a complete record herein, it pared down its list to a "short list" of six municipal fire departments at hearing.

⁵ Neither party either contended I should consider out-of-state fire departments or provided any data with respect to such departments.

⁶ Initially, of course, in line with its first approach of attempting to combine Centralia and Lewis County for purposes of the selection of comparables, the Union made its selections on the basis of the larger totals provided by that combination.

⁷ Unfortunately, as will be seen shortly, three of the cities do not fit.

provided data with respect to two more cities slightly outside its preferred bands, namely Port Angeles and Mt. Vernon.

Beyond its stated initial approach, the Union's methodology is not completely clear. Thus the record does not disclose exactly how the cities and fire districts falling within the 50% smaller-100% larger band which appeared on the Union's first list actually were selected. However, Union President Mack conceded that only Western Washington jurisdictions were considered and that there "undoubtedly" were more cities falling within the selected parameters than appeared on the Union's list. It is also clear that the Union left in certain cities that it considered "close to" meeting the selected parameters. The Union's resulting list of six cities included Port Angeles, Snohomish, Mt. Vernon, Shelton, Tumwater and Camas.⁸

My approach has been to attempt to find an adequate number of cities which I believe are most comparable to Centralia among those suggested by the parties.⁹ In doing so, I agree with the City that its second tier of cities with populations and assessed valuations from 25% smaller to 50% larger than those of Centralia provides comparators which satisfy the statutory mandate of "similar size." While the range of selection could be restricted further in order to retain cities even more comparable in size, to do so would provide too few

⁸ While the record contains data for the City's much smaller Lewis County sister city Chehalis, neither party proposed using Chehalis as a comparator.

⁹ While it is certainly possible, if I were to compile a list *sua sponte*, that it would include other cities not relied on by either party, the record does not contain sufficient evidence with regard to such cities to make such a determination here.

comparators. In fact, as will be seen below, after removing cities which simply do not fit the selection range and thus apparently were placed on the Employer's list in error and after considering regional differences in the cost of living, as I am required to do by RCW 41.56.465(1)(f), I must remove a number of cities from the Employer's list, with the result already being too few cities. On the other hand, to use the much wider approach of selecting all cities between 50% below and 100% above Centralia's population and assessed valuation provides too much variation for the cities on such a list to be called "comparable."¹⁰ Accordingly, what I shall do is apply the parameters assertedly used by the City and then expand slightly on the list arrived at thereby in order to develop a selection of jurisdictions which both satisfies the statutory criterion of similar size and provides a sufficient number of comparators to make the act of comparison meaningful.

To reiterate, the City would use the cities of Anacortes, Tumwater, Aberdeen, Ellensburg, Moses Lake and Sunnyside and possibly add Port Angeles and Mt. Vernon, whereas the Union would use the cities of Port Angeles, Snohomish, Mt. Vernon, Shelton, Tumwater and Camas. The 1996 populations and assessed valuations of these cities and the Employer taken from Employer Exhibit No. 17 as well as the variations from the Employer figures are set forth in the table below in descending order of population:

¹⁰ I was not provided the necessary evidence with regard to most of the cities which would fall within the expanded range, in any event.

| <u>City</u> | <u>Population</u> | <u>Var.</u> | <u>A. V.</u> | <u>Var.</u> |
|--------------|-------------------|-------------|------------------|-------------|
| Mt. Vernon | 21820 | + 70% | \$ 1,122,899,001 | +143% |
| Port Angeles | 18790 | + 46% | 980,756,365 | +113% |
| Aberdeen | 16700 | + 30% | 491,032,261 | + 6% |
| Ellensburg | 13210 | + 27% | 466,925,569 | + 1% |
| Anacortes | 13140 | + 22% | 927,343,777 | +101% |
| Moses Lake | 13130 | + 21% | 464,598,738 | + 1% |
| Centralia | 12860 | - | 461,213,339 | - |
| Tumwater | 11790 | - 8% | 697,799,480 | + 51% |
| Sunnyside | 11720 | - 9% | 307,400,875 | - 33% |
| Camas | 8810 | - 31% | 942,572,392 | +104% |
| Snohomish | 7780 | - 40% | 371,935,509 | - 19% |
| Shelton | 7705 | - 40% | 251,992,434 | - 45% |

A review of this table reveals, *inter alia*, that of the six cities proffered as most comparable by the Employer, only Aberdeen, Ellensburg, Moses Lake and Tumwater, the last of which the Union would also use, actually fall between approximately 25% below and 50% above both the population and assessed valuation of Centralia.¹¹ While Anacortes and Sunnyside fall well within the population range, they have assessed valuations outside the selected range. The assessed valuation of Anacortes is slightly more than twice Centralia's and that of Sunnyside is approximately 33% lower than Centralia's. As for Port Angeles and Mt. Vernon which the Union would use and the Employer is willing to add, Port Angeles falls within only the selected population band but substantially outside the assessed valuation parameters whereas Mt. Vernon falls slightly outside the former and well outside the latter band. None of the remainder of the Union's suggested list falls within either band.¹²

¹¹ As can be seen, of course, Tumwater's assessed valuation actually is 51% higher than Centralia's. However, since it is impossible to apply absolute surgical precision to this analysis which necessarily involves a certain amount of judgment, I shall consider it within range.

¹² As shown above, Employer Exhibit No. 17 shows that Snohomish has an assessed valuation of \$ 371,935,509. Employer Exhibit No. 1A, which was entered in evidence at mediation by the Union, and Union Exhibit No. 3 here, both of which reference 1994 values, give a vastly different number of \$ 1,068,000,000. Similarly, Union Exhibits No. 6 and 12, the
(continued...)

While Camas comes close at 31% below Centralia's population, its assessed valuation, like those of Anacortes, Port Angeles and Mt. Vernon, is just over twice Centralia's. As a result, strict application of the 25% below-50% above standard leads to the selection of only four cities, namely Aberdeen, Ellensburg, Moses Lake and Tumwater.

Moreover, I believe that the consideration of regional differences in the cost of living mandated by RCW 41.56.465(1)(f) may require the elimination of those Eastern Washington cities on the Employer's list. Although the record does not contain precise cost of living data for the cities in question, it is clear from Employer Exhibit No. 9 reporting wage data from all Washington counties for 1994 and 1995 that wages in general, which relate to cost of living, are considerably lower in Grant, Kittitas and Yakima counties, where Moses Lake, Ellensburg and Sunnyside, respectively, are located than those paid in Lewis County. In fact, that exhibit demonstrates the wages in those counties lagged from 14 to 19% behind Lewis County in the reported years. Therefore I must either adjust the wages for those cities in order to use them as comparators or remove them from the list. My preference is to remove them initially. The possible list of four thus becomes a list of two since Sunnyside was removed earlier. Because two comparators are simply not enough, I must find a way to put some of the proffered cities back on the list.

¹²(...continued)

second of which addresses the Union's short list of cities from which I understood all fire districts had been removed, both report a figure of \$ 1,303,195,920 for 1997. I infer those much larger valuations mistakenly continue to refer to Snohomish Fire District No. 4 rather than to the City of Snohomish. However, for reasons set forth in note 14, *infra*, the City of Snohomish will not be selected as a comparator in any event.

Because Anacortes fits neatly into the population band and fails to meet only the assessed valuation test, it appears to be a candidate for reinsertion. The same is true of Port Angeles. Moreover, Port Angeles shows up on the Union's list and on the Employer's alternate list.¹³ Similarly, Sunnyside meets the population test and only barely fails to satisfy the assessed valuation test. Although it is an Eastern Washington city and thus subject to the regional cost of living differences referenced above, it is clear from Employer Exhibits No. 10 and 11 which report median household income and per capita income by county that, in contrast to the counties containing Ellensburg and Moses Lake, Yakima County where Sunnyside is located experienced median household incomes which lagged behind Lewis County by an average of only 2% in 1994-1996 and per capita income which was only 1.6% lower in 1994.¹⁴

Before making a final decision, however, I believe the potentially comparable cities of Aberdeen, Tumwater, Anacortes, Port Angeles and Sunnyside should be compared to Centralia one more time on the basis of per capita assessed valuation, as the Employer

¹³ Mt. Vernon also appeared on both lists. However, I believe it is simply too large as to both population and assessed valuation to be considered a city of similar size.

¹⁴ Of the remaining cities, Shelton has both a population and assessed valuation which are far too small to be comparable whereas Snohomish has a population which is too small. In this connection, I have adopted the City's figure of 7780 for the 1996 population of Snohomish because the Union's much higher figures of 26800 and 21000 for 1994 and 1997, respectively, do not coincide with any publicly-recognized census I am aware of and thus apparently refer to Snohomish County Fire District No. 4 rather than to the City of Snohomish as I found in note 12, *supra*, was the case with respect to the assessed valuations reported for "Snohomish" by the Union. Lastly, Camas presents something of an enigma in that its population is only roughly two-thirds that of Centralia while its assessed valuation is more than twice the size of Centralia's, perhaps because of its close proximity to the Portland, Oregon-Vancouver, Washington, metropolitan area, thereby making its use unreliable as well.

suggested on brief. While this might appear at first blush to be an additional and unnecessary step, it will confirm whether the relationship between the two indicia which causes the cities being examined to appear to be comparable actually exists. Using the same numbers appearing in the table above, that comparison appears as follows:¹⁵

| <u>City</u> | <u>Population</u> | <u>A. V.</u> | <u>Per Cap.</u> | <u>Var.</u> |
|--------------|-------------------|----------------|-----------------|-------------|
| Port Angeles | 18790 | \$ 980,756,365 | \$ 52,196 | + 46% |
| Aberdeen | 16700 | 491,032,261 | 29,403 | - 18% |
| Anacortes | 13140 | 927,343,777 | 70,574 | + 97% |
| Centralia | 12860 | 461,213,339 | 35,864 | - |
| Tumwater | 11790 | 697,799,480 | 59,184 | + 65% |
| Sunnyside | 11720 | 307,400,875 | 26,229 | - 27% |

Clearly, only two of the cities, namely Port Angeles and Aberdeen, exhibit per capita assessed valuations which also fall within the 25% below-50% above band selected as preferable for the two individual components of population and assessed valuation.

However, Tumwater and Sunnyside are close to fitting these parameters. Anacortes, on the other hand, which the Employer would include as a comparator, is simply off the chart.¹⁶

As the Employer concedes on brief:

. . . if two jurisdictions are roughly the same size, but one has an assessed valuation that is twice as large as the other, that jurisdiction will be substantially better off from an economic point of view. Since significant tax revenues are generated by property values, this can be an important indicia in terms of assessing comparability.

Accordingly, I cannot find Anacortes comparable to Centralia and I shall use only the cities

¹⁵ Several of the figures shown for assessed value per capita differ slightly from those reported by the City on brief. However, with the exception of the number for Anacortes, the differences appear to be the result of rounding and all are insignificant.

¹⁶ Had Camas been included in this table, it would have ended up even farther off the chart than Anacortes.

of Port Angeles, Aberdeen, Tumwater and Sunnyside as comparators. While I would prefer a greater number that fit the selected parameters, four will provide adequate data. Clearly, it is preferable to use a shorter list of cities which appear very comparable rather than a longer list which includes substantially less comparable cities added merely to lengthen the list.

Hours of Work/Overtime

The following table illustrates the hours of work of Centralia unit employees and comparator employees:

| <u>City</u> | <u>Weekly Contract Hours</u> |
|--------------|------------------------------|
| Port Angeles | 51.0 |
| Aberdeen | 50.2 |
| Tumwater | 49.8 |
| Sunnyside | 49.4 |
| Average | 50.1 |
| Centralia | 42.0 |
| Variation | -16% |

I agree with the City that the hours worked by Centralia firefighting employees are out of line with hours worked by employees of comparable jurisdictions. In fact, as the various exhibits placed in evidence by both parties make clear, it really does not matter what other jurisdictions are selected for this comparison. By any comparison, the scheduled hours of unit employees here are extremely low. While I appreciate the Union's point that its members acceded to Employer demands that it work these hours in lieu of a wage increase over thirty years ago, collective bargaining is a fluid relationship. This is so for the labor-management community in general as well as for individual bargaining relationships. The

hours worked by firefighting employees in other jurisdictions demonstrates conclusively that the contract hours in Centralia are out of touch and that the City's demand for a modest increase in those hours is reasonable.

I am not inclined to find otherwise because the City waited until interest arbitration to reduce the earlier unrealistic proposal for an increase to fifty-three hours advanced in negotiations. I must evaluate those proposals which the parties bring to the interest arbitration table. Nor am I convinced the Employer's proposal should not be adopted simply because it may be a proposal less commonly advanced than many others that come to mind. While Arbitrator Snow certainly cautioned against the expectation of a novel result from interest arbitration, he uttered that caution in the context of explaining his view that interest arbitration should not ". . . produce a result that is substantially different from what would have been obtained had the parties resolved the dispute at the bargaining table."

International Association of Firefighters, Local 1758, and City of Ellensburg,

Washington, supra, at 6. In doing so, he quoted with approval the following observation of the Illinois State Labor Relations Board made in **Will County and Sheriff of Will County v.**

AFSCME Council 31, Local 2961, (Nathan, Chair, 1988):

Interest arbitration is essentially a conservative process. While, obviously, value judgments are inherent, the neutral cannot impose on the parties contractual procedures he or she knows the parties themselves would never agree to.

As Union President Mack conceded at hearing, had the City sought this modest increase in

hours and offered a commensurate wage increase during bargaining, the Union would have "taken a close look." Accordingly, leaving aside for the moment the failure to offer an equivalent increase in wages, a matter to be addressed in the next section of this decision, the City's request for a 7% increase in contract hours, standing alone, cannot be deemed an unreasonable position.

Moreover, as Arbitrator Wilkinson opined in Pierce County Fire District No. 2 and International Association of Fire Fighters, Local 1488, (unpub. 1988), Attachment J to the Employer's brief:

I would caution against casting too heavy a burden on the party seeking change. If that were to occur, the status quo would be perpetuated indefinitely and interest arbitration would cease to be a viable means for resolving differences regarding employment.

Id., sl. op. at 14. This is consistent with the view of Professor Snow expressed in the above-cited Ellensburg opinion to the effect that a party seeking change must substantiate its position with a "clear-cut, defensible rationale." In this case, I believe the City's reasons of reducing the amount of overtime pay from the 1996 level of an average of \$ 11,400 per firefighter and enhancing its ability to conduct firefighter training satisfy that requirement.

As I have already found, it is clear that the increase sought is justified in light of the hours worked in comparable jurisdictions. Even after increasing the weekly hours of work to forty-five, Centralia firefighters will continue to work 10% fewer scheduled hours than their contemporaries at the cities found comparable. Moreover, the impact of the added work, as

the City argues, will be minimal, requiring one additional day of work every eight weeks, or six and one-half additional days per year. Put another way, as the City did on brief, instead of forty-two days off out of every fifty-six, firefighters will have only forty-one days off after implementation of the increase. Accordingly, I shall order that the new work week be forty-five hours, with overtime at the contractual rate paid for all hours thereafter, the scheduling of individual debit days aimed at accomplishing the increase in hours to be negotiated by the parties, with the first such debit day to be worked no sooner than eight weeks after issuance of the Final Award in this matter.¹⁷

Wages

For purposes of determining the appropriate wage to appear in the parties' next contract, I shall compare 1994 Centralia wages to the 1995 wages paid by the selected comparators. I intend to make these comparisons for top-step firefighters with ten years' service.¹⁸ I shall not do a separate analysis of the driver/engineer position because there is only one comparator, Aberdeen, which has such a classification. Instead, I intend to continue to apply the existing 7% differential to the Range 13 wages eventually arrived at in

¹⁷ As the City recognized at hearing, at the rate of three hours per week, it will be eight weeks before any employee will owe the City a full debit day of twenty-four hours. That will give the parties ample opportunity to negotiate and reach agreement with regard to the details of scheduling of those debit days, the various approaches to which need not be explored here.

¹⁸ According to Employer Exhibit No. 5, average length of service for the fourteen department employees on the payroll as of the date of the hearing was 9.86 years.

order to formulate the Range 14 driver/engineer wages. Nor do I intend to perform a separate analysis for captains because, although I agree with the City that Centralia captains would fare even better than Centralia firefighters if I made the same comparisons regarding them as I shall make for firefighters below, the record contains insufficient evidence of the basis on which the parties have arrived at the differential paid to captains over and above the firefighter wage for me to entertain any thought of upsetting that relationship. As a result, as in the case of driver/engineers, I shall continue to apply the existing differential, in this case 22.5%, to the Range 13 wages eventually arrived at in order to formulate the Range 16 captain wages.

With two exceptions, I also decline to add any additional values to the top-step firefighter wages compared even though both parties have attempted to include a mix of benefits and additional compensation in their analyses. I do so for the reasons stated by Arbitrator Beck in his decision in City of Bellingham and International Association of Fire Fighters, Local No. 106, (unpub. 1991), Attachment G to the Employer's brief, i.e. because it makes an "apples to apples" comparison difficult if not impossible.¹⁹ The two exceptions are holiday pay and EMT pay. As a careful comparison of Employer Exhibits No. 6 and 7 with the 1994 contractual wage schedule makes clear, both are received by all unit

¹⁹ In this connection, I shall not follow the weighting approach taken by Arbitrator Krebs in City of Spokane and International Association of Fire Fighters, Local No. 29, (unpub. 1988), Attachment F to the Employer's brief, since in that case, unlike here, the parties agreed the separate wage paid to "equipment operators" should be taken into consideration in arriving at the wage for firefighters. In this case, only the City would add the driver/engineer premium to arrive at a weighted firefighter wage. In all the Union's comparisons, the unadulterated top-step firefighter wage is used.

employees,²⁰ albeit holiday pay is received by employees in varying amounts depending on the number of holidays actually taken.²¹ Although I am somewhat concerned about the effect of adding EMT pay since Aberdeen was the only comparator to pay a separate EMT stipend in 1995²² and the record does not disclose how many of its firefighting employees are EMT-certified, because both parties included it in their calculations, I shall do likewise so that my eventual decision makes sense in light of the parties' positions. Lastly, I am convinced, as are both parties, that the wages being compared have meaning only in the context of the relative net hours, defined as base contract hours minus vacation and holiday hours, worked by the employees under scrutiny.²³ That computation will lead to a "net hourly compensation" for Centralia and the comparators which will become the principal basis for my final determination of the 1995-1997 wages I believe are appropriate under the circumstances.

²⁰ The one exception may be Firefighter Foglesong, whose "base wage," as that term is used on Employer Exhibits No. 6 and 7, is not so easily susceptible of the same analysis in light of the 1994 wage structure as are the wages of other employees. Thus it is not entirely clear whether Foglesong receives EMT pay. Additionally, of course, paramedic-certified employees LeBoeuf and Fisher receive a higher level of compensation for their certifications but their pay may be presumed to include pay for the EMT certification.

²¹ When employees take a holiday, they receive straight time pay for the holiday. Because shifts are scheduled around the clock, everyone cannot take all eleven holidays set forth in Article XII of the parties' last contract. If employees work on a holiday, they receive a premium of time and one-half in addition to straight time pay for the day.

²² Sunnyside began paying a separate monthly EMT stipend of \$ 45.00 in 1996.

²³ The parties are in agreement that the figure for net annual hours worked is arrived at by subtracting 144 vacation hours received by employees with six to twelve years' service and twenty-four holiday hours received by all employees from the 2190 total contract hours. Union exhibits consistently take that approach. For some reason, however, whereas Employer exhibits placed in evidence in support of its wage arguments do so as well, Employer exhibits received in connection with its hours of work case take only the vacation hours into consideration and ignore holiday hours. I have taken both vacation and holiday hours into consideration for all purposes.

The following table compares the 1995 top-step firefighter annual base wages, annual EMT and holiday pay, net hours worked and resulting net hourly compensation at the comparators with the same 1994 variables at Centralia as well as the percentages by which Centralia exceeded or lagged behind the average base wage, net hours worked and net hourly compensation paid by the comparators:²⁴

| <u>City</u> | <u>FF Base</u> | <u>EMT Pay</u> | <u>Holiday Pay</u> | <u>Net Hours Worked</u> | <u>Net Hourly</u> |
|--------------|----------------|----------------|--------------------|-------------------------|-------------------|
| Port Angeles | \$ 40,920 | \$ 0 | \$ 1636 | 2400 | \$ 17.73 |
| Aberdeen | 39,876 | 798 | 0 | 2320 | 17.53 |
| Tumwater | 39,048 | 0 | 1991 | 2422 | 16.94 |
| Sunnyside | 31,944 | 0 | 0 | 2373 | 13.47 |
| Average | 37,947 | - | - | 2379 | 16.42 |
| Centralia | 38,256 | 1200 | 2844 | 2022 | 20.97 |
| Variation | + 0.8% | - | - | -15.0% | +27.7% |

Thus it can be seen that the 1994 net hourly wage of Centralia top-step firefighters was 27.7% higher than the 1995 net hourly wage of top-step firefighters at the comparables. Even if Sunnyside, which pays a much lower net hourly wage than the other comparables, were omitted and the comparison were restricted to the three Western Washington comparables, the 1994 net hourly wage of Centralia top-step firefighters would remain 20.5% higher than the 1995 net hourly wage of top-step firefighters at those comparables.

To reiterate, the Union has proposed increases retroactive to January 1 of 1995, 1996 and 1997 equivalent to the previous mid-year Seattle area CPI-W (3.5%, 3.2% and 2.9%, respectively) and an additional 2% retroactive to July 1 of 1995, 1996 and 1997, whereas the

²⁴ The figures I have used do not agree in all cases with those provided by the parties. Each one ultimately selected either appeared to be the correct party-supplied number or came from an examination of the relevant collective bargaining agreement or other evidence in the record.

City has proposed no increases for 1995 and 1996 and a 3.5% increase retroactive to January 1, 1997. Additionally, of course, the Union believes that the increase in the work week should be accompanied by a corresponding increase in base wages and the City disagrees.

I believe an intermediate result is appropriate in the circumstances present here and thus will order that the City's recommended approach of no increase for years 1995 and 1996 and a 3.5% increase in base wages effective January 1, 1997, be adopted but that the Union's request for a 7% increase in compensation for the increase in the work week from forty-two to forty-five hours also be adopted effective on the date the Interest Arbitration Panel's Award becomes final.²⁵ I believe this Award is appropriate for the reasons which follow.

Principally, although I can appreciate the Union's argument that it believes Centralia's position as a wage leader should not be disturbed here, as the net hourly wage comparisons above make abundantly clear, Centralia is simply too far out in front. The demand that this trend continue is one of the two reasons the parties ended up in interest arbitration; the Employer could not and would not agree to continue so far ahead of the pack. Thus it is appropriate that Centralia firefighter wages be frozen in 1995 and 1996 in order that comparable jurisdictions be allowed to make up a bit of the difference. On the other hand,

²⁵ The 7% wage increase will be calculated after addition of the 3.5% increase in base wages effective January 1, 1997, i.e. via the following formula: 1994 base wage x 1.035 x 1.07.

the Union was in no position to accede to the City's demand that it agree to an increase in its members' hours of work with no accompanying increase in wages. This was the second reason the parties found the statutory interest arbitration process unavoidable. While I have agreed that the gap between Centralia and the comparators should be narrowed, a reduction in the net hourly compensation received by Centralia firefighters is not the desirable way to accomplish that goal.

Lest the decision of the Neutral Chairman be viewed as a "splitting of the difference" at odds with the opinion of one of the deans of Pacific Northwest arbitration, Arbitrator LaCugna, expressed in his decision in Kent Police Officers' Guild and The City of Kent, (unpub. 1980), Attachment A to the City's brief, let me assure the parties it is nothing of the sort. Rather, it is the result of a diligent effort to fashion a case-specific ". . . final decision that will, as nearly as possible, approximate what the parties themselves would have reached if they had continued to bargain with determination and good faith." Seattle Police Management Association and City of Seattle, *supra*, at 14. It is a reasonable result which, on balance, serves the needs of both parties.

For example, it will assure that the City continues to attract and retain qualified firefighters, thereby keeping turnover at the relatively low level historically experienced in Centralia, a consideration noted by other interest arbitrators.²⁶ See, e.g., Arbitrator

²⁶ The reduction in the net hourly wage of Centralia firefighters which would have occurred had I adopted the City's request to increase hours without a corresponding increase in base pay might well have led to an increase in turnover.

Lehleitner's interest arbitration opinion in Teamsters Local 58 representing Cowlitz County Corrections Officers v. Cowlitz County, (unpub. 1996) and Arbitrator Axon's opinion in Mount Vernon Police Services Guild and City of Mount Vernon, Washington, (unpub. undated ca. 1993). Low turnover is a factor which serves the interests of both parties as well as the interest of the public because it assists in ensuring the presence of a qualified firefighting force familiar with the environs it is called on to protect.²⁷

The result arrived at also survives internal equity comparisons vis-a-vis City police officers whose base wages have increased by 15.27% since 1991 compared to the resulting increase of 15.5% for firefighters, disregarding the 7% increase awarded for the 3-hour-per-work-week increase and without taking into account any resulting compounding. A direct comparison of base wages paid police officers and firefighters leads to a similar result; whereas police officer monthly wages were \$ 2174 in 1986, \$ 2834 in 1991 and \$ 3294 in 1997, firefighter wages, after properly subtracting the stipend paid for the separate EMT certification, stood at \$ 2117 in 1986, \$ 2834 in 1991 and \$ 3300 as of January 1, 1997.

Additionally, I am convinced the increases are within the realm of reason in terms of the City's economic condition. In this regard, the City does not claim an inability to pay. As Arbitrator Snow recognized, ". . . unlike employers in the private sector, public employers ordinarily cannot put forth a persuasive 'inability to pay' argument." Seattle

²⁷ Low turnover obviously also saves the City training dollars.

Police Management Association and City of Seattle, supra, at 11. The City asserts instead that the stagnant economy and the deterioration of the average wage and per capita income in Lewis County vis-a-vis the state average during the last two decades demand restraint. While the evidence in the record substantiates that average wages in Lewis County declined significantly in the 1980s and that both personal and per capita income rose less than statewide averages during the 1970s and 1980s, average wages in Lewis County began the same upward climb as the rest of the state in 1992 and Lewis County came in above the median of counties in 1994 and 1995 monthly wages and near the median of counties in 1994 per capita income.²⁸

Moreover, although City Manager/City Attorney Nelson testified without contradiction regarding the substantial expenditures soon to be required in areas such as its sewer treatment plant, the combination of wage and hours of work increases found appropriate herein are not perceived as placing an onerous burden on the City, particularly in view of the substantial savings in overtime payments to be realized as a result of the increased work week, not to mention what may be regarded as the equivalent of savings resulting from the 1995-1996 wage freeze.²⁹

²⁸ It may be argued that medians provide a better gauge than means inasmuch as the latter are susceptible to skewing by a few counties such as King and Snohomish which have much larger industrial and population bases. In this regard, while the City is correct that Lewis County is considered a "distressed" county based on its recent unemployment figures, so are nineteen of the thirty-eight other Washington counties, sixteen of which had unemployment figures equal to or higher than Lewis County as of April 1, 1996.

²⁹ Although the City will be paying base wages and benefits to a greater number of firefighters, additional overtime wage savings will be realized by the hiring of the new firefighters aimed at providing the greater coverage desired by the City Council.

Both parties argue that the results they seek are supported by the CPI, although they contend different indices should be applied. While I have studied carefully all the CPI data placed in the record, I am not convinced that either the "All U.S. Cities" index preferred by the City or the "Seattle-Tacoma" index urged upon me by the Union serves the City of Centralia well.³⁰ Moreover, although the parties historically have tied wage increases to the Seattle CPI-W, as evidenced by their 1992-1994 contract, I am of the view that the specific use of CPI data in the circumstances of this case is outweighed by other factors brought to my attention by the parties.

I wish to make clear at this juncture that I have not forgotten the Union's additional request for 2% extra pay in return for the increased productivity of its members. Without question, as Union Exhibit No. 21, the outline of the Chief's April 1996 remarks to the City Council, make clear, 1995 building inspections were up 2.8% over 1990 and a substantial 475% over 1985, 1995 fire responses had increased 9% since 1990 and 46% since 1985, 1995 medical responses were up 27% over 1990 and 116% over 1985, and 1995 service calls had increased by 19% since 1990 and 59% since 1985. The 1995 combined increases for fire, medical and service calls amounted to 22.7% since 1990 and 91% since 1985. However, the City is in the process of returning the number of staff from the recent low of eleven in 1994 to the historic high of sixteen; at the time of the hearing, fourteen firefighters

³⁰ Whereas the All U.S. Cities index showed increases of 2.7% for 1994, 2.5% for 1995 and 3.3% for 1996, the Seattle index recorded gains of 3.7%, 3.0% and 3.3% for the same periods.

were on board, with the goal of sixteen soon to be realized. Accordingly, as the City argues, relief from the significantly increased individual productivity required in the last several years is on the way and I am of the view that an additional wage increase tied to production is not appropriate.³¹

The following table demonstrates the precise difference a wage freeze in 1995 makes by comparing 1995 figures at the comparators to 1995 Centralia figures which use the actual 1995 holiday pay experienced by the City taken from Employer Exhibit No. 6:

| <u>City</u> | <u>FF Base</u> | <u>EMT Pay</u> | <u>Holiday Pay</u> | <u>Net Hours Worked</u> | <u>Net Hourly</u> |
|--------------|----------------|----------------|--------------------|-------------------------|-------------------|
| Port Angeles | \$ 40,920 | \$ 0 | \$ 1636 | 2400 | \$ 17.73 |
| Aberdeen | 39,876 | 798 | 0 | 2320 | 17.53 |
| Tumwater | 39,048 | 0 | 1991 | 2422 | 16.94 |
| Sunnyside | 31,944 | 0 | 0 | 2373 | 13.47 |
| Average | 37,947 | - | - | 2379 | 16.42 |
| Centralia | 38,256 | 1200 | 2537 | 2022 | 20.77 |
| Variation | + 0.8% | - | - | -15.0% | +26.5% |

As can be seen, with no wage increase in 1995 and actual 1995 holiday pay slightly reduced from 1994 levels, Centralia firefighters remain 26.5% ahead of their contemporaries employed by comparable jurisdictions in net hourly pay received.

Another table will serve to demonstrate the difference the combined 1995 and 1996 wage freezes make by comparing 1996 figures at the comparators to 1995 Centralia figures which use the actual 1996 holiday pay experienced by the City taken from Employer Exhibit

³¹ In so concluding, I have not relied on the general finding of Arbitrator Krebs in City of Spokane and International Association of Fire Fighters, Local No. 29, supra, with respect to the increase in certain kinds of responses during the decade prior to his 1988 decision therein. While he undoubtedly had the data before him on which to base such a finding, that data is not contained in the record before me. However, I note that Union President Mack conceded on cross examination that the entire industry is experiencing an increased number of calls.

No. 7:³²

| <u>City</u> | <u>FF Base</u> | <u>EMT Pay</u> | <u>Holiday Pay</u> | <u>Net Hours Worked</u> | <u>Net Hourly</u> |
|--------------|----------------|----------------|--------------------|-------------------------|-------------------|
| Port Angeles | \$ 45,792 | \$ 0 | \$ 1831 | 2400 | \$ 19.84 |
| Aberdeen | 41,076 | 822 | 0 | 2320 | 18.06 |
| Tumwater | 40,416 | 0 | 2061 | 2422 | 17.54 |
| Sunnyside | 35,220 | 540 | 0 | 2236 | 15.99 |
| Average | 40,980 | - | - | 2345 | 17.86 |
| Centralia | 38,256 | 1200 | 3030 | 2022 | 21.01 |
| Variation | - 6.6% | - | - | -13.8% | +17.6% |

It is clear from this table that the wage freeze in 1995-1996 closes the unrealistic gap between Centralia and the comparators seen in 1994 while preserving the negotiated historic position of Centralia as a wage leader since Centralia firefighters continue to receive a net hourly wage 17.6% higher than their fellow firefighters.³³

The following table compares the 1997 figures at the comparators³⁴ to expected 1997 Centralia figures which include the 3.5% base wage increase effective January 1, 1997.³⁵

| <u>City</u> | <u>FF Base</u> | <u>EMT Pay</u> | <u>Holiday Pay</u> | <u>Net Hours Worked</u> | <u>Net Hourly</u> |
|--------------|----------------|----------------|--------------------|-------------------------|-------------------|
| Port Angeles | \$ 45,792 | \$ 0 | \$ 1831 | 2400 | \$ 19.84 |
| Aberdeen | 41,076 | 822 | 0 | 2320 | 18.06 |
| Tumwater | 41,832 | 0 | 2133 | 2422 | 18.15 |

³² As in the preceding table, the figures shown do not agree in all cases with the numbers suggested by the parties. Those selected either appeared to be the correct party-supplied number or came from an examination of the relevant collective bargaining agreement or other evidence in the record.

³³ Even if Sunnyside, which closed its own gap significantly in 1996, were removed from the equation, City firefighters nevertheless would stay 13.7% ahead of comparator employees.

³⁴ The record does not contain 1997 data for Aberdeen and Sunnyside. Accordingly, the table continues to use 1996 data for those two cities along with updated 1997 figures for Centralia, Port Angeles and Tumwater.

³⁵ The 1997 Centralia annual wage was arrived at by multiplying the 1994 hourly rate of \$ 17.47 by 3.5% and multiplying that product by 2190 hours. The 1997 Centralia holiday pay figure was estimated by averaging the Employer's actual 1994-1996 holiday pay experience and multiplying that number by 3.5%. An estimate was necessary because the Employer's actual experience in 1994-1996 does not follow any expected formula and thus I cannot predict accurately what impact the increase in the number of employees to fourteen and eventually to sixteen will have on holiday pay.

| | | | | | |
|-----------|--------|------|------|--------|--------|
| Sunnyside | 35,220 | 540 | 0 | 2236 | 15.99 |
| Average | 40,980 | - | - | 2345 | 18.01 |
| Centralia | 39,598 | 1200 | 2902 | 2022 | 21.61 |
| Variation | - 3.4% | - | - | -13.8% | +20.0% |

Accordingly, after a two-year freeze and a 3.5% increase on January 1, 1997, Centralia top-step firefighter net hourly wages are 20.0% ahead of similar wages at the comparables, thus preserving the wage leadership role the parties themselves have developed over the years while reducing the runaway differential seen as of 1994.³⁶

When the 7% increase in hours and the corresponding wage increase found appropriate for Centralia are factored in subsequently, the comparison changes as follows:

| <u>City</u> | <u>FF Base</u> | <u>EMT Pay</u> | <u>Holiday Pay</u> | <u>Net Hours Worked</u> | <u>Net Hourly</u> |
|--------------|----------------|----------------|--------------------|-------------------------|-------------------|
| Port Angeles | \$ 45,792 | \$ 0 | \$ 1831 | 2400 | \$ 19.84 |
| Aberdeen | 41,076 | 822 | 0 | 2320 | 18.06 |
| Tumwater | 41,832 | 0 | 2133 | 2422 | 18.15 |
| Sunnyside | 35,220 | 540 | 0 | 2236 | 15.99 |
| Average | 40,980 | - | - | 2345 | 18.01 |
| Centralia | 42,370 | 1200 | 2902 | 2178 | 21.34 |
| Variation | + 3.4% | - | - | - 7.1% | +18.5% |

The bottom line is that Centralia top-step firefighters continue to be paid ahead of those employed at the comparators, but by 18.5% rather than the 27.7% previously seen. Notwithstanding the City has realized the modest increase in hours it sought and forestalled any wage increase until 1997, the Union has been able to accommodate the City's needs without its members assuming any additional hours of work for which no extra pay is received. This is precisely the sort of accord which the parties might have reached

³⁶ If an increase occurred in the net hourly compensation of firefighters at Aberdeen and/or Sunnyside in 1997, the relative difference between Centralia and the comparators would, of course, drop below 20%.

themselves had face-to-face bargaining continued in good faith.

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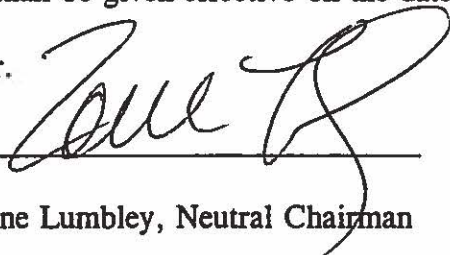
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A W A R D

It is the Award of the Neutral Chairman of the Interest Arbitration Panel that:

- A. No wage increase shall be given for years 1995 or 1996;
- B. A 3.5% increase in base wages shall be given retroactive to January 1, 1997;
- C. The 7% differential between Range 13 firefighter base wages and Range 14 driver/engineer base wages and the 22.5% differential between Range 13 firefighter base wages and Range 16 captain base wages appearing in the parties' 1992-1994 collective bargaining agreement shall continue to apply;
- D. The work week shall be increased from forty-two to forty-five hours effective on the date of issuance of the Final Award in this matter, with overtime at the negotiated contractual rate to be paid for all hours thereafter and the scheduling of individual debit days aimed at accomplishing the increase in hours to be negotiated by the parties, with the first such debit day to be worked no sooner than eight weeks after issuance of the Final Award in this matter; and
- E. A 7% increase in base wages shall be given effective on the date of issuance of the Final Award in this matter.

Monroe, Washington
Initial Award September 9, 1997
Amended Award September 17, 1997



M. Zane Lumbley, Neutral Chairman

Signatures of Party-Appointed Panelists

In the Matter of Interest Arbitration
between
City of Centralia, Washington,
and
International Association of Firefighters,
Local No. 451

AAA Case No. 75 L 390 00218 96
PERC Case No. 11866-1-95-253

Michael Guerin, City-Appointed Member:

I Concur X I Dissent _____

/s/

Signed

9-18-97

Date

Michael McGovern, Union-Appointed Member:

I Concur _____ I Dissent X

/s/

Signed

9-15-97

Date