



PUBLIC EMPLOYMENT
RELATIONS COMMISSION
OLYMPIA WA

IN THE MATTER OF THE)
INTEREST ARBITRATION)
BETWEEN)
MASON COUNTY, WASHINGTON)
and)
TEAMSTERS UNION, LOCAL NO. 378)

INTEREST ARBITRATION
OPINION AND AWARD
PERC Case No. 13872-I-98-301
Date: July 19, 1999

OPINION OF THE INTEREST ARBITRATOR

PROCEDURAL MATTERS

The Arbitrator, Michael H. Beck, was selected by the parties to conduct an Interest Arbitration pursuant to RCW 41.56.450. The parties waived their right to appoint panel members and this matter was submitted to the undersigned as the sole Arbitrator.

A hearing in this matter was held at Shelton, Washington on April 13 and May 14, 1999. The Employer, Mason County, Washington, was represented by Mike E. Clift, Chief Deputy Prosecuting Attorney. The Union, Teamsters Union, Local No. 378 was represented by Kevin Keaney of the law firm of Willner Keaney Mata & U'ren, LLP.

The parties did not provide for a court reporter. However, the Arbitrator did record the proceedings pursuant to RCW 41.56.450. The testimony of witnesses was

taken under oath and the parties presented documentary evidence. The parties agreed upon the submission of posthearing briefs which were timely filed, the last of which was received by the Arbitrator on June 21, 1999. The parties agreed to waive the statutory requirement that the Arbitrator issue his decision within 30 days following the conclusion of the hearing.

ISSUES IN DISPUTE

The issues which remained in dispute at the time of the hearing are set forth below:

1. Wages for deputies for 1999.
2. Wages for sergeants for 1998 and 1999.
3. Health insurance contributions for 1999.
4. Employer payment of dues for membership in Washington Council of Police & Sheriffs.

STATUTORY CRITERIA

RCW 41.56.465 directs the Arbitrator in making his decision to "be mindful of the legislative purpose enumerated in RCW 41.56.430 . . . [and to] take into consideration the following factors:"

- (a) The constitutional and statutory authority of the employer;
- (b) Stipulations of the parties;
- (c)(i) For [law enforcement officers] 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 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 [law enforcement officers] 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.

* * *

The legislative purpose your Arbitrator is directed to be mindful of in making his determination is set forth in RCW 41.56.430 as follows:

The intent and purpose of * this 1973 amendatory act is to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of settling their labor disputes; that the uninterrupted and dedicated service of these classes of employees is vital to the welfare and public safety of the state of Washington; that to promote such dedicated and uninterrupted public service there should exist an effective and adequate alternative means of settling disputes. (Reviser's note omitted.)

COMPARABLES

The factor listed as (c)(i) in RCW 41.56.465 has traditionally been a significant factor relied upon by interest arbitrators in making determinations of appropriate wage rates, as well as other conditions of employment. This factor is commonly referred to as the "comparables."

The Employer and the Union agree that the four following counties constitute counties comparable to Mason County: Island County, Grays Harbor County, Lewis County, and Clallam County. At the hearing, both parties agreed that the fact that they

were in agreement on four counties, did not limit the inclusion of additional counties as comparables if appropriate. At the hearing and again in its posthearing brief the Employer contended that it would be appropriate to include Jefferson County as a comparable county. The Union took the position at the hearing that it would be appropriate to add Cowlitz County as a comparable but not appropriate to add Jefferson County. However, in its brief the Union has abandoned the contention that Cowlitz County is an appropriate comparable and instead suggests that Thurston and Kitsap Counties should be added to the four agreed upon counties as comparables.

Employer Human Resources Director Charles "Skip" Wright testified that the Employer selected its five comparables by taking the population of Mason County and including as comparables those counties in Western Washington whose population was within plus or minus 50% of that of Mason County. (Employer Exhibit C.) Additionally, I note that Jefferson County borders Grays Harbor County and Mason County to the south, and Clallam County to the north.

With respect to the Union suggested comparables, as noted above, it appears the Union has abandoned its contention that Cowlitz County is an appropriate comparable. Furthermore, the Union did not contest the testimony of Charles Wright that the population of Cowlitz County is approximately 92,000, placing Cowlitz County's population at 90.5% greater than that of Mason County.

With respect to Thurston and Kitsap County, the Union did not provide a rationale for selecting these counties as comparables, nor did it present any evidence regarding the population of these counties. It is clear from the evidence presented by the Employer that these two counties each have populations that do not meet the standard selected by the

Employer, namely a population of 50%, plus or minus, that of Mason County. This type of population standard is often employed in interest arbitration cases, and I find it appropriate in the instant case. Finally, as noted above, the Union did not contend at the hearing that Thurston or Kitsap Counties were appropriate comparables and, thus, the Employer had no opportunity to present evidence or take a position regarding these counties.

Based on all the foregoing, I have selected the following five counties as the appropriate comparables in this case: namely Island, Lewis, Grays Harbor, Clallam, and Jefferson Counties.

WAGES FOR DEPUTIES

As indicated earlier, the parties have stipulated to a 3% increase for deputies in 1998. Effective December 31, 1997 the base wage for the top step deputy was \$3,330 per month. A 3% increase raises that wage for 1998 to \$3,430. For 1999, the Union proposes that rate be increased by 3%, while the Employer proposes an increase of 1.7%. A raise of 1.7% over the 1998 rate of \$3,430 equals \$3,488, while a raise of 3% equals \$3,533.

The Union in support of its position points out that even if consideration is limited to the Employer comparables, each of those comparables received increases greater than 6% between 1997, when the prior Agreement at Mason County expired, and 1999, the year presently in dispute. Thus, the Union takes the position that a 6% increase over two years is a reasonable offer. In making this argument, the Union relies on the figures contained in Union Exhibit No. 3, which show that with respect to deputies, the increase

between 1997 and 1999 at Lewis County was 9.7%; at Grays Harbor County, 9.1%; at Clallam County 8.3%; and at Jefferson County 6.4%. The deputy wage rate for 1999 at Island County had not been settled at the time of the hearing.

The Employer proposal of 1.7% for 1999 was based on the raise in the Consumer Price Index for the U.S. All Urban Consumers (CPI-U) for the period July 1997 to July 1998 which was 1.7%.

I have set forth a chart showing the 1999 base wage, top step for the comparables, excluding Island County which had not settled for 1999.

CHART I

BASE WAGE, TOP STEP DEPUTY 1999

<u>COUNTY</u>	<u>WAGES</u>
Clallam	\$3,654
Lewis	\$3,598
Grays Harbor	\$3,536
Jefferson	\$3,251
Average 1999	\$3,510
Mason 1998	\$3,430
Union 1999 Proposal	\$3,533
Percentage Above Average	0.007%
Employer 1999 Proposal	\$3,488
Percentage Below Average	- 0.006%

Adoption of the Employer proposal would raise the base wage, top step deputy at Mason County to a monthly wage of \$3,488. As Chart I shows, Mason County would be 6/10ths of 1% (0.006%) below the average of the comparables. On the other hand, the Union's 1999 proposal of \$3,533 would place Mason County 7/10ths of 1% (.007%) ahead of the average of the comparables.

As a review of Chart I shows, selection of either the Union or Employer proposal would place Mason County 4th with respect to the comparables excluding Island County, with only Jefferson County being lower than Mason County. In 1997, just the reverse was true, as can be seen by a review of Chart II on the next page based on figures taken from Union Exhibit No. 3. Thus, with respect to deputies, Mason County was 2nd among the four comparables, excluding Island County, with only Clallam County having a higher base wage top step rate. Furthermore, as Chart II below indicates, the average of the four comparables, excluding Island County, came to \$3,239, leaving Mason County at the end of 1997 with a monthly base wage top step of \$3,330 which was 2.8% above the average.

CHART II

BASE WAGE, TOP STEP DEPUTY 1999

<u>County</u>	<u>Wage</u>
Clallam	\$3,390
Mason	\$3,330
Lewis	\$3,279
Grays Harbor	\$3,240
Jefferson	\$3,047
Average Without Mason County	\$3,239
Percentage Mason Above Average	2.8%

Clearly the deputies in Mason County have slipped in comparison with the deputies at the four comparables, excluding Island County. The foregoing factors indicate to your Arbitrator that a raise in excess of that offered by the Employer is appropriate. On the other hand, the relatively low inflation rate as measured by the CPI indicates that such a raise should not be substantially higher than the 1.7% raise offered by the Employer. In this regard, I note that the U.S. CPI-U maintained the 1.7% increase in inflation during the year 1998 (January 1998 to January 1999).

Based on all the foregoing I have determined to set the base wage rate for deputies in 1999 at \$3,510, which is the average of the four comparators for 1999, excluding Island County, and constitutes a raise of 2.3% above the \$3,430 base wage, top step received by deputies in Mason County in 1998.

WAGE RATES FOR SERGEANTS

The Union proposes a 5.5% increase for sergeants in 1998 and an additional 5.5% increase in 1999. The Employer proposes an increase for sergeants of 3% plus \$40 in 1998 and an additional 1.7% plus \$40 for 1999. Below I have set forth Chart III, showing the wages paid by the comparables and the Union and Employer offers for sergeants in 1998 and 1999.

Chart III

BASE WAGE, TOP STEP SERGEANTS 1998 AND 1999

<u>County</u>	<u>1998</u>	<u>1999</u>
Clallam	\$4,188	\$4,263
Island	\$3,919	Not Settled
Lewis	\$3,791	\$3,940
Grays Harbor	\$3,740	\$3,890
Jefferson	\$3,511	\$3,563
Average, 5 Comparable	\$3,830	
Average w/o Island County	\$3,808	\$3,914
Mason 1997, \$3,585		
Employer Offer	\$3,733	\$3,836
Percentage Below Average	-2.5%	-2.0%
Union Offer	\$3,782	\$3,990
Percentage Below Average	-1.3%	
Percentage Above Average		1.9%

As the chart shows, at the end of 1997, the base wage, top step sergeant received \$3,585 per month in Mason County. Three percent plus \$40 proposed by the Employer when added to that figure comes to \$3,733 per month for 1998. The raise sought by the Union of 5.5%, comes to \$3,782 per month for 1998. The average base wage for the five comparables in 1998 is \$3,830, and the Employer proposal of \$3,733 is 2.5% less than the average of the four comparables. Even the Union's proposal of \$3,782 places Mason County sergeants 1.3% below the average of the five comparable counties.

The Employer argues that it should not be required to match the average wage since four of the comparables have substantially larger populations than Mason County. However, the purpose of selecting comparables to select jurisdictions which are to be used for comparison purposes because they meet the statutory criteria, including the requirement that with respect to counties of less than 70,000, consideration must be given to regional differences in the cost of living. Here all the counties involved are basically rural counties located in western Washington and all have timber based economies except for Island County. With respect to Island County, it was included by the parties among the comparables agreed to by both parties. In view of the foregoing, the fact that Mason County is fifth in population and has an average population significantly below that of the five comparables does not mean that the Arbitrator should reduce an otherwise appropriate wage.

An award to the sergeants of the Union proposal means that the base wage, top step sergeant will receive \$3,782 and when this amount is compared to \$3,430, the agreed upon monthly base wage, top step deputy for 1998, the percentage difference is 10.3%. The Union does not dispute the appropriateness of a 10% difference between the base

wage, top step sergeant and the base wage, top step deputy, and I note that 10% is in line with premiums paid lead workers in certain other bargaining units at the Employer.

Based on all the foregoing, I shall award the Union proposed wage of \$3,782.

For 1999, the Employer proposal results in a base wage top step monthly rate of \$3,836. In its brief the Union states that the additional 5.5% it proposes for 1999 results in a base wage, top step salary of \$3,895. (Union brief, pg. 2.) However, this figure only takes into account a 3% increase over the 1998 wage rate of \$3,782 which was proposed by the Union and awarded by your Arbitrator. An additional 5.5% of \$3,782 comes to \$3,990 per month. I assume the Union has made a clerical error. In any event, I am not bound by the state law governing this interest arbitration to pick the proposal of either one party or the other, but instead am permitted to choose a figure I deem appropriate. Therefore, I shall consider the Union's offer to be \$3,990 (the higher figure), thus allowing me to choose that figure or any figure below that down to the \$3,836 figure proposed by the Employer.

Employer Exhibit J contains the 1999 base wage rates for top step sergeants for 1999. A review of that document reveals that that Employer only had 1999 figures for three of the comparable counties, namely Lewis, Grays Harbor and Jefferson Counties. The Union, in Union Exhibit 3 does have the base wage, top step rate for Clallam County given as \$4,263. Again, since Island County had not settled its contract for 1999 no rates are available for that comparable for 1999. The relevant 1999 comparable figures for sergeants are set forth in Chart III above.

In deciding the appropriate sergeant wage for 1999, a number of factors have to be considered. First, I note that the low inflation rate as reflected in the consumer price index continued all through 1998, as described above, and remains low so far in 1999.

Furthermore, I note that when one compares the average base wage, top step salary paid to the comparables, excluding Island County, in 1998, that figure is \$3,808. The same figure for 1999 is \$3,914, meaning that the four comparables, excluding Island County, only increased wages for sergeants 2.8% between 1998 and 1999. If a similar raise were granted to Mason County sergeants for 1999, their rate would be \$3,888. Such a raise would still leave Mason County sergeants below the average of the four comparables, excluding Island County, but only by a small percentage, namely 7/10ths of 1% (0.007). The spread between the base wage, top step deputy and base wage, top step sergeant at Mason County would be 10.8% since, as discussed above, the base wage, top step deputy will receive \$3,510 per month. Additionally an award of \$3,888 will bring the difference in 1999 between what is earned by the base wage, top step sergeant and the base wage to step deputy at Mason County in line with that difference at the four comparables, excluding Island County, in 1999. See Chart IV below.

CHART IV

BASE WAGE, TOP STEP SERGEANT COMPARED TO
BASE WAGE, TOP STEP DEPUTY FOR 1999

	<u>Mason</u> <u>County</u>	<u>Four Comparables,</u> <u>Excluding Island County</u>
Sergeant	\$3,888	\$3,914
Deputy	\$3,510	\$3,510
Difference	10.8%	11.5%

I recognize that a raise of 5.5% for 1998 and a raise of 2.8% for 1999 is a significant raise in a relatively low inflation environment. However, at a base wage, top step of \$3,888 Mason County sergeants when compared to the other comparables which have settled in 1999 are not only below the average, but are in fourth place, with only Jefferson County having a lower monthly rate of pay.

HEALTH INSURANCE CONTRIBUTIONS

The parties agreed upon an Employer contribution of \$356 per employee per month for payment of health insurance premiums during 1998.

With respect to 1999, the Union contends that the Employer should pay an amount equal to the full cost of the health insurance premium for each bargaining unit member. The Employer contends that the premium contribution figure should be set at a fixed cost, namely \$368 for 1999.

During the 1990's the Employer contribution has been based on a fixed amount agreed upon by the parties. This fixed amount generally covered the full premium costs. As I understood the testimony of Union Representative Paula Ross, the \$356 figure agreed upon for 1998 did not pay the full premium costs even before a premium increase in October 1998, the specific amount of which is not clear from the record. The evidence also indicated that the \$368 figure proposed by the Employer will not cover the full premium costs for 1999, although again the specific amount of the premium for 1999 is not clear from the record.

While it is true, as the Union points out, that the premium contributions for 1999 are greater than \$368 at each of the comparables, the record contains no explanation of the reason for these greater premium contributions, or for that matter, any evidence regarding the coverage of these plans.

I also note that various local Teamster unions representing a total of five different bargaining units have agreed to accept from Mason County a contribution of \$368 for 1999. In fact, all of Mason County's unionized employees, except the employees involved in this case, have accepted \$368 as the premium contribution for 1999, which includes employees represented by two non-teamster unions. Finally, the premium contribution provided to non-union employees is also \$368 per month.

Based on the lack of specificity in the record regarding health insurance and its cost, that fact that all other employees at the Employer will receive a premium contribution of \$368 for 1999, and the significant wage increases I have awarded the bargaining unit employees during a period of relatively low inflation, the Employer proposal of \$368 shall be granted.

EMPLOYER PAYMENT OF MEMBERSHIP DUES IN THE WASHINGTON COUNCIL OF POLICE & SHERIFFS

Mike Patrick, the Executive Director of the Washington Council of Police & Sheriffs (the Council), testified that his organization is dedicated to enhancement of benefits for LOEFF II employees. Patrick also testified that an individual deputy sheriff cannot join the Council as an individual, as the entire sheriffs department must join and each individual member would then be required to pay \$7.00 per month in dues.

Patrick testified that he did not know which sheriff's departments paid dues to the Council for its eligible employees and which sheriffs departments actually collected the \$7.00 dues from each employee. He did testify that with respect to three of the comparables, their sheriffs department employees were members of the Council, namely Grays Harbor, Lewis and Island Counties. Employer Exhibit N indicates that none of the comparables, including Grays Harbor, Lewis and Island Counties pay the employees dues for membership.

Based on the foregoing, I find that it is not appropriate to require the Employer to pay Council membership dues for employees.

INTEREST ARBITRATION AWARD

It is the Award of your Arbitrator that:

- I. The 1999 base wage, top step deputy at Mason County, shall be \$3,510.
- II. A. The 1998 base wage, stop step sergeant, shall be \$3,782.

- B. The 1999 base wage, top step sergeant, shall be \$3,888.
- III. The health insurance premium contribution by the Employer for 1999 shall be \$368 per month, per employee.
- IV. The Union's proposal that the Employer pay membership dues in the Washington Council of Police and Sheriffs is rejected.

Dated: July 19, 1999

Seattle, Washington



Michael H. Beck, Interest Arbitrator