



IN THE MATTER OF

KITSAP COUNTY FIRE PROTECTION DISTRICT No. 7

AND

**INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, LOCAL 2876, AFL-CIO, CLC**

PERC No.: 15012-I-00-333

Date Issued: November 10, 2000

INTEREST ARBITRATION OPINION AND AWARD

OF

ALAN R. KREBS

**Appearances:
KITSAP COUNTY FIRE PROTECTION
DISTRICT No. 7**

Michael J. Meglemre

**INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, LOCAL 2876, AFL-CIO, CLC**

James H. Webster

IN THE MATTER OF

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OPINION OF THE ARBITRATOR

PROCEDURAL MATTERS

In accordance with RCW 41.56.450, an interest arbitration hearing involving certain uniformed personnel of Kitsap County Fire Protection District No. 7 was held before Arbitrator Alan R. Krebs. The parties agreed to waive the statutory provision that called for a three-person arbitration panel. The hearing was held in Port Orchard, Washington on July 17, 2000. The Employer was represented by Michael J. Meglemre of Puget Sound Public Employees. The Union was represented by James H. Webster of the law firm Webster, Mrak and Blumberg.

At the hearing, the testimony of witnesses was taken under oath and the parties presented documentary evidence. There was no court reporter, and therefore, the Arbitrator tape recorded the proceedings. Following the hearing, the parties provided additional stipulated facts to the Arbitrator. The parties agreed upon the submission of post-hearing briefs. The Arbitrator received the briefs on September 19 and 20, 2000.

APPLICABLE STATUTORY PROVISIONS

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

Arbitrators are generally mindful that interest arbitration is an extension of the bargaining process. They recognize those contract provisions upon which the parties could agree and decide the remaining issues in a manner that would approximate the result the parties themselves would likely have reached in good faith negotiations considering the statutory criteria.

RCW 41.56.465 sets forth certain criteria which must be considered by an arbitrator in deciding the controversy:

**RCW 41.56.465 Uniformed personnel--
Interest arbitration panel--Determinations--
Factors to be considered.** (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) through (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....

* * *

RCW 41.56.430, which is referred to in RCW 41.56.465, reads as follows:

**RCW 41.56.430 Uniformed personnel --
Legislative declaration.** The intent and purpose of this 1973 amendatory act is to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of settling their labor disputes; that the uninterrupted and dedicated service of these classes of employees is vital to the welfare and public safety of the state of Washington; that to promote such dedicated and uninterrupted public service there should exist an effective and adequate alternative means of settling disputes.

ISSUES

The Union represents uniformed employees in the Employer's Fire Department, up to and including the rank of captain. The Union and the Employer are parties to a collective bargaining agreement which expired on December 31, 1999. They were unable to reach an agreement on a new contract despite their efforts in negotiations and the assistance of a mediator. In accordance with RCW 41.56.450, the Executive Director of the Washington State Public Employment Relations Commission certified that the parties were at impasse on a number of issues. The statutory interest arbitration procedures were invoked. The issues remaining in arbitration, which are to be decided, are:

1. Wages for 2000
2. Wages for 2001
3. Wages for 2002
4. Wage differential for Lieutenants

NATURE OF THE EMPLOYER

The Employer provides fire suppression, emergency medical response and related services in South Kitsap County, including the city of Port Orchard. Kitsap County is situated on the Olympic Peninsula in western Washington. The Employer services a resident population of about 74,000, and a region with an assessed valuation of about \$3.15 billion. There are 57 members of the bargaining unit, including 1 captain, 18 lieutenants, and 38 firefighters. The firefighters are classified as Probationary Firefighter, Firefighter I, II, or III, or Firefighter/Paramedic. The firefighters work a 24-hour shift, three platoon schedule. The average tenure of employment is between six and seven years.

COMPARABLE JURISDICTIONS

One of the primary standards or guidelines enumerated in RCW 41.56.465 upon which an arbitrator must rely in reaching a decision is a "comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of like employers of public fire departments of similar size on the west coast of the United States." The statute requires the use of comparable employers within the state of Washington if an adequate number of in-state comparable employers exist.

While the governing statute requires a comparison with public fire departments of similar size, it does not define how "similar size" is to be determined. Interest arbitrators generally determine which criteria should be relied upon in order to compare the size of fire departments. In making this determination, interest arbitrators have been constrained by the nature of the statistics that the parties have placed into evidence. The most commonly referenced criteria are the population and assessed valuation of the communities served. Consideration is also frequently given to the proximity of the jurisdiction to be compared and whether it is in a similar economic environment such as in a rural area or part of a large metropolitan area. The parties agree that the primary considerations for selecting comparable jurisdictions here are location, population, and assessed valuation.

The Union proposes that the following 11 fire departments should be relied upon as appropriate comparable jurisdictions:

	<u>Serviced Population</u>	<u>% of Kitsap #7</u>	<u>Assessed Valuation</u>	<u>% of Kitsap #7</u>
Edmonds	39,585	53.35%	\$3,395,631,161	107.79%
Renton	56,270	75.84%	5,228,115,236	165.96%
Central Kitsap	60,000	80.86%	3,262,398,590	103.56%
KCFD #4 ¹	56,000	75.47%	3,756,080,608	119.23%
KCFD #36	52,250	70.42%	5,809,802,981	184.42%
KCFD #43	52,500	70.75%	3,052,640,168	96.90%
SCFD #1 ²	118,675	159.94%	5,929,235,912	188.22%
SCFD #7	56,110	75.62%	3,638,580,942	115.50%
SCFD #12	45,000	60.65%	2,764,148,325	87.74%
PCFD #2 ³	65,000	87.60%	3,079,782,225	97.76%
PCFD #5	46,032	62.04%	4,112,484,210	130.55%
Kitsap F.D.#7	74,200		\$3,150,230,821	

The Employer agrees with this list of comparable jurisdictions except that it would omit King County Fire District No. 36, Snohomish County Fire District No. 1, and Renton. Thus, the parties agree that the comparable jurisdictions should be selected from four Western Washington counties. The Union's suggested comparable employers fall within a range in both population and assessed population of 50% to 200% of that of Kitsap County Fire Protection District No. 7. It points out four prior interest arbitration awards where arbitrators have accepted this range. The Employer proposes that a comparison be made with employers which fall within a population and assessed valuation band of 50% to 150% that of Kitsap County Fire Protection

¹ KCFD is an abbreviation of King County Fire District.

² SCFD is an abbreviation of Snohomish County Fire District.

³ PCFD is an abbreviation of Pierce County Fire District.

District No. 7. It points to five interest arbitration awards where such a band was utilized.

I have selected as comparable jurisdictions nine fire departments which are similar in size to Kitsap County Fire Protection District No. 7:

- Edmonds
- Renton
- Central Kitsap Fire and Rescue
- King County Fire District No. 4
- King County Fire District No. 43
- Snohomish County Fire District No. 7
- Snohomish County Fire District No. 12
- Pierce County Fire District No. 2
- Pierce County Fire District No. 5

Except for Edmonds, they represent all jurisdictions proposed by the parties which have a population and assessed valuation of communities served which fall within a band of 60% to 166% that of Kitsap County Fire Protection District No. 7. Selecting such a band results in a sufficient number of employers for purposes of comparison. While Edmonds' population falls slightly below this range, I have nevertheless included it inasmuch as both parties agree that it should be included, and its assessed valuation is closer to that of the Employer than most of the other agreed upon comparable jurisdictions. The Employer has argued that Renton should not be included since its assessed valuation is 165.96% that of Kitsap County Fire Protection District No. 7. Nevertheless, I have included Renton. The Employer recognizes that it is appropriate to compare employers with populations 53%, 60%, and 62% that of Kitsap County Fire Protection District No. 7. Just as it is appropriate to select these jurisdictions as comparable in size with the Employer,

based on the size of the percentage differential, it would also be appropriate to select Renton. The assessed valuation of Kitsap County Fire District No. 7 is about 60% that of Renton (3,150,230,821/5,228,115,236). I have excluded King County Fire District No. 36 and Snohomish Fire District No. 1. Each has an assessed valuation which is between 180% and 190% larger than that of the Employer. There are a sufficient number of jurisdictions to compare with the Employer which are significantly closer in assessed valuation.

COST OF LIVING

RCW 42.56.465(d) requires consideration of "[t]he average consumer prices for goods and services, commonly known as the cost of living." The CPI-U Seattle-Everett Index for the period from July 1998 to July 1999 increased by 3.0%, which is the same increase as occurred in calendar year 1999. The same index for the period from July 1999 to July 2000 period changed by 3.3%. This measurement of consumer price increases is published by the United States Department of Labor, Bureau of Labor Statistics. The Employer presented evidence that while the CPI-U All City Index for the period from January 1992 through June 1999 rose 20.5%, during the same period a top step firefighter for the Employer had received 36.8% in wage increases. The Union urges the Arbitrator not to rely on the Consumer Price Index, but rather on the comparative data which is available. As previously indicated, the governing statute requires the Arbitrator to

consider the cost of living. Therefore, significant weight shall be given to the change in the cost of living.

OTHER CONSIDERATIONS

In addition to the specific criteria set forth in RCW 41.56.465(a)-(e), RCW 41.56.465(f) directs the Panel to consider "such other factors ... that are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment." Such factors, which are discussed below, have been considered, but with lesser weight than that which is given to the specifically enumerated criteria of comparability and cost of living.

Ability to Pay

A factor frequently raised in contract negotiations and also considered by arbitrators is the ability of the employer to pay wage and benefit increases. The Employer does not contend that it is unable to pay a reasonable and fair increase.

Turnover

The Employer argues that the current wage structure is sufficient to attract and retain quality firefighters. Chief Mike Brown testified that in the past nine years, three firefighters have left the Department voluntarily, and one of those had been employed for only two weeks. The Union responds that lateral transfer is normally unavailable, since forfeiture of rank, longevity, and seniority is a customary condition if a firefighter is to transfer to another department. Nevertheless,

it does appear that with the current compensation package, the Employer is able to attract and retain qualified personnel.

WAGES

The Union proposes the following base wage increases for all members of the bargaining unit:

Effective January 1, 2000	7%
Effective January 1, 2001	6%
Effective January 1, 2002	7%

The Employer proposes the following base wage increases:

Effective January 1, 2000	2.7%
Effective January 1, 2001	3%
Effective January 1, 2002	90% of CPI-U with minimum of 2% and maximum of 4%

The Union argues that its proposed wage increases are needed in order to raise the total hourly compensation for the benchmark position of top step firefighter to the average of the comparable departments. The Employer contends that its proposed increases are sufficient to maintain the position of the bargaining unit members in relation to the comparable departments, and that over the life of the agreement, its proposal will maintain the bargaining unit members far ahead of price changes recorded by the Consumer Price Index.

The Union and the Employer suggest different methods of comparing compensation levels between the Employer and the comparators. They both agree upon a comparison of compensation provided to firefighters who have completed five years of service. The Employer would include in the comparison: base

monthly salary, EMT premium pay, education incentive pay, longevity pay, and deferred compensation. The Union would consider these elements, but with regard to education incentive pay and deferred compensation, the Union relies upon the average amount paid for these benefits for each bargaining unit member. In contrast, the Employer would utilize as a benchmark a firefighter who has an Associate of Arts (A.A.) degree and who receives the maximum possible employer deferred compensation contribution. The Union would also consider the average cost per employee of physical fitness pay. In addition, it would include in the comparison the cost to the employer of health and welfare benefits, as well as contributions to a Municipal Employee Benefit Trust (MEBT) and holiday pay. The Union's suggested methodology is to calculate an hourly wage for the benchmark firefighter by considering the regular work schedule, less hours for Kelly time, vacations, and holidays. The Employer opposes such consideration of "hourly" wages.

One of the comparators, Edmonds, provides physical fitness incentive pay. The Employer argues against consideration of such incentive pay based on Chief Brown's testimony that the Employer has spent \$20,000 in the past year on exercise equipment for the stations and has also provided fitness testing. Whether or not the comparable employers provide such equipment or testing, and no evidence pro or con was presented about this, there is insufficient basis for excluding consideration of physical fitness pay in total compensation. It is an actual payroll cost of Edmonds. It is a benefit which can be attained by employees

who maintain their fitness. Therefore, I shall consider the average cost per employee expended by Edmonds for the physical fitness incentive.

The Union asserts that the total compensation of one of the comparators, Pierce County Fire District No. 5, should include \$88 per month of holiday pay. The Employer would not include this amount. Neither party has explained its rationale in this regard. An examination of the relevant collective bargaining agreement reveals that Pierce County Fire District No. 5 gives the employee the option of requesting pay in lieu of time off for holidays. While this is a benefit, it would be unfair to add this holiday pay to total compensation since it would not recognize the optional element of this benefit, and the fact that any employee who receives it would forfeit their holiday time off. The Union, in its brief, actually considers the holiday benefit not only as additional pay beyond monthly wages, but also as time off work for the purpose of reducing hours worked in determining hourly pay. It cannot be both, since the employee has the choice of one or the other. The holiday benefit in Pierce County Fire District No. 5 shall be considered as an element of hours worked for the purpose of determining the hourly wage.

While the parties agree that education incentive pay should be included in the compensation comparisons, they disagree on the details. The Employer urges utilization of a benchmark of an Associate of Arts (A.A.) degree. The parties' Collective Bargaining Agreement provides a 2.5% pay increase for employees

"who attain 45 credits towards an EMS or Fire Service Degree Program or equivalent...and an additional 2.5% pay raise shall be given to those personnel who receive an Associate Degree..." Thus, an employee with an appropriate A.A. degree would receive a 5% pay increase in this Department. No additional pay is provided for education beyond an A.A. degree. The Union argues in favor of using an average amount paid by each employer for each bargaining unit employee for this benefit. The Union obtained this data as a result of survey letters sent to the relevant fire departments. The Union claims it is incorrect to assume that all employees have A.A. degrees. Only seven members of this bargaining unit received the premium for an A.A. degree. The Employer, in its brief, questions the reliability of the Union's survey data. It suggests that the averaging method is unstable, because it is subject to change as a department adds or loses employees. Chief Brown testified that during negotiations, the parties had never utilized averages in determining the cost of benefits. He testified that the Employer budgets for the maximum possible cost of the benefit.

I have determined to utilize the average education benefit actually paid as one of the elements of total compensation. The 5% incentive which is provided by the Employer for employees holding an A.A. degree is the maximum education benefit offered to bargaining unit members. Inasmuch as only seven employees receive the A.A. degree incentive in this bargaining unit of 57 employees, it would not be fair to adopt this as a benchmark. Certainly in this Department, a firefighter with an A.A. degree

is not typical. Moreover, use of an A.A. degree as a benchmark is not a plausible compromise. Rather, use of the A.A. degree as a benchmark would tend to inflate the Employer's suggested total compensation figure in a manner that is disproportionate to the actual compensation provided. While the Employer, in its brief, challenges the reliability of the survey data presented by the Union, it made no attempt to question its accuracy by cross-examination or otherwise during the hearing. The parties were given additional time after the hearing to confer and confirm the figures provided during the hearing. The parties presented corrected figures to the Arbitrator, but none of these related to the average educational incentive payout of the Employer or the comparators. There was no indication in the record presented which would establish the unreliability of the figures provided by the Union. Those figures shall be utilized as an element of total compensation.

The Union takes the position that an employer's contribution to a Municipal Employees Benefit Trust (MEBT) should be considered as an element of total compensation. Only one comparator, Edmonds, provides an MEBT benefit. According to the Union, such a benefit involves the payment by employers equal to what they would contribute if employees were covered by Social Security. The Employer provided no evidence or argument which would explain why this actual compensation cost should be excluded. MEBT benefits shall be considered as an element of total compensation.

The Employer and most of the comparable departments provide a deferred compensation benefit, by which departments match employee contributions to these supplemental retirement plans, up to a maximum amount. Kitsap County Fire Protection District No. 7 provides 50 cents for every dollar contributed by the employee, as does one of the comparators. The other comparable departments which offer a deferred compensation benefit match employee contributions dollar for dollar. The Employer contends that deferred compensation contributions should be considered as an element of total compensation on the basis of the maximum possible contribution for which the Employer could be liable. The Employer reasons that it must budget for a maximum possible payout. The Union asserts that the deferred compensation benefit should be based upon the average amount paid by each employer for each bargaining unit employee. The Union argues that the Employer's assumption that all employers contribute the maximum possible matching contribution for each employee is incorrect. The Employer responds that the Union's data in this regard is unreliable.

The average employer payout for deferred compensation shall be utilized. Comparing maximum possible payouts for a deferred compensation would be unfair and inaccurate. Since the Employer only matches half of the employee contribution, while most of the comparators match employee contributions dollar for dollar, it may be assumed that employees of the comparators are more likely to make contributions. Therefore, it should be expected that the comparators would pay a higher proportion of the maximum possible

contribution, than would the Employer. This is reflected in the average contribution figures submitted by the Union. While the Employer, in its brief, challenges the reliability of the survey data presented by the Union, it made no attempt to question this information by cross-examination or otherwise during the hearing. Under the circumstances, the Union's suggested figures for the cost of the deferred compensation plans are more appropriately utilized than those of the Employer.

The Union contends that the Employer's health insurance costs should be included in the total compensation comparison. It would include costs for medical, dental, and vision plans covering an employee, spouse, and two dependents. Where an employer offered a choice of two plans, the Union utilized the average cost of the two plans. The Employer argues against the inclusion of such costs in the compensation comparison. It reasons that many variables can affect premium rates, including the ability to buy down monthly premium rates by paying points up front as the Employer did.

The cost of medical, dental, and vision insurance will be included in the total compensation comparison. Such costs are a significant element of compensation and arbitrators generally consider such costs in calculating compensation comparisons.⁴ While the Employer has asserted that it paid up front points to pay down the cost of insurance, it provided no evidence regarding

⁴ In City of Seattle and Seattle Police Management Association (1988), a decision which the Employer attached to its brief, Arbitrator Snow considered the employer's cost of health insurance in its total compensation comparison.

the amount it paid for this. Therefore, I am unable to factor this into its costs for insurance.

Both total monthly compensation and hourly compensation shall be considered. Each has been considered by other interest arbitrators. The parties' Collective Bargaining Agreement refers to both a monthly wage rate (Article 4, §4.1) and an hourly rate of pay (Article 9, §9.1).

The total monthly and hourly compensation figures for a firefighter with five years of service, EMT certification, and an A.A. degree in the selected comparable departments during 2000 are listed below:

Edmonds

Base Wage	\$4,349.00
MEBT and Pay	196.00
Fitness Premium	68.52
Insurance	<u>611.83</u>
Total Monthly Compensation	\$5,225.35
Net Hours Per Month	187.50
Total Hourly Compensation	\$27.87

Renton

Base Wage	\$4,481.00
Longevity	149.14
A.A. Incentive	68.77
Deferred Compensation	88.07
Insurance	<u>727.33</u>
Total Monthly Compensation	\$5,514.31
Net Hours Per Month	173.50
Total Hourly Compensation	\$31.78

Central Kitsap Fire & Rescue

Base Wage	\$4,463.00
A.A. Incentive	11.89
Deferred Compensation	50.00
Insurance	<u>664.00</u>
Total Monthly Compensation	\$5,188.89
Net Hours Per Month	195.50
Total Hourly Compensation	\$26.54

<u>King County Fire District No. 4</u>	
Base Wage	\$4,439.00
Longevity	88.78
Deferred Compensation	107.31
Insurance	<u>595.79</u>
Total Monthly Compensation	\$5,230.88

Net Hours Per Month	180.70
Total Hourly Compensation	\$28.95

<u>King County Fire District No. 43</u>	
Base Wage	\$4,603.00
Longevity	138.09
A.A. Incentive	47.83
Deferred Compensation	46.68
Insurance	<u>572.19</u>
Total Monthly Compensation	\$5,407.79

Net Hours Per Month	188.20
Total Hourly Compensation	\$28.73

<u>Snohomish County Fire District No 7</u>	
Base Wage	\$4,577.00
Insurance	<u>592.58</u>
Total Monthly Compensation	\$5,169.58

Net Hours Per Month	195.50
Total Hourly Compensation	\$26.44

<u>Snohomish County Fire District No. 12</u>	
Base Wage	\$4,286.00
A.A. Incentive	3.33
Insurance	<u>473.44</u>
Total Monthly Compensation	\$4,762.77

Net Hours Per Month	199.50
Total Hourly Compensation	\$23.87

<u>Pierce County Fire District No. 2</u>	
Base Wage	\$4,596.00
A.A. Incentive	151.49
Deferred Compensation	250.00
Insurance	<u>789.77</u>
Total Monthly Compensation	\$5,787.26

Net Hours Per Month	196.50
Total Hourly Compensation	\$29.45

Pierce County Fire District No. 5

Base Wage	\$4,573.00
Longevity	91.46
A.A. Incentive	75.00
Deferred Compensation	219.00
Insurance	<u>543.21</u>
Total Monthly Compensation	\$5,501.67
Net Hours Per Month	194.50
Total Hourly Compensation	\$28.29

The average total monthly compensation and average total hourly compensation for the nine comparable jurisdictions are reflected below:

Average total monthly compensation	\$5,309.83
Average total hourly compensation	\$27.99

With the agreement of the Union, the Employer has already implemented its 2.7% wage offer, effective January 1, 2000, with the understanding that an additional wage increase may be forthcoming as a result of the interest arbitration process. The total compensation figures reflected below for Kitsap Fire Protection District No. 7 include the 2.7% increase which has already been implemented for 2000:

Kitsap Fire Protection District No. 7

Base Wage	\$4,423.00
A.A. Incentive	53.75
Deferred Compensation	98.42
Insurance	<u>566.59</u>
Total Monthly Compensation	\$5,141.76
Net Hours Per Month	193.50
Total Hourly Compensation	\$26.57

The above analysis reveals that even after the 2.7% increase already implemented for 2000, the Employer's total monthly compensation is 3.27% below the average provided by the

comparable departments during 2000. The total hourly compensation of the Employer is 5.34% behind.

Base wage increases for the comparable departments for 2001 and 2002 are listed below:

	<u>2001</u>	<u>2002</u>
Edmonds	100% CPI-U (3.3%)	Not Available
Renton	3.5%	3.5%
Central Kitsap	3%	3%
KCFD#4	3%	Not Available
KCFD#43	Not Available	Not Available
SCFD#7	100% CPI-U + 1% (4.3%)	100% CPI-U (min 3 max 5)
SCFD#12	Not Available	Not Available
PCFD#2	Not Available	Not Available
PCFD#5	100% CPI-U (3.3%) min 2/max 4	Not Available

Weighing the governing factors which are set forth in the statute, wage increases will be awarded for 2000 in the amount of 4.25%, and for 2001 in the amount of 4.5%. For 2002, a wage increase is awarded in an amount equal to 100% of the CPI-U Seattle-Everett Index for the preceding July to July period plus 0.5%, with a minimum of 3.5% and a maximum of 5.5%. A wage increase of 4.25% for 2000 will be an additional 1.55% above the wage level currently being paid, since a 2.7% increase has already been implemented. In order to diminish the disparity in total compensation between the Employer and the comparable jurisdictions, the awarded increases exceed the applicable percentage changes in the cost of living and the average increases provided by the comparators. The higher increase awarded for 2001 reflects the higher cost of living for the July 1999 to July 2000 period when compared with the prior year. The awarded wage increases will likely bring the total monthly compensation paid to bargaining unit members to about the average

of the comparable jurisdictions by the third year of the new Agreement. At that time, the total hourly compensation will likely be a few percentage points below the average of the comparators, though much of the current gap will have been eliminated. The awarded increases take into account the statutory criteria, including a comparison of compensation levels with that of like sized employers, the low turnover among bargaining unit employees, and the increase in the cost of living.

LIEUTENANT WAGE DIFFERENTIAL

The Union proposes to increase the pay differential between the ranks of lieutenant and top step firefighter from the current 12% to 12.9% in order to achieve parity with the average provided by the comparable departments. The Employer responds that it is not necessary to meet the exact statistical average of the comparable jurisdictions in order to be at a competitive wage. The Employer observes that the parties have historically recognized equal wage progressions between ranks of 6%. In this regard, the current wage structure reflects the following:

Top Step Firefighter	100%
Probationary Lieutenant	106%
Lieutenant	112%
Probationary Captain	118%
Captain	124%

The lieutenant wage differential shall be maintained at 112% of top step firefighters. Such a differential maintains the logic of the parties' negotiated wage structure. The current

lieutenant wage differential is reasonably close to the average wage differential provided by the comparators. There is insufficient reason to mandate a change that would upset the existing proportional wage structure.

AWARD OF THE ARBITRATOR


It is the determination of your Arbitrator that the Collective Bargaining Agreement between Kitsap County Fire Protection District No. 7 and International Association of Fire Fighters, Local 2876, AFL-CIO, CLC shall be amended to include the following:

I. Base wages shall be increased as follows:

Effective January 1, 2000	4.25%
Effective January 1, 2001	4.5%
Effective January 1, 2002	100% of the CPI-U Seattle-Everett, July 2000-July 2001, plus 0.5%, with a minimum of 3.5% and a maximum of 5.5%.

II. There shall be no change in contract language regarding the wage differential for lieutenants.

Sammamish, Washington
Dated: November 10, 2000


Alan R. Krebs, Arbitrator