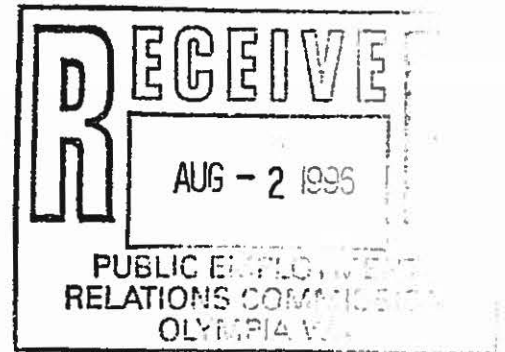


IN THE MATTER OF)
INTEREST ARBITRATION)
BETWEEN)
TEAMSTERS LOCAL UNION NO. 763,)
Union,)
and)
SNOHOMISH COUNTY, WASHINGTON,)
DEPARTMENT OF CORRECTIONS,)
County.)

PERC CASE 11976-I-95-260
ARBITRATOR'S AWARD
1996 INTEREST ARBITRATION



HEARING SITE: County Administrative Building
Everett, Washington

HEARING DATES: May 25, 26, 1996

POST-HEARING BRIEFS DUE: Postmarked May 28, 1996

RECORD CLOSED ON RECEIPT OF BRIEFS: May 31, 1996

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s. f

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I. INTRODUCTION

This case is an interest arbitration conducted pursuant to the Public Employees Collective Bargaining Act. The parties to this dispute are Teamsters Local 763 (hereinafter "Union") and Snohomish County, Washington (hereinafter "County"). The Union and the County are parties to a Collective Bargaining Agreement which covered the period from January 1, 1992, through December 31, 1994. The parties entered into negotiations to reach a successor Agreement to the 1992-94 Collective Bargaining Agreement. The parties were successful in resolving most of the issues that divided them in contract negotiations. Three fundamental issues were certified by the Public Employee Relations Commission for interest arbitration. The issues certified for interest arbitration were wages, shift differential and pension. During the course of the interest arbitration proceeding, the parties were able to reach agreement on the shift differential issue.

Snohomish County, Washington, stretches from Puget Sound on the west to the crest of the Cascade Mountains on the east. Skagit County is located immediately to the north, with King County immediately to the south, and Kitsap and Island Counties to the west. The County is located on the I-5 corridor. The County serves a resident population of 525,600. The largest city in the County is Everett. The County has approximately 2,083 employees.

Snohomish County provides detention and correctional services to all municipalities as well as unincorporated areas within its boundaries. All persons charged with serious crimes and

misdemeanor violations under the state code are booked and detained at the County jail. The arrestees sentenced to one year or less are also by law housed at the County Correctional Facility for the period of their sentence. William Harper has served as Department Director since 1982. During 1995 the average daily population at the correctional facilities was 548. Over 16,000 persons were booked and processed through the facilities during 1995. The majority of the persons were detained for four days or less. In 1995 the average length of stay for all bookings was 12.3 days.

The Corrections Department employs 195 staff. The Union represents 105 employees in the Corrections Department in the classifications of custody and corrections officers that are subject to this interest arbitration. Approximately 58 support personnel, 5 corrections supervisors, 10 corrections support supervisors and 45 sheriff's support personnel are also represented by the Union.

The hearing in this case took two days for the parties to present a substantial amount of testimony, and extensive and comprehensive documentary evidence. The parties were unable to agree on the appropriate jurisdictions with which to compare Snohomish County for the purpose of establishing the wage level for the members of this bargaining unit. A considerable amount of hearing time was devoted to receiving evidence on the issue of comparability. The hearing was recorded by a court reporter and a transcript was made available to the parties and the Arbitrator for the purpose of preparing the post-hearing briefs and the Award.

Testimony of witnesses was taken under oath. At the hearing the parties were given the full opportunity to present written evidence, oral testimony and argument. The parties provided the Arbitrator with substantial written documentation in support of their respective positions. Comprehensive and lengthy post-hearing briefs were submitted to the Arbitrator along with interest arbitration awards previously issued by arbitrators in the state of Washington.

This Arbitrator carefully reviewed and evaluated all of the evidence and argument submitted pursuant to the criteria established by RCW 41.56.460. This is the first year that interest arbitration has been available to corrections officers. RCW 41.56.030(7)(C). The approach of your Arbitrator in writing this Award will be to summarize the major and most persuasive evidence and argument presented by the parties on each issue. After the introduction of the issue and positions of the parties, I will then state the basic findings and rationale which caused the Arbitrator to make the award on the individual issue.

The Arbitrator is directed by the statute to take into consideration a number of standards or guidelines to assist in making an Award to resolve this dispute. The statutory factors to be considered by the Arbitrator may be summarized as follows:

- (a) the constitutional and statutory authority of the employer;
- (b) the stipulations of the parties;
- (c) the wages, hours and conditions of employment of like personnel of like employers

of similar size on the west coast of the United States;

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

(e) changes in any of the foregoing circumstances during the pendency of the proceedings; and

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

ISSUE 1 - WAGES

A. Background

The 1992-94 Collective Bargaining Agreement for custody and corrections officers provides for a six-step salary schedule. The final year of the 1992-94 contract provided a salary range as follows:

CLASS	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
CO 1994	2283.25	2396.58	2516.17	2643.00	2776.42	2913.25

Jt. Ex. 9.

The parties have agreed to retain the existing six-step schedule for three years with agreed on cost of living wage increases. The parties agreed to adjust the salary schedule effective January 1, 1995, by 3.15% and an additional 2.88% increase on January 1, 1996. The third year increase would be controlled by a CPI formula. Effective January 1, 1997, the salary schedule would be increased by an amount equal to 90% of the CPI-W.

The agreed on adjustments for the first two years will result in a salary schedule providing wages as follows:

CLASS	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
CO 1995	2355.17	2472.07	2595.43	2726.25	2863.88	3005.02
CO 1996	2423.00	2543.27	2670.18	2804.77	2946.36	3091.56
CO 1997	COLA	COLA	COLA	COLA	COLA	COLA

Jt. Ex. 9.

The dispute before the Arbitrator on the wage issue is a Union proposal to add another 5% increase to the agreed on wage adjustment for both 1995 and 1996. The County takes the position the agreed on COLA adjustments establishes the appropriate levels of compensation for the 1995-97 contract years. The only remaining issue for the Arbitrator is whether there will be further wage adjustments for 1995 and 1996 in addition to the COLA.

B. The Union

The Union takes the position that Snohomish County custody officers are entitled to a substantial wage increase in addition to COLA increases. According to the Union, after making the statutorily required adjustments for cost of living, the data from the comparable jurisdictions indicates a substantial increase is necessary to "narrow the gap" between the under compensated Snohomish County officers and their counterparts in the other jurisdictions. The Union submits its proposal for an additional 5% raise for 1995 and 1996, in addition to the COLA adjustments is in accord with the statutory standards.

The Union asserts that even if the County's comparators and methodology are adopted by the Arbitrator, the evidence shows the custody officers are clearly entitled to a substantial raise. In the view of the Union, the statute expressly instructs an arbitrator to take "cost of living" into consideration when formulating an award. Arbitrators have traditionally adjusted comparison studies to reflect different costs of living among the comparison jurisdictions. The Union and County are in substantial

agreement that the ACCRA Cost of Living Index provides a valid basis for determining differences in cost of living among Washington counties. Un. Exs. 16, 17. When the Arbitrator considers the cost of living data, he need not resolve all of the parties methodological sub-disputes, because a substantial raise is clearly due even if one adopts the County's comparison jurisdictions and methodology. The ACCRA Cost of Living Index shows the Seattle-Bellevue-Everett Metropolitan Area having by far the highest cost of living among the Washington cities.

The ACCRA Cost of Living Index for the second quarter of 1995 shows the following composite cost of living comparisons:

Seattle-Bellevue-Everett 120.3
Spokane 105.9
Bellingham 103.2
Tacoma 102.6
Yakima 106.0

The Union cites Employer Exhibit 32, an exhibit adjusted for cost of living differences, as further evidence Snohomish County has the lowest paid corrections officers of any county in the state, after the required adjustment for cost of living is calculated. Employer Exhibit 32 shows that Snohomish County officers lag fully 22% behind Pierce County officers.

Employer Exhibit 32 is extremely persuasive of the need for a raise above COLA adjustments. First, the Union asserts that the Arbitrator must evaluate the County's economic exhibits by keeping in mind they make no adjustments for differences in the cost of living among the jurisdictions cited by the County. Since

Snohomish County is part of a metropolitan area, it defies logic to fail to take into account differences in the cost of living with such communities as Yakima and Spokane. Second, Employer Exhibit 4D assumes the County's position on every methodological dispute. Even if the Arbitrator accepts the County's skewed data, their own evidence still demonstrates a need to award custody officers a substantial raise in addition to COLA increases.

Turning to the factor of comparability, the Union submits that Pierce County and King County are the most directly comparable jurisdictions. Pierce County is uniquely probative because it is the County's southern twin. Pierce County is a densely populated part of the Tacoma-Seattle-Everett megalopolis centered around a large second-tier city (Tacoma, Everett). Pierce and Snohomish Counties play similar roles in the Seattle Metropolitan Area by providing commuter employees to Seattle and at the same time act as their own commercial centers about thirty miles away from downtown Seattle. Both counties sit astride I-5, the lifeline of Washington State's most intense commercial activity.

The Union next argues that King County is probative of appropriate wage rates in Snohomish County. King and Snohomish Counties are large sub-parts of the Tacoma-Seattle-Everett Metropolitan Area and are clearly regarded as part of the same labor and economic market. Further, they are part of the region's new transit plan which proposes extending commuter rail and HOV express lanes from Everett to south of Tacoma. Un. Ex. 15. The Union reasons that from south of Tacoma to north of Everett,

Washington State is one uninterrupted stretch of densely populated land making the placement of county lines on the map of little relation to the reality of the economic and commercial activity.

The Union cited three other counties which it believes also provide useful guidance to setting the appropriate wage schedule for corrections officers. Clark County is similar to Snohomish County in that it is part of a larger metropolitan region. In addition, it is located on an interstate corridor with a larger city, Portland, and serves as a commuter bedroom community for the larger city. Because it is much smaller in size and has substantially lower tax revenue, Clark County's officers should be paid lower wages than their Snohomish County counterparts. The record reflects the opposite is true.

Skagit County is adjacent to Snohomish County and sits astride the I-5 corridor. The fact that Skagit County with its total population of 91,000 is substantially smaller than Snohomish County's 504,270 population is probative by itself. The Union submits that owing to the size differential, Snohomish County officers ought to make substantially more than Skagit County corrections officers. The evidence before this Arbitrator reflects the opposite is true.

The third county which the Union believes is useful for comparison purposes in this case is Thurston County. For the identical reasons discussed with respect to Skagit County, Thurston County is seen as providing some guidance to setting the wages of the members of this bargaining unit. In sum, the Union argues that

King County and Pierce County are clearly the jurisdictions which should be given the greater weight when determining the wages for the members of this bargaining unit.

The Union takes the position that the Arbitrator should reject the additional counties advocated by the County for comparison purposes. Yakima County is not a valid comparison for Snohomish County, because its population and tax revenues do not fall within the one-half to two times rule-of-thumb. In addition, Yakima County is not on the I-5 corridor or located in the Puget Sound Area as part of a larger metropolitan region. Yakima County is located east of the Cascades with an economic foundation of fruit orchards and hops fields. Snohomish, King and Pierce Counties have an economic foundation based on trade, shipping, industry and high technology.

The Arbitrator should also reject the County's reliance on Kitsap County because it is not located on the I-5 corridor and is not accessible to the Tacoma-Seattle-Everett Metropolitan Area by any convenient route. As the crow flies, Kitsap would appear to be in geographic proximity to Snohomish County. However, the Union notes "custody officers are not crows." The only valid reason for considering Kitsap County would be because of its ferry boat connection to downtown Seattle. If Kitsap County should be considered because of its mere relationship to Seattle, then the Union's case for using King County as a comparator is strengthened substantially by the County's choice of comparators.

The Arbitrator should also reject the County's proposal to include Spokane County as a basis for comparison. While Spokane County is in an appropriate population range, Spokane County should not be included in the comparator group because it is located outside the Seattle Metropolitan Area. The counties located along the I-5 corridor and in the Seattle Metropolitan Area constitute a unique geographic and economic area in the state of Washington. If the Arbitrator decides to take Spokane County into consideration he must remember to make the adjustment for differences in the cost of living as previously discussed.

The Union asserts that its comparison data is fair and reasonable and shows a clear need for a substantial increase in addition to COLA adjustments. Union Exhibit 7 reveals as follows:

TEAMSTERS LOCAL NO. 763 AND
SNOHOMISH COUNTY CORRECTIONS

TOP SALARY STEPS INDEXED TO SNOHOMISH COUNTY

<u>COUNTY</u>	<u>TOP SALARY STEP</u>	<u>INDEXED TO SNOHOMISH COUNTY</u>
KING	\$3601	123.6%
PIERCE	\$3204	110.0%
SKAGIT	\$3080	105.7%
THURSTON	\$3028	104.0%
SNOHOMISH (1994)	\$2913	100.0%
CLARK (1994)	\$2712	93.1%

All of the figures in the above exhibit are 1995 figures, except where otherwise noted.

Union Exhibits 8, 9 and 10, index total employee compensation for the Union's comparison counties at the eight-year and fifteen-year levels. Union Exhibit 9 computed the base pay plus premiums for a fifteen-year employee which revealed in relevant part as follows:

TEAMSTERS LOCAL NO. 763 AND
SNOHOMISH COUNTY CORRECTIONS

COMPARISON OF BASE PAY PLUS PREMIUMS

<u>COUNTY</u>	<u>BASE PAY</u>	<u>TOTAL</u>
KING	\$3601	\$4,207
PIERCE	\$3204	\$3,605
THURSTON	\$3028	\$3,538
SKAGIT	\$3080	\$3,526
CLARK (1994)	\$2712	\$3,432
SNOHOMISH (1994)	\$2913	\$3,299

The Union then indexed total compensation paid to Snohomish County officers with the comparators in Union Exhibit 10. The Union submits there is no basis for a 6.5% difference in compensation between Snohomish and Pierce Counties, unadjusted for cost of living. Pierce County is the single-most comparable county in the state of Washington and has a cost of living well below that of Snohomish County. Basic fairness demands that Snohomish County officers be paid at a level equal to or greater than Pierce County's corrections officers. Similarly, there is no principled basis for paying King County corrections officers fully 21% more

than Snohomish County officers. Nor is there any valid reason for three vastly smaller counties (Thurston, Skagit, Clark) to be paying their corrections officers substantially more than Snohomish County pays its officers.

The Union submits its data is fair and reasonable and designed to present an accurate picture of employee compensation among the various jurisdictions. The Union's choice of an eight-year employee comparison is designed to compare "apples to apples" by permitting sufficient time for all employees in all jurisdictions to reach the top step of the wage scale. The Union's data makes modest and reasonable assumptions for the purpose of making the calculations.

Moreover, the Union's inclusion of health and welfare premium payments is absolutely necessary to an accurate comparison of employee compensation. The County's position to exclude health and welfare premiums should be rejected by the Arbitrator. It is well accepted that health and welfare premiums constitute a slice of the total economic pie and should not be ignored because the benefits are variable among the different jurisdictions.

The Union avers that Snohomish County custody officers' working conditions corroborate the need for a raise in addition to COLA adjustments. The conditions of employment factor demonstrated that Snohomish County jail is "punishingly" overcrowded, and that overcrowding affects the custody officers' working conditions more directly and dramatically than in any comparable jurisdiction. The jail opened in 1986 designed to hold a maximum 277 prisoners. In

February 1996 the average daily population of the jail was 528 persons. Un. Ex. 4. There have been no material modifications to the jail since 1986 to justify the doubling of the population.

The Union next points out that Snohomish County is a "direct supervision" facility that is unlike the typical jail where corrections officers simply observe locked cell blocks from within a secure officer station. Snohomish County officers are directly exposed to inmate contact which is exacerbated by the overcrowding. The only jail facility offered by either side that is a direct supervision facility is Spokane County. According to the Union, this overcrowding impairs Snohomish County custody officers' working conditions because they are in direct contact with the inmate on a "moment-to-moment" basis.

The Arbitrator should reject the County's attempt to minimize its own situation by claiming that other jails are likewise overcrowded. The Arbitrator should find that Snohomish County custody officers' working conditions justify additional compensation because officers are directly exposed to dangerous offenders who are themselves struggling to cope with overcrowded conditions.

Regarding the County's counterarguments to the Union proposals, the Arbitrator should reject all of the County's arguments as unpersuasive. First, the Arbitrator should reject the County's claim that it is financially unable to provide the Union's requested raises because the argument was never made in negotiations. By waiting until the arbitration hearing to offer a

financial inability to pay argument, the Union was deprived of the ability to investigate the alleged financial difficulties. Even with this late assertion of financial inability to pay, the evidence showed the County is in a strong financial position and has the ability to fund the Union's proposal.

Second, the County's attack on the Consumer Price Index, that it overestimates inflation is insufficiently supported to draw the inference sought by the County. The County relied on a "political" study being used to slow the growth of entitlement payments that are a function of the increases in the CPI.

Third, the County's historical data provided further strong support for the Union's wage proposal. Tabs 8 and 9 of Employer Exhibit 4 demonstrates that the County has consistently agreed to wage raises higher than the rate of inflation for bargaining unit members. In addition, the County has historically provided greater wage increases to custody officers than to other law enforcement employees in an effort to narrow the wage gap between deputy sheriffs and corrections officers. Likewise, the County had sought to narrow the wage gap between King County and Snohomish County corrections officers. Thus, the Arbitrator should compel a bargain in compliance with the historical trends reflected in the Employer Exhibits.

For all of the above stated reasons the Arbitrator should award the Union's proposal for an additional 5% increase in 1995 and an additional 5% increase in 1996 over the agreed upon COLA adjustments.

C. The County

The County takes the position that the agreed upon cost of living adjustments for the duration of this contract creates the appropriate wage structure for the parties. The evidence offered by the Union failed to demonstrate that any additional wage increases are justified under the statutory standards. Therefore, the Arbitrator should reject the Union's proposal for additional wage increases for the duration of the three-year contract.

The County begins by noting the Union's position in this arbitration is, "At war with the fiscal and budgetary actions that are being taken by the County." Er. Ex. 4D. The County has adopted stringent measures to arrest the imbalance in revenue and personnel cost growth projected by the County. The County was consistent in maintaining this position during the 1995 negotiations with its various unions.

The parties have stipulated that effective January 1, 1995, a 3.15% cost of living wage increase should be applied to the existing salary schedule. The parties also agreed that effective January 1, 1996, an additional 2.88% increase should be applied to the salary schedule. For 1997 the parties have agreed to a cost of living adjustment based upon 90% of the CPI-W. The agreed on increases are in accord with the statutory factors which guide this Arbitrator in formulating an award in this case.

Turning to the factor of comparability, the County selected six counties located within the state of Washington with

which to compare itself for determining wages for corrections officers. The County's selection procedure yielded the following:

<u>County</u>	<u>Population</u>
Pierce	660,200
Spokane	401,200
Clark	291,000
Kitsap	220,600
Yakima	204,100
Thurston	189,200

The County utilized corrections officer assignments for developing its comparison data. The County identified counties of similar size by adopting a 50% range factor. The size of Snohomish County is 525,600. The range thus is 262,800 to 788,400 which yielded the three Washington counties of Pierce, Spokane and Clark. In order to expand the three Washington counties to reasonable proportions and to balance the overall sample, the counties offering the closest population in comparison to Snohomish County were added to the list. This resulted in the use of the smaller counties of Kitsap, Yakima and Thurston for comparison purposes.

In sum, the County submits that its set of six Washington counties represents a well balanced group both in population and geographic distribution. Thus, the use of the six counties identified by the County comports with the statutory mandates.

Turning to the factor of cost of living, the County maintains the CPI has been averaging in the range of 2.5% to 3% for

the last couple of years. Currently the CPI is at 2% with the Seattle CPI-W at 2.7%. Er. Ex. 4D, Att. 12. According to the County, the CPI overstates the increases in the cost of living by 1%. Thus, the actual increase in consumer prices is only 2%. The County believes the Arbitrator should use the revised figure of 2% for analyzing this factor.

The corrections and custody officers in this unit have been treated well when the CPI figures over the past ten years are compared to wage increases for the members of this unit. The CPI-W for the Seattle-Tacoma Area has increased by 43.4% over the 1985-95 period. However, during that same period the negotiated wage increases for the County corrections and custody officers have increased by 72.3%. Therefore, the County submits the record does not support any special wage adjustments to account for changes in consumer prices.

The County asserts that the burden of proof falls squarely on the Union as the party seeking to change the status quo to prove its proposals are justified under the statutory criteria. The County characterized the Union's position as a bold attempt on their part to utilize its first opportunity at interest arbitration to gain special wage increases for the members of this bargaining unit. The difference between the County's cost based on its offer and the Union's demands is about \$500,000 for the 105 employees in this bargaining unit. Given the numerous financial challenges facing the County, it would not be prudent or reasonable to award the Union's proposal.

No adjustments beyond the agreed on wage increases are warranted. The County's offer represents an increase to the County of approximately 15.24% for the 105 bargaining unit members over the term of the three-year Agreement. The Union's demand would produce more than a 25% increase in wages during that same period at an added cost of approximately \$500,000. Since the parties have voluntarily agreed to each and every issue in bargaining, except pension, the dispute before this Arbitrator is properly framed as a "basic wage dispute."

The County's offer seeks to maintain the historical relationship among the comparable counties. On the other hand, the Union's proposal would have the County move out to 9.5% above the average of the comparable counties. The Union offered absolutely no credible explanation for this dramatic change in the treatment of corrections officers in relationship to the comparables. The Union should not be allowed to "unplug" itself from the history of bargaining or to add King County which has never been used as a comparable.

Moreover, the historical relationship between County corrections officers and deputy sheriffs reveals that over the last ten years the gap between the two groups of employees has narrowed to 85%. The County's offer in this interest arbitration proceeding for 1995 will maintain the gap at 84.9%. The Union's demand for an additional 5% would reduce the gap between what is paid to corrections officers and deputy sheriffs to 90%. Reducing the gap to 90% would put it at a level never achieved by the custody

officers through free and open collective bargaining. The wage relationship between custody officers and deputy sheriffs in the comparison counties is supported by the County's proposal. The County's offer maintains the differential of 85% which is remarkably close to the average in the other counties of 84%.

The County favors a direct wages to wages comparison in this case. The Union favors a net hourly compensation comparison for an eight-year or fifteen-year officer with an A.A. degree. In the view of the County, when the only compensation issue before the Arbitrator is wages, the addition of premium pays and other forms of compensation only serves to confuse the issue. While the County could have utilized a "net pay" analysis, the County submits an "apples to apples" wage comparison provides a realistic method to assess the wages paid among the comparable jurisdictions.

Turning to internal comparability, the County avers that its proposal is equitable and consistent with salary increases negotiated with other labor unions representing County employees. For 1995 alone, the Union demands a salary increase well over twice as great as other County groups who settled for 3.15%. The record evidence also shows that the County corrections officers have been generously compensated over the past decade. The top-step pay for a corrections officer has increased by 72.3% while the range for other County employees for that same period was at 43% at the low end and 69% at the top end. Adoption of the County's position will maintain the traditional wage gap of 85.1% between a corrections officer and a deputy sheriff.

The County's wage proposal is reasonable in light of local market wage increases. The average wage increase received by city of Everett bargaining units was 3.2% in 1995. Snohomish County PUD bargaining units received a 3% wage increase for 1995. Scott Paper bargaining groups received a 3% increase for 1995. Boeing settled with its unions for a 1.5% increase on their base wage plus a 5% lump sum payment, which did not go into the base. Everett School District bargaining units settled for a 4% wage increase for the 1995-96 period, which averages out to 2% per year.

The County next argues that the 1995 and 1996 salary schedules will also be within the norm for corrections officers in the comparable counties. The schedule proposed by the Union is not. The County's proposed 1995 top-step salary of \$3,005 places the County in the number three position among the six Washington comparators. The County's proposed salary of \$3,005 is 4.2% above the average top salary for the comparator group. The County's proposal is right on the mark and should not in any manner be viewed as "low balling" or "posturing" for the purpose of this interest arbitration.

It is also the County's position that its offer is supported by other traditional factors used in establishing a wage schedule. The evidence shows the work force has been stable and there has been no turnover problems in this bargaining unit. In addition, the County has had no trouble in attracting good applicants from the local area for corrections officer positions. The evidence also demonstrated that the workload for corrections

officers is moderate by industry standards. The average daily population in the jail during 1995 remained stable. The ratio of custody/corrections officers to prisoners in the group of counties under consideration by the Arbitrator was 1:6 during the calendar year 1995. The County had slightly greater staffing per capita at 1:5.

The County takes the position that working conditions are safer in the Snohomish County facility by virtue of the fact it is a direct supervision facility. Director Harper testified that work for a corrections officer in a direct supervision facility is much safer than for officers in an "indirect" supervision facility. During 1995 there were approximately 16,000 individuals processed at the County jail. During that period, there were four custody officers assaulted. There have been no riots or similar serious disturbances since the implementation of the direct supervision facility. Contrary to the Union's unsupported claims about a crowded jail and dangers to custody officers, the evidence in the record is at odds with the picture sought to be portrayed by the Union witnesses.

Turning to the Union's argument regarding comparators, the County submits the selection process utilized by the Union was fatally flawed in five respects. First, the Union seeks to rewrite the statute based on ill defined notions of geography. The Washington statute clearly refers to "comparable communities" of "similar size." The Union's attempt to suggest that King County

and Snohomish County are part and parcel of an I-5 megalopolis is simply not supported by the statute.

Second, the Union used only a few I-5 counties in selecting its comparators. The Union's insistence on narrowing its comparables to the I-5 corridor incorrectly ignores any part of Washington east of the Cascade mountains. Third, the huge gap in size from the Union's comparables and the County's, argues against any claim the jurisdictions selected are of similar size.

Fourth, the Union's comparators offer a moving and shrinking target because prior to the arbitration hearing Spokane was used as a comparable. At the arbitration hearing, the Union added Skagit County and deleted Spokane County from its list of comparators. Spokane County is significantly closer in size to Snohomish County than either Skagit or Thurston Counties. The Union's moving target approach to comparators should be rejected by the Arbitrator.

Fifth, the Union's overall logic fails in both reasoning and presentation of the evidence. The Union's own exhibits prove that King and Skagit Counties are not comparable under the statute because of the size differences. The Union's declaration that there is ample evidence for use of factors other than size was without factual support. Thus, the comparators used by the County should be the only comparators used in deciding this case.

The County next challenges the Union's total compensation analysis offered by Union witness Mark Endresen. Un. Exs. 8-10. The County objects to the broad and slippery commingling of wages

and benefits because the entire economic package is not before the Arbitrator. The Union's methodology does not lend itself to "apples to apples" comparison critical to making an accurate assessment of total compensation. Thus, the Arbitrator should conclude that it is inappropriate to mix benefits and wages when reviewing comparators for purposes of a wage increase.

The Arbitrator should also reject the patently misleading indexing to make comparisons because it masks clear and otherwise unmistakable relationships. When combined with the inclusion of King County into the group of comparators, the King County salary dominates the study. If the average top step of the four Union comparators is calculated without King County, the figure is \$3,006. The \$3,006 number is \$1 per month greater than \$3,005 per month agreed to by the parties for 1995.

The County next argues the Union's figures are unreliable because they omitted certain data. For example, Union Exhibit 6 does not show "total taxes" as claimed. The Union's use of the corrections officer with fifteen years of service is misplaced because it is not representative of a typical corrections officer. The corrections officer with fifteen years of service represents a small segment of the bargaining unit so as to be of little or no use to the Arbitrator when developing an award. The Union's line items presented in Union Exhibits 8, 9 and 10 are suspect because they include elements of compensation that are not at issue in this case. Absent from the Union's "total compensation" spreadsheet is any reference to hours of work. The net hourly wage approach was

presented during bargaining but abandoned at arbitration. The Union's model purports to be a "total compensation package" but on close inspection the study fails to include several big ticket items enjoyed by County corrections officers.

The concluding argument of the County is that the Union's proposal is extraordinarily costly. With two 5% increases the monthly salary of a top-step corrections officer would increase from \$2,913 per month in 1994 to \$3,150 to \$3,399 per month in 1996. This would result in an increase in the annual salary of \$5,828 for each corrections officer by next year. The statutory criteria and evidence in this record supports the County's position. The Arbitrator should not reward the Union's tactics with a "compromise" award on the wage issue.

D. DISCUSSION AND FINDINGS

The Arbitrator holds the Union's proposal to provide an additional 5% increase for 1995 and an additional 5% for 1996 over the agreed on cost of living adjustments should not be adopted. The Arbitrator does find that an additional increase of 1.25%, effective July 1, 1996, is justified. The adoption of the 1.25% increase will establish the top-step pay on July 1, 1996, at \$3,130 per month. The reasoning of the Arbitrator--as guided by the statutory criteria--is set forth in the discussion which follows.

Constitutional and Statutory Authority of Employer

Regarding the constitutional and statutory authority of the employer, no issues were raised with respect to this factor. While the County did argue in its post-hearing brief the Union's proposal, "Is at war with the fiscal and budgetary actions that are being taken by the County," the Arbitrator does not interpret this as a claim the County is barred from paying an award over the agreed on cost of living raises. The Arbitrator will discuss the cost factor later in this Award.

Stipulations of the Parties

The parties have reached tentative agreement on all language issues and cost of living adjustments for 1995, 1996 and 1997. The record reflects the parties will continue the existing salary schedule with adjustments as follows:

January 1, 1995 (retroactive) 3.15%

January 1, 1996 (retroactive) 2.88%

January 1, 1997 90% CPI-W

The parties also agreed to settle the "Shift Differential" issue that was certified for interest arbitration.

The parties also stipulated to limit their comparison to other counties located in the state of Washington, and to exclude West Coast counties outside the state of Washington.

Comparability

The threshold issue to be decided is to determine the appropriate group of comparators with which to utilize in establishing the suitable level of wages for Snohomish County corrections officers. The parties agreed to confine their comparator groups to corrections officers in Washington counties. The parties are in sharp disagreement over which Washington counties should be included in the comparator group. Both sides devoted considerable time and effort towards proving which counties best fit the statutory criteria.

The Union argued that King County and Pierce County are the two most directly comparable jurisdictions. Clark County, Skagit County and Thurston County were also offered by the Union to provide useful guidance with which to measure wages for Snohomish County corrections officers. The County claimed that Pierce, Clark, Spokane, Kitsap, Yakima and Thurston Counties best passed the statutory test of "like employers."

The Arbitrator holds the Union failed to demonstrate "King County" was a like employer under the statute. The Union argued for inclusion of King County based on geographic location and regional similarities. The Arbitrator finds this argument did not overcome the County's evidence which demonstrated significant differences between King County and Snohomish County. King County's population is 1,613,600, as compared to the Snohomish County population of 525,600. When other characteristics such as assessed valuation, total taxes, total expenditures, etc., are

examined, the conclusion is inescapable that King County does not meet the statutory test of a like employer sufficient to justify adding King County to the list as a direct comparator. If there were an insufficient number of jurisdictions available to make a valid comparison, King County might deserve some attention based on geographic location. However, that is not the situation in the instant case.

The 1996 case is the first interest arbitration between the parties. To place King County on the initial list of comparators would unnecessarily distort the data submitted to the Arbitrator for review. There is some merit to the Union's arguments that the parties cannot totally ignore the impact of Snohomish County's immediate neighbor to the south on the parties' employment relationship. Nor is the Arbitrator holding that in future cases, guidance might not be found in the King County situation. However, for the 1996 interest arbitration, the Arbitrator concludes the use of King County as a comparator is not justified and King County should not be included on the initial list of comparator jurisdictions.

The three jurisdictions common to both lists are Pierce, Clark and Thurston Counties. Spokane County clearly meets the test of a like employer of similar size and should be included on the list of comparators. The use of a second county, located in eastern Washington on a list of six comparators, gives this Arbitrator some concern as to the total influence that should be accorded to eastern Washington jurisdictions, on a western

Washington county. The County's evidence was persuasive that Yakima County belongs on the list for the 1996 interest arbitration.

The remaining dispute centers over whether Kitsap County or Skagit County should be among the group of comparators. The County's evidence was un rebutted that Skagit County uses corrections officer positions as a hiring and training ground for its deputy sheriffs. Based on this evidence the Arbitrator concurs that Skagit County should be excluded from the list of comparators.

In sum, the four jurisdictions of Pierce, Thurston, Spokane and Clark provide a sound base for comparison. When combined with Yakima and Kitsap Counties, the six jurisdictions form a balanced group of similarly sized, like employers to assist in establishing the wage level for the members of this bargaining unit.

While the list of comparators offered by the County, and adopted by the Arbitrator is not perfect, the group of six jurisdictions will serve as a solid base for future negotiations. Your Arbitrator spent a considerable amount of effort examining the evidence and argument concerning the comparators because the six jurisdictions used in this case will serve as the benchmark for future negotiations. As previously noted, there should be no further disagreements over the use of Pierce, Thurston, Spokane and Clark Counties as appropriate comparators. The use of Kitsap County and Yakima County may be open for future debate. The sphere

of influence of King County on Snohomish County will not go away as the Seattle Metropolitan Area continues to grow and expand.

The Arbitrator concludes the appropriate group of comparators for the 1996 interest arbitration are as follows:

Pierce
Thurston
Clark
Spokane
Kitsap
Yakima

The Arbitrator finds the context in which this first interest arbitration arises is significant. The parties have agreed to cost of living adjustments for the duration of the 1995-97 Collective Bargaining Agreement. Further, they have agreed to all issues in dispute, except for the Union's proposal on pension. In the judgment of this Arbitrator, the compensation issue is a basic wage dispute, and the evaluation of compensation should be confined to basic wages. The Arbitrator was unpersuaded by the Union's arguments that a total compensation analysis should be used in this case. The application of a total compensation analysis of the six comparators to Snohomish County in the first interest arbitration between the parties would unnecessarily complicate and confuse what is a basic wage dispute.

The County's wage study revealed the following:

1995	C.O. Wage
Pierce	3165
Thurston	3028
Snohomish **	3005
Spokane	2802
Clark (cola)*	2793
Kitsap	2772
Yakima	2740
Average	2883
Snohomish	3005
Sno v. Avg	+ 4.2%

*Clark is in interest arbitration and has not settled for 1995, so a 3.0% COLA has been included in the above figure
 **Including 3.15% COLA

The above comparison of the 1995 wage level reveals Snohomish County is 4.2% above the average which includes the two lower paying eastern Washington jurisdictions of Spokane County and Yakima County. While Snohomish County ranks third, it is significantly behind the top paying Pierce County by \$160 per month. Snohomish County will pay in 1995, \$23 per month less than the second ranked Thurston County.

The top-step pay for a Snohomish County corrections officer with the 2.88% cost of living adjustment in 1996 is \$3,092 per month. The Arbitrator was convinced that an additional wage

adjustment for 1996 is justified to narrow the gap between the top paying Pierce County and to place Snohomish County corrections officers at approximately the same wage level as Thurston County.

The pattern is clear the three top counties are located in western Washington on the I-5 corridor. The four counties at the lower end of the rankings are outside of the direct influence of the Seattle Metropolitan Area. The Arbitrator finds that 1.25% should be added to the 1996 wage schedule to maintain and enhance Snohomish County's competitive position within the comparator group. The additional 1.25% should be implemented effective July 1, 1996.

The additional 1.25% will raise the top-step pay for 1996 by \$39 to \$3,130 per month. In formulating this Award, the Arbitrator was mindful of the Union's intercounty cost of living position. In addition, the fact the Snohomish County jail is a direct supervision type of facility, and the overcrowded conditions in the jail warrant some recognition in the area of wages. When the overcrowding in the jail is combined with the direct supervision type of facility, the working conditions of the members of this bargaining unit are adversely impacted. The added 1.25% effective July 1, 1996, will not disrupt the County's financial program and will be consistent with increases in the cost of living as recorded by the CPI. The Seattle CPI-W for 1994 reflected a 3.64% increase.

Moreover, the additional 1.25% is consistent with the salary increases negotiated with other unions representing County

employees and local market wage increases by outside employers. By delaying the effective date of the adjustment to July 1, 1996, the financial impact on the County is diminished.

Cost of Living

The record evidence established that the National CPI-W and CPI-U has been recording increases between 2.5% to 3% in recent years. The Seattle CPI-W is currently at 2.7%. Er. Ex. 4D, Att. 12. The Seattle CPI-W for 1994 showed a 3.64% increase. Er. Ex. 4D, Att. 8.

The County believes the CPI overstates "consumer prices" by about 1%. The County reasons the Arbitrator should use a "revised figure of 2%" in analyzing this factor. The Arbitrator expressly rejects the County's invitation to tinker with the published CPI figures by a reduction of 1% to account for the purported overstatement in the measurement of increases in the price of goods and services.

The Arbitrator concurs with the County that the cost of living factor is to be used as one of the guidelines for setting the appropriate level of wages for employees. The CPI measures price increases in a set market basket of goods and services. It is not intended to measure the impact on any particular individual because not all persons purchase that same market basket of goods and services. However, the CPI is widely recognized as an important factor in determining an appropriate wage adjustment.

The Arbitrator finds the evidence regarding cost of living supports a wage settlement closer to the County's position

than the 10% proposed by the Union. The parties have already agreed to cost of living adjustments in each of the three years of the 1995-97 contract. In addition, the County's evidence proved the members of this bargaining unit have fared well in recent years when negotiated wage increases are compared with the corresponding changes in the CPI over the past ten years. The Seattle CPI-W increased by 43.3% during the 1985-95 period. For that same period, negotiated wage increases for the members of this bargaining unit increased by 72.3%.

The Union argued the Arbitrator when considering the cost of living factor must take into account differences in the cost of living among the comparators. According to the Union, it costs more to live in the Seattle-Bellevue-Everett Area than in other geographic locations in the state. Thus, the Union submits it is necessary to adjust the wage levels to reflect the differences in the cost of living among the comparison group.

To sustain its cost of living case, the Union relied on the ACCRA Cost of Living Index for measuring relative price levels for consumer goods and services in participating areas. Un. Exs. 16, 17. The Arbitrator finds the Union's exclusive reliance on the ACCRA Index for assessing the difference in the cost of living in Snohomish County with that of the comparable jurisdictions unpersuasive. The reliability of using the ACCRA Index to justify an automatic cost of living differential between the comparators as calculated by the Union in Union Exhibits 7 and 10 was not established.

Moreover, the ACCRA study does not cover all of the geographic areas from which the proposed comparators are drawn. It should also be noted that the ACCRA Index does not purport to measure inflation which is the function of the various CPIs. On the other hand, the CPI does not seek to measure the cost differentials among the geographic areas for which indexes are maintained.

Based on the record, the Arbitrator must conclude the Union's intercity cost of living adjustments should not be applied in the rigid and mechanical manner argued for by the Union. At most, the Arbitrator accepts the Union's evidence and argument, to permit a reasonable inference that the cost of living in the Seattle-Bellevue-Everett Area is higher than the other Washington Areas measured in the ACCRA Index, such as Yakima. The Arbitrator expressly rejects the Union's methodology which indexed wages to account for cost of living differences among the comparators by fixed amounts displayed in the ACCRA study.

Changes During the Pendency of the Proceedings

The only relevant change in circumstances is the wage increases received by officers in the comparable jurisdictions during the course of bargaining for this contract. One point is clear, none of the jurisdictions proposed by either side agreed to increases of 10% over the cost of living adjustments for 1995. The agreed on wage increases for 1996 were 3% in Pierce County, 3.25% in Spokane County, 2.88% in Kitsap County, 2.5% on January 1, 1996, and an additional 2.5% on July 1, 1996, in Yakima County. The

record reflects that many of the adjustments were driven by CPI formulas.

Other Traditional Factors

The Union argued the working conditions corroborate the need for a raise in addition to the cost of living adjustments. According to the Union, the Snohomish County jail is "punishingly overcrowded." When the overcrowding is combined with the fact the jail is a direct supervision facility, the Union submits the working conditions justify additional compensation for the members of this unit. The County countered the documentary evidence showed nothing out of the ordinary for Snohomish County when comparing working conditions in the corrections industry.

The Arbitrator finds the Union's evidence on overcrowding when coupled with the direct supervision type of facility argues in favor of an additional wage increase for the members of this bargaining unit. However, there is no support for the 10% increase sought by the Union as recognition of the adverse working conditions for this group of officers. In formulating this Award, the Arbitrator found support from this evidence to warrant the modest increase over the agreed on cost of living increase for 1996.

The lack of turnover in this unit demonstrates the 10% increase sought by the Union is unnecessary to attract and retain qualified officers.

The County did not make a straightforward inability to pay argument. Instead, the County asserted the Union's proposal

was at war with fiscal and budgetary actions that are being taken by the County to protect its financial stability. Because the Union's proposal is extremely costly, the County asserts it should not be awarded by this Arbitrator.

The County's evidence did not demonstrate an inability to pay the Union's proposals. However, the County's arguments were persuasive that the substantial increase in wages sought by the Union would run counter to the County's efforts to control its expenditures so as not to jeopardize its financial situation. Given the absence of hard evidence to support the 10% increase over the agreed on cost of living adjustments, the Arbitrator holds it would be inappropriate to grant the additional 10% sought by the Union.

AWARD

The Arbitrator awards that effective July 1, 1996, an additional 1.25% be added to the salary schedule over the agreed on cost of living adjustments for 1995 and 1996.

ISSUE 2 - PENSION

A. Background

The members of this bargaining unit currently participate in the PERS plan that covers all County employees. The Union submitted a proposal which would allow the employees to vote on whether or not they wanted to move to the Western Conference of Teamsters Pension Trust Fund. The County proposed to maintain the status quo and continue with the PERS plan.

B. The Union

The Union's proposal to add new language on the subject of pensions read:

ARTICLE PENSION

Subject to a vote of the bargaining unit referenced below, the Employer shall pay into the Western Conference of Teamsters Pension Trust Fund on account of each member of the bargaining unit for all compensable hours per calendar month.

The total amount due for each calendar month shall be remitted in a lump sum at the time specified by the Administrator of the Trust Fund. The Employer shall abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the determination of the reporting and recording of the contribution amounts paid on account of each member of the bargaining unit.

The effective date and the amount of contribution shall be determined by a vote of the bargaining unit. However, contributions to the Trust shall be required only if the employees simultaneously vote to reduce their hourly wage rates set forth in this Agreement. The Employer's hourly contribution to the Trust shall be equal to the difference between

the hourly wage rate set forth in this Agreement and the lower rate voted by the bargaining unit.

The gist of the Union's proposal provides that members would be allowed to participate in the Western Conference of Teamsters Pension Trust (hereinafter "Trust") only to the extent they simultaneously agreed to reduce their hourly wage rates in an amount equal to the amount of contribution to the Trust. According to the Union, the proposal has no economic impact on the County because the County would simply pay to the Trust monies it would otherwise be obligated to pay directly to the custody officer.

The Union next argued that coverage under the Trust would provide a potential windfall to Snohomish County officers. Union witness Endresen testified that under the Trust rules a new participant is credited with three years of service for each of the first five years of participation in the Trust, to the extent the officer has been employed by the contributing employer. In other words, an officer with ten years of seniority would at the end of five years have fifteen years of service credit with the Trust in the corresponding vested benefit. Endresen calculated that at a \$1 an hour contribution rate, this would provide a lifetime benefit of \$832 per month for only five years of participation. Under the PERS 2 program, the member would only generate a \$583 per month benefit after ten years of participation. Un. Ex. 14.

Regarding the County's claim that cost to the County would increase over the years, the Union submits the County's concern is exaggerated because the County will continue to have

control over the level of future contributions. In the view of the Union, the County will only agree to increase contributions that it believes are in its best interest. In addition, participation in the Trust would provide an immediate economic windfall to the County because future wage increases are calculated as a function of the CPI percentages. When a bargaining unit member voluntarily reduces his or her wages, they will require correspondingly smaller salary increases. The bottom line is if the bargaining unit votes to participate in the Trust, the County will experience immediate savings.

The Union asks the Arbitrator to reject the County's claim at arbitration that it had been somehow misled because of the absence of a written proposal on the pension issue. The County negotiator testified the County was irreversibly opposed to the Union pension proposal, and the Union correctly concluded that forwarding precise language would have been a futile act. There is no basis for inferring any bad faith by the Union over concluding the County did not know the parameters of the Union's pension proposal.

In sum, the Arbitrator should adopt the Union's pension proposal because it costs the County nothing while at the same time provides a potentially generous benefit for the members of the bargaining unit.

C. The County

The County begins by noting the Teamster Pension Plan is not available to other employees in the County. The County already offers all employees a deferred compensation plan allowing them to set aside a generous \$7,500 in pretax dollars annually. However, less than 30% of custody and corrections officers currently make use of the deferred compensation plan that is already available to the members of this unit. The County claims an award of the Union's proposal would also create an expectation in the minds of other employee groups that they are somehow disadvantaged because they do not have access to yet another retirement savings plan.

The County argues the Union's proposal was not fully explained or seriously pursued during bargaining. The Union's written proposal on the pension issue first surfaced at the interest arbitration hearing. Given this failure to fully develop and articulate the pension plan at the bargaining table, the Union should not be rewarded with this proposal presented for the first time at the arbitration hearing. The record is also void of any evidence to show that adoption of the Teamster Pension Plan proposal is supported by comparable counties.

The County next argues that to the extent the Union's proposal concerns internal Union matters or imposes administrative costs on the County to effectuate an employee benefit, it is clearly a permissive subject of bargaining not properly before the Arbitrator. It is unclear what safeguards or protections would accompany the vote of the membership which would then utilize the

County's payroll system to make the pension contributions. The Arbitrator should reject the Union's proposal to impose on the County a pension benefit which is uncertain in scope and effect. The County is also concerned that its participation in the Teamster Pension Plan would impact on the County's legal standing. Governmental pension plans are not subject to ERISA. The Teamster Plan is an ERISA plan. The possibility of the County subjecting itself to ERISA is not something the County seeks to undertake because of the potential for increased administrative costs and legal requirements.

D. DISCUSSION AND FINDINGS

The Arbitrator finds that the Union's proposal to provide an option for the members of this bargaining unit to participate in the Western Conference of Teamsters Pension Trust Fund should not be included in the contract at this time. The members of this bargaining unit currently belong to the PERS program which is available to all County employees. The movement to a private pension plan involves complicated and potentially expensive issues. The Arbitrator was persuaded by the County's case that the Union's pension proposal was not thoroughly discussed at the bargaining table. The presentation of a written pension proposal for the first time at interest arbitration argues against an award in favor of the Union.

Moreover, less than 30% of custody and corrections officers make use of a deferred compensation plan currently

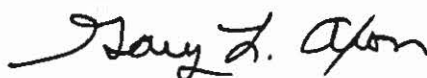
available to the officers. The lack of participation in the deferred compensation plan indicates there is little need for an additional pension program which would require the members to reduce their salary in much the same way as the present deferred compensation program.

The record in this case is also lacking in any evidence to show that adoption of the Teamster Pension Plan proposal is supported by the comparable counties. In rejecting the Union pension proposal, the Arbitrator is not making any findings as to the merits of the Teamster Pension Plan. Nor does the Arbitrator dispute the fact that there might be advantages to be obtained for the members by participation in the Teamster Pension Plan. The holding in this case is based on the absence of meaningful bargaining on the specifics of the Teamster Pension Plan and the numerous financial and legal implications to the County if such a plan were adopted. Therefore, it will be the Award of the Arbitrator to maintain the status quo on the matter of pensions for the duration of the successor contract.

AWARD

The Arbitrator awards that the Union's pension proposal should not become a part of the Collective Bargaining Agreement and the pension program shall remain unchanged.

Respectfully submitted,



Gary L. Axon
Arbitrator

Dated: July 30, 1996