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PUBLIC EMPLOYMENT
RELATIONS COMMISSION

IN THE MATTER OF

CITY OF BOTHELL

AND

**INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, LOCAL 2099, AFL-CIO, CLC**

PERC No.: 14214-U-98-03522

Date Issued: February 18, 2000

INTEREST ARBITRATION OPINION AND AWARD

OF

ALAN R. KREBS

**Appearances:
CITY OF BOTHELL**

Greg A. Rubstello

**INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, LOCAL 2099, AFL-CIO, CLC**

James H. Webster

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IN THE MATTER OF

CITY OF BOTHELL

AND

INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS, LOCAL 2099, AFL-CIO, CLC

OPINION OF THE NEUTRAL CHAIRMAN

PROCEDURAL MATTERS

In accordance with RCW 41.56.450, an interest arbitration hearing involving certain uniformed personnel of the city of Bothell was held before an arbitration panel consisting of three persons. City of Bothell appointed Otto G. Klein III as its designee on the Panel. International Association of Firefighters, Local 2099, AFL-CIO, CLC appointed Paul Harvey as its designee. Arbitrator Alan R. Krebs was selected as the Neutral Chairman. The hearing was held in Bothell, Washington on September 27-29 and October 11, 1999. The Employer was represented by Greg A. Rubstello of the law firm Ogden Murphy Wallace. The Union was represented by James H. Webster of the law firm Webster, Mraak 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 Neutral Chairman tape recorded the proceedings.

The parties agreed upon the submission of post-hearing briefs. The Neutral Chairman received the briefs on December 6, 1999. In view of the lengthy record, the parties agreed to waive the statutory requirement that the interest arbitration award be issued within 30 days following the conclusion of the hearing. It was agreed that the Neutral Chairman, within 60 days of his receipt of briefs, would present a draft of his Award to the Employer-appointed Arbitrator and the Union-appointed Arbitrator, and then would issue his decision after they had an opportunity to provide input. On February 4, 2000, the Neutral Chairman provided a copy of his initial draft decision to the other Panel members for review and comment before the final decision was provided to the parties. The Panel conferred by conference call on February 11 and 17, 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 which would approximate the result which the parties 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, 1997. 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. Following mediation, as well as during the arbitration hearing, the parties resolved or withdrew some of the issues which had been certified. Thus, the issues remaining in arbitration which are to be decided are:

1. Salary
2. Longevity premium
3. Inspector premium
4. Training assignment premium
5. Health cost sharing
6. Term of agreement

NATURE OF THE EMPLOYER

The city of Bothell is located in northern King County and southern Snohomish County, Washington. Its Fire Department provides fire suppression, emergency medical response and related services within its city limits and the adjacent Snohomish County Fire District No. 10 for a combined 1998 resident population of 30,900, and an assessed valuation of \$2,636,461,277. The Fire Department employs 46 employees in the bargaining unit, of which 32 are classified as firefighter I, II, III, or IV, and the remaining 14 hold the rank of fire lieutenant or fire captain. The firefighters generally work a 24 hour shift. At least two firefighter assignments have a standard 40 hour day shift. Those two assignments are the inspector and the training assignment.

The City experienced a significant transformation during the past decade according to a report published in connection with its issuance of municipal bonds. During this period, the City has grown considerably in population by annexation of land. However, most of this annexation of land involved territory which had been previously included in the service area for the City's Fire Department as a result of its contracts with several fire districts. The construction of two large business parks has changed the City from a primarily residential community to one which is a major employment center within the Puget Sound area.

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 exists.

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 which 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 are location, population, and assessed valuation.

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

	<u>Population</u>	<u>% of Bothell</u>	<u>Assessed Valuation</u>	<u>% of Bothell</u>
Edmonds	39,585	128.11%	\$2,830,143,773	107.35%
Lynnwood	33,110	107.15%	2,199,865,188	83.44%
Mercer				
Island	21,690	70.19%	3,295,622,067	125.00%
Mountlake				
Terrace	26,655	86.26%	1,259,668,483	47.78%
SeaTac	23,540	76.18%	2,369,768,776	89.88%
SCFD#8	28,000	90.61%	1,615,343,968	61.27%
SCFD#12 ¹	46,000	148.87%	1,822,189,569	69.11%
KCFD#2 ²	33,000	106.80%	2,324,989,367	88.19%
KCFD#16	30,000	97.09%	2,190,955,222	83.10%
KCFD#26	29,000	93.85%	1,311,564,504	49.75%
KCFD#40	38,000	122.98%	1,599,554,126	60.67%
Bothell	30,900		\$2,636,461,277	

¹ SCFD is an abbreviation of Snohomish County Fire District.

² KCFD is an abbreviation of King County Fire District.

The Employer asserts that its group of eleven proposed comparable employers was selected in consideration of four factors. First, they all have a population and assessed valuation which each fall within a range of 50% to 150% that of the Employer. Second, they represent a balanced list of King and Snohomish County employers, with six in King County and five in Snohomish County. In this regard, the Employer reasons that just as the city of Bothell is equally located and populated between Snohomish and King Counties, the list of stipulated comparable employers should be equally distributed between those two counties. Third, according to the Employer, its proposed list represents a balance between employers larger and smaller than Bothell. Finally, the Employer relies on the parties' bargaining history to justify its selection of comparable jurisdictions. It points out that King County Fire District No. 40 was included in the list selected by the parties' interest arbitrator in 1987. Moreover, both the Employer and the Union recognized that fire district as comparable during contract negotiations in 1992 and 1995. The Employer contends that Mountlake Terrace should be a comparator even though its assessed valuation is less than 50% of Bothell's. The Employer points out that it has a special relationship with Mountlake Terrace which does not exist with any of the other proposed comparable employers. Bothell and Mountlake Terrace share a jurisdictional service boundary, and

from time-to-time, each has responded to emergencies in the other jurisdiction pursuant to a mutual aid agreement.

The Employer asserts that the Union's proposed use of Auburn/Algona and King County Fire District No. 43 as comparable jurisdictions would result in twice as many King County employers as Snohomish County employers. The Employer argues that Auburn/Algona is not comparable because its operating budget of \$8,432,400 is almost double the operating budget of any other proposed comparator. In addition, its uniformed staff of 66 bargaining unit members is considerably larger than the staff of the other proposed employers. The Employer maintains that Puyallup should be rejected as a comparable jurisdiction since it is in Pierce County and there is no reason to reach that far when sufficient comparable jurisdictions exist in King and Snohomish Counties. The Employer points out that Pierce County employers were previously excluded from consideration in two prior interest arbitration opinions involving these parties.

The Union, during negotiations and the interest arbitration hearings, proposed ten fire departments as comparable jurisdictions. These ten jurisdictions are listed below. In its brief, the Union suggested that the Panel might also consider an alternative list of comparable jurisdictions, which would delete two jurisdictions from the 10 which it had proposed. The last two jurisdictions listed, Puyallup and Snohomish County Fire District No. 12, are the two which would be deleted by the Union

according to the alternative proposal which it advanced in its brief.

	<u>Population</u>	<u>% of Bothell</u>	<u>Assessed Valuation</u>	<u>% of Bothell</u>
Auburn/ Algona	39,880	129.06%	\$3,406,593,946	129.21%
Edmonds	39,585	128.11%	2,830,143,773	107.35%
Lynnwood	33,110	107.15%	2,199,865,188	83.44%
Mercer Island	21,690	70.19%	3,295,622,067	125.00%
SeaTac	23,540	76.18%	2,369,768,776	89.88%
KCFD#2	33,000	106.80%	2,324,989,367	88.19%
KCFD#16	30,000	97.09%	2,190,955,222	83.10%
KCFD#43	40,000	129.45%	1,900,000,000	72.07%
Puyallup	29,650	95.95%	2,030,463,655	77.01%
SCFD#12	46,000	148.87%	1,822,189,569	69.11%
Bothell	30,900		\$2,636,461,277	

The Union asserts that it selected its ten proposed comparable jurisdictions by first obtaining information on all departments in King, Snohomish, and Pierce Counties with a population and assessed valuation, each within a range of 50% to 200% of the Employer. The Union then selected departments by alternately taking the next largest and the next smallest until all departments below the Employer were exhausted, yielding the ten departments which it has proposed. Alternatively, the Union suggested in its brief that the interest arbitration will be best served if the Panel adopts the same 70%-140% criteria for comparables which was chosen in two prior interest arbitration awards involving this bargaining unit. The Union reasons that by

adopting this same standard, the Panel would effectively discourage further litigation over comparable departments and stabilize expectations. The Union observes that the selection of 70% to 140% achieves an appropriate size range since 70% and 140% have a similar relationship to 100% inasmuch as 100% is 71% of 140%.

The Union argues that the Employer's proposed range of 50% to 150% of the size of Bothell for selecting comparable departments improperly weights the Employer's comparators towards smaller departments, because, pursuant to the law of large numbers, a decrease in a numerical amount has a much larger impact than an increase in the same numerical amount. The Union further argues that the Employer improperly included King County Fire District No. 26 and Mountlake Terrace in its comparable departments inasmuch as both of these jurisdictions fall below the Employer's proposed standard of a minimum of 50% of the assessed valuation of Bothell. The Union urges that the Panel disregard the fact that the Employer has a mutual aid agreement with Mountlake Terrace, since it has not proposed the inclusion of a number of neighboring departments with which it has similar agreements. The Union questions why the Employer excluded King County Fire District No. 43 and Auburn/Algona, departments which meet all the Employer's stated criteria for size and location. The Union notes that the City's own compensation survey, prepared by a consultant in cooperation with the City Manager, deemed

Auburn as suitable for use as a comparison city. The Union observes that the Employer's exclusion of Auburn/Algona based on tax revenues and staff size is inconsistent with the Employer's reliance upon jurisdictions with even greater discrepancies in these areas.

I have selected nine fire departments which are similar in size to Bothell as comparable jurisdictions:

Auburn/Algona
Edmonds
Lynnwood
Mercer Island
SeaTac
KCFD#2
KCFD#16
KCFD#43
SCFD#12

Except for Snohomish County Fire District No. 12, they represent all jurisdictions proposed by the parties located within King and Snohomish Counties which have a population and assessed valuation of communities served which are both within 30 percent of the figures for Bothell. With the same exception, they also represent the jurisdictions in King and Snohomish Counties which would fall within the band of 70% to 140% that of Bothell in terms of both population and assessed valuation. This was the band selected by arbitrators in two prior interest arbitrations involving these parties. *City of Bothell*, (Beck, 1983); *City of Bothell*, (Krebs, 1987). I have included Snohomish County Fire

District No. 12 as a comparable jurisdiction since it is a jurisdiction which both parties agreed during negotiations and during the interest arbitration hearings is appropriately comparable to the Employer. I have excluded Puyallup since it is situated in Pierce County. It would not be unreasonable to include jurisdictions from Pierce County as the Union urges, since it is an adjacent county to King County in which the Employer is partially situated. Nevertheless, there are sufficient comparators available from King and Snohomish Counties, and those counties are more significant since the Employer is situated within their boundaries and is affected by the general economic conditions of that area. I am not persuaded by the Employer's argument that there should be an approximately equal number of King and Snohomish County comparators since Bothell's boundaries are situated in both counties. The Employer never explained why such a balance is desirable. Since King County has a larger population than Snohomish County, it is understandable that there would be more fire departments in King County than in Snohomish County which are comparable in size to the Employer. In any event, three of the selected comparable jurisdictions are situated in Snohomish County, namely Edmonds, Lynnwood and Snohomish County Fire District No. 12. In these circumstances where all of the selected comparators are situated nearby to the Employer, I find insufficient reason to stretch the criteria in order to include Mountlake Terrace, a jurisdiction

with less than half the assessed valuation of the Employer, merely because they are neighboring departments with a joint response agreement. I also find insufficient reason to include KCFD No. 40 based on its prior use as a comparator some years ago. In the intervening years, the Employer's growth has outpaced the growth of that jurisdiction and there is a diminished basis for comparison. Similarly, the assessed valuations of KCFD No. 26 and SCFD No. 8 are significantly below the 70% minimum selected as a threshold for comparison. There is inadequate basis to exclude Auburn/Algona as urged by the Employer. While the Employer correctly points out that Auburn/Algona employs about 20 more uniformed personnel in its fire department than that of Bothell, this is balanced by Mercer Island, which both parties agree is a comparable jurisdiction and which employs about 20 less firefighters than does Bothell. Auburn/Algona has a population and an assessed valuation which are both within 30% that of Bothell's. That Auburn/Algona chooses to devote more of its resources to its fire department, as reflected in a substantially higher operating budget, is not sufficient reason to disregard it as a comparable jurisdiction. Compared to the selected comparable jurisdictions, the Employer ranks seventh out of ten in population, and fourth out of ten in assessed valuation.

COST OF LIVING

RCW 41.56.465(d) requires consideration of "[t]he average consumer prices for goods and services, commonly known as the cost of living." The Employer presented evidence of the change in the CPI-W Seattle for the June to June period. This consumer price index is published by the United States Department of Labor, Bureau of Labor Statistics. Bothell is located in the Seattle metropolitan area. The CPI-W Seattle reflects the following annual increases in the cost of living for that area:

<u>Year Ending</u>	<u>CPI-W Seattle Index</u>
June 1999	3.2%
June 1998	2.5%
June 1997	3.7%

The Employer provided evidence that from 1991 through 1997 its firefighter base wages increased by an average of 4.7% per year. During this same period, the CPI-W increased by an average of 3.6% per year. The Union urges that the Panel disregard the CPI because the delay in these proceedings has allowed comparative data to be available, and also because Puget Sound firefighters have in recent years negotiated compensation increases substantially above increases in the CPI. As previously indicated, the governing statute requires the Panel to consider the cost of living. Therefore, significant weight shall be given

to the relatively modest increase in the cost of living during recent years.

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. However, it does request that its uncertain financial situation be considered. In this regard, it points out that the I-695 initiative recently went into effect. That initiative resulted in a reduction in certain funding sources for Bothell, as well as requiring voter approval for future tax hikes. The Employer argues that since the parties will be meeting again this year to negotiate a successor contract to the one at issue here, the Panel should allow the parties to

negotiate the impact of I-695 before any substantial increase in wages and other benefits are required to be paid by the City.

The evidence presented does not indicate that the Employer is unable to pay fair and reasonable wage increases and other benefits. While the I-695 Initiative raises some questions regarding the Employer's future finances, such issues, if they arise, can be dealt with in collective bargaining between the parties.

Settlements With Other Bargaining Units

From the standpoint of both the Employer and the Union, the settlements reached by the Employer with other bargaining units are significant. While those settlements are affected by the particular situation of each individual bargaining unit, still there is an understandable desire by the Employer to achieve consistency. From the Union's standpoint, it wants to do at least as well for its membership as the other unions have already done. At the bargaining table, the settlements reached by the Employer with other unions are likely to be brought up by one side or the other. Thus, it is a factor which should be considered by the Panel.

The Employer has reached agreement with both of its other bargaining units for the years 1998 through 2000. Its agreements with the Bothell Police Officers Guild and with AFSCME which

represents most of its non-uniformed personnel provided the following increases:

Effective Date	Police		AFSCME	
	Wage Increase	Deferred Comp. Match	Wage Increase	Deferred Comp. Match
1/1/98	3%	1%	2.4%	1%
1/1/99	100%CPI	0.5%	85%CPI (2%-5% range)	*
1/1/2000	100%CPI +0.5%	1.5%	85%CPI (2%-5% range)	*

*A portion of the AFSCME CPI wage adjustments in 1999 and 2000 was applied to deferred compensation.

Turnover

The Employer contends that the wages and other benefits that it pays its employees has not in any appreciable sense caused the City to lose firefighters nor has it deterred applicants seeking to be hired when a vacancy occurs. The Employer points out that the turnover rate in its fire department is significantly lower than the average of other City departments. The Union argues that there has been a dramatic increase in turnover which evidences dropping morale and a pressing need to remedy substandard compensation.

The evidence presented reveals that during the past five years, six firefighters have resigned in order to take positions with other fire departments, and that in the four years preceding that period, there were no resignations. This indicates that

there may be a problem, though the reasons behind these departures are not clear. On the other hand, Terry Briscoe, the City's human resources director, testified that the Department received over 1800 applications for its firefighter recruitment.

INSPECTOR PREMIUM PAY

Article XI of the expired agreement contains the following provision:

Section 2 - Inspector Premium Pay. Employees assigned by the Fire Chief as Inspector in the Fire Prevention Bureau will receive additional compensation according to the following table:

<u>Upon Completion of</u>	<u>Employee Receives</u>
6 months	\$60/month
12 months	\$120/month
24 months	\$180/month

The Union proposes:

Effective January 1, 1998, premium pay for employees assigned by the Fire Chief as Inspector in the Fire Prevention Bureau ...should be as follows:

On Appointment	105.5%
After 6 months	110.0%

The Employer proposes that the current benefit be enhanced by shortening the time required to earn the maximum, such that the

inspector would receive a \$60 premium upon appointment, advancing to \$120 after 6 months and \$180 after 12 months.

Captain Daniel Johnson, the Union's president, testified that the inspector conducts fire inspections of buildings and reviews construction plans to verify compliance with fire and building codes. He testified that the inspector must acquire specialized knowledge in national fire and building codes and fire sprinkler system installation. The inspector works a 40 hour per week day-shift schedule. Captain Johnson testified that firefighters generally consider such a schedule to be less desirable than the 24 hour shifts to which other firefighters are assigned. Captain Johnson testified that the inspector assignment is rotated to a different firefighter every two years.

The comparable jurisdictions provide the following pay premium for a top step inspector:

Auburn/Algona	5%
Edmonds	13%
Lynnwood	14%
Mercer Island	0
SeaTac	0
KCFD#2	10%
KCFD#16	0
KCFD#43	0
SCFD#12	0
Average	4.67%
Average of 4 which provide premiums	10.5%
Bothell	0-\$180 (0%-4.7%)

The Union argues that its proposal is justified by both the responsibilities assumed by employees in these assignments and by

compensation data from comparable fire departments. The Employer contends that its proposed adjustment should be adopted. It asserts that the Union's proposal is not justified by the situation of the comparators and that there has been no change in inspector job duties.

Though the parties disagree regarding this issue, there is no dispute that this benefit should be enhanced in some manner. It is awarded that the premium pay for the inspector position shall be set at 5%. That figure is very close to the average inspector premium provided by the comparable fire fighters. It matches the lowest premium paid by a comparable jurisdiction which provides for such a premium. Providing a percentage amount for the inspector premium, rather than a set dollar amount, is consistent with the practice of all of the comparators which provide such a premium. It also decreases the likelihood that this premium will be an issue in future negotiation. The Employer's proposal that the premium be provided in a series of steps draws no support from any of the comparable jurisdictions.

TRAINING ASSIGNMENT PREMIUM

The Union is seeking a 5.5% premium upon appointment of a firefighter to a training position, increasing to 11% after 6 months. Currently no premium is provided for such work. The Employer contends that no premium is warranted.

Two firefighters are assigned to assist the training captain, Captain Johnson. Captain Johnson testified that firefighters assigned to a training position must acquire special training skills, including National Fire Prevention Association Instructor I certification, Emergency Vehicle Accident Prevention Instructor, and King County Emergency Medical Service Defibrillation Instructor, as well as mastering Advanced Vehicle Extrication and relevant computer skills. Captain Johnson testified that the incumbents have these skills, except that they have not yet received computer training. Captain Johnson testified that while the primary function of these two employees is training, they occasionally are required to respond to emergencies. They work a schedule of four ten-hour days. Captain Johnson testified that firefighters generally find such shifts to be less desirable than the 24 hour shifts usually worked by firefighters. On the other hand, Ms. Briscoe testified that the firefighters assigned to training work an annual total of 2080 hours, while firefighters working the 24 hour shift work a total of 2720 hours. Deputy Chief Ron Zsigmondovics testified that the training assignments are rotated among firefighters on an annual basis, and that volunteers are solicited to fill them. He testified that there are no special skills or certifications which are requirements for selection to these positions. Of the selected comparable fire departments, only Auburn/Algona pays a

premium for a training assignment. The amount of that premium is 5%.

The Union contends that its proposal for a premium for the training assignment is justified by both the responsibilities assumed by employees in these assignments and by compensation data from comparable fire departments. The Employer argues that the Union's training assignment wage proposal should be denied. It reasons that such a premium is not generally provided by the comparators, that there are no advanced skills required for this assignment, and that the employees assigned to training already benefit by working less hours, but for the same pay, than the 24 hour shift personnel.

No premium is awarded for the training assignment. Comparable jurisdictions generally do not provide such a premium. Moreover, the evidence is less than clear that employees assigned to training are actually required to have specialized skills or training beyond those normally required of other experienced Department firefighters.

LONGEVITY BENEFITS

Employees currently receive the following longevity pay in accordance with Article XI, Section 1.b.1 of the expired Agreement:

1% of base salary after 5 years
2% after 10 years
3% after 15 years
4% after 20 years

The Union proposes to double the longevity pay as reflected below:

2% after 5 years
4% after 10 years
6% after 15 years
8% after 20 years

The Employer proposes no change to the current language.

The comparable jurisdictions provide the following longevity pay rates:

Auburn/Algona	2% after 5 years 3.5% after 8 years 5% after 10 years 6.5% after 14 years 8% after 17 years
Edmonds	2% after 6 years 4% after 12 years 6% after 18 years (Employees in Edmonds must choose between longevity pay and education pay. They cannot receive both.)
Lynnwood	\$9.23 per bi-weekly period after 4 years (0.5%) 18.46 after 8 years (1%) 27.69 after 10 years (1.5%) 39.23 after 14 years (2%)

Mercer Island	2% after 5 years 4% after 10 years 6% after 15 years 8% after 20 years
SeaTac	None
KCFD#2	1.5% after 5 years 3% after 10 years 4.5% after 15 years 6% after 20 years 7.5% after 25 years
KCFD#16	1% after 5 years 2% after 10 years 3% after 15 years 4% after 20 years 5% after 25 years
KCFD#43	3% after 4 years 5% after 9 years
SCFD#12	1.5% after 6 years 2.5% after 9 years
Average ³	1.06% after 5 years 2.78% after 10 years 3.72% after 15 years 4.61% after 20 years

The Union argues that it is reasonable to provide longevity pay in order to reward increased productivity that derives from experience. It observes that there is a paucity of opportunity for hire into positions above entry level in other fire departments. Nevertheless, the Union reasons, lack of adequate incentives appear to explain the acceleration in turnover among bargaining unit employees, which has increased dramatically in recent years. The Union further argues that the comparable

³ The average would be lower if longevity pay in Edmonds was discounted because employees who receive education pay in Edmonds receive no longevity pay. For instance, the average at 20 years would fall to 3.94% if it is assumed that Edmond's firefighters generally select the education incentive.

departments provide more generous longevity benefits than the Employer.

The Employer argues that longevity pay should not be examined separately, but only as part of the total compensation model. It notes that unlike some other comparators, Bothell pays an education incentive in addition to the longevity premium. In this regard, the Employer presented evidence that whereas it provides an education incentive premium for credits received short of an AA degree (1% for 24 credits and 1.5% for 45 credits), only one other comparable jurisdiction provides such a benefit. Moreover, three of the comparable departments provide no education incentive at all. The Employer further argues that a change is not justified by a comparison with the longevity premium paid by other comparators.

No change in longevity pay is awarded. The slight difference between the longevity pay provided by Bothell and the average rate provided by the comparators does not justify an increase. There is insufficient evidence to suggest that recent turnover among Department employees could be attributed to the amount of longevity pay that had been provided to the departing employees.

HEALTH CARE COST SHARING

Article VI, Section 1 of the expired contract provides that the Employer provides 100% of the group medical and health care

premium for employees and 90% of the premium for their dependents. The Employer proposes the following new contract language so that employees would share in premium increases and also so that they would be subject to a "Section 125" plan:

ARTICLE VI - HEALTH CARE

* * *

Section 7. The City agrees to provide and administer a Flexible Spending Account (FSA) for Employees and their dependents under IRC Section 125. Employees may choose to participate in the Premium Only and/or Medical and Dependent Care Expenses Accounts.

Section 8 - Employee Cost Sharing The City agrees to pay up to 108% of 1998 premium costs on any premium increases in 1999 and up to 108% of 1999 premium increases in 2000. The City and Union agree that any increase in premiums for 1999 and 2000 over 8% and up to 15% shall be split between the City and the employee on an equal basis. It is understood that employee's share of premium increases will be made through tax-free payroll deduction. Premium increases in either 1999 or 2000 in excess of 15% shall trigger a health care benefits reopener. The City and Union agree that if combined health benefit premiums decrease 0 to 8% per year, the City will absorb the savings. Actual dollar savings in health benefit premiums over 8% in 1999 or 2000 shall be distributed in the form of a one time payment in that calendar year only to employees on an equal basis.

Section 9. The Association agrees to participate in a Labor Management Committee formed to study alternatives for funding employee benefits.

Section 7 of the Employer's proposal includes an offer to allow employees to participate in its Section 125 program and for the Employer to pay for the administrative costs of this program. Section 125 references a provision of the Internal Revenue Code which allows employers to establish plans which would permit employees, at their discretion, to have their share of the cost of health premiums as well as their estimated cost of out of pocket health expenses deducted from their salaries. Such deductions would result in savings for the employees since they would not be subject to income tax or medicare tax. The employer would save the cost of payroll taxes on the deducted amounts. Employees who participate in the plan could be reimbursed for their out of pocket expenses, though they would forfeit any amount for which they had authorized deduction from their salaries which was in excess of their out of pocket expenses in a given year.

Employer exhibits establish that health care costs have risen at a rate of about 5% per year since 1991. An article submitted into evidence by the Employer indicates that health care costs are expected in the future to continue to rise at a rate of 5% per year. Carol Wilmes is the employee benefits program coordinator for the Association of Washington Cities.

She manages the employee benefit trust for that organization.

The Employer is a member of that insurance trust, from which it obtains medical insurance for its firefighter bargaining unit.

Ms. Wilmes testified that the board for the trust is considering adopting a 2% premium increase in 2000. She testified that higher increases of 8% or more are probable in future years. The Employer negotiated a premium cost sharing arrangement with its AFSCME bargaining unit. However, it was unsuccessful in bargaining such an arrangement with its police bargaining unit. Unrepresented employees of the City do not share in the cost of their health premiums. Also, none of the comparable departments require that their employees share in the cost of the premium for employee medical coverage.

The Employer argues that its proposal is a win-win situation for both the City and the Union. It asserts that there is a trend reflecting the escalation of health care costs above those that can be reasonably absorbed by an employer in a given year. The Employer asserts that despite the recent modest increase in health costs which it has experienced, still the new language needs to be in the contract before an extraordinary increase in medical insurance premiums takes place. The Employer contends that its Section 125 plan proposal is clearly an additional benefit to bargaining unit employees, allowing them the opportunity to shelter health care and family care expenses from taxable income.

The Union argues that the Employer's health care premium cost sharing proposal should be rejected for a number of reasons. First, there have not been runaway premium increases during the 1998-2000 contract term, and the Employer's proposal would have no effect during that period. Next, the comparable jurisdictions have not adopted a cost-sharing mechanism like that proposed by the Employer. The Union also observes that the Employer has not negotiated similar cost sharing with its other uniformed bargaining unit, nor has it imposed it on its unrepresented personnel.

I conclude that there is insufficient reason to require the adoption of the Employer's proposed new health and welfare language. There is no support for such a change in the practice of the comparable departments. Moreover, the Employer's proposal would have absolutely no effect during the term of the Agreement at issue here. The parties will soon be in negotiations for a successor contract and this issue would more appropriately be relevant at that time. With regard to the Employer's Section 125 plan, it appears that the Union has no interest in this benefit. It is also not clear that the Employer is interested in providing this benefit if its premium cost sharing proposal is not adopted.

WAGES

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

Effective January 1, 1998	9%
Effective January 1, 1999	5.5%
Effective January 1, 2000	6%

The Employer proposes the following wage increases:

Effective January 1, 1998	3.6%
Effective January 1, 1999	2.25%
Effective January 1, 2000	2.88%

The Union justifies its proposal on the basis that there is a large gap between the wages paid to firefighters in the comparable departments and that paid to bargain unit members here. The Union asserts that its requested increases are needed in order for employees to catch up with compensation paid by comparable departments.

The Employer asserts that its proposal is consistent with the parties' bargaining history of placing firefighter wages at slightly below the mean of the comparators. The Employer suggests that its proposal is consistent with the 1998 and 1999 base wage adjustments made by its comparators. The Employer contends that its proposal is further supported by the published moderate growth in the cost of living, especially considering that employees already receive a substantial cost of living adjustment by the increased costs the Employer incurs to provide health insurance coverage which is an element of the CPI market basket. The Employer further argues that its wage proposal is justified by low turnover in the bargaining unit, and the fact

that vacant positions are highly sought after. In addition, the Employer asserts that consideration must also be given to the rate of increases granted to other City employees. Finally, the Employer relies on the uncertainty caused by the recent implementation of the I-695 initiative.

The parties agree that a comparison with the comparable departments should be based on a total hourly compensation basis, factoring in wages and certain benefits. However, several disagreements between them which relate to the total hourly compensation analysis must be resolved. They disagree with regard to whether the following benefit costs should be included in the comparison: deferred compensation, MEBT, LEOFF II payments, and EMT pay. They also disagree regarding the longevity benchmark and the appropriate base wage for Auburn/Algona.

Firefighter Hugh Moag, who served on the Union's negotiating team, testified that deferred compensation and MEBT represents money paid by some of the comparable employers into a retirement fund for their employees. He testified that in a deferred compensation plan, the employer may be required to match an employee's contributions to the fund up to a certain percentage. Firefighter Moag testified that MEBT plans require contributions by the Employer without regard to employee contributions. Firefighter Moag further testified that the monetary figures provided by the Union with regard to the deferred compensation

and MEBT contributions by the comparable departments, assume that those departments made the maximum possible contribution for each employee. He testified that he did not contact any of the comparators to determine the extent of employee participation. He testified that he was told by someone at a Union conference that Lynnwood Fire Department had 100% employee participation. Firefighter Moag did not specify who told him this. He also did not indicate whether the employee participants contributed the maximum amount allowable. Firefighter Moag testified that he was unaware of the vesting requirements of these supplemental retirement plans. Ms. Briscoe testified that for MEBT plans, employees do not become vested until they are employed for 10 years. She testified that she is aware that in one city in the area, Bellevue, employees who are terminated for cause forfeit the MEBT benefit, regardless of tenure. She testified that the Union first raised deferred compensation and MEBT as an aspect of compensation during mediation. Ms. Briscoe acknowledged that Bothell provides a deferred compensation benefit to its police and AFSCME bargaining units, as well as to its city manager. In a recent compensation study covering non-represented city employees for which the Employer had contracted, deferred compensation was considered as one of the major elements of total compensation.

Assuming a maximum deferred compensation or MEBT contribution from each comparator, they would have made the following monthly contributions for each employee during 1998:

	Deferred Compensation	MEBT
Auburn/Algona	0	254
Edmonds	0	0
Lynnwood	251	0
Mercer Island	104	0
SeaTac	0	0
KCFD#2	0	0
KCFD#16	47	0
KCFD#43	270	0
SCFD#12	0	0

The Union argues that deferred compensation and MEBT contributions must be considered as part of the entire compensation package since they represent real employer costs and real employee benefits. It observes that the Employer makes deferred compensation contributions for other city employees and that the Employer utilized such benefits as part of the City's own compensation study.

The Employer argues that deferred compensation and MEBT should not be considered for purposes of comparison. It reasons that these are discretionary benefits for which employees must decide to participate and then remain with the employer for the necessary period of time to vest. According to the Employer, most of the Employer's firefighters have less than seven years of service and would not be vested in such plans. The Employer further relies on the fact that the Union did not include such a

benefit category in its spreadsheets depicting total hourly compensation until after an impasse had been reached in negotiations and they had begun mediation. The Employer argues that deferred compensation and MEBT plans are supplemental retirement plans, and such plans were recently held to be an illegal subject of bargaining by the Washington State Public Employment Relations Commission (PERC) in *Firefighters v. City of Seattle*, Dec. 4687A and 4688A (PECB, 1996). The Employer urges that the Panel not be influenced by such illegal contract provisions. The Employer asserts that the provisions for deferred compensation or MEBT contributions which were included in some of the collective bargaining agreements of the comparators and also in the Employer's agreement with its police bargaining unit, were all negotiated before the Washington State Supreme Court's refusal to accept review of the decision.

The Union responds that neither PERC nor the Washington State Court of Appeals stated or implied that other forms of retirement benefits traditionally provided to uniformed personnel by many jurisdictions were improper subjects for collective bargaining or for comparison pursuant to the interest arbitration statute.

It is concluded that deferred compensation and MEBT contributions by the comparable departments shall be considered in the total hourly compensation comparison. However, the figures utilized for these contributions in the comparison shall

be one half the amount reported by the Union. The Union provided only the maximum liability for the comparable jurisdictions, not the actual amount expended. It is clear that the actual cost of these benefits to the comparable employers is substantially less than the figures provided by the Union, since it is likely that not all employees in the relevant comparable departments contribute the maximum allowable amount to the deferred compensation plan, thus reducing the employers' matching obligations. It may also be the case that some employees will never become vested in those plans. Nevertheless, the deferred compensation and MEBT plans are benefits with a substantial compensation cost for the participating employers. It is likely that these benefits were negotiated as part of an overall compensation package, perhaps in place of higher wages or other benefits. It is realistic to include the comparators' deferred compensation and MEBT contributions as an integral part of their total hourly compensation to their employees. For comparison purposes, reducing the maximum possible payout by one half recognizes that it is unlikely that the relevant comparators incur the maximum possible liability which is reflected in the figures provided by the Union. The evidence presented fails to reveal the actual cost of these benefits to the comparators. The PERC decision referenced by the Employer did not specifically deal with deferred compensation or MEBT contributions. Rather, it dealt with union proposals for disability benefits and for a

supplemental pension system based on years of service. PERC, supra, and the State Court of Appeals in *Fire Fighters v. City of Seattle*, 93, Wn.App. 235 (1988), held that such benefits were illegal subjects for bargaining as violative of RCW 41.56.040(1). That statute required that firefighters and law enforcement officers participate in the LEOFF retirement system "to the exclusion of any pension system existing under any prior act." It is not entirely clear that the language utilized in these decisions would be applied to deferred compensation or MEBT plans. Such plans are widely utilized for uniformed personnel, including by this Employer. There has been no showing that any jurisdiction which has such a plan has discarded it. If they are ever required to do so, which is a hypothetical which may never occur, their collective bargaining negotiations will likely deal with the charged circumstance and it cannot be presumed that the monetary value of the compensation package which such employers provide will necessarily be diminished. In any event, during the entire period of this contract term, 1998 through 2000, some of the comparators are paying for deferred compensation and MEBT benefits. During this period, it is appropriate that such benefits be factored into the compensation package for purposes of comparison, though at a rate reflecting half the maximum contribution.

The Union's position is that LEOFF II contributions should be considered in the calculation of total hourly compensation.

The Employer's position is that there is no reason to include it. LEOFF II contributions will not be utilized as a basis for comparison. Each department must pay the same percentage contribution to this state pension fund, so it will not be indicative of any difference in employee benefits. The Union recognized that the Panel may consider or disregard these contributions without consequence, but recommended their consideration as a matter of convenience since the Union included them on its spreadsheet. Since the Union's spreadsheet has not been totally adopted, convenience is not relevant here.

The Union argues that the Panel should consider Emergency Medical Technician (EMT) pay. The Union points out that all Bothell firefighters are EMT qualified and would receive the premiums paid by other jurisdictions. The Union reasons that EMT pay represents real payroll costs to the Employer and a real employee benefit. The Employer's position is that EMT pay was omitted from its spreadsheets because EMT certification is a requirement for Bothell firefighters and no special pay is provided for it. It points out that EMT pay may not be a requirement in the comparable departments.

EMT pay will be utilized in the comparison. Since all Bothell firefighters have EMT certification, they would all receive EMT pay if employed by one of the comparators. It is therefore appropriate that their pay be compared with EMT certified employees of the comparable departments.

The Union argues that for purposes of comparison, a firefighter with 9 years of seniority should be used as a benchmark. The Union justifies this view by asserting that 9 years corresponds with the average bargaining unit tenure as of February 1998. The Employer's position is that a 7 year firefighter should be utilized as a basis for comparison with firefighters of the comparable jurisdictions. The Employer points out that 7 years of service has been historically used as a benchmark by the parties in their negotiations and that their expired contract calls for a 7 year step increase "in both Article XI for Education Incentive/Longevity Pay and Article XII for Vacation Accrual." The Employer suggests that only the basic firefighters should be counted to determine average length of service since lieutenant and captain wage rates are based on a premium above top stop firefighter. The Employer contends that the average length of service of basic firefighters is under 7 years, and that a considerable majority of the basic firefighters have 7 years of less of service within the bargaining unit.

A 7 year benchmark will be utilized for purposes of comparison. This was the benchmark utilized by the parties in past negotiations. Utilizing the seniority list dated February 26, 1998 provided by the Union, the average bargaining unit seniority is 7.72 years. Evidence was presented that six new employees were hired shortly after that date, resulting in a decrease to this average seniority figure. A majority of

employees in the bargaining unit have less than 7 years of seniority. There is insufficient reason to change the long standing practice of the parties to utilize a 7 year benchmark in their negotiations.

The parties were unable to agree on the amount of the base wage level for one of the comparators, Auburn/Algona. The Union urges adoption of the "weighted average" of the "Fire Fighter 1st Class" rank and the "Fire Fighter 1st Class-Specialist" rank. The Union reasons that Bothell firefighters would qualify for the specialist base wage. The Employer maintains that the Fire Fighter 1st Class base wage in Auburn/Algona should be utilized.

The Auburn/Algona contract provides for 30 specialist positions among the 66 bargaining unit members. These positions include rescue specialists, HAZ-MAT specialists, shift medical specialists, investigation specialists, "shift P.I.E. specialists," deputy fire marshals, a public information officer, a public information specialist, a communications specialist, a mechanic, and a training division specialist. These specialists earn a 2% premium over the wage rate of a first class firefighter.

The Fire Fighter 1st Class rank in Auburn/Algona shall be utilized for the comparison. Specialty pay is simply a separate issue from base wages. Each of the comparators, as well as the Employer, provide separately for specialty pay. Those amounts have not been added to base wages for the comparators or the

Employer here, and therefore it would be inaccurate to do so for Auburn/Algona.

The total monthly and hourly compensation figures for a senior firefighter with 7 years of service, EMT Certification and an AA degree in the selected comparable departments during 1998 are listed below:

Auburn/Algona	
Base Wage	\$4,090.92
Longevity Pay	81.82
AA Incentive	200.00
Insurance	<u>593.46</u>
Total Monthly Compensation	\$4,966.20
Net Hours Per Month	185.50
Total Hourly Compensation	\$26.77
Edmonds	
Base Wage	\$4,101.00
Longevity Pay	82.02
Physical Fitness Incentive	61.52
MEBT	127.13
Insurance	<u>582.09</u>
Total Monthly Compensation	\$4,953.76
Net Hours Per Month	186.00
Total Hourly Compensation	\$26.63
Lynnwood	
Base Wage	\$4,050.78
Longevity Pay	40.00
AA Incentive	194.03
Holiday Pay	88.83
Deferred Compensation	125.57
Insurance	605.88
Total Monthly Compensation	\$5,105.09
Net Hours Per Month	194.00
Total Hourly Compensation	\$26.31

Mercer Island

Base Wage	\$4,179.75
Longevity Pay	83.60
Deferred Compensation	52.25
Insurance	<u>537.35</u>
Total Monthly Compensation	\$4,852.95
Net Hours Per Month	188.00
Total Hourly Compensation	\$25.81

SeaTac

Base Wage	\$4,349.00
Deferred Compensation	134.82
Insurance	<u>652.80</u>
Total Monthly Compensation	\$5,136.62
Net Hours Per Month	207.00
Total Hourly Compensation	\$24.81

KCFD#2

Base Wage	\$4,228.36
Longevity Pay	63.43
EMT Pay	10.00
Insurance	<u>583.30</u>
Total Monthly Compensation	\$4,885.09
Net Hours Per Month	193.67
Total Hourly Compensation	\$25.22

KCFD#16

Base Wage	\$4,126.30
Longevity Pay	41.26
AA Incentive	82.53
Insurance	<u>600.74</u>
Total Monthly Compensation	\$4,850.83
Net Hours Per Month	184.00
Total Hourly Compensation	\$26.36

KCFD#43

Base Wage	\$4,294.20
Longevity Pay	128.83
AA Incentive	128.83
Deferred Compensation	23.34
Insurance	<u>621.73</u>
Total Monthly Compensation	\$5,196.93
Net Hours Per Month	193.33
Total Hourly Compensation	\$26.88

By the end of year	SCFD#12	
by the Employer will	Base Wage	\$4,059.54
of the comparators.	Longevity Pay	60.89
	AA Incentive	50.00
	Insurance	<u>542.11</u>
	Total Monthly Compensation	\$4,712.54
	Net Hours Per Month	200.67
	Total Hourly Compensation	\$23.48

The average total hourly compensation amounts provided by the comparable departments to their top step fire fighters during 1998 are listed below:

Auburn/Algona	\$26.77
Edmonds	26.63
Lynnwood	26.31
Mercer Island	25.81
Sea-Tac	24.81
KCFD#2	25.22
KCFD#16	26.36
KCFD#43	26.88
SCFD#12	23.48
Average	\$25.81

Bothell's 1997 monthly compensation, which is still in effect, is as follows:

Bothell	
Base Wage	\$3,854.00
Longevity Pay	38.54
AA Incentive	77.08
Physical Fitness Incentive	38.54
Insurance	<u>642.94</u>
Total Monthly Compensation	\$4,651.10
Net Hours Per Month	195.67
Total Hourly Compensation	\$23.77

The above analysis reveals that the Employer's total hourly compensation which has been in effect since 1997 is about 8.6% behind the average of the 1998 total hourly compensation provided by the comparable departments.

Base wage increases for the comparable departments during the period 1998-2000 are listed below:

	1998	1999	2000
Auburn/Algona	4.00%	3.95%	90%CPI(2.5%-4% Range)
Edmonds	4.00%	2.90%	100%CPI
Lynnwood	4.76%	3.71%	4.18
Mercer Island	5.83%	3.08%	Not Available
Sea-Tac	3.33%	2.25%	3.88%
KCFD#2	3.25%	3.25%	Not Available
KCFD#16	4.00%	3.50%	100%CPI(3%-5% Range)
KCFD#43	5.20%	2.90%	Not Available
SCFD#12	4.00%	2.25%	85%CPI+0.5% (2%-4.5% Range)
Average	4.26%	3.09%	Not Available

Weighing the governing factors which are set forth in the statute, wage increases will be awarded for 1998 in the amount of 5%, for 1999 in the amount of 4%, and for 2000 in the amount of 4%. The 5% figure is one of the highest wage increases among the comparators for that year and is 0.74% higher than the average increase. The wage adjustments for 1999 and 2000 represent increases in excess of both the cost of living increases for those years as well as the average increases among the comparators. The significant wage increases awarded are necessary to bring this bargaining unit's wage levels closer to

the average of the comparators. By the end of this contract term, the compensation provided by the Employer will likely be only slightly below the average of the comparators. At that time it will likely rank among the comparators 7th or 8th out of 10.

I have not fashioned an award which would cause the total compensation level of the Employer's firefighters to equate with the average of that of the comparators because, as I explained in my 1987 Award involving these parties, the statutory criteria requires a more complex analysis. The statute calls for a consideration of changes in the cost of living, and of other factors traditionally taken into consideration. Thus, consideration has been given to the modest change in the cost of living, the compensation settlements reached by the comparators, the more modest compensation increases received by other City employees, and the intense competition for positions in this bargaining unit when they become available. These other factors tend to moderate the level of increase which could be derived from a consideration of the comparability factor alone.

TERM OF AGREEMENT

Both the Union and the Employer have proposed a 3-year contract, covering the years 1998, 1999, and 2000. While the Union urges full retroactivity for the Panel's Award, the Employer asserts that retroactivity should only apply to the base wage adjustment and not to any other benefit increase that might

be awarded. The Employer asserts that requiring retroactivity of other benefits would present accounting and financial difficulties. The Union responds that the Employer's proposal in this regard would reward the Employer for having failed to reach a prompt voluntary settlement.

The Award will be fully retroactive to January 1, 1998. Besides base wages, which both parties agree should have retroactive effect, the only other awarded benefit is the enhanced premium for the inspector position. Calculating such an increase on a retroactive basis should not be an overly difficult task.

AWARD OF THE NEUTRAL CHAIRMAN

It is the determination of your Neutral Chairman that the Collective Bargaining Agreement between the city of Bothell and Local No. 2099, International Association of Firefighters shall be amended to include the following:

I. Base wages shall be increased as follows:

Effective January 1, 1998	5%
Effective January 1, 1999	4%
Effective January 1, 2000	4%

II. There shall be no change in contract language regarding the longevity premium.

III. The premium pay for the inspector position shall be 5% upon appointment.

- IV. There shall be no premium pay for the training assignment.
- V. The Employer's proposal to implement health cost sharing and a Section 125 Plan shall not be adopted.
- VI. The Agreement shall have a term of January 1, 1998 until December 31, 2000. The terms of this Award shall be implemented retroactive to January 1, 1998.

Redmond, Washington

February 4, 2000

ALAN R. KREBS

Alan R. Krebs, Neutral Chairman