

BEFORE THE ARBITRATOR

In the matter of the interest)
arbitration between)
TEAMSTERS UNION, LOCAL 252,)
and)
CITY OF CHEHALIS, WASHINGTON)
(POLICE DEPARTMENT))
_____)

INTEREST ARBITRATION
OPINION AND AWARD
CASE 15864-I-01-366
2001-2002 AGREEMENT

HEARING SITE: City Hall
Chehalis, Washington

HEARING DATE: October 2, 2001

POST-HEARING BRIEFS POSTMARKED: November 2, 2001

RECORD CLOSED ON RECEIPT OF BRIEFS: November 5, 2001

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DATE OF AWARD: February 22, 2002

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I. INTRODUCTION

This is an interest arbitration proceeding under Chapter 41.56 RCW and Chapter 391-55 WAC between Teamsters Union, Local 252 (Union), and City of Chehalis, Washington, Police Department (City). The City and Union are parties to a collective bargaining agreement (agreement) effective January 1, 1998, through December 31, 2000. The agreement covers approximately 15 employees in the classifications of police officer and police sergeant.

After the City and Union failed to reach agreement in bilateral negotiations for a successor agreement, on December 20, 2000, the parties filed for mediation with the Public Employment Relations Commission (Commission). See Case 15530-M-00-5435. The matter was not resolved in mediation and on June 19, 2001, Marvin L. Schurke, Executive Director of the Commission, certified the following issues for interest arbitration under RCW 41.56.450:

1. Salary Schedule
2. Compensatory Time
3. Contact Calls
4. Specialty Pay
5. Detective Clothing Allowance
6. Longevity Pay

Case 15864-I-01-366 was docketed by the Commission to process the interest arbitration proceeding.

On July 13, 2001, the parties filed a letter with the Commission under WAC 391-55-205 waiving their right to appoint partisan arbitrators to form an arbitration panel, and requesting that a Commission staff member be assigned to act as neutral chairperson under WAC 391-55-210(2). Executive Director Schurke appointed Mark S. Downing from the Commission staff to serve as Arbitrator.

On August 10, 2001, a Notice of Hearing was issued by the Arbitrator scheduling a hearing for October 2, 2001. On September 20, 2001, the Union filed written proposals on the issues it intended to submit to interest arbitration. The City filed its written proposals on the issues on September 26, 2001.

A hearing was held by the Arbitrator in Chehalis, Washington, on October 2, 2001. At the beginning of the hearing, the Union withdrew its proposed changes on two issues: 1) Compensatory time; and 2) Specialty pay. Oral testimony and documentary evidence were received on the remaining issues at the hearing. The City and Union were afforded full opportunity to examine and cross-examine witnesses, to present any evidence pertinent to the dispute, and to make argument. A tape recording of the hearing was taken by the Arbitrator. The parties filed written briefs and the record was closed upon receipt of the final brief on November 5, 2001.

II. APPLICABLE STATUTORY PROVISIONS

The Opinion and Award of the Arbitrator is based on the following statutory provisions:

**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) For employees listed in RCW 41.56.030(7)(a) through (d), comparison of the

wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of like employers of similar size on the west coast of the United States;

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

(e) Changes in any of the circumstances under (a) through (d) of this subsection during the pendency of the proceedings; and

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

. . . .

The six statutory factors set forth in RCW 41.56.465 will serve as standards and guidelines for the Arbitrator to follow in making his decision.

III. ISSUES IN DISPUTE

The parties have presented four issues for the Arbitrator to decide:

- Salary Schedule
- Contact Calls
- Detective Clothing Allowance
- Longevity Pay

The Union submits two alternative proposals for the issues of salary schedule and longevity pay, as follows:

Alternative A:

Appendix B - Salary Schedule

Effective January 1, 2001: 3.3% wage increase.

Effective January 1, 2002: 4.0% wage increase.

Section 7.5 - Longevity Pay

After 5 years of service, .25% added to base monthly salary for each year of service.

Alternative B:

Appendix B - Salary Schedule

Effective January 1, 2001: 5.0% wage increase.

The City proposes that monthly salaries in Appendix B be increased by 3.3% on January 1, 2001, with an additional increase of 4.0% on January 1, 2002. The City proposes no change in longevity pay.

In relation to detective clothing allowance, the Union proposes to increase the current allowance from \$540 to \$600 per year. The City proposes no change in the allowance.

The Union proposes a new section for "contact calls." The agreement provides employees with a minimum guarantee of four hours compensation for callbacks during their off-duty hours. Under the Union's proposal, employees contacted for a duration of five minutes or less while off-duty to provide information which is beneficial to the City, would receive compensation of ½ hour overtime instead of the four-hour minimum callback. The City seeks no change in the agreement on this issue.

IV. STIPULATIONS OF PARTIES

One of the six statutory factors under RCW 41.56.465 that the Arbitrator must consider is the "stipulations of the parties." Another statutory factor is "comparison of the wages, hours, and conditions of employment" of police officers and police sergeants of the City of Chehalis with the "wages, hours, and conditions of employment of like personnel of like employers of similar size on the west coast of the United States."

The City and Union entered into a stipulation concerning comparable jurisdictions. The parties agreed that the Arbitrator will use the following 11 cities in the state of Washington to make the statutory comparison of wages, hours and conditions of employment under RCW 41.56.465:

1. Arlington
2. Burlington
3. Centralia
4. Ferndale
5. Hoquiam
6. Kelso
7. Port Orchard
8. Poulsbo
9. Sedro-Woolley
10. Shelton
11. Sumner

The parties' stipulation concerning comparable jurisdictions is binding on the Arbitrator. The Arbitrator cannot pick and choose which of the comparables to use on any particular issue. The parties stipulated to 11 comparable cities and all of them will be utilized in analyzing the issues presented to the Arbitrator.

V. POSITIONS OF PARTIES

A. Position of Union

The Union's stated goal in this proceeding is to bring the compensation of City of Chehalis police officers and police sergeants in line with comparable jurisdictions. There are two key components of compensation in the Union's mind: 1) Wages (monthly salary); and 2) Longevity pay. Under the City's wage proposal for 2001 and 2002, the Union maintains that compensation at the entry level and five-year service level will be acceptably in the mid-range of the comparables. However, compensation for employees with 10 years of service will fall 4.2% behind the comparables, and this gap will increase to 5% after 15 years of service and 6.6% after 20 years of service. The Union contends that this gap in compensation for more experienced employees is due to the fact that nine of the 11 comparables have longevity pay, while Chehalis has a very limited longevity pay plan.

The Union prefers its two-year Alternative A proposal to address the compensation gap for more experienced employees. The Union's one-year Alternative B proposal, based on a 5.3% wage increase received in 2001 by the City's firefighters, does not include any change in longevity pay. Although the longevity pay component of Alternative A would increase the City's annual costs by approximately \$18,000, the Union argues that the City can afford such an increase given its current unreserved revenue balance. The Union maintains that acceptance of the City's proposal would allow the City to increase its unreserved revenue balance nearly 50%, from 6.8% (\$425,000) to 10% (\$600,000) of the general fund.

In regards to detective clothing allowance, the Union argues that the Internal Revenue Service (IRS) issued a ruling during the

agreement determining that this allowance is taxable income. In response, the City began to withhold income taxes from the allowance of approximately \$100 per year. The Union contends that the IRS ruling has reduced the value of the current allowance.

In relation to contact calls, the Union provided the example of night shift employees receiving calls from the Prosecutor's office during daytime hours when these employees are normally sleeping. The Union asserts that employees have been hesitant to seek the four-hour minimum for callbacks provided in the agreement for these short-term contacts. The Union's proposal would lower compensation for contacts of five minutes or less to ½ hour overtime. The Union characterizes its proposal as an "olive branch" to resolve a "percolating grievance in a cost-effective manner."

B. Position of City

The City argues that its total compensation package, including wages, medical insurance and net hours of work, exceeds or is well within the range of the comparables. The City maintains that its compensation package is 3.7% above the average of the comparables for an entry-level employee, 2.9% above average for a five-year employee, at the average for a 10-year employee, and only .5% below the average for a 15-year employee. The City objects to the Union's "piecemeal" approach of only looking at wages and longevity pay. As the Union agrees that the City's wage offer for 2001 and 2002 is appropriate, the City asserts that the Union is simply seeking to add a new benefit of longevity pay. The City argues that now is not the time to add a new benefit, as it has been forced in recent years to tighten its budget due to declining sales tax revenue. The City points out that it cut its overall staffing by six positions in 2001, and more cutbacks may be necessary in 2002.

The City claims that longevity pay was provided to employees in the past, but that the Union negotiated this benefit away for employer-paid long-term disability insurance. The City asserts that longevity pay has historically been provided to public employees because they have received less compensation than private sector employees providing similar services. However, the City believes that as current compensation packages for public employees equal or exceed benefits for similar positions in the private sector, longevity pay is no longer appropriate.

In regards to the Union's proposed new section on contact calls, the City argues that the Union currently enjoys the highest compensation of any of the comparables for minimum callbacks. The City believes that the Union is in the wrong forum on this issue, arguing that the Union should bring this contract interpretation matter before a grievance arbitrator. In relation to detective clothing allowance, the City believes that the amount of its current allowance is fair. The City asserts that it is paying more than seven of the 11 comparables and that an increase in this benefit is not provided in its budget.

VI. DISCUSSION

A. Statutory Considerations

Interest arbitration is a statutory process under Chapter 41.56 RCW. RCW 41.56.430 recognizes that: 1) There is a public policy in the state of Washington of avoiding strikes by uniformed personnel as a means of settling their labor disputes; and 2) The interest arbitration process was developed to provide an effective and adequate alternative means of settling such disputes. The

standards and guidelines under RCW 41.56.465 for determining interest arbitration disputes can be summarized as follows:

- Constitutional and statutory authority of employer
- Stipulations of parties
- Comparable conditions of employment
- Cost of living
- Changes in circumstances during the proceeding
- Other factors normally or traditionally taken into consideration in bargaining. For cities of less than 15,000, this includes regional differences in the cost of living.

The parties made no arguments and presented no evidence on three of the statutory factors: 1) Constitutional and statutory authority of employer; 2) Cost of living; and 3) Changes in circumstances during proceeding. As the parties did not present any information on these factors, the Arbitrator is unable to take them into consideration in making his decision.

The arguments of the City and Union focused on the following statutory factors:

- Stipulations of parties
- Comparable conditions of employment
- Other factors normally or traditionally taken into consideration in bargaining.

Due to the parties' stipulation to use 11 comparable cities, the record contains collective bargaining agreements from those jurisdictions. Those agreements provide detailed information concerning comparable conditions of employment. Other documentary evidence and arguments of the parties will be considered by the

Arbitrator in analyzing other factors normally or traditionally taken into consideration in bargaining.

B. Application of Statute to Issues in Dispute

The City and Union have framed four issues for the Arbitrator to decide:

Salary Schedule
Contact Calls
Detective Clothing Allowance
Longevity Pay

The parties have concentrated their arguments in this proceeding on one key issue: longevity pay. The Arbitrator frames this issue as follows:

Do comparable jurisdictions stipulated by the parties support the inclusion of longevity pay in the compensation of police officers and police sergeants of the City of Chehalis?

Salary Schedule and Longevity Pay

Appendix B of the agreement contains a salary schedule providing monthly wages for employees. The wage portion of the Union's Alternative A proposal is identical to the City's wage proposal, providing a 3.3% increase in monthly salaries on January 1, 2001, and an additional increase of 4.0% on January 1, 2002.

However, the parties are diametrically opposed on longevity pay. Section 7.5.1 of the agreement currently provides as follows:

7.5. Longevity

7.5.1. The following LEOFF I officers shall receive forty dollars (\$40.00) per month

longevity compensation: Steve Birley and Gary Hodges.

Police officers hired prior to 1977 are covered by the Law Enforcement Officers' and Fire Fighters' Retirement System Plan I (LEOFF I), established by Chapter 41.26 RCW. Section 7.5.1 applies to only two of the 15 employees covered by the agreement.

The Union proposes that section 7.5.1 be replaced with the following language:

7.5.1. Employee shall receive longevity pay in proportion to the employee's years of service and shall be compensated in the following manner. After five (5) years of service an employee shall receive point two five percent (.25%) added to his or her base monthly salary for each year of service.

The City seeks to continue the status quo on longevity pay.

The Union argues that salary schedule and longevity pay must be analyzed together, as they are both forms of wage compensation. The City favors looking at its total compensation package, which includes wage compensation, medical insurance, and net hours worked by employees. The Arbitrator cannot accept the City's position concerning total compensation. There is insufficient evidence and argument in the record to make a comparison of medical insurance and net hours worked between the comparables and the City. In addition, those issues were not certified for interest arbitration and are not before the Arbitrator for decision.

The issues of salary schedule and longevity pay have been presented to the Arbitrator. Should these issues be considered or analyzed separately by the Arbitrator, or together as the Union asserts?

RCW 41.56.450 defines the statutory factor of "comparable conditions of employment" as including "wages, hours, and conditions of employment." Employees receive wages, or monetary payment for their services, in various forms. Employees typically receive a monthly or hourly salary. Employees with certain assignments may receive speciality pay, and employees with designated levels of experience or service may receive longevity pay. Monetary payments received by employees as salary or longevity pay are both forms of wage compensation, and are appropriately considered together in this proceeding.

The 11 agreements in evidence indicate that seven of the comparables have settled their wages for 2001. The four cities that have not concluded negotiations for 2001 are: 1) Kelso; 2) Port Orchard; 3) Poulsbo; and 4) Sedro-Woolley. In addition, Sedro-Woolley has not settled their agreement for 2000. The parties stipulated to a list of 11 comparables. In order to effectively implement this stipulation, the Arbitrator must decide the appropriate wage rates to use for Kelso, Port Orchard, Poulsbo, and Sedro-Woolley in calculating the average wage of a police officer for the comparables in 2001.

It is unacceptable to use 1999 and 2000 wage data to calculate an average wage of the comparables for 2001. Insufficient information is presented in the 11 agreements to calculate an average wage increase in 2000 for the comparables. Of the seven comparables who have settled their 2001 agreements, wages increased an average of 3.15% over 2000 salaries. It is appropriate for comparison purposes only to adopt a 3% wage increase in 2001 for Kelso, Port Orchard, Poulsbo and Sedro-Woolley, and an additional 3% wage increase in 2000 for Sedro-Woolley. Such assumptions are necessary to make an "apple to apple" comparison of the City and Union

proposals on salaries and longevity pay with the compensation paid in 2001 by the comparables.

The 11 agreements indicate that the following monthly salaries were paid to police officers by the comparables in 2001:

	<u>Entry</u>	<u>After 5</u> <u>Years</u>	<u>After 10</u> <u>Years</u>
Arlington	\$3249	\$3876	\$4297
Burlington	3312	3958	3958
Centralia	3428	4074	4074
Ferndale	3050	3706	3956
Hoquiam	3074	3634	3982
Kelso*	3392	4214	4214
Port Orchard*	3252	4021	4021
Poulsbo*	3465	4013	4013
Sedro-Woolley**	3162	3898	3898
Shelton	3336	3863	3863
Sumner	3388	4159	4159
Average	3283	3947	4040
Chehalis***	3241	3923	3923
	-1.3%	-.6%	-2.9%

* Includes 3% wage increase assumption for 2001

** Includes 3% wage increase assumption for 2000 and 2001

*** Includes 3.3% wage increase for 2001

Police officers in the comparables have all reached the top step of their salary schedules after 10 years of service. This "wages only" comparison shows that entry-level and top-step wages of police officers in the City of Chehalis for 2001 are below average.

A similar "wages only" table cannot be developed for 2002, as wage information is available from only four of the 11 comparables. However, the parties' agreed-upon 4% wage increase for 2002 can be compared to the 2000 wage increase contained in the parties' agreement. The 2000 increase equaled 100% of the July 1999 Seattle Consumer Price Index [All Urban Consumers] (CPI-U). If the same CPI-U formula were used with the July 2001 index to calculate a

2002 wage increase, the formula would generate a 4% increase. As wage increases often track cost of living indexes, it is likely that the parties' 2002 wage increase will maintain the relative wage position of Chehalis with its comparables.

Agreements from the comparables provide the following information on monthly longevity pay for 2001:

	<u>After 5 Years</u>	<u>After 10 Years</u>	<u>After 15 Years</u>	<u>After 20 Years</u>	<u>After 25 Years</u>
Arlington	\$25.00 (.6%)	\$50.00 (1.2%)	\$75.00 (1.7%)	\$100.00 (2.3%)	\$100.00 (2.3%)
Burlington	22.50 (.6%)	35.00 (.9%)	47.50 (1.2%)	60.00 (1.5%)	72.50 (1.8%)
Centralia	1.5%	2.5%	2.75%	3%	3%
Ferndale	No	55.00 (1.4%)	80.00 (2%)	105.00 (2.7%)	130.00 (3.3%)
Hoquiam	No	No	No	No	No
Kelso	2%	4%	4%*	4%*	4%*
Port Orchard	.75%	2%	3.25%	4.5%	5.75%
Poulsbo	1%	2%	3%	4%	5%
Sedro-Woolley	21.00 (.5%)	38.50 (1%)	56.00 (1.4%)	70.00 (1.8%)	70.00 (1.8%)
Shelton	42.00 (1.1%)	126.00 (3.3%)	210.00 (5.4%)	250.00 (6.5%)	250.00 (6.5%)
Sumner	No	No	No	No	No
Average	.73%	1.66%	2.25%	2.75%	3.04%
Chehalis	No	No	No	No	No
Union proposal	1.25%	2.5%	3.75%	5%	6.25%

() Represents conversion of flat dollar amounts to percentage of top step police officer wage.

* Employees hired on or before 1/1/96 receive 6% after 15 years and 8% after 20 years.

Police officers in nine of the 11 comparables receive longevity pay. On an average, the comparables provide monthly longevity pay of .73% of base salary after five years of service. Longevity pay increases to 3.04% of base salary after 25 years of service.

A complete picture of wage compensation for City of Chehalis police officers comes into view only when wage and longevity pay data are viewed together. Total monthly wage compensation (salary and longevity pay expressed in flat dollar amounts) of the comparables for 2001 reads as follows:

	<u>After 5</u> <u>Years</u>	<u>After 10</u> <u>Years</u>	<u>After 15</u> <u>Years</u>	<u>After 20</u> <u>Years</u>	<u>After 25</u> <u>Years</u>
Arlington	\$3901	\$4347	\$4372	\$4397	\$4397
Burlington	3981	3993	4006	4018	4031
Centralia	4135	4176	4186	4196	4196
Ferndale	3706	4011	4036	4061	4086
Hoquiam	3634	3982	3982	3982	3982
Kelso****	4298	4383	4383	4383	4383
Port Orchard*	4051	4101	4152	4202	4252
Poulsbo*	4053	4093	4133	4174	4214
Sedro-Woolley**	3919	3937	3954	3968	3968
Shelton	3905	3989	4073	4113	4113
Sumner	4159	4159	4159	4159	4159
Average	3977	4106	4131	4150	4162
Chehalis***	3923	3923	3923	3923	3923
	-54	-183	-208	-227	-239
	-1.4%	-4.5%	-5%	-5.5%	-5.7%

* Includes 3% wage increase assumption for 2001

** Includes 3% wage increase assumption for 2000 and 2001

*** Includes 3.3% wage increase for 2001

**** Includes 3% wage increase assumption for 2001, and longevity pay based on employees hired after 1/1/96

After five years of service, police officers in the City of Chehalis are 1.4% behind their comparables in total wage compensation. This gap jumps to 4.5% after 10 years of service, 5% after 15 years, 5.5% after 20 years, and 5.7% after 25 years.

Two statutory factors must be considered by the Arbitrator in deciding the issue of longevity pay: 1) Comparable conditions of employment; and 2) Other factors normally or traditionally taken into consideration in bargaining. The Union contends that wage compensation for more experienced City of Chehalis police officers is significantly behind the comparables. The City argues that it has current budgetary constraints and that the Union negotiated away a previously-provided longevity pay benefit in exchange for employer-paid long-term disability insurance. Both of the City's contentions are traditional considerations of bargaining.

Under section 7.2.6 of the agreement, the City pays a long-term disability insurance premium of approximately \$30.00 per month for non-LEOFF I employees. This premium applies to approximately 13 of the 15 employees covered by the agreement. However, the parties have agreed in their current negotiations that upon the signing of their 2001-2002 agreement employees shall be responsible for payment of this premium. The parties failed to present any argument or evidence concerning whether the comparables generally provide long-term disability insurance to employees, and if so, who pays for this benefit. Such information is critical to determine whether the City is out of step with the comparables on this issue. In addition, long-term disability insurance is not one of the issues that was certified before the Arbitrator. There is no support in the record for the City's claim that the Union agreed to forego longevity pay in exchange for employer-paid long-term disability insurance.

The City is faced with serious budgetary issues. On September 12, 2001, three weeks before the hearing in this proceeding, City Manager Dave Campbell presented a "2002 Budget Preparation Status Report" to the Budget Committee of the City Council. This report projected that the City would begin 2002 with a general fund unreserved balance of approximately \$640,000. Campbell recommended that the Council adopt a target of \$600,000, or 10% of the general fund, for the balance in this fund at the end of 2002. Campbell indicated that in order to attain this \$600,000 target, City expenditures would need to be reduced by \$160,000. While the City currently has a healthy general fund unreserved balance, that balance may be in jeopardy unless the City reduces expenditures.

The Arbitrator must weigh the wage compensation (monthly salaries and longevity pay) of the comparables with the City's budgetary constraints. There is a huge gap between the wage compensation received by City of Chehalis police officers and the wage compensation paid by the comparables. The magnitude of this gap clearly outweighs the budgetary constraints faced by the City.

The Union proposes that employees receive longevity pay after five years of service, in the amount of .25% of base monthly salary for each year of service. Under the Union's proposal, employees would receive longevity pay of 1.25% of base monthly salary after five years of service, increasing to 6.25% after 25 years of service. While the comparables support an improved longevity pay system, the Union's proposal is too rich.

The Arbitrator will replace section 7.5.1 of the agreement with a longevity pay system similar to that provided by the City of Poulsbo for its police officers. Under the new longevity pay system, employees will receive longevity pay of 1% of base monthly salary after five years of service, 2% after 10 years, 3% after 15

years, 4% after 20 years, and 5% after 25 years of service. The following table summarizes the gap between the monthly wage compensation (salaries and longevity pay) of the City and the average of its comparables, the Union's proposal for longevity pay, and the longevity pay system adopted by the Arbitrator:

	<u>After 5 Years</u>	<u>After 10 Years</u>	<u>After 15 Years</u>	<u>After 20 Years</u>	<u>After 25 Years</u>
Wage Gap between Chehalis and Average of Comparables	-1.4%	-4.5%	-5%	-5.5%	-5.7%
Union Longevity Pay Proposal	1.25%	2.5%	3.75%	5%	6.25%
Longevity Pay Adopted by Arbitrator	1%	2%	3%	4%	5%

The new longevity pay system fails to completely bridge the current wage compensation gap. After 10 years of service, employees will still trail the average of their counterparts in the comparables by 2.5%. However, this gap decreases to 2% after 15 years, 1.5% after 20 years, and .7% after 25 years of service. The new longevity pay system will provide a progressive approach to encourage the City's more experienced employees to continue their police careers with the City.

The Arbitrator recognizes that this new longevity pay system carries additional costs for the City. To soften the retroactive cost of this benefit, the new system shall be phased in over a two-year period. Effective January 1, 2001, section 7.5.1 of the agreement shall be amended to reflect longevity pay of ½% after five years of service, 1% after 10 years, 1.5% after 15 years, 2% after 20 years, and 2.5% after 25 years of service. These percentages will double when the new longevity pay system takes full effect on January 1, 2002.

Contact Calls

The agreement establishes the following procedures for minimum callbacks:

5.5. Call Time

5.5.1. A call-back is defined as an official assignment of work which does not continuously precede or follow an employee's regularly scheduled working hours. Call-back shall not include departmental meetings or training sessions in which the employee(s) are notified a minimum of five (5) calendar days in advance of such activities.

5.5.2. Employees called out, during their off duty hours, shall be guaranteed a minimum of four (4) hours of compensation at the employee's applicable rate of pay. Any part of an hour shall constitute a full hour for those worked above the minimums listed above.

5.5.3. Minimum call-back pay shall not apply in cases where an employee is called back to correct a work deficiency of said employee.

Under these provisions, employees called out during their off-duty hours receive a minimum callback of four hours compensation.

The Union proposes the addition of a new section for "contact calls," as follows:

5.5.4. **Contact Calls:** An employee who is contacted while off duty to solicit information which is beneficial to the Employer shall be compensated a minimum of thirty (30) minutes at time and one-half (1 ½) for calls of five (5) minutes or less duration. For calls which are in excess of five (5) minutes call-back (four (4) hour minimum) as described in section 5.5.2. shall be invoked.

The Union has presented a narrow issue for determination by the Arbitrator. Under the agreement, employees are entitled to a minimum four-hour callback when they are called out during off-duty hours. The Union proposes an exception to this norm, providing for a reduced minimum callback of ½ hour overtime for employer contacts of five minutes or less. The Union indicates that its proposal is designed to clarify whether the current four-hour language applies to short-term contacts, as the City has taken the position that such contacts are not entitled to the four-hour minimum.

The City opposes the Union's proposal on two grounds. One, the City argues that the Union is really seeking an interpretation of the agreement which should be processed under the parties' grievance procedure. Second, information from the comparables indicates that City of Chehalis employees enjoy the highest minimum callback of any of the comparables.

The parties' arguments rely on two statutory factors: 1) Comparable conditions of employment; and 2) Other factors normally or traditionally taken into consideration in bargaining. The Union is attempting to resolve an issue that has arisen concerning the administration of the agreement. Such concerns are normally taken into consideration in bargaining. The Union's arguments focus on off-duty contacts made by the Prosecutor's office. The City indicates that it is attempting to work with that office to resolve the Union's concerns.

Data from the comparables indicate the following minimum callbacks for employees called out during off-duty hours:

	<u>Minimum Callback</u>
Arlington	3
Burlington	4

Centralia	4
Ferndale	2
Hoquiam	2
Kelso	2
Port Orchard	3
Poulsbo	2
Sedro-Woolley	4
Shelton	3
Sumner	3
Average	2.9
Chehalis	4
	+1.1

The average minimum callback for the comparables is 2.9 hours. This information supports the City's position that the current four-hour minimum callback is above average. However, the Union's proposal would reduce the minimum callback for short-term contacts. Agreements from two of the comparables support the Union's proposal. Centralia provides a one-hour minimum callback for telephone contacts during off-duty hours. Poulsbo compensates employees by a 1/4 hour minimum callback for phone contacts.

For the issue of contact calls, the data concerning comparable conditions of employment outweighs consideration of other factors normally or traditionally taken into consideration in bargaining. Only two of the 11 comparables have language providing for a reduced minimum callback for short-term contacts. The Arbitrator must reject the Union's proposal for a new section concerning contact calls.

Detective Clothing Allowance

Detectives currently receive an annual allowance of \$540 for clothing. The Union proposes to increase this allowance to \$600, citing several reasons in support of its proposal. One, while the allowance has remained at \$540 for the last two agreements, the cost of clothing has increased. Second, during the term of the

last agreement the City began withholding income taxes from the allowance in response to an IRS ruling. The Union argues that this action by the City has effectively reduced the value of the clothing allowance. The City emphasizes that data from the comparables do not support an increase.

The arguments by the parties focus on two statutory factors: 1) Comparable conditions of employment; and 2) Other factors normally or traditionally taken into consideration in bargaining. Agreements from the comparables provide the following information concerning annual clothing allowances:

Arlington	\$400
Burlington	500
Centralia	675
Ferndale	600
Hoquiam	350
Kelso	500
Port Orchard	QM*
Poulsbo	555
Sedro-Woolley	QM*
Shelton	700
Sumner	QM*
Average	535
Chehalis	540
	+5

* Quartermaster system where employer replaces uniforms on "as needed basis"

The current detective clothing allowance of \$540 is \$5 above the average allowance provided by the comparables.

The Union's arguments relate to other factors normally or traditionally taken into consideration in bargaining. Clothing allowances based on flat dollar amounts are frequently increased in negotiations due to inflationary pressures. The Union has a valid concern that the clothing allowance has not increased in recent years. The Union's argument concerning the decreased value of the

current allowance due to the withholding of income taxes is not persuasive. Any ruling by the IRS requiring the City to modify its withholding practices would apply equally to the comparables.

In determining an appropriate dollar amount for the detective clothing allowance, the information from the comparables outweighs the other factors cited by the Union. The Arbitrator must reject the Union's proposal for an increase in the detective clothing allowance.

VII. CONCLUSION

The parties have presented four issues for the Arbitrator to decide: 1) Contact Calls; 2) Detective Clothing Allowance; 3) Salary Schedule; and 4) Longevity Pay. The Union, having proposed changes on the first two issues, is the moving party for those issues. The Union has failed to establish that the comparables support its proposed changes for contact calls and detective clothing allowance. The third issue (salary schedule) is in reality a non-issue. The City and Union have both proposed a general wage increase to monthly salaries of 3.3% effective January 1, 2001, and an increase of 4% effective January 1, 2002.

The parties' agreement on salaries for 2001 and 2002 clearly frames the remaining issue: longevity pay. The Arbitrator is bound by the parties' stipulation of 11 comparable cities in calculating "comparable conditions of employment" under RCW 41.56.450. For 2001, the average monthly salary of the comparables for an entry-level police officer is \$3283. The entry-level salary in Chehalis is \$3241, which is \$42 or 1.3% behind the comparables. Entry-level police officers in Chehalis are paid a competitive salary, although 8 of the 11 comparables pay more than Chehalis.

The monthly salary picture changes as employees gain experience on the job. After 10 years of service, the comparables pay an average monthly salary of \$4040. Chehalis only pays \$3923, which is \$117 or 2.9% behind the comparables. Nine of the 11 comparables pay a higher monthly salary than Chehalis for police officers with 10 years of service. Even before the issue of longevity pay is considered, monthly salaries for experienced police officers in Chehalis are 3% behind their comparables.

Longevity pay is a substantial benefit for the comparables. Nine of the 11 comparables provide this benefit to their police officers. The City's current longevity pay system compensates two of 15 employees covered by the agreement at the rate of \$40 per month. This system stands in stark contrast to the longevity pay systems of the comparables. Police officers in the comparables receive an additional .73% increase in salary, or \$29 per month, after five years of service. After 10 years of service, the average longevity pay for the comparables reaches \$67 per month, then \$91 after 15 years, \$111 after 20 years, and \$123, or 3.04% of monthly salary, after 25 years.

The combination of monthly salaries 3% behind the average of the comparables for more experienced police officers, and an additional 3% in salary for the average longevity pay system for the comparables, is devastating to the City's budgetary constraint arguments. When monthly salary and longevity pay are combined, the average compensation of the comparables for police officers after five years of service is \$3977. Chehalis pays \$3923, which is \$54 or 1.4% behind the comparables. At the five-year level of service, Chehalis is fairly competitive with only six of the 11 comparables paying more than Chehalis.

There is a dramatic change in total monthly wage compensation between the comparables and Chehalis after the five-year level of service. At 10 years of service, the comparables average \$4106 per month, with Chehalis still at \$3923. The comparables at the 10-year level of service pay \$183 per month, or 4.5%, more than Chehalis. In the short span of police officers with five years versus 10 years of service, Chehalis has fallen 3% behind the comparables. And the gap in compensation between more experienced police officers in Chehalis and the comparables continues to grow at the 15-year, 20-year and 25-year levels of service, until 25-year Chehalis police officers are 5.7% behind their comparables when monthly salary and longevity pay are viewed together.

The interest arbitration process is designed to produce comparable conditions of employment for comparable jurisdictions. The wage compensation (salary and longevity pay) data from the 11 comparables is convincing. Chehalis must step up to the plate and compensate its police officers and police sergeants at the prevailing levels of compensation paid to like personnel of like public employers in the state of Washington.

AWARD

Based upon the competent, material and substantial evidence on the whole record, it is the decision of the Arbitrator that the parties' 2001-2002 agreement shall include the following provisions:

- 1) **Contact Calls** - proposed section 5.5.4. shall not be added.
- 2) **Detective Clothing Allowance** - section 7.1.4. shall remain unchanged.