

BEFORE INTEREST ARBITRATOR KATRINA I. BOEDECKER



In the matter of the interest)	
arbitration between:)	
)	
ISLAND COUNTY, WASHINGTON,)	INTEREST ARBITRATION
Employer,)	OPINION and AWARD
and)	
)	
ISLAND COUNTY DEPUTY SHERIFFS)	
GUILD (CORRECTIONS UNIT))	
Union.)	
_____)	

Braun Consulting Group, by Robert Braun, Jr., appeared on behalf of the employer.

Emmal, Skalbania & Vinnedge, by Syd Vinnedge, attorney at law and Patrick Emmal, attorney at law, appeared on behalf of the union.

JURISDICTION

On October 15, 2012, the undersigned received notice from the parties of her selection to be their Interest Arbitrator. The parties were working under the status quo established by a collective bargaining agreement that had expired December 31, 2007.

The parties submitted the contract issues that were at impasse after negotiations, to mediation through the Public Employment Relations Commission (PERC). The parties were unable to reach a successor agreement during mediation. RCW 41.56.030(7) applies to counties with a population over 70,000; Island County has a population of 78,506. That statute provides that unresolved

disputes between correctional employees and their employer must be settled by interest arbitration. The Island County corrections deputies are prohibited from striking by RCW 41.56.430.

The interest arbitration hearing was held January 17 and 18, 2013, in Coupeville, Washington. The parties submitted post-hearing briefs.

SPECIAL PROCEDURE

After the parties submitted their post-hearing briefs, they mutually requested that the record be held open for a period of time. The parties wanted the additional time to allow for the collecting, analyzing and submitting of supplementary monthly and quarterly economic data. The request was granted. On July 15, 2013, the parties notified the undersigned that all the data was submitted and the record was complete.

ISSUES AND STIPULATIONS OF THE PARTIES

From the time of the certification of issues to interest arbitration through the close of the interest arbitration hearing, including the additional time requested by the parties, the parties engaged in further negotiations. They were able to reach agreement on some additional issues.

The parties negotiated an agreement on the following issues:

Article 6.5	Discipline Records
Article 8.3.1	Holidays
Article 10.4	Sick Leave - Cash out
Article 10.12	Sick Leave - Light duty
Article 15.5	Compensatory Time Bank
Article 18.4	Temporary Assignment Pay.

At the interest arbitration hearing, the parties stipulated that there are five issues that should be resolved in an Interest Arbitration Award. The issues are:

Article 16	Health and Welfare
Article 17	Uniforms
Article 18	Wages
Article 24	Duration
Appendix B	Special Assignment Pay.

ANALYSIS

The employer has three elected County Commissioners, in addition to ten other elected officials including the Sheriff. The employer has two separate bargaining units subject to interest arbitration in the Sheriff's department: One of road deputies; and one of corrections deputies.

There are 16 corrections deputies and two corrections sergeants in the bargaining unit. At the time of the hearing, two positions

had been eliminated from the historic staff roster for the jail due to budget constraints.

Comparables

RCW 41.56.465(1) directs that an Interest Arbitrator "shall be mindful of the legislative purpose" of RCW 41.56.430:

The ... purpose of [this] chapter ... 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.

In addition to the legislative purpose, RCW 41.56.465(1) directs that an Interest Arbitrator shall consider additional standards:

- (a) The constitutional and statutory authority of the employer;
- (b) Stipulations of the parties;
- (c) The average consumer prices for goods and services, commonly known as the cost of living;
- (d) Changes in any of the circumstances under (a) through (c) of this subsection during the pendency of the proceedings; and
- (e) Such other factors, not confined to the factors under (a) through (d) of this

subsection, that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment. ...

* * *

Additionally, RCW 41.56.465(2) requires the Interest Arbitrator to make a "comparison of the wages, hours and conditions of employment ... of like personnel of like employers of similar size." This section of the statute has consistently been interpreted by Interest Arbitrators to require an examination of "comparable" jurisdictions when crafting an Award.

The parties agree on six counties as valid comparables:

Cowlitz County;
Clallam County;
Grays Harbor County;
Lewis County;
Mason County; and
Skagit County.

The employer refers to these six counties as the "historical comparables." They are the comparators that were used in the last Interest Arbitration Award involving these parties, *Island County*, (Wilkinson, 2003).

The six comparable counties all fall into a range of 50% below or 50% above Island County in the areas of population, assessed valuation, taxable retail sales and sales tax revenues, with one

exception. Lewis County is 67% below Island County in assessed valuation.

The Guild urges that the list of comparables should be expanded to include Whatcom County. The Guild acknowledges that Whatcom County's population and assessed valuation is greater than Island County's. It would include Whatcom County under the test of "half to twice" the size of Island County. It contends that the half to twice variance range is an appropriate measure of what constitutes similarity in size. It argues that the key to assessing this range is the understanding that it is a ratio of two to one in both directions. It cites to another Interest Arbitration Award where this ratio of two to one, in both directions, was utilized. *City of Bellevue*, (Gaunt, 1988). The Guild argues that including Whatcom County would balance the inclusion of Lewis County.

The employer submits that Whatcom County's population is over two-and-one-half times greater than Island County's. It calculates that Whatcom's assessed valuation is 182% above Island County's. It stresses that Whatcom County has a levy rate of 1.11230 which is 191% of Island County's 0.58155 levy rate. The employer submits that in 2011, Whatcom County generated over \$11.3 million in sales tax revenue while Island County generated only \$4.6 million, so that Whatcom had 250% of the revenue of Island County.

The parties have a strong bargaining history of using the six historical comparables. Whatcom County is not appropriate to include in the list of comparables this round of bargaining. Its large population begins to beg the question of its comparability.

The employer's lid on its taxing ability must be considered. There is also some uncertainty regarding Whatcom County's compensation package. The parties acknowledge that Whatcom County negotiated furloughs with its correction unit, but did not know the economic details.

I find that the two counties are too far apart in all of the normally compared areas to conclude that they are like employers. They are not similarly sized. They do not have access to similar revenues. They do not have the same ability to raise money. I will not include Whatcom County as a comparable to Island County.

The six historical comparable counties establish a basis for an accurate analysis of how "like employers" are compensating their employees.

Article 16 -- Health and Welfare

Proposals -

Correction deputies have worked under the 85%/15% split in health premiums based on the highest cost health plan since 2007. The employer used a joint labor management committee made up of represented and non-represented employees and human resources staff, to develop recommendations for benefit plans each year starting in 2011. The Guild's representative attended a few of the committee meetings in early 2011, then ceased participation. As a result of the Medical Benefits Committee work, a three-tiered health insurance premium plan was instituted with the total cost per employee per month based on a premium amount per employee as established in the employer's adopted budget. The new plan allowed lower paid employees to pay less and higher paid employees to pay more for the same medical coverage. The pooling of the

budgeted per employee medical premium subsidized lower paid employees by a combination of employer funding and higher paid employees' contributions.

To maintain the status quo after the expiration of the parties' collective bargaining agreement at the end of 2007, the employer has been paying 85% of the family coverage for the Group Health Options A plan, which was \$1,830 a month in 2012. This plan has no deductibles and minimum co-payments. The Guild proposes maintaining this structure for medical benefits.

The employer proposes changing to the same program as all other county employees which would include the Group Health Options 200 plan. The employer asserts that this plan is similar to the Group Health Options A plan, except that it has a \$200 deductible element. The employer also proposes that its contributions for medical insurance for Guild members be the same as its contributions for its other employees.

The employer's proposal has the Tier 1 rate being a flat, budgeted rate, but then pooled. The pooling maximizes the contribution provided to employees with families.

Analysis --

The record establishes that while many bargaining unit members use the health care coverage provided by the employer, six out of the 16 members get their health insurance from another source, i.e. being a retired military member, through their spouse, etc. They should not be penalized for saving the employer money. An increase in the employer's contribution to health care premiums would not benefit all bargaining unit members. The record

contains favorable information about HRA/VEBA accounts that are available to the parties. Any employer contribution to a HRA/VEBA plan would go to each member of the bargaining unit, whether or not the employee elected to be covered under the employer's health care program.

The Guild criticizes the employer's analysis of the cost of the Guild's health care proposal. The Guild claims that the employer is assuming enrollment of every employee at a full family cost. Thus, it fails to take into account the six employees who do not participate in the employer's health care plan. It also claims that the employer fails to account for the lower cost of members who only require health care for a single employee or a single employee and one dependent. The Guild claims that since its approach analyzes the cost of health care based on two separate classes of employees, it gives a more accurate illustration of the actual cost of health care for employees.

The employer makes a compelling argument that at this time in the economy, it should be making the same medical contribution for all of its employees. Acknowledging internal comparisons is appropriate. This approach realizes that "shared suffering" is a realistic way to deal with the recession.

The employer and its AFSCME bargaining units have agreed to use pooled money on three tiers to determine insurance premiums. The employer uses the pooled rates on the three tiers for its non-represented employees as well. In 2010, the AFSCME members bargained to take furlough hours rather than change to the flat rate medical plan adopted by the employer for unrepresented employees. However, since 2011, the medical benefit for all

non-Guild employees has been based on the flat rate contribution method. This three tier approach does not work well for the corrections bargaining unit since a significant number are receiving health insurance through another source.

The employer's pooling approach is particularly attractive in the corrections bargaining unit. Since six of the bargaining unit members do not use the employer's medical insurance, pooling will make the money go farther in covering the remaining unit members.

Award - Article 16 Health and Welfare

For 2013, corrections deputies will continue the program as required by the status quo. Additionally, in preparation for a transition to the same form of medical benefits as other county employees, the employer will contribute \$100 per month to a HRA/VEBA plan for each bargaining unit member, whether or not the member is participating in an employer health plan.

Effective January 1, 2014, all correction deputies will be provided medical benefits based on the employer's unrepresented Tier 1 employee cost, which is the lowest cost for employees. The employer will contribute up to \$974.00 a month toward the employer's pooled methodology, but not less than the employer contributes for unrepresented employees.

Also for 2014, with employees responsible for a greater part of medical costs, the employer will pay \$125.00 a month toward the each bargaining unit member's HRA/VEBA.

Article 17 -- Uniforms

Proposals --

The employer proposes maintaining current contract language. Thus, it does not offer any increase in the current amount, which is \$600, for uniform allowances.

The Guild proposes increasing the uniform allowance from \$600 to \$925. The increase to \$925, the Guild claims, accounts for the rate of inflation and increase in costs from 2007 to date.

For subsequent years, the Guild proposes that the uniform allowance be increased by the rate of inflation as measured by the June to June Seattle-Tacoma-Bremerton Consumer Price Index. The Guild posits that the built-in inflation factor will benefit the parties since they would not have to arbitrate the issue in the future.

Analysis --

The employer does not contest that the \$925 reflects the inflation level of the last five years. I will grant the Guild's proposed increase in uniform allowance to \$925.

The Guild uses the Seattle-Tacoma-Bremerton CPI for its uniform allowance proposal. I find no comparable that ties its uniform allowance to any CPI formula.

Uniform allowance is a proper item for bargaining each time the collective agreement is open for negotiations. It is a monetary item that should be evaluated as part of a total economic basket during bargaining.

While I will grant the dollar amount that the Guild proposes, I find no justification for its proposal for automatic increases.

Award - Article 17 Uniforms

Effective for 2013, the uniform allowance will be increased to \$925 for the life of the agreement. The increase will be made the pay period following the date of this Award.

Article 18 -- Wages

Proposals --

The employer proposes that no wage increases be granted in this Award. It bases its proposal on the severe effect that the recession has had on the employer's revenues. Also, it contends that since it has had to cover the costs of increases in the health insurance premiums for the bargaining unit members, under the requirement that it maintain the status quo during bargaining with the uniformed unit, it has in essence been funding increases for the corrections deputies, albeit through medical benefits not wages.

The Guild proposes the following wage increases:

2008	4%,
2009	5.2%,
2010	2.1%,
2011	3.7%, and
2012	2.7%.

The Guild urges that its wage proposal be adopted because it claims that it is supported the Seattle-Tacoma-Bremerton CPI-U. It

argues that the June to June Seattle-Tacoma-Bremerton CPI-U is the most accurate regional measure of inflation for wage increase in the following January.

The Guild acknowledges that the annual increases in the Seattle-Tacoma-Bremerton CPI-U were:

2007	3.5%
2008	5.8%
2009	- .4%
2010	- .5%
2011	3.2%.

The Guild supports its wage proposal by calculating the "average annual wage increases" of the comparable counties. It calculated the average annual wage increase by taking the average of each wage increase received by the comparable county correction units for a given year. Under this approach, it asserts that the average annual wage increases were:

2008	4.09%
2009	3.92%
2010	.79%
2011	.93%
2012	3.2 %.

The employer interprets the effects of the Guild's wage proposal as causing additional lay-offs of current correctional deputies, as well as mandating the closing of a section of the jail.

Employer revenues --

The employer's largest sources of revenue are property taxes and sales taxes. However, the employer is ranked 35th out of 39 counties in the State of Washington in its property tax levy capability. Island County Budget Director Elaine Marlow testified that the levy rates of the employer's historical comparables are:

<u>County</u>	<u>Levy Rate</u>	<u>Rank</u>
Skagit	1.45916	4 th
Lewis	1.55423	14 th
Cowlitz	1.73045	15 th
Mason	1.09758	18 TH
Clallam	1.19222	20 th
Grays Harbor	1.37405	26 th
Island	.58155	35 th .

For perception on these rankings, one needs to look at Skagit County, a close neighbor to the employer. Skagit County has the fourth highest levy rate in the state. Given their respective levy rates Skagit has over 200% of the taxing ability of the employer. Cowlitz County has 297% more in property tax capacity than the employer. There does not appear to be any chance of significant change in the near future since the state statute limits tax increases levied against all existing construction to 1% of the level of inflation per budget year.

The employer's low levy rate for property taxes is not offset by a high sales tax collection. Within the employer's borders is the US Naval Air Station which is untaxable by the employer. The employer ranks 18th out of the 39 counties in sales tax per capita.

While all of the historic comparables have suffered losses in tax receipts since 2007, the employer showed the biggest loss at 25%.

<u>County</u>	<u>\$ Decrease since 2007</u>	<u>% of Decrease</u>
Skagit	-\$1,556,926	-18%
Lewis	-\$ 503,919	- 9%
Cowlitz	-\$ 626,962	-10%
Mason	-\$ 625,623	-14%
Clallam	-\$ 780,767	-14%
Grays Harbor	-\$ 278,604	- 8%
Island	-\$1,576,958	-25%

The Sheriff Department's operating funds come from the employer's General Fund. The General Fund also supplies the funds for six other departments of the employer. The Sheriff uses 19% of the General Fund for the Criminal/Road division and 8% of the General Fund for the Corrections division.

In 2011, the employer's mandatory contribution to its employees retirement plan increased by nearly \$100,000; its property tax collection from new construction fell to \$45,000. The employer did not grant any cost of living wage increases to bargaining unit or non-represented employees.

The 1% limit in property tax increases generates about \$70,000 per year. The increase in health care premiums for the employer in 2011 was \$170,000; in 2012 it was \$96,000. Therefore, the increase in revenue from the 1% increase in property tax was not enough to fund the increase in medical costs that the employer absorbed.

Prior to 2007, property tax revenues from new construction were \$258,000; in 2012, those revenues dropped to \$32,000. Thus, the employer lost 90% of a major revenue source over six years.

Over the years, the employer had transferred money from the Road Fund to the Sheriff Department for traffic safety issues. The Guild proposed additional money from the Road Fund to be diverted. Sheriff Brown testified that he was confident that he could account for all diverted funds as required by law. He was careful that any diversion must be applied to road safety and not as a subsidy of other Sheriff's Department operations. He was not willing to claim funding that would be in excess of what is permitted for the furtherance of road safety.

Effects of the recession --

Prior to 2008, the employer enjoyed continued expansion of new home construction which resulted in double-digit increases in sales tax revenues and additional property taxes, as well as substantial interest earnings on investments. These three sources of revenue funded increased employee health care costs and cost of living wage adjustment.

The recession hit the employer's finances in 2008. Projected revenues actually came in 10% lower than anticipated. Permit applications for new construction fell to an historic low. In mid-2008, the Commissioners instituted a hiring freeze for non-critical positions. Staffing was reduced by 20 FTE's. Equipment and vehicle replacements were deferred. The property tax levy for the General Fund was maximized. In December, 2008, the budget for 2009, which had been adopted, was reduced by \$1.4 million dollars. The unreserved fund balance in the General Fund

was \$5.2 million at the end of 2008. From this amount, the employer appropriated \$2.2 million to balance the 2009 budget.

In mid-2009, the employer revised the budget once again. The revision was based on the elimination of more positions and furloughs for many non-represented employees. The employer continued, or created, other ways to cut costs. The unreserved fund balance in the General Fund dropped to \$1.5 million dollars.

The employer developed a budget for 2010 based on \$2.0 million dollars less than in the 2007 budget. The 2010 budget eliminated another 22 FTE positions and cut certain services. The AFSCME bargaining unit, representing office/courthouse employees, agreed to furlough its members four hours per week during 2010 with a transition to a fixed dollar amount of employer contribution to medical premiums beginning in 2011. Thus, employees paid the difference regardless of the amount remaining for the plan each employee selected. The straight 85%/15% split between the employer's contribution to health insurance premiums and the employees' contribution was ended. The employer froze all elected officials' salaries.

Both the employer and the Guild have suffered through the recession. None of the 18 members that the Guild represents has had any wage adjustments in five years. The Guild proposes a 17.7% increase in wages to make up for the years of wage freezes. The Guild stands by the 17.7% increase to the wage table even though its own data shows that the increases to the Seattle-Tacoma-Bremerton CPI-U over the same period totaled only 11.8%. The Guild's calculation of the comparable counties' average wage increases comes in at 12.93% in the same time period

for which the Guild is proposing a 17.7% increase. The employer claims that no county employee has received any cost of living allowance over the past years. It has reduced the county staff overall from 249 employees to 189 employees; there have been lay-offs and hours reductions. The employer asserts that it has had to maintain the highest cost medical plan, among its comparators, for the correction deputies.

The employer points out that the Washington State Supreme Court has recognized that the recession and the state's worsening economy "may ultimately require some pay reductions rather than pay raises" for interest arbitration eligible employees. *SEIU Healthcare 775NW V. Gregoire*, 168 Wn.2d 593, 601 (2010) where the Court refused to issue an order of mandamus to compel the governor to revise the budget submitted to the legislature so as to include funds to implement a pay increase for 25,000 in-home care providers that was awarded by an Interest Arbitrator.

The employer contends that RCW 41.56.465 does not mandate that all factors listed be weighted equally. It argues that the legislature allowed room for consideration of varying circumstances. Therefore, given the past years of economic stress, the employer submits that internal comparators should be a main focus considered in determining compensation for the correction deputies. The employer advances that this is not a case where the wage issue exclusively centers on which party's offer is more appropriate given a set of comparable communities with labor contracts negotiated in similar economic times. It argues that the real issue is more complex. It asserts that the timing of the negotiations of the comparators is not clear, whether the bargaining agreements were pre or post recession.

In years 2009, 2010, 2011, and 2012, internal comparables included wage freezes, furlough time off, capping of medical costs, and layoffs. The employer's budget director testified that AFSCME-represented court house employees received no wage increase in 2009 to present; had their work week reduced to 37.5 hours per week in 2009; and had a cap placed on medical cost contributions by the employer beginning in 2011 through to the present. She confirmed that AFSCME-represented public works employees received no wage increase in 2010 to the present; and have had a cap placed on medical cost contributions by the employer beginning in 2011 to the present.

Marlow also testified that unrepresented employees received no increases from 2009 to present. They have accepted furlough days, reducing income in 2009. They also received a cap on the employer's medical insurance contributions fixed at a flat employer contribution. This resulted in an increased cost for medical coverage that was carried by the employees.

Employer attempt to increase revenues --

In May, 2010, a non-partisan group of citizens reviewed the employer's financial situation. The group concluded that the employer needed additional revenues. The employer put out a \$2.0 million property tax levy increase on the November ballot. The levy was titled Levy for Public Safety and other Essential Services. The levy was defeated with 70% of the voters voting "no."

In 2010 the employer also had to deal with the state law limit of only a 1% increase of the level of inflation in property taxes since inflation in 2009 was a negative .848%. To address this problem,

the employer made a "Declaration of Substantial Need" to ensure that property taxes levied in 2010 were 1% above what was levied in 2009.

As a result of the failure of the Levy for Public Safety, the employer's budget for 2011 eliminated 17 additional FTE's, reduced more services, and continued deferring equipment replacements.

Impact today --

Current economic and fiscal conditions are a relevant and important factor in determining wage increases. It appears that for 2013, the employer's economic picture is much brighter.

The Sheriff is on record to continue to support an increase in property taxes to fund the needs of law enforcement. He testified that he will continue to look for an opportunity to present the case to the public that the Sheriff's Office is radically under-funded. The county budget director concluded, however, that due to the 70% no vote on the public safety levy, it is "very unlikely we will be able to seek increases in taxes in the near future."

While many of the decreases in FTEs were related to attrition and defunding vacant positions, approximately 25 employees were actually laid off between 2008 and 2011. The employer has reduced the amount of time that its offices are open for business to the public. Monday through Thursday the office hours are shortened by one and one-half hours each day; the offices are closed all day on Friday. The employer is not just using the backs of its employees to deal with the financial crisis, it is also affecting services to its citizens.

The Guild acknowledges that the employer had been under various political and economic constraints. The Guild recognizes that the citizens of Island County have made keeping property taxes low a priority. It confirms that the county is 35th out of the 39 counties in the state for property taxes and that it has the lowest levy rate of any county in the state. However, it contends that newer reports show improvements to the employer's financial position.

Award -- Article 18 Wages

Given the economic and fiscal conditions that the employer and Guild have lived through the past five years, I find that the employer's approach to the past years to be more realistic. Guild members did benefit from the employer funding the insurance premium increases. The employer established that its revenues had been in a severe decline. When currently employed bargaining unit members are actually laid off, it is loud confirmation of economic distress.

However, the employer appears to be in a healthier fiscal situation today. For the 2012 - 2013 fiscal year, it is beginning to build back its financial reserves. The employer acknowledges that it is in a better position than it was in 2008, 2009, 2010, 2011, or 2012. Both parties confirmed that the historic bargaining would have most likely generated a 3.4% increase. Thus, effective January 1, 2013, the wage table will be increased by 3.4% across the board. Additionally, as the employer's financial position is improving, an additional increase is reasonable since the bargaining unit members have had no wage increase in five years.

Therefore, effective September 1, 2013, I award an additional 2% across the board.

With the change in the medical insurance to begin in 2014, the employer's high cost of medical payments will be ameliorated, shifting the total cost of compensation down at that time. Consequently, effective January 1, 2014, the wage table will be increased by an additional 3% across the board.

The Guild was patient with the employer during the five years of the recession. Now the employer has begun to restore its cash balances. The Guild deserves a one-time bonus of 3.4% of all taxable wages for each bargaining unit member. To avoid any gift-of-public-funds concern, it must be remembered that this bonus is for work performed over the past five years when the parties were in negotiations for what would be the actual wages for that work.

While the parties have historically agreed that only current employees would receive "retroactive wages", the circumstances in this case establish that the Guild's proposal, that retired deputies should be included in any monetary award, should be granted. The wage award, including bonuses, is applicable to any bargaining unit member who retired after the expiration of the last collective bargaining agreement, December 31, 2007. If a new agreement had been negotiated and in place before the expiration of the last agreement, a retiring employee would have received the benefit of any negotiated increase. In this particular case, a retiree should not be penalized for the length of time that it has taken the parties to have these negotiations concluded through interest arbitration.

Article 18.2 -- Wages -- Hourly Employees

Proposals --

The parties currently have a payroll practice that the employer characterizes as a "hybrid system" of hourly calculations as well as monthly salary reports. It asserts that this bears a risk of a Fair Labor Standards Act (FLSA) violation. The employer proposes language that would have all bargaining unit employees to be considered FLSA hourly employees. As such they would be compensated by the hour for all hours worked.

The Guild wants to maintain the current system, without explanation or reason.

Analysis -

The employer advances that its language for Article 18.2 would fully comply with the FLSA, as well as the corresponding Washington state statutes. It would also clear up any potential inaccuracies in payroll processing.

Budget Director Marlow testified that the hybrid system is disruptive to the payroll process, as well as being fraught with possible errors. She is not certain it is lawful since there is no explicit contract language for salaried compensation.

The employer has identified a current problem. The Guild has not shown that the hourly/monthly references are not an actual problem. The Guild has offered no alternative approach or solution. I will grant the employer's proposal.

Award -- Article 18.2 Wages -- Hourly Employees

The Award adopts the employer's proposed language to have all corrections deputies be considered FLSA hourly employees effective as of the first full payroll period following the date of this Award.

Article 18.4 Wages - Lieutenants**Proposals --**

The employer proposes to add "(Sgt)" after each reference to lieutenant in this section of the wage article. It claims that this notation will correct a drafting error. Employer witnesses established that there is only one layer of supervision on the jail floor. They stressed that the notation of "(Sgt)" is important historically to provide a point of reference in making comparability assessments.

The Guild opposes noting, or linking, the reference "Sgt" to the use of lieutenant in section 18.4. Although the Guild largely concurs with the evolution of the contract language that cites to lieutenant without any reference to a sergeant level, it resists the notation. It maintains that a new classification should be added to the bargaining agreement in order to give the deputies a career ladder in the department.

Analysis -

The Guild does not dispute the bargaining history that the employer laid out. At some point in negotiations, the employer agreed to refer to the supervisors in the jail as lieutenants, but there was no intent to add a new level of supervisors to the bargaining unit.

The employer has established a need for the new notation to sergeant next to the term lieutenant. This notation would clarify for bargaining unit members, and others looking at this employer as a potential comparable, that there is only one layer of supervision at the jail site.

Award - Article 18.4 Wages - Lieutenants

The Award adopts the employer's proposed language to add "(Srg)" after the reference to lieutenant in Article 18.4.

Appendix B -- Special Assignment Pay

Proposals -

The Guild proposes adding two classifications that will receive premium pay at all times: Certified Instructors and Defensive Tactics. It also proposes converting any current premium that is paid as a flat dollar amount to a 5% payment.

The Sheriff testified that, at times, the jail does have a need for an employee to be working in a Defensive Tactics position. However, it does not need a Defensive Tactics position year round.

Analysis -

The employer acknowledged that it can have a use for a Defensive Tactics special assignment. Operationally, the Sheriff controls when the assignment is made. The opportunity to have an employee assigned as a Defensive Tactics specialist appears to be a benefit for both parties.

Conversion of premium pays from a flat dollar amount to a percentage is not appropriate at this time. The Guild did not

establish that the comparables pay premium pays as a percentage. Currently, since the employees have not had a wage increase in five years, it is a better use of the employer's dollars to give across the board wage increases that will benefit everyone, than guarantee an increase in premium pays that will only benefit a few.

Award - Appendix B Special Assignment Pay

The Award includes recognition of a new special assignment of Defensive Tactics. This special assignment is to be paid only when assigned by the Sheriff. This new special assignment pay, when applicable after assignment by the Sheriff, will begin the pay period following the date of this award.

Article 24 - Duration

The parties stipulated that this Award should cover years 2013 and 2014 to avoid further uncertainty and cost for both parties.

RCW 41.56.070 allows collective bargaining agreements to have a six year duration. All of the changes awarded in this decision are effective starting in 2013. Therefore this Award will produce two collective bargaining agreements. One agreement has the duration of January 1, 2008 through December 31, 2012. The next agreement has a duration from January 1, 2013 through December 31, 2014.

CONCLUSION

Both parties did an excellent job of presenting their case.

AWARD

Any arguments presented in briefs not cited within this decision I found non-persuasive or immaterial. Based on the record as a whole, I award:

Article 16 Health and Welfare

Effective January 1, 2013, the employer will contribute \$100 per month to a HRA/VEBA plan for each bargaining unit member, whether or not the member is in an employer health plan.

Effective January 1, 2014, the employer will contribute up to \$974.00 a month, on a pooled bases, toward medical premiums, but not less than it contributes for unrepresented employees. Additionally, for 2014 corrections deputies shall be charged for medical insurance at the unrepresented employee Tier 1 levels. Also starting January 1, 2014, the employer will increase the payment toward the each bargaining unit member's HRA/VEBA to \$125.00 a month.

Article 17 Uniforms

The uniform allowance will be increased to \$925 for the life of the agreement. The increase will be made the pay period following the date of this Award.

Article 18 Wages

- Each bargaining unit member will receive a 3.4% lump-sum bonus to be calculated on the corrections deputy's gross earnings (W-2) during the period January 1, 2008 through December 31, 2012.

- Retroactive to January 1, 2013, the wage table will be increased by 3.4% across the board. (Corrections deputies will be paid retroactively for all pay periods prior to implementation of the increase to the wage table by paying the lump-sum of 3.4% times the 2013 year-to-date gross wages.)

- Effective the first full pay-period in September 2013, the wage table will be increase by 2%.

- Effective January 1, 2014, the wage table will be increased by 3%.

Section 18.2 will be amended to show that bargaining unit members are to be treated as FLSA hourly employees.

The notation of "(Srg)" will be added after lieutenant in section 18.4.

Article 24 Duration

The parties' first collective bargaining agreement resulting from this Interest Arbitration Award has the duration of January 1, 2008 through December 31, 2012. It has no changes from the agreement that expired December 31, 2007. The parties' next collective bargaining agreement has a duration from January 1, 2013 through December 31, 2014.

Appendix B Special Assignment Pay

A new special assignment of Defensive Tactics will be added to this Appendix.

ISSUED in Chehalis, Washington, this 26th day of July, 2013.


KATRINA I. BOEDECKER, Arbitrator