

**City of Lynnwood
And
Teamsters Local Union No. 763
Interest Arbitration
Arbitrator: John H. Abernathy
Date Issued: 07/23/1980**

**Arbitrator: Abernathy; John H.
Case #: 02566-I-80-00066
Employer: City of Lynnwood
Union: Teamsters Union; Local 763
Date Issued: 07/23/1980**

**IN THE MATTER OF THE) ARBITRATOR'S
INTEREST ARBITRATION) OPINION
)
) AND
BETWEEN)
) AWARD
TEAMSTERS LOCAL UNION NO. 763)
)
"THE UNION")
AND)
THE CITY OF LYNNWOOD, WASHINGTON)
)
"THE CITY" OF "THE EMPLOYER")**

**HEARING SITE: Holiday Inn
Everett, Washington**

HEARING DATES: May 27, 28 and June 17, 1980

ARBITRATOR: Mr. John H. Abernathy

**Suite 286 The Water Tower
5331 S.W. Macadam Avenue
Portland, Oregon**

APPEARING FOR THE UNION:

**Mr. John Rabine Secretary-Treasurer
Mr. Michael J. Meglemre, Business Representative
Ms. Lois Eaden, Research Analyst, Snohomish County Law and
Justice Planning
Mr. Scott Crichton, Sergeant for City Police
Mr. Mark C. Endresen, Research and Economics Advisor,
Joint Council of Teamsters #28**

APPEARING FOR THE CITY:

**Mr. Lawrence B. Hannah, Attorney at Law of the Seattle firm
of Perkins, Coie, Stone, Olsen and Williams
Mr. Cabot Dow, City Negotiator
Mr. M. J. Hrdlicha, Mayor, City of Lynnwood
Mr. John Paddock, Police Chief
Mr. Marvin Listoe, Executive Administrative Assistant to
the Mayor.**

EXHIBITS

**Joint Exhibit #1 1978-79 Police Agreement, City of Lynnwood and
Union**

**Joint Exhibit #2 1976-78 Police Agreement, City of Lynnwood and
Union**

**Joint Exhibit #3 1975 Police Agreement, City of Lynnwood and
Union**

**Joint Exhibit #4 1973-74 Police Agreement, City of Lynnwood and
Union**

**Joint Exhibit #5 1971-72 Police Agreement, City of Lynnwood and
Union**

**Joint Exhibit #6 . 1970 Police Agreement, City of Lynnwood and
Union**

- Joint Exhibit #7** **1980-83 Agreement, City of Lynnwood and Police Support Service Employees Local 763**
- Joint Exhibit #8** **1979-81 Agreement, City of Lynnwood and Public Works Local 763**
- Joint Exhibit #9** **1980-82 Agreement; City of Lynnwood and IAFF Local 1984**
- Union Exhibit #1** **Black Notebook - Labor Agreements from Cities Selected by Union for Comparison**
- Union Exhibit #2** **Proposals and Counterproposals by Parties in (A-E) Negotiations**
- City Exhibit #1** **Arbitration Booklet**
- City Exhibit #2** **Letter Schurke to Hannah and Rabine, June 2, 1980**
- City Exhibit #3** **Unfair Labor Practice Complaint and Cover Letter, June 9, 1980**

BACKGROUND

Teamsters Local #763 (the Union) , representing the Lynnwood Police Officers, and the City of Lynnwood, Washington (the City) were parties to a collective bargaining agreement which expired on December 31, 1979. . In the spring and Summer of 1979 the parties representatives met several times to negotiate a successor agreement. On August 21, 1979 the parties' representatives formally agreed that (in whole or in part) twenty-two articles of the contract would remain unchanged or amended as agreed upon to date (Union Exhibit 2D) . Following further negotiations and mediation in the fall and winter, the parties were unable to reach agreement on several remaining issues and sought interest arbitration to resolve the issues in dispute. Pursuant to RCW 41.56.450, John H. Abernathy was selected as impartial arbitrator on April 14 1980 and hearing dates. of May 27 and 28 were set. The parties subsequently waived the requirement for a three-person arbitration board and agreed to submit the remaining items in dispute to a single arbitrator.

Prior to the arbitration hearing, the City filed an unfair labor practice complaint against the Union with the Washington Public Employee Relations Commission. The City charged that the Union had insisted on bargaining to the point of impasse over its

proposes minimum crew requirement in the new contract. The City asserted that minimum manning is a non-mandatory subject of bargaining and that therefore the Union's insistence on such a provision to the point of impasse and its unilateral submission of such a subject to interest arbitration constituted a violation of its duty to bargain in good faith. When the arbitration hearing began on May 27, 1980, the Executive Secretary of the Washington PERC provided the parties an interim ruling (confirmed by letter on June 2, 1980 - City Exhibit 2) that the minimum manning issue was not arbitrable and that no record should be made on that issue pending the outcome of the unfair labor practice charge.

The remaining issues properly before the arbitrator at the hearing were:

- 1. Management Rights and Entire Agreement .**
- 2. Wages**

With respect to these two issues, at the hearings held May 27, May 28 and continued on June 17, 1980, the parties had an opportunity to make opening statements, introduce documents, examine and cross-examine sworn witnesses, and make arguments in support of their positions. The parties agreed to waive post hearing briefs.

RULINGS ON MOTIONS AND OBJECTIONS

During the second day of the hearing, May 28, 1980, the Union presented a summary of its wage proposal (Union Exhibit 1-U10) . The City strenuously objected to the admission of this document into evidence. The City asserted that the Union's proposal was an escalation of bargaining demands and as such constituted bad faith bargaining. The Arbitrator denied the City's objection as to admissibility of the document on the grounds that it did represent the Union's current position but indicated he would consider the objection as to weight, when reviewing all the evidence. The City then made a motion for a continuance on the grounds of surprise and lack of opportunity to study and prepare to respond to the Union's proposal. The Arbitrator found that the City had shown good cause for continuance and therefore granted the City's motion with the understanding that the City would present its case in chief on May 28 and that the continuance would be solely for purposes of rebuttal of each party's case in chief. The hearing was continued and completed on June 17, 1980 in accordance with this understanding

During the interim between May 28 and June 17, the City filed

a second unfair labor practice complaint against the Union with the Washington PERC. The City charged that the Union's wage proposals in arbitration constituted bad faith bargaining in that they escalated or materially altered the Union's prior proposals and positions. At the June 17th hearing, the Arbitrator admitted an amended Union wage proposal. The City again objected and the Arbitrator again ruled the same as previously. The City subsequently amended its second unfair labor practice complaint to include this further amended Union proposal. Determination of the unfair labor practice charge is outside the Arbitrator's authority and jurisdiction. Therefore, pending the Washington PERC's determination of the charge, the Arbitrator's position, consistent with his rulings at the hearings, is that the Union's wage proposals were properly admitted and that the City's objection to the proposals will be considered by the Arbitrator in weighing the evidence.

The City's other major objection was to admission of the comparability data used by the Union to support its wage proposals. The Arbitrator admitted the Union's data at the hearings but agreed to consider the City's objection in weighing the evidence. The applicable State statute, RCW 41.56.460, requires the Arbitrator to consider, among other factors, the wages, hours, and conditions of employment of uniformed personnel in the affected city with those of other cities of similar size on the west coast of the U.S. The Union used seven cities in the State of Washington for comparison purposes. While Washington cities are "west coast" cities, the clear implication of the statute is that Oregon and California cities will be considered as well. Thus, while it is valid to consider the seven Washington cities proposed by the Union because they clearly are west coast cities, they are not sufficient to provide a valid comparison that meets statutory requirements. It is valid to include the seven Washington cities, but comparisons will not be limited to those cities. The Arbitrator, therefore concludes that the Union did not meet the statutory requirement of "cities of similar size on the west coast of the United States" and will give greater weight to the west coast comparisons provided by the City.

The statute also requires the Arbitrator to consider "stipulations of the parties." The Union argued that since the City had not objected to the use of the seven Washington comparison cities in prior negotiations, they could properly be used in arbitration. The City, however, denied having agreed to use these cities in arbitration and instead had prepared supporting data for its own proposal drawn from Oregon, Washington and California cities whose population ranged from 20% less to

20% greater than that of Lynnwood.¹ Also, the statutory requirements of comparisons with west coast cities came after the negotiations for the previous agreement when the seven Washington cities were used. Furthermore, the statute does not require the use of west coast cities. The Arbitrator therefore must conclude that the parties had not stipulated to the seven Washington cities for comparison purposes in arbitration.

In light of the foregoing, the Arbitrator finds that the comparative data provided by the Union should be given little weight in the Arbitrator's review of the evidence.

¹ The City identified all Washington, Oregon and California cities whose population ranged from 20% less to 20%, greater than Lynnwood's, then reduced the resulting number of California cities (29) to a more manageable size by factoring out California cities that did not have a total assessed property valuation similar to Lynnwood's. While the statute does not set forth a methodology for identifying comparable cities, the Arbitrator finds the City's methodology reasonable and appropriate.

RELEVANT CONTRACT LANGUAGE

ISSUE #1 - MANAGEMENT RIGHTS AND ENTIRE AGREEMENT ARTICLE XVIII MANAGEMENT RIGHTS

- 18.1 The Union recognizes the prerogative of the Employer to operate and manage its affairs in all respects in accordance with its responsibilities, and the powers and authority which the Employer possesses.**
- 18.2 The Union recognizes the exclusive right of the Employer to establish reasonable work rules.**
- 18.3 The Employer has the right to schedule overtime work as required in a manner most advantageous to the Employer and consistent with the requirements of municipal employment and public interest.**
- 18.4 It is understood by the parties that every incidental duty connected with operations enumerated in job descriptions is not always specifically described. Nevertheless, it is intended that all such duties shall be performed by the employee.**

- 18.5** The Employer reserves the right to discipline or discharge for cause as defined by the Civil Service Laws and Rules of the City of Lynnwood. The Employer reserves the right to lay off for lack of work or funds, or the occurrence of conditions beyond the control of the Employer or where such continuation of work would be wasteful and unproductive. The Employer shall have the right to determine reasonable schedules of work and to establish the methods and processes by which such work is performed.
- 18.6** There shall exist at the option of the Employer a reserve unit of commissioned law enforcement officers to which the provisions of this Agreement shall not apply.
- 18.7** This reserve unit of commissioned law enforcement officers may be utilized in an emergency situation or, to supplement the regular patrol force on a limited basis and/or when manpower is restricted by vacations or short term illness for performing those duties normally performed by bargaining unit personnel; provided however, in no event shall this reserve unit be more than ten (10) in number or thirty (30) percent of the recognized bargaining unit, whichever is greater.

ARTICLE XXII ENTIRE AGREEMENT

- 22.1** The Agreement expressed herein in writing constitutes the entire Agreement between the parties and no oral statement shall add to or supersede any of its provisions.

ISSUE #2 - WAGES

ARTICLE XVI - WAGES

- 16.1** All employees covered by this Agreement shall receive wages during the term of this Agreement in accordance with the following:

16.2 POLICE OFFICER

- A. Rate at which a police officer shall be hired and paid during his one year probationary period shall be as shown on the attached pay schedule.**
- B. Upon satisfactory completion of the first year's service, after determination that the employee has demonstrated capability to perform and has performed the requirements of the position as stated in the job description, the base pay shall be as shown on the pay schedule.**
- C. Upon satisfactory completion of the second year's service in the position; after determination that the employee has demonstrated capability to perform and has performed the requirements of the position as stated in the job description, the base pay shall be as shown on the pay schedule.**
- D. When the police officer has satisfactorily completed his third year's service he shall be expected to be fully qualified and proficient in individual and group requirements of the position as stated in the job description. After full evaluation by the Police Chief to determine that these requirements have been met and approval by the Mayor, the base rate of pay shall be as shown on the pay schedule.**

16.3 SERGEANT

- C. Rate at which a sergeant shall be paid during his one year probationary period shall be as shown on the pay schedule.**
- D. Upon satisfactory completion of the first year's service in the position; after determination that the employee has demonstrated capability to perform and has performed the requirements of the position as stated in the job description, the base rate**

of pay shall be as shown on the pay schedule.

- E. This step has been provided as an additional incentive intended to encourage sergeants to become more proficient in their supervisory role through availing themselves of formal educational courses in their field.

16.3.1 Certain criteria are required for eligibility:

- (1) Satisfactory completion of a minimum of two (2) years in Step D, and after satisfactory completion of a course or courses totaling forty-five (45) credit hours relating to Police Science, Political Science, or Sociology, Supervision and related courses; or
- (2) Four (4) years of satisfactory service as a Sergeant in Step D; or
- (3) Six (6) or more years of satisfactory total service as a Sergeant with the Lynnwood Police Department, the most recent of which must be in Step D. This provision will apply only to those personnel hired prior to December 31, 1969.

16.3.2 Proficiency - To qualify under any of items (1), above, it is expected that The Sergeant will be above average in his supervisory abilities, his knowledge of the most current police methods and demonstrate a desire for continual self-improvement in his profession.

16.3.3 After full evaluation by the Police Chief to determine that these requirements have been met, and after approval by the Mayor, the base rate of pay shall be as shown on the pay schedule.

16.4 Signed off on August 21, 1979

16.5 Upon the promotion of any Police Officer to the position of Sergeant, his salary shall be the

beginning Sergeant salary, Sergeant C. Further advancement in salary shall be subject to the years of service in position and other achievement requirements as described above for a Sergeant.

SALARY SCHEDULE

16.6 WAGE: Effective January 1, 1978: 108% of 1977 schedule

Police Officer	Regular Hourly Rate	Bi-Weekly	Hourly Overtime Rate
Step A	6.94	555.55	10.42
B	7.54	603.07	11.31
C	7.83	626.40	11.75
D	8.18	654.05	12.27
Sergeant			
C	8.53	682.56	12.80
D	8.78	702.43	13.18
E	9.02	721.44	13.53

16.6.1 WAGE: Effective January 1, 1979: 114% of 1977 schedule

Police Officer	Regular Hourly Rate	Bi-Weekly	Hourly Overtime Rate
Step A	7.33	586.42	11.00
B	7.96	636.58	11.94
C	8.27	661.20	12.40
D	8.63	690.38	12.95
Sergeant			
C	9.01	720.48	13.51
D	9.27	741.46	13.91
E	9.52	761.52	14.28

In addition, any percent increase in CPI, Seattle Area, May 1977 to May 1973 in excess of 8.0% shall be added to the above schedule.

16.7 LONGEVITY - A longevity schedule for all employees covered by the agreement shall be as follows:

16.7.1 Longevity shall be based on employee's date of

hire on a full-time status, to become effective with the beginning of the pay period following completion of the required time period.

16.7.2 Longevity shall be paid as per the following schedule:

LONGEVITY SCHEDULE

	Regular hourly Rate	Bi-Weekly Rate Per Pay Period
Beginning 5th Year	\$.115	\$9.23
Beginning 8th Year	.231	18.46
Beginning 11th Year	.346	27.69

16.8 Signed off August 21, 1979

16.9 **COORDINATION OF EDUCATIONAL INCENTIVE AND LONGEVITY - In no event shall educational incentive pay and longevity pay exceed a total of One Hundred Seventy-five Dollars (\$175.00) per month when one is added to the other.**

Any employee who is at present receiving greater than One Hundred Seventy-five Dollars (\$175.00) per month shall continue to receive such amount.

**SUPPLEMENT TO THE AGREEMENT
BY AND BETWEEN
CITY OF LYNNWOOD
AND
TEAMSTERS LOCAL UNION NO. 763
(Representing Law Enforcement Officers)**

THIS SUPPLEMENT is supplemental to that Agreement by and between the CITY OF LYNNWOOD and TEAMSTERS LOCAL UNION NO. 763, representing the City's Law Enforcement Officers, covering that period from January 1, 1979 through December 31, 1979.

I. Effective January 1, 1979, pursuant to ARTICLE XV

of the current Labor Agreement between the parties signatory hereto, the Basic Pay Plan for employees within the bargaining unit shall be amended to provide as set forth below:

POLICE OFFICER		Regular	Bi-Weekly	Hourly Overtime
Step A		\$ 7.43	\$ 594.63	\$11.15
	B	3.07	645.49	12.11
	C	8.39	670.46	12.59
	D	8.75	700.05	13.13
SERGEANT		Regular	Bi-Weekly	Hourly Overtime
Step C		\$ 9.14	\$ 730.5T	\$13 71
	D	9.40	751.84	14.10
	E	9.65	772.18	14.43

**ISSUE #1 - MANAGEMENT RIGHTS (ARTICLE XVIII),
AND
ENTIRE AGREEMENT (ARTICLE XXII)**

UNION PROPOSAL

Delete both articles in their entirety.

CITY PROPOSAL

Retain present contract language in both articles.

UNION POSITION

The Union argued that the incorporation into the labor agreement of any language similar in nature to that of the "Entire Agreement" clause and/or the Management Rights clause would negate the Union's right to arbitrate any unreasonable action by the Employer which might otherwise have been considered unilateral in nature.

According to the Union , all concerns and issues relating to wages, hours and working conditions have not and could not have been thoroughly discussed or even introduced during the course of these negotiations with any realistic hope for reaching a final conclusion to the bargaining process. It is not reasonable to expect that all benefits of employment presently existing for the employees, despite. how seemingly minor in nature, could possibly have been raised and thoroughly discussed by both parties

during the negotiation process. Many existing terms and conditions of employment are not that obvious or conspicuous until they are taken away by the Employer, the Union argues.

Issues of this type might involve the availability of or access to lunch room facilities; free coffee; free parking facilities; retention of an established pay period; taking of meal breaks during working hours, etc.

The Union further asserts that the Employer should not have the right to unilaterally withdraw a past established and long existing practice or benefit. It is the position of the Union that it is neither reasonable nor fair for the Employer to be permitted the right to exercise this type of unilateral authority, and any provision affording that degree of latitude to the Employer should be completely stricken from the labor agreement.

Finally, should the Arbitrator determine that consideration should be given to Management Rights; such a consideration should not overlook the retention of existing benefits for employees through the inclusion of language which would read.

"All conditions of employment relating to wages, hours of work and general working conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement."

POSITION OF THE CITY

According to the City, the Management Rights provision is a modest clause wherein the Union acknowledges certain rights of the City and the overall (and legal) responsibilities of the City to operate as a local government. The clause serves, too, as a quid pro quo for the vast array of rights accorded the Union and employees.

Specifically, the Union's bargaining rights are affirmed in the contract (Article II).. The Union enjoys membership and financial security (Article III). It enjoys a dues deduction system (Article IV). It can make independent use of the grievance procedure (Article XVII). Employees, meanwhile, have all manner of rights and benefits under the contract: overtime pay (Article VII).; report time pay (Article VIII); lunch and coffee breaks (Article IX) ; holidays (Article X) ; vacations (Article XI); sick leave (Article XII) ; emergency leave (Article XIII) ; health and welfare (Article XIV) ; a uniform allowance (Article XV); guaranteed wages (Article XVI); a grievance procedure (Article XVIII); maintenance of standards guarantees (Article XIX); a "bill of rights" (Article XX); and protection against discrimination (Article XXI).

The City states that, in contrast, all it receives from the contract is a measure of certainty and predictability, a no-strike commitment (Article XXIII), and a statement of management rights.

Dating back to 1971, all agreements between the City and the Union for this bargaining unit have contained a management rights clause. Such clauses appear in all the City's present labor contracts, including the other two contracts with this Union--Teamsters Local 763. Such clauses are uniformly included in the contracts of the comparable cities in Washington and Oregon. In California, where a unique practice obtains of having brief skeletal agreements labeled "Memorandum of Understanding," all but two of the comparable cities have the clause.

The present Management Rights clause, consistent with sound labor-management relations, serves to affirm and express the City's right to operate under the law. It further serves to make the contract more understandable to all persons and parties affected by it, including those who must administer it. Finally, the clause minimizes disputes over the responsibilities of the City and attendant grievances.

In short, the City argued if the Union is serious about elimination of the clause, it should correspondingly be prepared to surrender its rights and security under the contract.

Turning to the Entire Agreement clause, the City asserts that this clause was added to the 1978-79 contract so that the parties would know what their mutual and respective rights, obligations, and responsibilities are; they are only those set forth in the contract. There can thus be no confusing about any side deals, and no basis for destabilizing disputes about commitments one side may think the other has made apart from the contract. Stated differently, the clause constitutes certainty and solemnity in the parties' obligations to one another.

The Union cannot complain, the City argued, that the clause precludes amendment of the contract, for Section 25.2 specifically contemplates amendment by mutual agreement:

"This Agreement may be subject to such change or modification as may be initially agreed upon by both parties hereto.

Nor can the Union complain that the Entire Agreement clause wipes out benefits possessed in the past but unmentioned in the contract. Article XIX contains a maintenance of standards requirement as follows:

The Employer agrees that any and all wages, hours,

and other economic items shall be maintained at not less than the highest standards in effect at the time of Signing this Agreement.

The Union thus enjoys an ample guarantee on "all wages hours and other economic items", according to the City.

Entire Agreement clauses are routinely included in labor contracts. All the City's labor contracts have such a clause. This includes the two other labor contracts the City has with this Union--Teamsters Local 763. Nineteen of the twenty-five comparative cities similarly use such clauses. In Washington, inclusion of an Entire Agreement clause is almost universal.

In short, the City concludes, the Union can present no justification for elimination of the clause. Good sense dictated that it be retained.

ANALYSIS

Regarding the Managements Right clause, the Arbitrator agrees with the City that the present provision is a modest one that merely affirms the City's right to perform normal management functions and carry out its governmental responsibilities. Moreover, the Union did not identify any past or existing problems arising under the present provision. Furthermore, the grievance procedure allows grievances over the "application" of terms and provisions of the agreement as well as grievances over the "interpretation" and "violation" of the agreement. Thus, the Union already has a vehicle for arbitrary or capricious applications of the Employer's exercise of the rights specified in the Management Rights clause. The language of 18.2 gives management the right to establish work rules, but such work rules must be "reasonable". If the Union feels they are not "reasonable", it has the right to grieve. As to the Union's argument that many terms and conditions of employment are not obvious or conspicuous, the Arbitrator notes that the Union had no problem providing numerous examples of "hidden" benefits.

Regarding the Entire Agreement clause, the Arbitrator also agrees with the City that the present provision is a reasonable one designed to prevent problems with oral or written side agreements. Again, the Union failed to identify any difficulties with the current language that would justify deletion of the clause. Further, the Union's principal argument centers around the need to preserve past practices, which the Union fears will be lost if the Entire Agreement clause is retained. Presumably, the means' to preserve past practices is through the maintenance of standards provision rather than the Entire Agreement provision.

And in fact, the Union has proposed expansion of the maintenance of standards provision (which now is limited to wages, hours, and economic items) to include "general working conditions." But the Union signed off on the maintenance of standards provision on August 21, 1979. The Arbitrator agrees with the City that the Union cannot now use the Entire Agreement issue to accomplish what it could have sought through revision of the maintenance of standards provision.

In summary, the Arbitrator finds that the Union has not justified deletion of either the Management Rights or the Entire Agreement clauses in the present contract. Therefore, both should be retained.

**ISSUE #2 - WAGES
UNION PROPOSAL**

Delete Sections 16.1 through 16.6 and substitute the following:

- 16.1** The classification of work and wage scales and administration of the pay plan for employees covered by this Agreement shall be as set forth within Appendix "A" to this Agreement and by this reference is incorporated herein as if set forth in full.

**APPENDIX "A"
to the
AGREEMENT
By and Between
CITY OF LYNNWOOD, WASHINGTON
and
PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763
(Representing the City's Law Enforcement Officers)**

THIS APPENDIX is supplemental to the AGREEMENT by and between the CITY OF LYNNWOOD, WASHINGTON (hereinafter referred to as the Employer) and PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (hereinafter referred to as the Union)

representing the City's Law Enforcement Officers, for that period from January 1, 1980 through December 31, 1982.

A.1 Effective January 1, 1980, the classifications of work and monthly rates of pay for each classification covered by this Agreement shall be as follows:

Pay Group		Classification And Tenure	Pay Step A Base	Pay Step B 45 cr.	Pay Step C 90 cr.	Pay Step D 135 cr.	Pay Step E 180 cr.
		Police Officer					
POP		0-12 months	\$8.64	\$8.64	\$8.64	\$8.54	\$8.64
PO1		13-24 months	9.18	9.18	9.18	9.18	9.28
PO2		25-36 months	9.73	9.73	9.73	9.82	9.92
PO3		37-48 months	10.28	10.28	10.37	10.46	10.56
PO4		49-60 months	10.83	10.92	11.01	11.10	11.20
PO5		61 months +	11.40	11.51	11.62	11.73	11.84
		SERGEANT					
	SP	0-12 months	\$9.65	\$9.65	\$9.65	\$9.65	\$9.65
	S1	13-24 months	10.26	10.26	10.26	10.26	10.38
	S2	25-36 months	10.88	10.88	10.88	10.98	-
	S3	37-48 months	11.49	11.49	11.59	11.69	11.81
	S4	49-60 months	12.11	12.21	12.31	12.41	12.52
	S5	61 months +	12.76	12.87	12.99	13.11	13.24

A.1.1 All present employees shall be placed into the appropriate PAY GROUP and PAY STEP of their specific classification based upon their tenure of employment with the Employer as a Police Officer and/or a Sergeant and their accumulated college credits.

A.2 EXPERIENCE ACHIEVEMENT - Advancement from one "PAY GROUP" to the next "PAY GROUP" within a classification shall automatically become effective with the pay period following the employee's anniversary date of appointment.

A.3 EDUCATIONAL ACHIEVEMENT - Advancement from one "STEP" to the next "STEP" within a pay group shall become effective with the pay period following the date that the employee has demonstrated proof that the college credits have been earned.

A.4 PROMOTIONS An employee who is promoted from one classification to a higher classification shall commence receiving the wage scale in the same "PAY STEP" of the lowest "PAY GROUP" of the higher classification which still provides for an increase higher than that

currently being received by the promoted employee.

A.5 Effective January 1, 1981, all pay scales within each of the respective "PAY GROUPS" as is set forth in the schedule of wages for 1980, (Section A.1) shall be increased by that amount determined by multiplying the hourly wage rate contained in Step E of each respective PAY GROUP times the percentage increase in the Consumer Price Index for the Seattle-Everett Area, recognized as the revised Index for Urban Wage Earners and Clerical Workers (1967 = 100) for that period from September 1979 to September 1980, plus an additional one percent (1%).

A.6 Effective January 1, 1982, all pay scales within each of the respective "PAY GROUPS" as is set forth in the schedule of wages for 1981, (Section A.1 as further revised by Section A.5), shall be increased by that amount determined by multiplying the hourly wage rate contained in Step E of each respective PAY GROUP times the percentage increase in the Consumer Price Index for the Seattle-Everett Area, recognized as the revised Index for Urban Wage Earners and Clerical Workers (1967 = 100) for that period from September 1980 to September 1981, plus an additional one percent (1%).

**CITY OF LYNNWOOD, WASHINGTON
CLERICAL**

763,

By _____

Date _____

PUBLIC, PROFESSIONAL & OFFICE-

EMPLOYEES AND DRIVERS LOCAL UNION NO.

affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America

By _____

JON L. RABINE, Secretary-Treasurer

Date _____

NOTE: At the June 17, 1980 continuation of the arbitration hearing, the Union submitted an amended version of Appendix A as follows:

APPENDIX "A"
to the

A G R E E M E N T
By and Between
CITY OF LYNNWOOD, WASHINGTON
and

PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763
(Representing the City's Law Enforcement Officers)

THIS APPENDIX is supplemental to the AGREEMENT by and between the CITY OF LYNNWOOD, WASHINGTON (hereinafter referred to as the Employer) and PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (hereinafter referred to as the Union) representing the City's Law Enforcement Officers, for that period from January 1, 1980 through December 31, 1982.

A.1 Effective January 1, 1980, the classifications of work and hourly rates of pay for each classification covered by this Agreement shall be as follows:

PAY GROUP	CLASSIFICATION AND TENURE	HOURLY RATES OF PAY
	POLICE OFFICER	
POA	0-12 months	\$9.40
POB	13-24 months	\$10.06
POC	25-36 months	\$10.40
POD	37-48 months	\$10; 77
POD-5	49-84 months	\$10.89
POD-8	85-120 months	\$11.01
POD-11	121 months +	\$11.13
	SERGEANT	
SC	0-12 months as Sergeant	\$11.25
SC-5	49-84 months with department	\$11.37
SC-8	85-120 months with department	\$11.49
SC-11	121 months or more with department	\$11.61
SD	13-36 months as Sergeant	\$11.63
SD-5	49-84 months with department	\$11.75
SD-8	85-120 months with department	\$11.87
SD-11	121 months or more with department	\$11.99
SE	37 months or more as Sergeant	\$12.04
SE-S	49-84 months with department	\$12.16
SE-8	85-120 months with department	\$12.28
SE-11	121 months or more with department	\$12.40

- A.1.1 All present employees shall be placed into the appropriate PAY GROUP of their specific classification based upon their tenure of employment with the Employer as a Police Officer and/or a Sergeant.**
- A.2 EXPERIENCE ACHIEVEMENT - Advancement from one "PAY GROUP" to the next "PAY GROUP" within a classification shall automatically become effective with the pay period following the employee's anniversary date of appointment.**
- A.3 EDUCATIONAL ACHIEVEMENT - Employees shall be eligible for receipt of additional compensation for educational achievement based upon the provisions set forth within Sections 16.8; 16.8.1; 16.8.2; 16.8.3; 16.8.4 and 16.8.5; provided however, such additional compensation shall continue to be administered on the same basis as in the past (i.e. 45 credits equals \$.164 per hour; Associate's Degree equals \$.493 per hour; Bachelor's Degree equals \$.822 per hour).**
- A.4 PROMOTIONS - An employee who is promoted from Police Officer to Sergeant shall commence receiving the hourly rate of pay in PAY GROUP SC; SC-5; SC-8 or SC-11 dependent upon his months of service with the Lynnwood Police Department.**
- A.5 Effective January 1, 1981; all hourly rates of pay within each of the respective 'PAY GROUPS' as is set forth in Section A.1 shall be increased by that amount determined by multiplying each hourly rate of pay times the percentage increase in the Consumer Price Index for the Seattle-Everett Area, recognized as the revised Index for Urban Wage Earners and Clerical Workers (1967 = 100) for that period from September 1979 to September 1980, plus an additional one percent (1%).**
- A.6 Effective January 1, 1982, all hourly rates of pay within each of the respective "PAY GROUPS" as is set forth in Section A.1 as further revised by Section A.5, shall be increased by that amount determined by multiplying each hourly rate of pay times the percentage increase in the Consumer Price Index for the Seattle-Everett Area, recognized as the revised Index for Urban Wage Earners and Clerical Workers (1967 = 100) for that period from September 1980 to September 1981, plus an additional one percent (1%).**

CITY OF LYNNWOOD, WASHINGTON PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehouse-

men and Helpers of America

By _____ By _____
JON L. RABINE, Secretary-Treasurer

Date _____ Date _____

CITY PROPOSAL

1. a. 1980 Base Salaries. Effective January 1, 1980 (retroactive) all base salaries in effect on December 31, 1979 shall be increased by 10.2%.

b. 1981 Base Salaries. Effective January 1, 1981, all base salaries in effect on December 31, 1980 shall be increased by ninety per cent (90%) of the percentage increase in the Consumer Price Index for the Seattle-Everett Metropolitan Area. The "Index" used shall be the Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items (Revised Series (CPI-W) (1967 = 100), covering the period May 1979 - May 1980.

The percentage increase in the CPI is to be based upon the May index points measured against the previous May index points as computed by the Bureau of Labor Statistics under the following formula:

_____ , 1980 Index Points - May, 1979 Index Points x 100 - _____

_____ May, 1979 Index Points

the resulting percentage increase shall be rounded to the nearest tenth of percent. However, it is agreed that in no event shall the 1981 wage increase exceed 12.0% under the above formula.

c. 1982 Base Salaries. Effective January 1, 1982, base wage rates in effect on December 31, 1981 shall be increased by ninety percent (90%) of the percentage increase in the Consumer Price Index for the Seattle-Everett Metropolitan Area. The "Index" used shall be the Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items (Revised Series) (CPI - W) (1967 = 100), covering the period May, 1980 - May, 1981.

The percentage increase in the CPI is to be based upon the May index points measured against the previous May index points

as computed by the Bureau of Labor Statistics under the following formula:

$$\frac{\text{May, 1981 Index Points} - \text{May, 1980 Index Points} \times 100}{\text{May, 1980 Index Points}} - \text{_____}$$

The resulting percentage increase shall be rounded to the nearest tenth of a percent. However, it is agreed that in no event shall the 1982 wage increase be less than 7.07% nor shall it exceed 12.0% when the CPI (90%) formula is applied as set forth herein.

The term "Consumer Price Index" as used herein shall mean the CPI for Urban Wage Earners and Clerical Workers, All Items (Revised Series) (CPI-W) (1967 = 100) as published by the Bureau of Labor Statistics of the U.S. Department of Labor for the Seattle-Everett Metropolitan Area.

In the event the "CPI" becomes unavailable for purposes of computing the aforementioned percentage increases, the parties agree to jointly request the Bureau of Labor Statistics to provide a comparable index for purposes of computing the January, 1981, or January, 1982, salary increases, and if that is not satisfactory, the parties further agree to promptly undertake negotiations solely with respect to agreeing upon a substitute formula for determining a comparable wage adjustment.

2. Police officers and sergeants should continue to receive wages in accordance with the existing criteria established through past collective bargaining as set forth in Articles 16.1, 16.2, 16.3, 16.5 of the 1978-79 contract.

3. The longevity schedule should be continued as in the 1978-79 contract, and the coordination of educational incentive and longevity pay should be continued as in the 1978-79 contract.

POSITION OF THE UNION

The Union's argument in support of its wage proposal is in four parts: abnormal safety conditions and work loads, wage disparity between Lynnwood and seven other Washington cities, average 1980 wage settlement for those same seven comparison cities, and the proper means for determining increases in compensation for 1981 and 1982.

The Union presented evidence regarding the high percentages of calls dispatched to the Lynnwood Police from the county's central dispatch agency, as well as evidence of an increase in reported crimes in the city. A city police sergeant testified

that the policy of the officers is to "back-up" each other on certain types of calls, but these back-ups are not always available because of the shortage of police officers. As a result, the witness testified, police officers often deliberately respond slowly to calls to attempt assurance of adequate manpower. The Union maintains that these unfortunate events are the by-product of an understaffed police department. As a result, officers are subject to increased safety hazards and work loads for which they should receive the Union contends.

The Union also argued that there is a significant disparity between the wages received by Lynnwood police and that of their counterparts in seven comparison cities in the Seattle area whose hourly wage, according to the Union, average 5.5% higher than that of Lynnwood police. Moreover, in examining 1980 wage settlements in the seven comparison cities, the Union found an 11% average percentage increase for those cities, significantly higher than the 7% proposed by the City during negotiations.

The Union contends that its wage proposal would deal with these problems. The Union's proposal ties the core economic issues (wages, educational incentive and longevity) into a "single multi-dimensional wage scale." For 1981 and 1982, the hourly wage rates in the multi-dimensional wage scale would be increased each year by an amount equal to the percentage increase in the Consumer Price Index plus 1%. According to the Union, adoption of this proposal would:

- Bring the Lynnwood police officer up to an average of the wage standard being enjoyed by the police officers employed in the other seven comparison cities;
- Re-align the Lynnwood sergeants wages so that they maintained the average percentage differential between patrolman and sergeant wage scales existing in the other seven comparison cities;
- Allow the Lynnwood police officer to have the benefit of longevity and educational: incentive being subject to the base wage increases in future years, a benefit being enjoyed by police officers employed in the other seven comparison cities;
- Increase the Lynnwood police officer's contribution to his retirement plan, a benefit being enjoyed by police officers employed in the other seven comparison -

cities;

-Eliminate the four-step pay plan, exclusive to the Lynnwood police officers (all of the other seven comparison cities have five or more pay steps) ; and

-Establish a 1981 and 1982 cost of living increase that would protect the Lynnwood police officer from inflation and possibly assist in the recovery of losses suffered in past years due to the imposition of sub-standard wage settlements.

For these reasons, the Union contended, the entire Union wage proposal should be awarded by the Arbitrator.

POSITION OF THE CITY

The City contends that its wage proposal is a reasonable one that takes into consideration the criteria as set forth in RCW 41.56.460, the President's wage price guidelines, the City's compensation philosophy and ability to pay, and other factors.

The Council on Wage and Price Stability recommended that increases be confined to a range of 7.5 to 9.5% as part of the effort to curb inflation. The City argues that in collective bargaining both labor and management should endeavor to reach settlements within or near this range. The City's proposed increase of 10.2% for 1980 accomplishes this, while the Union's does not.

The City maintains that its proposal reflects its compensation philosophy for its police officers and sergeants, embodying a formal "Career Development plan. The objective of the plan has been to reward performance and to improve the quality of employees by providing pay premiums as a reward for length of service (experience) and continuing educational efforts.

Longevity as a form of compensation has been part of the City's plan ever since collective bargaining began. Longevity pay provides an incentive for employees to stay in the City.

At no point has educational incentive pay been provided or computed as part of base pay. In the 1978-79 agreement, educational incentive pay and longevity pay were coordinated, with a total maximum per employee of \$175 per month.

An illustration of the pay plan as it currently exists is provided in matrix form as City Exhibits II-A and II-B. The City's base wage proposal thus should be viewed in light of the multi-dimensional compensation plan. As critical components of that plan, longevity pay and educational incentive pay must

be considered in assessing the fairness of the City's wage offer, according to the City.

Further, the City believes an officer should be performing satisfactorily (as outlined by the employee's job description) before becoming eligible for advancement to the next step in the pay plan. As with longevity and educational premium pay, this provides additional incentive to the officer. During bargaining, the Union presented no justification for such a change in this system, the City contends.

The City also argues that, due to the effect of current economic conditions on the City's sources of revenue (especially property tax, sales tax, and federal revenue sharing funds), the City must be careful in the commitments it makes as far as expenditures are concerned, especially those which require recurring year-after-year commitments such as employee wages and benefits.

The City further maintains that, when compared to wages of employees in other bargaining units in the City of Lynnwood (particularly firefighters) and wages of uniformed personnel in west coast cities of similar size, the City's wage proposal for Lynnwood police is more than fair.

Finally, the City contends that, while the Consumer Price Index has some utility as an indicator, it is not synonymous with or equivalent to the "cost of living." It is a measure of price change, not the actual cost incurred in purchasing goods and services. According to the City, it is widely recognized by economists, government officials and others that the CPI actually overstates the cost of living in several significant respects. Specifically, the CPI exaggerates the cost of living by (1) assuming that an individual buys a house every month; (2) assuming that an individual pays for all his or her medical costs; (3) failing to account for substitution of lower-priced goods and services; (4) failing to account for changes in the quality of goods which are produced. Consequently, the City argues, the CPI is significantly overstated and should be adjusted accordingly if it is to be given weight as a cost of living index. An employer should not be expected to pay for costs its employees are not actually incurring.

The City concludes that its wage offer for 1980-82 should be adopted by the Arbitrator in light of the following considerations:

- It is extremely fair and reasonable to the employees.
- It compares favorably to wages in the comparable cities.
- It comports with the settlements reached with the

other city bargaining units , including the other two units represented by Local 763.

- It maintains the incentive features of the Comprehensive Pay Plan.**
- It fully takes into account increases in living costs. It reflects good faith on the part of the City in the face of the Union's unjustified attempt to strip the existing pay plan of any performance or proficiency criteria.**

ANALYSIS

RCW 41.56.460 requires the Arbitrator to take the following factors into consideration in rendering an opinion and award:

- 1. The constitutional and statutory authority of the employer.**
- 2. Stipulations of the parties.**
- 3. Comparisons of the wages, hours and conditions of employment of the uniformed personnel of cities and counties involved in the proceedings with the wages, hours and conditions of employment of uniformed personnel of cities and counties respectively of similar size on the west coast of the United States.**
- 4. The average consumer prices for goods and services, commonly known as the cost of living.**
- 5. Changes in any of the foregoing circumstances during the pendency of the proceedings.**
- 6. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages hours and conditions of employment.**

Having considered all of these factors, the Arbitrator finds that the most useful criteria-for purposes of this case are: (1) comparison of wages, hours and conditions of employment in west coast cities of similar size; and (2) the average consumer prices for goods and services. Turning first to the comparison of similar cities, as discussed earlier in this opinion the seven Washington cities utilized by the Union are of little value given the statutory requirement that "west coast" cities be examined.

Nonetheless, even the data from the seven Washington cities lends more support to the City's proposal than to the Union's, in the opinion of the Arbitrator.

The Union evaluated 1980 wage settlements in its seven comparison cities and found an average increase of 11%. But, as noted by the City in its rebuttal to Union Exhibit 1-U10, the Union's wage proposal would result in percentage increases substantially greater than 11% for all classifications except the first two steps for sergeants. Moreover, although the Union compared the 1170 increase in the seven cities to the 7% proposed by the City in negotiations, the City's proposal in mediation and arbitration was 10.2% for 1980, a figure not inconsistent with the 11% average. Further, the City's own comparative data also lends support to its proposal. See City Exhibit # V-H In summary, the Arbitrator finds that comparison of the parties' proposals to wages in west coast cities of similar size tends to justify the City's proposal and not the Union's.

Turning to an evaluation of the proposals in light of the average consumer prices for goods and services, both parties relied on the CPI in making their proposals for 1981 and 1982. The Union has proposed tying wage increases for those years to the CPI plus 1%, whereas the City proposes tying the wage increase to 90% of the CPI with a ceiling of 12% for 1981 and 1982, and adding a floor of 7% for 1982 only.

The Arbitrator agrees with the City that absolute reliance on the CPI for determining wage increases is inappropriate when the employees involved already receive as benefits some of the items that make up the CPI, such as medical coverage. This is the case with Lynnwood police officers who will continue to receive medical and dental insurance during the life of the contract. The Arbitrator also believes that tying wage increases to CPI increases without limitation is ill-advised where public funds are involved. For these reasons, the Union's proposal is not acceptable to the Arbitrator. The City's proposal, on the other hand, seems to be a responsible method of assuring that employees will have at least some opportunity to keep up with the cost of living increases while at the same time assuring that public funds are not totally dependent on a fluctuating index.

Finally, it should be noted that in rendering an opinion and award on this issue, the Arbitrator gave due consideration to the City's objection to the Union's wage proposal (Union Exhibit #-U10, modified by Union Exhibit #1-U22); Apart from the City's charge that the Union had improperly escalated its demands during the interest arbitration, the Arbitrator found persuasive the fact that the Union had already signed off on

the educational incentive provision of the contract (Section 16.8) when it sought to build educational incentive into the proposal in arbitration. When combined with the Union's heavy reliance on an unacceptable set of comparison cities, this severely undermined the Union's ability to persuade the Arbitrator of the credibility of its proposal.

For all of the foregoing reasons, the Arbitrator concludes that the City's wage proposal should be adopted, with the modification noted below.

STATEMENT OF PROFESSIONAL FEES AND EXPENSES

DATE: July 23, 1980

BILL TO:

Mr. Cabot Dow
Seattle Trust Building, Suite 400
10655 N.E. Fourth Street
Bellevue, Washington 98004

Mr. Jon L. Rabine
Secretary-Treasurer
Teamsters Local Union 763
553 John Street
Seattle, Washington 98109

IN THE MATTER OF THE INTEREST ARBITRATION BETWEEN:

Teamsters Local Union No. 763 and the City of Lynnwood,
Washington

PROFESSIONAL FEES:

3 Days Travel and Arrangements	
3 Days Hearing Time	
6 Days Research and Writing	
12 Days @ \$280/day	\$3360.00

EXPENSES:

Air fare Portland to Seattle and return	\$98.00
Airport parking and rental car	105.00
Transportation (round trip Portland to Seattle by car - 347 miles @ 17c)	58.99

Meals and Lodging	176.77
Typing, Duplication, Tape, Mail	189.00
	\$627.76
TOTAL OF FEES AND EXPENSES:	\$3987.76
EACH PARTY'S SHARE:	\$1993.88

PLEASE REMIT WITHIN 30 DAYS

IN THE MATTER OF THE)	ARBITRATOR'S
)	
INTEREST ARBITRATION)	AWARD
)	
BETWEEN)	
)	
TEAMSTERS LOCAL UNION NO. 763)	
)	
"THE UNION")	
)	
)	
THE CITY OF LYNNWOOD, WASHINGTON)	
)	
"THE CITY" OR "THE EMPLOYER")	

After careful consideration of all oral and written arguments and evidence, and for the reasons set forth above, it is awarded that:

- Issue #1 - Management Rights (Article XVIII) and Entire Agreement (Article XXII)**

Retain current contract language.
- Issue #2 - Wages (Article XVI)**

First year: Adopt City proposal of 10.2% increase.

Second and third years: Use City's CPI formula of 90% of the CPI for the Seattle-Everett

**Metropolitan area (CPI-W)
for the period of September
to September with a minimum
of 8% and a maximum of 12% to
be effective January 1, 1981
and January 1, 1982 respectively.**

**Respectfully submitted on this the 23rd day of July, 1980 by
John H. Abernathy
Arbitrator**