

IN THE MATTER OF THE ARBITRATION
BETWEEN

THE PULLMAN POLICE OFFICERS)
GUILD)
)
and)
)
CITY OF PULLMAN)
_____)

INTEREST ARBITRATION
OPINION AND AWARD

PERC Case No. 12399-I-96-269

ARBITRATION PANEL

Janet L. Gaunt, Neutral Chairperson
Officer Michael B. Austin, Guild Member
Joe Gavinski, City Member

March 21, 1997

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For the Guild:

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I. PROCEDURAL BACKGROUND

The Pullman Police Officers Guild ("Guild") serves as the certified bargaining representative for a unit of uniformed personnel employed by the City of Pullman ("City"). The bargaining unit consists of both police officers and police sergeants. At the time of the hearing, there were approximately 23 officers and sergeants in the bargaining unit. The Chief of Police is William T. Weatherly.

This interest arbitration was initiated in accord with RCW 41.56.450 to resolve certain bargaining issues that remained at impasse in 1996 after the parties tried to negotiate a new collective bargaining agreement. As its representative on the three (3) person Arbitration Panel, the Guild designated Officer Michael Austin. Mr. Joe Gavinski, City Manager for the City of Moses Lake, was selected to serve as the City's representative. By mutual consent, Janet L. Gaunt was selected to serve as the neutral Chairperson (hereinafter "Arbitrator").

On December 19 and 20, 1996, an arbitration hearing was conducted in accordance with RCW 41.56.450 in Pullman, Washington. The City was represented by labor consultant Roy Wesley of ELMS, Inc. The Guild was represented by Daryl S. Garrettson of Hoag, Garrettson, Goldberg & Fenrich. During the hearing, each party had an opportunity to make opening statements, submit documentary evidence, examine and cross-examine witnesses (who testified under oath), and argue the issues in dispute. The parties elected to make closing arguments in the form of posthearing briefs, the last of which was received on February 3, 1997. By agreement of the parties, the Arbitrator drafted the preliminary text of an Award which was then

circulated to the other panel members for review and comment. Following that consultation, this decision was finalized by the Arbitrator.

II. HISTORY OF BARGAINING

The parties have had a collective bargaining relationship for the City's uniformed personnel since approximately 1989. There has been one prior interest arbitration. In 1992, Arbitrator Gary Axon issued an award settling unresolved issues in the 1990-1992 collective bargaining agreement. The term of the parties' most recent contract was January 1, 1993 through December 31, 1995. In 1995, the City and Guild began bargaining over the terms of a labor contract to take effect on January 1, 1996.

The parties bargained to impasse regarding a number of issues that were then certified for interest arbitration by the Executive Director of the Public Employment Relations Commission (PERC). Prior to or during the interest arbitration, the parties resolved the issues of: funeral leave, overtime, vacations, sick leave, uniforms and equipment, and training standards. The unresolved issues were submitted to the arbitration panel.

III. APPLICABLE STATUTORY PROVISIONS

The Panel's authority arises out of RCW 41.56, which prescribes binding arbitration for public employers and uniformed personnel upon declaration by the PERC that an impasse in bargaining exists. Relevant provisions of the Washington statutes read as follows:

RCW 41.56.030. Definitions. As used in this chapter:

.....

(7) "Uniformed personnel" means (a)(I) Until July 1, 1997, law enforcement officers as defined in RCW 41.26.030 employed by the governing body of any city or town with a population of seven thousand five hundred or more and law enforcement officers employed by the governing body of any county with a population of thirty-five thousand or more; [1995 c 273 §1.]

RCW 41.56.430. Uniformed personnel—Legislative declaration. The intent and purpose of this 1973 amendatory act is to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of settling their labor disputes; that the uninterrupted and dedicated service of these classes of employees is vital to the welfare and public safety of the state of Washington; that to promote such dedicated and uninterrupted public service there should exist an effective and adequate alternative means of settling disputes. [1993 c 131 §1]

RCW 41.56.465. Uniformed personnel—Interest arbitration panel—Determinations—Factors to be considered.

(1) In making its determination, the panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and, as additional standards or guidelines to aid it in reaching a decision, it shall take into consideration the following factors:

(a) The constitutional and statutory authority of the employer;

(b) Stipulations of the parties;

(c)(I) For employees listed in RCW 41.56.030(7)(a) through (d), comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of like employers of similar size on the west coast of the United States;

.....

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

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

(f) Such other factors, not confined to the factors under (a) through (e) of this subsection, that are normally or traditionally taken into

consideration in the determination of wages, hours, and conditions of employment. For those employees listed in RCW 41.56.030(7)(a) who are employed by the governing body of a city or town with a population of less than fifteen thousand, or a county with a population of less than seventy thousand, consideration must also be given to regional differences in the cost of living.

(2) Subsection (1)(c) of this section may not be construed to authorize the panel to require the employer to pay, directly or indirectly, the increased employee contributions resulting from chapter 502, Laws of 1993 or chapter 517, Laws of 1993 as required under chapter 41.26 RCW. [1995 c 273 § 2; 1993 c 398 § 3.]

A. The Constitutional/Statutory Authority of the Employer

Neither party has made any allegation that the proposals of the other party exceed or are otherwise affected by the constitutional and statutory authority of the employer.

B. Stipulations of the Parties

Because of the timing of posthearing briefs, the Arbitrator's travel schedule, and the desire to allow for adequate consultation with the Panel, the parties agreed to an extension of the statutory requirement that a decision be issued within thirty (30) days of the hearing's closure. Further stipulations that relate to particular proposals are discussed in the sections of this decision that deal with those proposals.

C. Comparable Employers

One of the statutory criteria which this Panel must consider is the comparison of wages, hours and conditions "of like personnel of like employers of similar size on

the west coast of the United States.” Both sides agree that comparators should be chosen from jurisdictions east of the Cascades rather than from West Coast sites. They also agree that the following Washington cities are properly used as comparables for the purpose of RCW 45.56.465(c)(1):

Pasco
Walla Walla
Wenatchee

The parties disagree over the other comparables that should be considered.

Guild: The Guild contends the Panel should adopt the same comparables that were found appropriate by Arbitrator Gary Axon for the parties first collective bargaining agreement (1990-1992). The Guild would thus add Kennewick and Richland to the agreed cities shown above. The Guild notes that Kennewick and Richland are adjacent to the agreed city of Pasco and they form part of Pasco’s labor market. There is considerable arbitral precedent for the grouping of Pasco, Kennewick, Richland, Walla Walla and Wenatchee with Pullman, and the Guild contends there has not been any substantial change in either population or the relationship between these cities to justify departure from the Axon precedent.

City: The City objects to the use of Kennewick and Richland as comparators because they are so much bigger than Pullman, have grown at a faster rate, and possess greater economic resources due to the Hanford Nuclear Reservation, where a \$50 billion dollar nuclear waste cleanup is now in full swing. In their place, the City proposes adding Ellensburg, Moses Lake, WSU Police Services, Whitman County, and Moscow, Idaho. The cities of Ellensburg, and Moses Lake, like the agreed cities of Pasco, Walla Walla and Wenatchee, are the most similar to Pullman in terms of population, assessed valuation, assessed valuation per capita, taxable retail sales, taxable retail sales per capita, and per capita state-shared revenues. They are all located east of the Cascade Mountains and are rural/agricultural in nature. The City proposes the inclusion of WSU Police Services, Whitman County, and Moscow, Idaho because they are part of Pullman’s local labor market and have close inter-agency relationship. The City notes that since the Axon award in 1992, Whitman County’s deputies and sworn officers in the cities of Ellensburg and Moses Lake have become eligible for interest arbitration.

Discussion and Findings: The selection of comparable jurisdictions is a process fraught with imprecision. As one of my colleagues has accurately observed: “The

interest arbitrator faces the problem of making 'apples to apples' comparisons on the basis of imperfect choices and sometimes incomplete data." City of Pasco and Pasco Police Officers Association, 10 (Wilkinson, 1994). Picking comparables for the City of Pullman is especially problematic because Pullman is unique in a number of respects.

The City of Pullman is located approximately 76 miles south of Spokane, 7 miles west of the Idaho border, and 100 miles east of the area comprised of Pasco, Kennewick, and Richland ("Tri-Cities"). The City is situated in the largely agricultural Whitman County. The major employer in both Pullman and Whitman County is Washington State University (WSU), which occupies 600 acres on the north end of the City and serves a student body of approximately 16,000. WSU falls within the jurisdiction of the Pullman Police Department, but maintains its own police force. Pullman officers respond as needed. The City receives neither property taxes nor contractual payments from WSU to support police services.¹ Primarily a college town, the City lacks a strong retail or industrial base. In contrast to the Tri-Cities, Pullman has a static economy, slow growth and a largely tax exempt major industry.

When there is a large selection of potential comparators which must be narrowed to a more manageable size, a multi-factor analysis can be a helpful way of culling out the most appropriate comparables. In the instant case, the challenge is not choosing from among many, it is find enough from among few good choices. In such circumstances, the Arbitrator looks for comparables close enough in population and

¹ Because WSU pays no property tax, the City's assessed value is half the actual value of property located within the City of Pullman's jurisdiction. (Tonkovich testimony.) This makes comparisons based on assessed value particularly troublesome because although not taxed, the property nevertheless falls within the scope of property interests that City officers may be called upon to protect.

geographic location to form a list of at least five (5) comparables and preferably seven (7) or more. Other demographic factors used in a multi-factor analysis and statutory criteria can then be considered when judging where the subject jurisdiction's wages should be placed in relation to the selected list of comparables.

1. Richland and Kennewick Should Be Retained As Comparators.

Richland and Kennewick are clearly much larger than Pullman, but they were previously found appropriate as comparables when the parties' first labor contract was finalized in 1992 by Arbitrator Axon. Once appropriate comparators have been established through an interest arbitration, it is reasonable to treat those jurisdictions as presumptively appropriate in subsequent proceedings; unless and until one party makes a compelling case for excluding them. The City failed to do so in the present case.

The City contends Arbitrator Axon erred in grouping Pullman with cities as large as Kennewick and Richland. If so, he's had plenty of company. Interest arbitrators in all of the following cases have found it appropriate to group Pullman with Kennewick, Richland and other cities. *See, e.g., Walla Walla and the Walla Walla Police Guild*, PERC No. 6231-I-86-139 (Levak, 1986); *City of Pasco and Pasco Police Association*, PERC No. 08062-I-89-00182 (Krebs, 1990); *City of Pasco and Pasco Police Officers Association* (Wilkinson, 1994). The City did not cite any case in which an arbitrator concluded that such a grouping was inconsistent with the "similar size" requirement of RCW 41.56.465(c)(I).

The City contends the Tri-Cities have grown at a faster rate than Pullman and possess greater economic resources due in part to the Hanford Nuclear Reservation. There is certainly a disparity in size and resources. When Arbitrator Axon selected Richland as a comparable jurisdiction in 1992, that City's population was approximately 10,000 greater than Pullman. The present disparity has grown to over 11,000. Exs. C-2, G-15-11.² Kennewick's population exceeded Pullman's by approximately 20,000. The disparity in size is now over 23,000.

In the case of Kennewick, the disparity is getting close to the point where future exclusion from the list of comparables may well be appropriate. That time has not yet arrived, however. Kennewick is still less than twice the size of Pullman and interest arbitrators have held that a range from half to twice the size of a subject jurisdiction can be acceptable for the purposes of RCW 41.46.465. City of Bellevue and Bellevue Firefighters, Local 1604, PERC Case No. 6811-I-87-162 (Gaunt, 1988); City of Seattle and Seattle Police Management Association, PERC No. 4369-I-82-98 (Beck, 1983); City of Seattle and Seattle Police Management Association, PERC No. 5059-I-84-114 (Krebs, 1984).

The size range found appropriate in the foregoing cases can be demonstrated by comparing how the City of Moses Lake stands in relation to Pullman. The City contends Moses Lake is an appropriate comparable. According to a 1996 survey by the Association of Washington Cities, Moses Lake's population (12,490) is 51% the size of

² Exhibits are identified as either City (Ex. C-____) or Guild (Ex. G-____). Witnesses are identified by last name in parentheses. References to exhibits or testimony are intended to be illustrative, not all-inclusive, of evidence in the record that supports a particular statement.

Pullman (24,360). Ex. G-15-11.³ At the time of the AWC survey, Pullman was 67% the size of Richland (36,270) and thus closer in "relative" size to that city than Moses Lake was to Pullman. Using either the AWC data or the City's higher figures, Pullman's population is just 51% the size of Kennewick's (48,130). That is essentially the same ratio as the ratio of Moses Lake's population to Pullman (51%). In light of the foregoing, the Arbitrator conclude the disparity in size between Pullman and the cities of Richland and Kennewick is not yet great enough to deviate from the prior interest arbitration and exclude Richland and Kennewick from the list of prime comparables.

Retaining Kennewick and Richland does not mean their greater size and resources are irrelevant. We have kept distinctions noted by the City in mind when deciding where the salaries of Pullman officers should be placed in relation to those jurisdiction. Clearly, these two cities sit at the high end of the range of appropriate comparators. Their retention, however, serves to balance out the addition of two new comparators who clearly fall at the low end of comparators.

2. Ellensburg and Moses Lake Should Be Added As Comparators.

When Arbitrator Axon issued his prior award, Ellensburg and Moses Lake did not meet the 15,000 person test for interest arbitration. For that reason, they were

³ The City has offered higher population figure for Moses Lake (13,130) and Pullman (24,650). Using the City's population figures, Moses Lake would now be 53% the size of Pullman. Ex. C-2.

excluded as primary comparators. These two cities were nonetheless given some consideration by Axon under the "other factors" part of the statute.

Population thresholds for interest arbitration have since been lowered. Both Ellensburg and Moses Lake now employ "uniformed personnel" as defined by the Legislature. Their police officers are "like personnel" covered by the interest arbitration provisions of RCW 41.56.465, and the inclusion of Ellensburg would add another college town to the list of comparables.⁴

The Guild notes that neither Ellensburg nor Moses Lake has negotiated a labor contract under the amended bargaining law. Their present salary schedules are instead the result of bargaining by officers who had no resort to binding arbitration. The Arbitrator has kept that fact in mind when deciding where the salaries of Pullman officers should be placed in relation to these cities. I do not find it a reason to disqualifying either city as a prime comparator, especially since the inclusion of Ellensburg and Moses Lake at the lower end of the comparables helps to balance out the inclusion of Kennewick and Richland at the upper end of the list. This furthers the ultimate goal when choosing comparable jurisdictions, i.e. getting a balanced list.

3. Moscow, Idaho Is Not A West Coast Employer.

RCW 41.56.465(c)(I) mandates a comparison to like employers "on the west coast of the United State." Noting that arbitrators had customarily interpreted the statutory phrase meaning the states of Washington, Oregon, California and Alaska, Arbitrator

⁴ Central Washington University, another Washington State four (4) year institution of higher learning, is located in Ellensburg.

Axon previously found it inappropriate to include Moscow, Idaho on the list of primary comparables. Ex. G-1-2. The City has not cited any subsequent precedent that would justify a departure from Axon's 1992 ruling. Moscow, Idaho is part of the City's local labor market, and can be considered under the "other factors" part of the statute, but it does not qualify for selection as a prime comparator.

4. WSU and Whitman County Are Not "Like" Employers.

In 1992, the City likewise failed to convince Arbitrator Axon that WSU and Whitman were "like" employers. The current Arbitrator concurs. WSU is a state university whose police officers have limited jurisdiction and whose salaries are set by the Legislature not through the process of collective bargaining. It is not a municipality providing a full range of government services. The City has not offered any arbitral precedent to support the conclusion that WSU qualifies for selection as a comparable jurisdiction under RCW 41.56.465(c)(I). Since it is part of the City's local labor market, WSU can be considered under the "other factors" part of the statute, but it does not qualify for selection as a prime comparator.

The same is true of Whitman County. Most arbitrators have refused to consider county sheriff's departments as "like employers" with city police departments. See, e.g., City of Pasco and Pasco Police Officers Association, 10 (Wilkinson, 1994)(citing cases). The City has offered a 1996 decision by Arbitrator Kenneth Latch in which he did add Whatcom County to a list of comparable jurisdictions for the City of Bellingham. City of Bellingham and Teamsters Union, Local 231, PERC Case No. 11718-I-95-250. He did so both because the two jurisdictions shared a common labor

market and because there was a significant degree of interaction between the two law enforcement agencies. That interaction was described as follows:

The City of Bellingham provides "911" emergency dispatching for the entire county, while Whatcom County provides a county-wide criminal justice data base in which the Bellingham Police Department records are kept. Whatcom County operates a correctional facility in which City prisoners are housed. The County provides specialized services such as marine patrol upon request from the City, and the record reflects that the City provides its canine team, SWAT team and hazardous materials upon request from the County.

Id. p.6. The record before this Panel does not reflect anywhere near the degree of interaction that Arbitrator Latsch found significant.⁵

The record before Arbitrator Latsch also indicated that the City of Bellingham and Whatcom County shared significant economic factors. Arbitrator Axon found the reverse was true of Pullman and Whitman County. In 1992, he concluded that the number of officer- and crime statistics was too disparate to use Whitman County as a prime comparable. The City has not shown that those factors have changed in any significant respect. The record does not indicate size of the Whitman County department, and except for crime statistics Whitman County demographics were not included in any of the City's charts re comparability factors. The crime statistics indicate Whitman County is way below other comparables in total offenses dealt with. Exs. C-2 thru C-8; C-9.

The approach of Arbitrator Latsch still seems to be a minority view. The present Arbitrator believes the better approach is to avoid mixing city police departments and

⁵ In accordance with a letter of understanding, Pullman police officers back up Whitman County deputies and the reverse is true when deputies are in the City.

county sheriff's departments on the list of prime comparators, at least when enough other comparators can be found without doing so. The City of Bellingham decision is not persuasive justification for departing from Arbitrator Axon's earlier ruling that Whitman County is not a "like employer". As part of Pullman's local labor market, Whitman County will be considered under the "other factors" part of the statute, but it is not appropriate for inclusion in the list of prime comparators.

5. The List of Comparable Jurisdictions.

Pursuant to RCW 41.56.465(c)(I), the Arbitrator finds the following jurisdictions (listed in descending order of size) are appropriate comparables:

	Population ⁶	Officers in the Unit
Kennewick	48,130	53 ⁷
Richland	36,270	45 ⁸
Walla Walla	28,870	24
Wenatchee	24,180	26
Pasco	22,500	33
Ellensburg	12,990	10
Moses Lake	12,490	16
Pullman	24,360	24

⁶ If both sides have agreed on a figure, that number is used. Where there is a dispute, the figure used is that shown in the 1996 Association of Washington Cities survey (AWC survey) unless otherwise noted. Ex. G-15-11.

⁷ There is an unexplained disparity in the parties' figures for the size of this bargaining unit. The number shown here is that which was reported in the AWC survey.

⁸ In the AWC survey, Richland is shown as having just 24 police officers, which seems surprisingly low. The figure used is that shown in City exhibit C-8.

The foregoing list of comparables provides a counterbalanced range of jurisdictions both smaller and larger than the City of Pullman. It also includes another college town. The list maintains the continuity of the comparators used in the parties' initial contract while making appropriate adjustments for intervening statutory changes.

D. Cost of Living Changes

RCW 41.56.465 requires consideration of the "average consumer prices for goods and services, commonly known as the cost of living". The consumer price index used by the parties when negotiating their last labor contract was the first half Seattle CPI-W (Urban Wage Earners and Clerical Workers Index). That same index was used by the City and ATU in their latest contract (Ex. C-32). There has been no contention that the CPI should be determined by reference to any other index.

The percentage change in the 1st half Seattle CPI-W from 1995 to 1996 was 2.9%. The percentage change in the 1st half Seattle CPI-W from 1996 to 1997 is not yet known. As of 1996, the bargaining unit's salary increases since 1992 have kept pace with changes in the cost of living index used as a frame of reference by the parties. Ex. C-31.

E. Interim Changes

Relevant changes to the interest arbitration provisions of RCW 41.56 have already been discussed. Cost of living changes are discussed infra.

F. Traditional Factors

RCW 41.56.465(f) directs the Panel to consider "such other factors . . . which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment. As Arbitrator Axon observed in his earlier City of Pullman award, the other factors category allows considerable latitude in determining the relevant facts on which to base an award.

1. Ability to Pay. The City does not claim an inability to pay the wage increases sought by the Guild. It does claim that declining sources of revenue and projected future demands on the City's General Fund make it unreasonable to offer more of an increase than equates to the change in the cost of living. The Guild contends the City can reasonably afford an increase that raises the top step classification to a more competitive level vis-a-vis comparable jurisdictions. These arguments are discussed further herein.

2. Wage/Benefit Packages of Other City Employees. A factor commonly considered under RCW 41.56.465(f) is settlements reached by an employer with its other bargaining units. The City of Pullman has a total of six (6) represented bargaining units. It negotiates with the Guild for the sworn officers unit and also for a unit of non-uniformed support personnel (Support Services Unit). The Amalgamated Transit Union (ATU) represents a unit of transportation employees. The International Association of Firefighters (IAFF) represents a unit of firefighters, and the International Brotherhood of Teamsters (Teamsters) represents two (2) units: one of library personnel and another unit of employees in the Department of Public Works.

3. Local Labor Market Comparisons. Anyone who has negotiated collective bargaining agreements - as this Arbitrator has in her prior life as an advocate - is well aware of the impact that local labor markets can have on the setting of wage rates and benefits. The consideration of a subject jurisdiction's local labor market is thus fully sanctioned by RCW 41.56.465(f). The reasons for this have been well described by UCLA Professor Irving Bernstein:

[Local labor market] comparisons are preeminent in wage determination because all parties at interest derive benefit from them. To the worker they permit a decision on the adequacy of his income. He feels no discrimination if he stays abreast of other workers in his industry, his locality, his neighborhood. They are vital to the union because they provide guidance to its officials on what must be insisted upon and a yardstick for measuring their bargaining skill. In the presence of internal factionalism or rival unionism, the power of comparisons is enhanced. The employer is drawn to them because they assure him that competitors will not gain a wage cost advantage and that he will be able to recruit in the local labor market. . . . Arbitrators benefit no less from comparisons. They have "the appeal of precedent and . . . awards based thereon are apt to satisfy the normal expectations of the parties and to appear just to the public.

Arbitration of Wages, Publications of the Institute of Industrial Relations, 54 (Berkeley: University of California Press, 1954). The City of Pullman's local labor market includes WSU, Whitman County and Moscow, Idaho.

IV. THE RESOLUTION OF OUTSTANDING ISSUES

A. Duration

The parties' first collective bargaining agreement, finalized through interest arbitration, was for a three year term (1990-1992). The next contract, reached through successful collective bargaining, was also for a three year term (1993-1995).

Guild: The Guild is proposing a three (3) year contract covering calendar years 1996, 1997 and 1998. It notes that a one year contract will have already expired by the time this arbitration decision is issued, whereas granting the Guild's proposal allows the parties a period of stability before entering into renewed negotiations. Since the City has already adopted a budget for 1997, the Guild feels any financial uncertainty is not so great as to preclude a 3 year contract.

City: The City is proposing a one (1) year contract for the period of 1996. Fearing the impact of reduced revenues and legislative changes, the City resists a longer term contract. The City contends all its other bargaining units ratified a 1 year contract for 1996 because they realized the City faced an uncertain future.

Discussion and Findings: When a collective bargaining agreement for uniformed personnel is finalized through the process of interest arbitration, arbitrators generally award a contract for three years duration. To do anything less in this case would leave the parties right back at the bargaining table, having to negotiate for either the current year and beyond, or for 1998 (if a two year contract were awarded). I agree with the Guild that such a result makes little sense. Both sides could benefit from having the bargaining unit's wages, hours and working conditions fixed through 1998. A three year contract will allow the Guild and City a year to evaluate how things are working out under the contract finalized herein. The record is not persuasive that the City's financial future is so dire that it should not be constrained with a three (3) year contract. The Arbitrator concludes the contract should be applicable for the calendar years 1996 through 1998.

B. Salaries

The current salary schedule for Pullman police officers consists of five steps with one (1) year between each step. An officer's progression on the schedule thus ends after

five (5) years of experience. When the parties have negotiated in the past, the traditional benchmark comparison has been the top step of the police officer classification.

Guild: The Guild proposes that salaries be adjusted as follows:

The salary schedule for first class police officer shall be increased by that percentage which places the top step of the pay scale with the top 25% of comparator cities (Pasco, Wenatchee, Walla Walla, Richland and Kennewick). The remaining steps will then be adjusted to maintain the current percentage difference. The salary schedules for the remaining classifications shall be adjusted by a like percentage. The salary schedule shall be adjusted retroactive to January 1, 1996, and a similar adjustment shall occur on January 1 of each year of this contract.

The stated purpose of the Guild's proposal is to place the top step salary at the average of the top two of the five listed cities, *i.e.* \$3,630 per month, which represents a 13.8% increase for 1996.

City: The City proposes a 2.9% across the board increase for 1996. The City's proposal would place the top step salary at \$3,283 per month for 1996. The City contends its offered increase would keep salaries in line with the pay for top step officers in its selected comparators. In the City's view, the total compensation received by Pullman officers is more than competitive, especially in the local labor market which includes the law enforcement agencies of Washington State University, Whitman County and Moscow, Idaho. The City notes that firefighters, transit employees, public works and parks employees, library employees and police support services employees all accepted the City's offered 2.9% across the board wage increase for 1996. A higher award to the City's police force will distort historic pay relationships that currently exist between police officers and firefighters. The City contends the award proposed by the Guild would be excessive and unjustified in light of the City's future fiscal uncertainty. The City has enough cash on hand for the present but must harbor those funds to help cover budgeted expenditures that will exceed projected future revenues.

Discussion and Findings: In 1996, the comparable jurisdictions are paying the following top step base wage:

	1996 MONTHLY TOP STEP
Richland	\$3676 ⁹
Kennewick	\$3565
Wenatchee	\$3463
Pasco	\$3404
Walla Walla	\$3291
Moses Lake	\$2995
Ellensburg	\$2889

} 3386

In setting a wage rate for Pullman, the Guild would look only to the average for the top two comparators. There is an obvious problem with the Guild's methodology. Computing an average for only the top 2 comparators effectively limits any comparison to the cities of Richland and Kennewick, two cities that have far greater economic resources and are the least similar to Pullman of all the jurisdictions on the list. The Guild's suggested approach also departs from the methodology the Guild found suitable during the last interest arbitration before Arbitrator Gary Axon. On that occasion, the Guild used the average top step salary for all comparators selected by the Guild. Ex. G-1-2.

The Guild's attempt to have Pullman's top step contractually linked to selected comparables for the life of the contract was rejected by Arbitrator Axon in 1992. Axon concluded that neither the statute nor arbitral authority supported such an automatic connection. This Arbitrator concurs. The 1996 average top step for all the selected

⁹ The Guild describes this top step as \$3694 (Ex. G-2-3); the City sets it at \$3568 (posthearing brief p.25). The figure used is that shown in the 1996 AWC survey as the top of the formal salary range. Ex. G-15-11, p.2.

comparables is \$3326, an amount 4.27% higher than the current Pullman top step. This average is an appropriate starting point, but should not be the only consideration. One should also consider where a potential salary increase would place the bargaining unit in relation to particular comparables.

1. Ranking Within Comparables.

The Guild's proposed salary of \$3630 would place Pullman's top step salary below Richland and above Kennewick. Given the disparity in size and available resources between Pullman and those cities, an award that high is clearly unreasonable. Just as the Guild's requested increase is too high, the record is persuasive that the City's offered increase is too low. A 2.9% increase for 1996 would result in a top step wage of \$3283. That salary would place the Pullman top step behind all other comparable jurisdictions except Moses Lake and Ellensburg. Such positioning would cause Pullman officers to lose ground they effectively gained during the last collective bargaining agreement.

In the 1993-1995 labor contract, the City agreed to a wage scale that placed Pullman's top step below Pasco and slightly above Walla Walla. Walla Walla's 1995 top step was \$3158. At \$3190, Pullman's top step was 101% that of Walla Walla. The City has not made a persuasive case that at the outset of this new labor agreement, Pullman officers should be awarded a top step salary that causes them to again fall back below Walla Walla.

The city of Walla Walla is very close to Pullman both in population and size of their police department. Its locale, like that of Pullman, is agricultural, but Walla Walla is not the site of the state's second largest institution of higher learning. As

Chief Weatherly acknowledged during his testimony, WSU's presence in Pullman causes the City to expect more of its officers than in other jurisdictions. Pullman has a highly educated populace and that populace expects a highly professional police force. As is evident from the way the City favors salary enhancements that require higher education instead of providing longevity, the City wants its uniformed officers to be well educated themselves.¹⁰

If Pullman officers are placed in the same relative position vis-a-vis Walla Walla as they were at the end of 1995, *i.e.* at 101% of the Walla Walla top step wage, the 1996 top step salary for Pullman officers becomes \$3324. The resulting percentage increase is 4.2%, an increase close to but slightly below the average increase for all the comparables.¹¹

Other Statutory Considerations: The foregoing analysis has been used to determine what wage increase will maintain the bargaining unit within a reasonable range of the other comparable jurisdictions. The inquiry does not end at this point. One must next consider if the other statutory factors merit an upward or downward adjustment in the wage increase being considered.

¹⁰ Walla Walla has an education incentive, but it also provides its officers with longevity increases.

¹¹ The City offered evidence that the salaries for City Supervisor, Finance Director, Police Chief, and Human Resource Manager all fall below the average for the same positions in Eastern Washington Cities ranging in population from 10,000 to 30,000. Ex. C-33. The comparable jurisdictions used by the City differ from those selected here, so this evidence did not provide persuasive justification for setting the Pullman top step lower than the amount needed to keep that rate above Walla Walla.

2. Fiscal impact on the City

A 1996 top step wage of \$3324 is \$41 more per month than the \$3283 wage offered by the City. According to the City's Finance Director, each dollar increase in salaries currently produces, on average, an additional "roll-up" cost to the City of 33.9 cents.¹² With this roll-up cost factored in, an approximation of the added cost to the City of increasing the 1996 top step to \$3324 is \$15,152 more than the cost of the 2.9% increase it was already offering.¹³

The City has followed a practice of building up large reserves as a method of funding the following year's budget. The City normally tries to carry a General Fund reserve of 13%. Because of cost cutting measures implemented in 1995 and revenues that exceeded budget projections, the City began 1996 with a cash reserve of \$2,865,544 (39.9% of the proposed 1996 General Fund budget). Ex. C-42. The City clearly has enough available funds to cover an increase in the top step by 4.2%.

The City offered testimony regarding a variety of pending fiscal concerns. Revenue has been falling or is projected to fall because of a decline in the City's portion of the Motor Vehicle Excise Tax (MVET), a reduction in utility taxes from WSU, a reduction in the amount of state shared revenues; a potential property tax reduction mandated by the state legislature, and other potential legislative actions. At the same

¹² The roll-up cost includes the percentage paid for educational incentive, shift differentials (when applicable), average overtime, holiday pay, the LEOFF contribution, Social Security, and Medicare. Ex. C-28.

¹³ This figure results from taking the monthly difference in the top step wage (\$41), annualized (x12), increased by 33.9% (for the roll-up cost), and multiplied by 23 (the number of bargaining unit positions filled in 1996).

time that it is losing some of these funding sources, the City is incurring costs it did not previously have to cover. An example of the latter is the state mandated pickup of certain criminal justice costs projected to total \$200,000 in 1996.

The City's concerns are no doubt genuine, but the Guild established that the City has underestimated revenues and over-estimated expenses for six (6) years in a row. Even if one ignores the savings achieved through cost-cutting measures that cannot be continued indefinitely, Finance Director Jack Tonkovich acknowledged that on average the City has ended up underestimating its revenues by 5% each year. Its available fund balances have certainly tended to be far higher than initially projected. At one point, the City estimated its available fund balance at the end of 1996 would be \$1,843,661. In actuality, the City ended with a balance over \$3 million. For the years 1991 through 1995, it finished each year with a surplus ranging from \$224,453 to \$887,742. Ex. G-2-15. Those surpluses have been achieved even though the City Council has chosen to draw on its General Fund for many capital projects instead of raising money for those projects through bond issues.

In light of positive developments, such as the better than anticipated increase in City sales tax revenue, and the speculative nature of some of the City's future concerns, the record leads the Arbitrator to conclude that a 1996 wage increase of 4.2% will not have a deleterious effect on the City's ability to maintain essential and desired governmental services. I am mindful of future demands on the City's General Fund Reserves but do not find those demands significant enough to deny the bargaining unit a fair and competitive wage.

3. Internal Parity.

The City would have the bargaining unit limited to a 2.9% increase for 1996 because that is what other bargaining units and unrepresented employees have received for that year. There are a number of reasons why the City's parity argument is not persuasive. First, with regard to represented employees, arbitrators recognize that the particulars of other settlements are affected by concerns unique to each bargaining unit. One unit may give a higher priority to achieving step adjustments in a wage schedule than to gaining a higher across the board increase. For another unit, the reverse may be true. One unit may accept a lower wage increase because that increase maintains the bargaining unit's wages at a level competitive with the wages in other jurisdictions. Another unit may find the same percentage increase unacceptable because it does not result in a competitive wage. Those bargaining units that accepted the offered 2.9% increase for 1996 may have done so because that percentage increase maintained their wages at a level comparable to their counterparts in other jurisdictions.

The ATU accepted a 2.9% across the board wage increase for 1996, but that increase was accompanied by another significant concession of special interest to the ATU unit. The City agreed to continue paying the full health insurance premium for bargaining unit employees laid off or having their hours reduced during the summer. The IAFF likewise achieved a concession that its bargaining unit particularly valued. Wages were increased by 2.9% in 1996, but that increase was also accompanied by a

reduction in the hourly work week. There is no evidence the City offered the Guild's bargaining unit some comparable concession as an inducement to accept 2.9% for 1996.

Employee groups that accepted the City's offer did so at a time when there was a lot more uncertainty about 1996 projected revenues and expenses. Guild members, in comparison, were willing to give up immediate increases and take their chances on how convincing the City's fiscal situation would be by the time of an interest arbitration. Now that some of the projected revenue shortfalls have not proven as extensive as first believed, the Guild can rightfully expect a wage package that is set in light of the situation now known to exist.

4. Local Labor Market Considerations.

Arbitrators recognize that an award of wages falling below those in the local labor market will cause turnover and low morale. Such awards are generally avoided, so long as a subject jurisdiction has the ability to pay a greater amount. In the instant case, the City's offered 1996 wage of \$3283 clearly exceeds that of the other local law enforcement agencies. The question is whether more of a differential is justified than the amount the City now offers.

The record indicates the City has historically paid its work force a wage significantly higher than that of the local law enforcement agencies. As noted earlier, these other agencies differ from the City in some significant respects. For 1995, the Guild bargained a top step Pullman wage that was 13% higher than Moscow, Idaho, 20% higher than at WSU, and almost 39% higher than Whitman County. The City has not offered a compelling reason why the Arbitrator should award a top step that does

not maintain the kind of premium that the City has previously paid over local labor market wages.

If one adjusts the local labor market's 1996 top step wages by the same differential the parties accepted at the bargaining table in 1995, the resulting average wage for the three local labor market jurisdictions is as follows:

PREMIUM OVER LOCAL LABOR MARKET ¹⁴				
	1995 Top Step	Pullman '95 Premium	1996 Top Step	1996 Top Step w/95 Premium
Pullman	\$3190			
Moscow, ID	\$2825	+12.9%	\$2881	\$3317
WSU	\$2660	+19.9%	\$2766	\$3253
Whitman Cty	\$2302	+38.6%	\$2455	\$3402
LLM Ave.	\$2596	+23.8%		\$3324

After factoring in the same relative differential that the City and Guild bargained in 1995, the average 1996 wage for the 3 jurisdictions comes to the same wage rate arrived at by reference to the prime comparables. An awarded top step of \$3324 would thus be consistent with the kind of premium that the City has previously agreed to pay over local labor market wages.

¹⁴ Ex. C-29.

With all of the foregoing considerations in mind, the Arbitrator awards a 1996 top step base wage of \$3324, representing an increase of 4.2%. That increase is larger than the increase provided to other City employees, but necessary to place the City's uniformed personnel at a reasonable level in relation to their counterparts in comparable jurisdictions.

5. 1997/1998 Adjustments.

If the Arbitrator decided to award a multi-year contract, the City has sought an award patterned after that adopted in a three (3) year contract finalized with the ATU. That contract based wage increases in 1997-1999 on 90% of the first half Seattle CPI (Urban Wage Earners and Clerical Workers Index) with a minimum increase of 2.5% and maximum of 7.5%. For the second and third years of the ATU contract, the City can reopen wages due to financial considerations. The Guild has sought a wage increase that maintains salaries at the average for the top two comparable jurisdictions.

Interest arbitration awards frequently tie wage increases in the second and third years of a multi-year contract to changes in a selected cost of living index. That has sometimes been the practice of the City and its bargaining units. For the Guild's 1993-1995 labor contract, salary increases in the second and third years of the contract were tied to 90% of the first half Seattle CPI (Urban Wage Earners and Clerical Workers Index). That same CPI adjustment was used in the collective bargaining agreement the City negotiated with the ATU for 1997-1999.

It is consistent with the parties' prior practice and reasonable to use the same CPI adjustment for the third year of this contract as is used in the ATU labor contract. However, the purpose of the awarded 1996 wage increase was to maintain Pullman top step wages at 1% above those of Walla Walla. The top step Walla Walla wage in 1997 is \$3431. To ensure Guild members maintain their position vis-a-vis Walla Walla for at least the first 2 years of this contract, the Arbitrator finds it appropriate to award a 1997 top step wage rate of \$3465.

The City's request for a wage reopener is denied. The cost of the awarded wage increases is a very small percentage of the City's budget. Even if expected revenue shortfalls occur in 1997 and/or 1998, the awarded increases would still appear to be well within the City's ability to pay and they are necessary to keep the salaries of Pullman's uniformed personnel at a level competitive with other comparable jurisdictions and equitable in light of the City's expectations for its police force.

C. HEALTH INSURANCE

The City presently pays the full health insurance premium for regular full-time employees and their dependents. The insurance provides medical, dental and vision coverage. The current employee-paid deductible for this insurance is \$50 per individual and \$100 per family.

City: The City proposes that effective January 1, 1997, the insurance deductible be increased to \$100 per individual and \$200 per family. It also proposes the addition of co-payments. The City seeks a co-payment of \$10.00 on all medical and vision coverage, \$10.00 on prescription generic drugs, and \$20 on prescription brand name drugs. The City argues that higher deductibles and co-payments are necessary to keep

rate increases down by making employees conscious of the costs of medical services. According to the City, all other bargaining units and City employees will be paying the higher deductibles and co-payments, and the City notes that many other jurisdictions have higher deductibles and co-payments than contained in the City's proposal.

Guild: The Guild objects to any increases, contending there is no demonstrated need for them.

Discussion and Findings: Arbitrators are always loathe to award the "take back" of a benefit previously gained by a bargaining unit. No individual is very willing to give up a benefit they've been enjoying. Perceived "take backs" thus tend to be contentious issues which bargaining units will vigorously resist. With that in mind, interest arbitrators generally expect the party proposing a reduction in a previously gained benefit to bear the burden of persuasion. That burden was not met by the City as to its proposed health insurance change.

The Guild has cooperated with City in past when there were dramatic premium increases. To avoid the imposition of higher deductibles and co-payments, the Guild has encouraged its bargaining unit members to follow good health habits and use medical services judiciously. They appear to have been doing so. The City certainly did not demonstrate that the bargaining unit's experience rating would justify any significant premium increase. Co-payments do help to reduce the over utilization of services. Experts generally agree that employees will use health care services more judiciously if they have to pay some of their own funds (even a small amount) when visiting a doctor or provider. As of this point in time, however, the record indicates over utilization is being held in check.

The main reason for the City's proposal seems to be a desire to pocket some cost savings. An employer is always looking to cut costs where it can but compared to comparable jurisdictions, the City's premium costs are quite reasonable. In 1996, the monthly insurance premium paid by the City was \$375.00. Of the comparators, only Pasco paid a lower rate. On average, the monthly premium paid by the comparators was 17% higher than Pullman is paying.

MONTHLY PREMIUMS PAID BY COMPARABLES		
	1996	1997
Wenatchee	\$603	unknown
Kennewick	\$454	\$439
Moses Lake	\$433	unknown
Ellensburg	\$421	unknown
Richland	\$417	unknown
Walla Walla	\$396	\$441
Pullman	\$375	\$375
Pasco	\$348	unknown
Average for Comps	\$439	

The City Council is said to feel that it is providing the bargaining unit with a "Cadillac" plan. The plan is a very good one, but it is also one the City has been able to provide at considerably less cost than jurisdictions that are using the kinds of higher deductibles and co-payments the City wants to institute. The City worries that premium increases are occurring generally throughout the state and will inevitably

strike Pullman. Maybe so, but the City has already been notified that there will no premium increase for 1997. That fact reinforces the conclusion that the changes sought by the City are not yet sufficiently justified.

The City's only other justification for imposing the higher deductibles and co-payments is the fact that it is instituting them for the rest of the City. One can appreciate why the City would prefer the ease of administering uniform deductibles and co-payments. Its inducements to other bargaining units such as the IAFF and ATU no doubt facilitated acceptance of the proposed change to deductibles and co-payments. For the Guild, the City has only suggested "take backs". In light of that fact and the unchanged insurance premium applicable in 1997, the record provides insufficient reason to change the status quo regarding applicable deductibles and co-payments for the bargaining unit. If the City experiences a significant premium increase in 1998, it will have a stronger argument for making the proposed changes in the next labor contract. For now those changes are premature.

D. SHIFT DIFFERENTIAL

Pullman police officers currently work three shifts: days, swing, and night. For the latter two shifts, officers receive premium pay at a rate of \$35.00 per month for swing shift and \$60.00 per month for graveyard. The City wants to eliminate this premium.

City: The City contends the shift differential is an anachronism. If officers have enough seniority, they can bid for shifts they want so the City objects to providing extra pay for working preferred shifts. The City feels it gets no credit from the Guild

for the extra money the City pays for this benefit, and it notes that a majority of the comparables do not offer a shift differential. The City says the shift differential is costly and difficult to administer so it wants to eliminate that present wage enhancement.

Guild: The Guild proposes to retain the current shift differential. The differential was awarded as part of the 1992 Axon interest arbitration award and the controlling factor was internal parity. The only other City employees who work differing shifts are firefighters and the police support personnel. A shift differential is not applicable to the firefighters because they work 24 hour shifts. Arbitrator Axon decided it would create an internal inequity if sworn officers did not receive a differential while police support personnel did. That issue of internal parity has not changed since the Axon decision and whether comparators pay a shift differential or not is likewise unchanged.

Discussion and Findings: As in the case of insurance benefits, the City proposes to change a benefit the Guild gained for its members through prior bargaining. The City has not made a persuasive case for doing so. The ATU bargaining unit apparently works a swing shift without receiving a differential, but it is uncontested that police department personnel have received a differential for many years. The record does not reveal how early the payment of shift differential started, but judging from the Axon arbitration award, it predated 1990.

In his 1992 award, Arbitrator Axon found an existing differential was "meager and inadequate compensation for officers working non-traditional hours". Ex. G-1-2. p.58.¹⁵ Axon noted that police support personnel received a significantly higher differential so to ensure more parity within the department, he awarded Guild

¹⁵ The differential at this point was \$15 per month for swing and \$20 per month for graveyard.

members an increase in their differential to \$35 per month for swing and \$60 per month for graveyard.¹⁶

Although prior interest arbitration awards are not controlling precedent, neither side is well served by subsequent decisions that do not give considerable deference to the carefully reasoned judgments of prior awards. Officers are still working non-traditional hours, and they are doing so regardless of personal preference. Even those officers with high seniority can hold the shift they bid for just two (2) consecutive rotations. They must then change to a different shift. In some cases, that might fit an officer's preference, in others it no doubt does not. Officers with low seniority clearly do not get to pick the shift they prefer. Yet the City would eliminate all shift differentials on the unproven assumption that most officers get to work the shifts that they prefer.

The payment of an even higher shift differential to police support personnel has not changed since the Axon award. Non-uniformed support personnel still work in conjunction with uniformed officers on the swing and graveyard shift. In light of that, there seems little justification for providing shift differentials to the department's non-uniformed work force and not to the uniformed officers. As Arbitrator Axon noted, the controlling consideration is the issue of internal parity within the same department.

¹⁶ Arbitrator Axon narrowed the difference but did not award a shift differential identical to that received by the support personnel because he recognized there were differences in the total compensation packages available to the two groups of employees.

The City notes that few comparators pay any shift differential. Only two (2) of the seven (7) primary comparables do so and those two (Walla Walla and Wenatchee) apparently pay only for the graveyard shift. The other comparators still have not added shift differentials to their benefit package, but they may not have rules that require officers to change shifts periodically as the City of Pullman does. The lack of support among comparables might have been a persuasive consideration if the Guild were seeking to now add the premiums at issue. It is not a persuasive reason for allowing the City to take away a benefit gained through prior bargaining.

A final reason for denying the City's proposal is its own desire to alter the existing schedule by which officer rotate shifts. The City's shift rotation proposal will impact officers' personnel lives. At a time when the City proposes a change that could detrimentally impact some officers, it is incongruous to remove a wage differential whose purpose is to provide some compensation for the personal inconvenience that may result. The City's proposed elimination of a shift differential is rejected. The current contract language will be retained.

E. SHIFT ROTATION

Every four (4) months, officers bid for one of the three shifts based upon their seniority.¹⁷ After two (2) cycles on the same shift, *i.e.* a maximum of eight (8) months,

¹⁷ This 4 month period is referred to as a shift "cycle".

officers must rotate to a different shift. The cycles were originally tied into the WSU semester schedule, but they now deviate from that schedule somewhat.¹⁸

City: The City wants to lengthen the shift cycle to six (6) months. It proposes new contract language for Article 8 (Hours of Work) as follows: "Shift rotations shall be six months in length. The rotations shall occur on January 1 and July 1 of each calendar year." Ex. C-10. The purpose of this change is to better implement a problem solving approach that is part of the Department's emphasis on community policing.

Guild: The Guild has a number of objections to changing the existing rotation. It contends the proposed change would affect the ability of officers to adjust their schedules to fit with family life. It would require officers, who bid a certain shift in order to attend school, to take a break from school when the third cycle came and a change in shift was mandated. The change would also lengthen the time that an officer would be stuck on an undesirable shift from eight months to one year. The Guild worries that if the change is allowed and does not prove practical, the Guild then incurs the burden of removing it from the status quo ante.

Discussion and Findings: The City's proposed change could certainly inconvenience some members of the bargaining unit. That by itself is not sufficient reason to reject it. The testimony of Chief Weatherly was convincing that he has legitimate managerial reasons for wanting to try the lengthened rotations, *i.e.* to enhance department efficiency and improve crime prevention and control.

The City is committed to a community policing approach that includes patrol team problem solving. Chief Weatherly believes four months is not enough time for shifts to develop problem-solving goals and strategies and see them through. The City's proposal would allow each shift to identify problems and plan problem solving strategies before each WSU semester begins, allow the strategies to be implemented

¹⁸ The current rotation requires shift changes on September 1, January 1 and May 1 of each year. WSU classes begin in late August, end in December, begin again in January and end in mid May.

during periods of peak student activity, and then provide a time to critique the strategies after WSU semesters have ended. The Chief thus wants to try the six month rotation for a trial period to evaluate its advantages and disadvantages.

The Guild contends that even a trial period should not be allowed because there are too many unanswered questions about the impact of the change on child care arrangements, school attendance and the commitment of shift supervisors to the problem solving approach. The Guild suggests that a preferable approach would be a contractual reopener. The problem with this suggestion is that it is already too late in the contract for a reopener to have any practical chance of allowing the City a meaningful trial before the contract would end. Moreover, it appears there has already been considerable discussion of the proposed change both with supervisors and bargaining unit personnel. At this point, minds are not likely to be changed until it can be seen how the lengthened cycles work in actual practice.

If a trial period were allowed for the remainder of the contract, the lengthened rotations would not start before July 1, 1997. Beginning the trial period at that point would allow three lengthened cycles before the collective bargaining agreement ends. Weighing the extent to which a trial will serve the interests of the public against the potential inconvenience to the bargaining unit (some of whom may in fact find the lengthened cycles to be preferable), the Arbitrator concludes the City's proposed change should be allowed on a trial basis. The Guild's concern about incurring the burden of removing the change from the contract if it proves highly unpopular will be addressed by specifying that the six (6) month cycles end on December 31, 1998 after which

rotations shall return to their earlier length until a different outcome is either bargained as part of the next contract or directed as part of a future interest arbitration award.

F. EDUCATIONAL INCENTIVE/LONGEVITY PAY

The parties' 1993-1995 collective bargaining agreement contains an educational incentive. The incentive provides the following additional percentage of base pay:

<u>Completion of</u>	<u>Incentive Pay</u>
30 semester hours (45 quarter)	2%
60 semester (90 quarter)	4%
90 semester (135 quarter)	6%
Bachelor's Degree	8%
Master's Degree	10%

Once an officer reaches the top step of the salary schedule, the collective bargaining agreement does not provide any additional salary based purely on longevity.

Guild: The Guild proposes the addition of longevity pay for those employees who do not qualify for the educational incentive. The Guild's proposal reads as follows:

At the officer's option he/she may convert their Educational Incentive at an equal percent(%), *i.e.* 1% College Incentive - 1% Longevity.

Employee's Educational Incentive (total percentage) will at the employee's request, automatically convert to Longevity (same percentage as Educational Incentive) during their last thirty (30) days of service with the City.

Longevity may be accrued at two and one-half percent (2.5%) of base salary for each five (5) years of service. The maximum accrual of longevity pay will be ten percent (10%).

At no time will the combined total of Education Incentive and Longevity exceed ten percent (10%).

The Guild says its proposal would bring parity between those officers who retire under LEOFF I and those who retire under LEOFF II. The Guild contends longevity pay is also needed to recognize the value and skill of experienced officers. Based upon 1995 salaries, the Guild calculated the additional cost to the City at \$18,285 per year, which it characterized as minimal.

City: The City says there is no persuasive reason for making the proposed change. It notes that only a small group of officers are covered by LEOFF I, and the proposed conversion of educational incentive pay to longevity is not a prevailing practice of comparable jurisdictions. The City contends that time in service does not automatically guarantee greater officer effectiveness. Without further education, officer effectiveness may actually plateau or drop. In the City's view, a better-educated officer is unquestionably more prepared to carry out a community-oriented policing program in a highly educated community such as Pullman. The City therefore contends that pay for additional education rather than just for time in service is the better approach; one that most effectively serves the interests of Pullman citizens.

Discussion and Findings: The Guild's proposal is admittedly an attempt to boost the retirement for LEOFF I officers. Under the LEOFF I plan, an officer's retirement benefit is based upon a final average salary that includes longevity pay but not special salary or wages such as educational incentive pay. In comparison, the current educational incentive is includable in the final average salary for officers covered under LEOFF II.

The Guild claims its proposal is designed to bring "parity" between the two LEOFF plans. It judges parity, however, by focusing on only one distinction between the two plans. The two LEOFF plans vary in a number of respects, and many of the distinctions favor LEOFF I officers. LEOFF I officers cannot include educational incentive in their final average salary, but they can retire with full benefits at age 50

after 20 years of work. LEOFF II officers get the benefit of the educational incentive but they have to be five (5) years older and work five (5) years longer to receive full benefits. For LEOFF I officers, the final average salary computation uses a salary earned closer to retirement, and thus more likely to be higher, than the 5 year average used by LEOFF II. As is evident from the foregoing, and other distinctions we need not belabor, each plan has its relative advantages and disadvantages. As the Guild's witness was forced to acknowledge, the ability to count wage premiums could have been a partial trade off for less desirable features of LEOFF II. The Guild thus did not make a persuasive case that the City should be required, as a matter of LEOFF equity, to adopt the conversion plan.

The Guild also seeks a longevity accrual to provide additional salary to officers who do not qualify for the educational incentive. Once an officer tops out on the salary schedule, the City of Pullman has chosen to tie additional salary incentives to education. Chief Weatherly acknowledged there are some fine officers on the force who do not qualify for the educational incentive. He articulated reasonable grounds for believing such officers could be even better with further education. The City feels that adding the requested longevity will reduce the incentive for bargaining employees to take advantage of the proximity of WSU and the courses available there. An accrual at the level the Guild seeks could well have that effect.

Only two (2) members of the Department are not receiving an educational incentive.¹⁹ Of those who receive the incentive, over two-thirds qualify for a salary

¹⁹ A Guild exhibit shows 3 officers without incentive pay, but City records indicate that during 1996 one of those officers became eligible and began receiving the added pay. (Ex. C-26).

premium of 8% by having a Bachelor's degree. There are five (5) listed fields of study that are viewed as having a direct relationship to police service. The educational incentive plan also allows credit for "other fields that are mutually approved". The Guild did not establish that the City has been unreasonably withholding approval of credit for course work that would appear to be of beneficial use. For those who may not have had the right type of qualifying courses when they first joined the Department, returning to school is never easy, but the work force at least has the proximity of WSU at which it can take qualifying courses.

The practice of the comparable jurisdictions is quite varied. Three of the jurisdictions (Walla Walla, Richland, and Ellensburg) provide both longevity and educational incentive. Pasco offers just incentive pay for education like Pullman does; Wenatchee pays for longevity but not education; Moses Lake provides neither type of incentive pay, and Kennewick has recently adopted a Master Police Officer plan whose eligibility requirements combine a certain amount of longevity with a college degree or equivalent college credits. None of the comparators allow the conversion of educational incentive so as to allow LEOFF I officers to raise their final salary for retirement benefit purposes. As for internal parity, the City is consistent in not allowing the conversion of educational incentive pay to longevity pay. We conclude that neither a comparison with the comparable cities, nor other sufficient reasons, supports the Guild's proposal.

G. SHARED LEAVE

Guild: The Guild proposes the addition of a new article to the contract entitled "Shared Leave." The provisions of this article would allow employees to donate sick leave compensatory time, and/or annual leave hours to fellow employees based upon certain described criteria. Those eligible to receive the leave would be employees who are suffering from, or have a relative or household member suffering from "an extraordinary or severe illness, injury, impairment, or physical or mental condition". The Guild's proposal is based upon a policy in place for employees of the State of Washington. In the Guild's view, the proposal benefits both sides by allowing bargaining unit employees to help their colleagues and by helping the City to retain valued employees who need time to deal with a significant personal health condition. The Guild views its proposal as a zero cost item for the City.

City: The City feels the proposed leave plan would be administratively clumsy and costly to administer. It notes that there has been little demonstrated need for the shared leave program and that details of the plan were never presented to the City during negotiations; they were introduced only in the arbitration hearing. The City is willing to continue exploring the issue with the Guild but contends implementation of any shared leave program is premature.

Discussion and Findings: The Guild's proposal is worthy of continued discussion but it needs further study. The record indicates there have been few (perhaps only one) instances in the past seventeen years when the Guild's proposal would have provided assistance to a bargaining unit member. The problem the Guild seeks to address has arisen few times in the past and is not likely to be frequent in the future. There thus seems no reason to rush into adoption of a new leave program without more complete discussion of its administrative details.

The City has a legitimate concern about increasing the demands on its very small finance office staff. It may be possible to minimize those demands through the use of computer programs such as one WSU is apparently using. Walla Walla is apparently beginning a shared leave program of some sort. The parties may well be

able to learn from that jurisdiction's experience. Further investigation into the experience of other jurisdictions is needed as is further discussion regarding how various aspects of the proposed program would be handled. The Guild's proposed shared leave proposal is not adopted.

IN THE MATTER OF THE ARBITRATION

BETWEEN

THE PULLMAN POLICE OFFICERS)
GUILD)

and)

CITY OF PULLMAN)
_____)

INTEREST ARBITRATION
AWARD

PERC Case No. 12399-I-96-269

After careful consideration of all arguments and evidence and in accordance with the statutory criteria of RCW 41.56.465, the following award is made:

Article 8 - Hours of Work

For the period July 1, 1997 through December 31, 1998, shift rotations shall be increased to six months in length. The rotations shall occur on January 1 and July 1 of each calendar year. Effective January 1, 1999, the status quo for bargaining shall return to the practice in effect prior to the July 1, 1997 change.

Article 17 - Health Insurance

No change to current contract language.

Article 25 - Shift Differential

No change to current contract language.

Article 28 - Education Incentive/Longevity

No change to current contract language.

Article 29 - Salaries and Wages

1. Effective January 1, 1996, the top step base salary shall be increased by 4.2% to \$3324 per month.
2. Effective January 1, 1997, the top step base salary shall be further increased to \$3465 per month.
3. Effective January 1, 1998, the top step base salary shall be increased by 90% of the first half Seattle CPI (Urban Wage Earners and Clerical Workers Index) with a minimum increase of 2.5% and a maximum increase of 7.5%.
4. The wage increases for other classifications in the bargaining unit shall be set at a level that maintains the current differential from the top step benchmark rate.

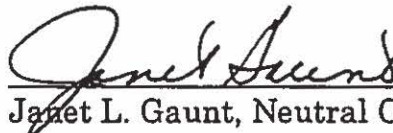
Proposed new Article - Shared Leave

Not adopted.

Article 33 - Duration

The Agreement shall be effective retroactive to January 1, 1996 and remain in full force through December 31, 1998 and thereafter to the extent required by law.

Dated this 21st day of March, 1997 by



Janet L. Gaunt, Neutral Chairperson