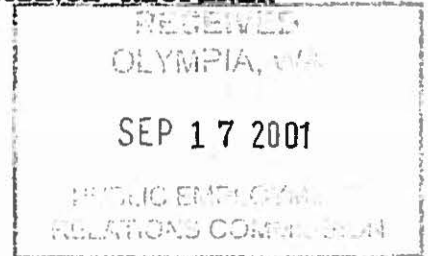


IN THE MATTER OF)
INTEREST ARBITRATION)
BETWEEN)
WOODWORKERS LOCAL LODGE W536)
INTERNATIONAL ASSOCIATION)
OF MACHINISTS,)
Union,)
and)
MASON COUNTY, WASHINGTON,)
County.)

ARBITRATOR'S OPINION
AND AWARD
2000 INSURANCE REOPENER



HEARING SITE:

Union Hall
Shelton, Washington

HEARING DATE:

July 30, 2001

POST-HEARING BRIEFS DUE:

Faxed August 24, 2001

RECORD CLOSED ON RECEIPT OF BRIEFS:

August 24, 2001

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I. INTRODUCTION

The County of Mason, Washington (County) and the Woodworkers Lodge W536 IAM (Union) are signatories to a Collective Bargaining Agreement effective January 1, 2000 through December 31, 2001. Co. Ex. B. Included in the Collective Bargaining Agreement is Article XVII which states:

This agreement shall be effective from January 1, 2000 and shall remain in full force and effect to and including the 31st day of December, 2001. Either party may commence negotiations by filing written notice to the other party pursuant to the provisions of Chapter 41.56 RCW. By mutual agreement, the agreement may be extended for a period of one year. This agreement may be reopened no earlier than September 1, 2000 for the limited purpose of negotiating changes to Article VII, Section 13, Employee Group Insurance, with any changes being effective January 1, 2000 unless a different effective date is agreed upon.

Pursuant to the reopener, the parties attempted to negotiate a revised insurance contribution level. The parties were unable to resolve the insurance dispute through negotiation and mediation.

The insurance reopener issue was certified for interest arbitration under RCW 41.56.450. The case was scheduled for hearing before this Arbitrator for a final and binding resolution. In Article XVII, the parties have agreed that the insurance increase awarded shall be effective January 1 unless a different date is agreed upon.

Mason County has a population of 49,405 and is located in western Washington. The County seat is Shelton, Washington. Shelton is the largest city in the County with a population of approximately 8,442. The County is located in a sparsely populated rural area of Washington, west of the Cascade mountain range.

The Union represents a bargaining unit composed of 33 members employed in the Mason County Sheriff's Department. The bargaining unit consists of correction officers and support staff. The majority of the members are assigned to work at the jail.

At the commencement of the arbitration hearing, the opening statements from the parties revealed a sharp difference of opinion over the issue of comparability. While the parties stipulated the number of comparators should be five, and four counties were agreed on to use as comparators, the fifth county to be used as a comparator was a matter of considerable disagreement. A significant amount of hearing time was devoted to presentation of evidence and argument on the statutory factor of comparability. The Arbitrator directed the parties to address the issue of comparability at the beginning of their post-hearing briefs. The Arbitrator will address the comparability issue at the commencement of his discussion and findings in this Award.

The hearing in this case required one day for each side to present their evidence and testimony. The hearing was tape recorded by the Arbitrator as an extension of his personal notes and the tapes were not made available to the parties. Testimony of witnesses was received under oath. At the arbitration hearing the

parties were given the full opportunity to present written evidence, oral testimony, and argument regarding the insurance issue in dispute. Both the Union and the County provided the Arbitrator with substantial written documentation in support of their respective positions taken on the insurance issue.

Moreover, counsel also submitted comprehensive and detailed post-hearing briefs in support of the respective positions taken at arbitration. The approach of this Arbitrator in writing the Award will be to summarize the major and most persuasive evidence and argument presented by the parties on the insurance reopener issue. After the introduction of the issue and position of the parties, I will state the basic findings and rationale which caused your Arbitrator to make the award on the insurance issue.

The overall context for review of this case is under the terms of Article XVII providing for a reopener of the agreement on the subject of the insurance contribution. The insurance issue is the only issue before this Arbitrator. The number and level of insurance benefits are not an issue in this dispute. Article XVII, Section 13, is the insurance benefit language setting forth the amount of the insurance contribution to be made by the County for each employee. The agreed amount is currently set at \$425 per month for each eligible employee. The \$425 per month payment purchases medical, dental, vision, and life insurance coverage through the Machinist Trust. This is an interest arbitration to determine the amount of the monthly contribution the County shall pay for the calendar year beginning 2001.

This Arbitrator has carefully reviewed and evaluated all of the evidence and argument submitted pursuant to the criteria established by RCW 41.56.465. The Arbitrator has given consideration to all of the evidence and argument placed in the record by the parties and measured it against the relevant statutory factors.

The statutory criteria are set out in RCW 41.56.465 as follows:

(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;

(ii) For employees listed in RCW 41.56.030(7)(e) through (h), comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of public fire departments of similar size on the west coast of the United States. However, when an adequate number of comparable employers exists within the state of Washington, other west coast employers may not be considered;

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

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

(f) Such other factors, not confined to the factors under (a) through (e) of this subsection, that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment. 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.

II. COMPARABILITY

A. Background

The parties to this contract have no history on the subject of jurisdictions with which to compare Mason County to utilize as a guideline for establishing wages and benefits for correction officers and support staff employed in the Sheriff's Department. Without this history, the parties are starting fresh in the development of a list of comparable jurisdictions to assist in the resolution of this contract dispute.

To the credit of the parties, they agree that five counties is a reasonable number of comparators to use as a guide to settle this dispute. Further, the parties stipulated the following four counties are comparable to Mason County:

Island County
Grays Harbor County
Lewis County
Clallam County

The County proposed Jefferson County to be added as the fifth county on the list of comparators. The Union countered that Cowlitz County should constitute the fifth county on the list of comparators.

The Union representing the Mason County Deputy Sheriffs went to interest arbitration in 1999 before arbitrator Michael Beck. In that dispute, the parties stipulated to the same four counties that are agreed should be on the list of comparators in the case at bar. The County proposed Jefferson and the Union proposed Cowlitz as the fifth comparator in the 1999 interest arbitration. Arbitrator Beck selected Jefferson as the fifth county to be on the list of comparators. However, the Beck decision is not strong precedent because the Union dropped Cowlitz County in its post-hearing brief and sought to add two others to the list of comparators. Beck rejected the Union's approach and adopted Jefferson County as the fifth jurisdiction on the list of comparators for resolution of the Deputy Sheriffs' dispute.

The initial task of this Arbitrator is to select a fifth county which will comport with the statutory mandate of "like employers of similar size on the west coast of the United States." Since there are an adequate number of comparators in the state of Washington, the Arbitrator need not look outside the state. Both sides recognize the difficulty of identifying a fifth county in

western Washington because of several differences which will be pointed out in the parties' respective arguments. The Arbitrator accepts the stipulation of the parties and will include the four agreed-upon counties on the list of comparators.

B. The Union

The Union contends that Cowlitz County has like conditions of employment and is of similar size, while Jefferson County does not. In unrefuted testimony, three senior correction officers testified that the current staffing and inmate population of the Mason County Correctional Facility creates conditions of work similar to the Cowlitz County Jail and is dissimilar to conditions of work in the Jefferson County Jail. According to the Union, the average daily population and density created by the percent of overcapacity in the Mason County Correctional Facility creates unique working conditions in regards to officer safety, regular duties, decision making, stress, and staffing ratios. At 63% above inmate capacity, the Mason County Correctional Facility has the fifth highest percent of use of all county jails in Washington State. Cowlitz County percent of use is 6.4% below Mason County while Jefferson County's percent of use is 61.4% below that of Mason County. The Union submits Jefferson County fails the common plus or minus 50/100% test frequently used by arbitrators, and put forth as valid thresholds by the employer during the hearing.

Turning to the number of correction officers, both Jefferson County and Cowlitz County fail in terms of the 50% test.

Cowlitz County has 72.7% more correction officers than Mason County while Jefferson County has 63.6% fewer correction officers. The Union argues that if Mason County were staffed as designed, there would be additional correction officers on the payroll which would bring Mason County closer to the Cowlitz County staffing level. The County has proposed increasing the size of the correction facility with the addition of more correction officers which would further bring the number of employees closer to the Cowlitz County staffing level.

The unrefuted testimony of the correction officers was that the ratio and inmate profile of Mason County's Correctional Facility are more difficult than a facility of a much larger size with a less racially diverse inmate population and a smaller percentage of felons. The inmate profile of Mason County makes the jail closer to the inmate profile of Cowlitz County rather than Jefferson County. The Union submits the testimony and evidence established there was no comparison between the working conditions in Mason County and Jefferson County corrections.

The parties also disagree as to what standard should be used in determining employers of similar size. The Union takes the position that the standard to measure the size of a comparable employer should be tied to the political sub-division in question. In this case, the political sub-division in question is a County Sheriff's Department providing correctional facilities. As such, the Union contends the employer's access to revenues or its ability to pay, and the population that must bear the tax load to provide

the service should be the relevant standard. The revenue base of the County Sheriff's Department is the unincorporated area of Mason County. The Union reasons that the size and assessed valuation of incorporated areas should not be included in the measures for establishing comparability. The Union has provided measures which accurately meet the statutory standard in the form of percentage of use, work conditions, number of employees, size of the relevant employer, and unincorporated assessed value and unincorporated population measures.

Regarding the County's argument that all residents have an equal opportunity to receive the services of the correctional facility for the total County population should be the key figure, the Union argues the County's position fails to recognize the unfunded mandate that the state of Washington has placed on the counties. The County also ignores a small number of inmates who are detained solely for committing municipal code violations which generally are misdemeanors rather than felonies.

The Sheriff's Department operates under a different system of government and provides a distinct type of law enforcement separate from services offered by the cities. Thus, Union asserts including data from incorporated cities has no value in determining which counties are of similar size for purposes of comparison set for by the RCW.

When comparing the population and assessed valuation from which Mason County derives revenue, Jefferson County failed the 50% test by having a population 57% below Mason County. Cowlitz County

is comparable with a population of only 5.3% below Mason County. In terms of assessed value, both are within the 50% rate. Jefferson is 42.3% below Mason, while Cowlitz is 17% above. In terms of local sales and use taxes, Jefferson is 18.4% below Mason County while Cowlitz is 46.1% above Mason County. Jefferson County should not be included since its total revenue level is substantially below Mason County.

Turning to the Beck award, the Union argues that it did not involve the parties to the instant dispute and is, therefore, not binding in this case. In addition, a close reading of the Beck award reveals that the Union in that case abandoned its contention that Cowlitz County is an appropriate comparable. Given the incomplete record established during the Beck arbitration, the Arbitrator should give no weight to Beck's conclusion to include Jefferson County as an appropriate comparator.

In sum, Jefferson County is the only county that is below Mason County in all six categories of workload and revenue measures. Jefferson County fails the 50% test in four of the six categories. Cowlitz County fails the 50% test in only one category, that of size of correction staff and both parties agree that Mason County should have an additional six correctional officers. Jefferson County fails to be an employer of like conditions, like size, or like assessed valuation. Cowlitz County provides work conditions, assessed value, and population of a similar size. Therefore, the Union concludes Cowlitz County should be included as the fifth county on the list of comparables.

C. The County

The County takes the position the burden of proof is on the Union to establish its case in order to prevail on the comparability issue and the merits of the insurance dispute. According to the County, its comparables were selected based on the generally accepted methodology of population and assessed valuation of all taxable property being plus or minus 50% of Mason County. The County's comparables meet those criteria except that Island County's assessed valuation is more than 50% higher than Mason County. In contrast, Cowlitz County's population is 88.1% higher than Mason County. Cowlitz County has an assessed valuation of all taxable property which is 79.9% higher than Mason County.

With regard to the Union's position that comparability factors should be limited to the unincorporated population of counties rather than the total population, there is no arbitrable support for this system of evaluation of the population and assessed valuation criteria. Even if there were such a decision, it would be inappropriate to use unincorporated population in this case. Counties are responsible for incarceration of all pre-sentenced and sentenced misdemeanor and felony offenders (except those in a state prison) regardless of whether the crime was committed in an incorporated city or an unincorporated area of the county.

The Union presented a considerable amount of statistics suggesting Cowlitz is an appropriate comparable and Jefferson is not an appropriate comparable. A close examination of these

statistics reveals that correction officers' work, when examined in light of the average daily population, is closer to Jefferson than it is to Cowlitz. The same is true for the average daily population of jails to rated capacity. Cowlitz is 159% above capacity, Mason is 163.5% above capacity, and Jefferson is 125.6% above capacity. County witness Wright testified that a remodel of the Mason County Correctional Facility is currently underway. When the remodel is completed in early 2002, the rate of capacity will be increased to 95 and the number of correction officers will be increased to 25. The effect of that remodel and staff increase will be a lowering of Mason County's staff to inmate ratio, as well as its percent population above rated capacity.

The County next points to the Beck decision involving the Deputy Sheriffs' bargaining unit. While the County recognizes the decision on comparables in that case may not be compelling, the County believes that it should be considered as a relevant factor in the instant case. The County submits there is no compelling reason to have a different set of comparables for the two bargaining units represented by this Union and which are in the same County department.

Based on all of the above-stated arguments and record evidence, the County submits its method for selecting comparables is based on sound and acceptable methodology. The Union's reliance on various statistics should not override the more commonly accepted population and assessed valuation criteria. Therefore,

the Arbitrator should select Jefferson County as the appropriate comparable to be used in resolving this dispute.

D. DISCUSSION AND FINDINGS

The parties agree that five jurisdictions is the appropriate number of comparators. A comparator list of five jurisdictions is a manageable number. The parties have stipulated to four counties that are comparable to Mason County. Both parties agree that the fifth county selected should be located in western Washington.

The Arbitrator concurs with the Union that the Beck award in 1999 should not be accorded great weight in this case. The dispute at that time did not involve this Union. The Union in the 1999 interest arbitration dropped its proposal to utilize Cowlitz County as a comparator and attempted to substitute two additional counties as comparators in the post-hearing brief. The Arbitrator concurs that arbitrator Beck handled the case appropriately by rejecting the Union's approach and accepting the County's proposal to use Jefferson County as a comparator. However, the Arbitrator finds this is not a powerful argument for utilizing Jefferson County based on the way in which Beck was forced to adopt Jefferson County as the comparator. Thus, the Arbitrator will give little weight to the Beck award in determining the comparators in the instant case.

The initial question to be resolved is whether the population data and assessed valuations of unincorporated areas of

Mason County should be utilized or whether the total population and assessed valuation of the County are the relevant numbers. The Arbitrator accepts the County's position that the total population and assessed valuation of the County should be the appropriate data to examine. The Mason County Correctional Facility provides services to the entire County, both the incorporated and unincorporated areas. Persons who commit crimes in Shelton or other incorporated areas of Mason County are incarcerated in the Mason County Correctional Facility. While the source of funding for housing inmates from incorporated areas may be different, the bottom line is the Mason County Correctional Facility serves the entire County. The Union offered no arbitrable authority for carving out the incorporated population data for a county correctional facility serving both incorporated and unincorporated areas to justify its position.

The population data shows the following:

<u>County</u>	<u>Population</u>
Cowlitz County	92,948
Island	71,558
Lewis	68,600
Grays Harbor	67,194
Clallam	64,525
Mason	49,405
Jefferson	25,953
	Co. Exs. C & D.

Mason County is the smallest in population among the stipulated four comparators. If Jefferson County were adopted, Mason County population would be the next smallest on the list of comparators. Cowlitz County has a population of 92,948, which

would make it the largest county in population on the list of potential comparators. Cowlitz County's population is approximately twice that of Mason County. The same analysis holds true if the 2000 valuation of all taxable property is examined.

The Union's data regarding the correctional facilities at Cowlitz County and Jefferson County suggests a similar pattern. Mason County's average daily inmate population for 1999 was 106 and Jefferson County's average was 46. Cowlitz County shows an average daily population of 238 for the same period. Cowlitz County has 38 correction officers and Jefferson County has 8, with Mason County at 22 correction officers. Un. Ex. 2. In addition, Cowlitz County correctional sergeants are in a different bargaining unit which increases the number of correction staff in the facility. Adding Cowlitz County to the list of comparators would put Cowlitz County at the top in terms of both inmate population and number of correction officers.

When the population data and assessed valuation for the four counties stipulated as comparables are reviewed in the context of the number of correction officers and size of the correctional facilities, Mason County in almost all categories, is the smallest on the list of the four agreed-upon comparators. Placing Cowlitz County on the list of comparators would exacerbate this situation by adding a county with the population approximately twice as large as Mason County and an assessed valuation 80% higher than Mason County. The average daily population of the Cowlitz County

facility is three times larger with a staff almost twice the size of Mason County.

Moreover, Jefferson County is geographically adjacent to Mason County, Cowlitz County is not. While geographic proximity is not controlling, the case for the addition of Jefferson County to the list of four comparators is strengthened in light of the previously discussed factors and statutory criteria.

The goal of the Arbitrator in this interest arbitration is to strike a balance which will serve as a meaningful guide to establish insurance benefits for Mason County correction officers and staff. In practically every category of data offered, Mason County is at the lower end of the statistics. For example, Mason County has the smallest population (49,405) when compared to the four stipulated counties. The addition of Cowlitz County would add a county with a population of 92,948. Including Cowlitz County as the fifth comparator would place Cowlitz County at the top of the list in practically every category of the data presented to this Arbitrator. The addition of Cowlitz County to the list would tilt the balance of the comparators in favor of counties with a much larger population and larger correctional facilities than exist in Mason County. Therefore, the Arbitrator concludes the appropriate balance to create a list of comparators is struck by the addition of the smaller jurisdiction, Jefferson County.

The Arbitrator finds the following list of comparators comports with the statutory standards:

<u>County</u>	<u>Population</u>
Island	71,558
Lewis	68,600
Grays Harbor	67,194
Clallam	64,525
Mason	49,405
Jefferson	25,953

III. INSURANCE

A. Background

The parties agreed to a two-year contract effective January 1, 2000 through December 31, 2001. Article XVII, Duration and Termination, allowed for a limited reopener to negotiate changes to Article VII, Section 13, Employee Group Insurance. Article VII, Section 13 states:

Effective 1/1/2000 the employer shall pay up to four hundred twenty five dollars (\$425) per month for each eligible employee for medical, dental, vision, and life insurance coverage through the Machinist Trust. Eligible employees are those working ninety (90) hours or more per month during the calendar year. Time missed from work due to a worker's compensation claim will be considered as time worked for employee group insurance and vacation purposes for a maximum of twelve (12) months.

Effective 1/1/2001, unless notice to re-open this Article is sent by the union, the employer shall contribute up to an amount equal to the highest amount paid to any other group of County Employees or officials.

The employer shall provide an Employee Assistance Program benefit (EAP) for all bargaining unit members.

Emphasis added.

The Union proposed to increase the insurance contribution required by the County to \$483 per month, per member effective January 1, 2001. The Union also proposed a second increase effective August 1, 2001, to \$600 per month, per member. The County countered with an offer of \$466 per month, per employee effective January 1, 2001, and \$500 per month effective July 1, 2001. When the 2000-2001 Collective Bargaining Agreement was negotiated, the agreed-on amount of \$425 for insurance contribution from the County covered payment for the total cost of the coverage for medical, dental, vision and life insurance provided through the Machinist Trust.

The Machinist Trust increased rates to \$483 per month on January 1, 2001 and \$603 per month on August 1, 2001. The impact of the increase has meant employees had to pay \$58 per month out-of-pocket from January 1, 2001 to August 1, 2001. The second rate increase translated into a \$103 per month out-of-pocket contribution from the members of the bargaining unit. While Article VII, Section 13, is not a maintenance benefits provision, the County has historically agreed to pay for the total cost of the insurance coverage.

B. The Union

The Union has proposed a contribution rate of \$6,384 per year per employee, an amount equal to the average amount of its comparators. The employer proposes an annual amount of \$5,796 per employee, an amount of \$401 per employee per year below the average amount of the employer's own suggested comparators. The County has provided no explanation or justification as to why they want to pay less than the average of its own comparators other than to state that is the amount management offered to other bargaining units within the County.

While the Union has not requested the maintenance benefits provision, it has proposed an amount necessary to fully fund the insurance package from January 1, 2001 to December 31, 2001. Two of the other unions agreeing to the County's health benefit offer did so on the context of negotiations for a successor contract and had the opportunity to trade health insurance benefits for wages. Some of the other Mason County bargaining units have bargained for fully paid insurance.

Turning to the employer's argument based on internal comparators, the Union submits it fails on at least three counts. First, the testimony is this bargaining unit has a history of extracting better wages and benefits from the employer than any of the other bargaining units. The fact the parties have a history where the Sheriff's Department has lead other units in wages and benefits warrants the higher insurance contribution. The Union argues it is fully appropriate for this bargaining unit to be the

benefit leader in insurance contribution. Second, since some of the members of existing Mason County bargaining units have fully paid health insurance, it would constitute a penalty to require correction officers to work in a stressful environment with a less than fully funded insurance program. Third, the employer's argument fails because the examples they cite are for the 2001 plan and fiscal year, whereas the rate for this unit is for 2001 and partially for 2002. It is not known yet what the employer will offer the other units for the 2002 plan year.

The Union reasons that because the health insurance plan year leads the employer's fiscal year by five months, the Union requests the Arbitrator's award be stated in an annual amount per employee rather than the more traditional language of the maximum amount per month. Stating the annual amount provides maximum flexibility for the County and the Union to work out the best deal between themselves. By using an annual amount, the language also avoids the issue of roll-up. By doing so, the parties begin bargaining in November for the 2002 contract from the \$600 per month amount. On the other hand, by starting bargaining at \$6,384 per year per employee, the parties can work out the amounts and start bargaining in November at \$6,384 per year rather than a specified monthly amount. The Union submits that by wording the insurance contribution in an annual amount the positive labor-management relationship between the parties would continue into the next contract year.

Based on all of the above-stated arguments, the Union submits its proposal should be adopted.

C. The County

The County submits that its proposed insurance contributions are reasonable and similar to what is paid in the comparators. County Exhibit H shows the maximum contribution of the comparable counties is \$516 per month. It should be noted that the Machinist Trust, which provides coverage for employees in the bargaining unit, has a composite rate. Four of the five comparables have a composite rate. Island County, which has the highest contribution level, has tiered rates. The fact that Island has tiered rates, while the other four comparables and Mason have composite rates should be considered in determining the insurance premium contribution for 2001.

The County next argues that it has historically tried to keep most benefit levels the same or similar among all of the bargaining units and non-represented employees. County Exhibit J shows that every other group of Mason County employees, except the Deputy Sheriffs' bargaining unit, has accepted and is receiving the same insurance contribution that has been proposed for this bargaining unit. Arbitrator Beck in his 1999 arbitration decision did give consideration to the contribution levels of other Mason County employee groups in determining what to award the Deputy Sheriffs' bargaining unit.

The Union's proposal appears to be focused on comparing the annual costs to the employer rather than comparing actual

contribution levels on a monthly basis. Utilizing the Union's methodology would set the County's payment significantly higher than any other contribution of the comparables, including giving full weight to Island's tiered rate contribution levels.

For all of the above-stated reasons, the County submits the Arbitrator should adopt the insurance contribution proposal offered by the employer.

D. DISCUSSION AND FINDINGS

The review of the merits of this case must begin with recognition of the fact that Article VII, Section 13, is not a maintenance of benefits clause. If it was, there would be no need for negotiations and this interest arbitration over the insurance dispute. Under a maintenance of benefits clause, the County would be bound to pay by contract the cost for the insurance charged by the Machinist Trust. Even though the contract does not include a maintenance of benefits clause, the Arbitrator cannot ignore the fact the County has historically paid the full cost of insurance for the members of this bargaining unit. This is exactly what the County agreed to do in the previous contract year of 2000.

Turning to the Union's proposal to set the insurance contribution in terms of an annual amount, the Arbitrator rejects this approach. This case is presented to the Arbitrator under a reopener of existing contract language. Current contract language sets the contribution rate on a monthly basis. The Arbitrator holds the Union has offered no persuasive evidence why the present

monthly contribution system should be changed to an annual basis during a reopener on this single issue. If the parties want to change the manner in which the insurance contribution is calculated and paid, that should be done when the entire contract is open for negotiations.

The 2001 maximum monthly rate from the comparables is as follows:

<u>County</u>	<u>Contribution</u>
Island	\$680
Lewis	\$434
Gray Harbor	\$568
Clallam	\$452
Jefferson	\$448
	Average \$516
Mason Proposed	\$466 effective 1/1/2001 And \$500 effective 7/1/2001 Co. Ex. H.

Except for Island County, all of the above figures are composite rates. Island County has a tiered system which under insurance pricing creates a higher figure for the top tier.

Comparing the insurance paid in the other jurisdictions is not as useful a guide as when making wage comparisons. Comparing insurance payments made on composite rates versus tiered rates complicates the process in making accurate comparisons. Further, the number and type of benefits offered to the employees can vary widely from county to county, directly reflecting on the amount of the cost for insurance benefits. The last element which can impact on the insurance contribution figure is the well-known

fact that fees charged by health care providers may differ widely from area to area.

Turning to the issue of internal comparators, this Arbitrator has the authority to decide what the contribution level should be for this bargaining unit. I have no control over what other bargaining units have agreed to in the area of insurance benefits or what trade offs were made to arrive at the amounts paid to the other employees. There is no statutory obligation to award what the other bargaining units in the County have negotiated in the area of insurance benefits. In the judgment of this Arbitrator, an award for one group of employees should not be so different as to be out of touch with the other bargaining units. The goal is to provide consistency, not complete uniformity.

The County's proposal of \$466 per month effective January 1, 2001 is \$50 per month less than the average paid in its own group of comparators. Even with the weaknesses inherent in making direct comparisons on insurance contributions, \$50 per month is a significant amount. The Union's proposal of \$483 per month for the first seven months of 2001 is consistent with the amount paid in the comparator jurisdictions. The \$483 per month proposed by the Union is \$33 below the average of the comparators.

When historical practice of the County in paying the entire insurance benefit is combined with the insurance contribution paid in the comparator jurisdictions, the Arbitrator finds the \$483 per month proposed by the Union is reasonable and comports with the statutory guidelines. The \$483 per month figure

represents a small increase of \$17 per month over what the County offered. Finally, the \$483 per month figure represents an amount that is not out of line with the internal comparators.

The most difficult question in this interest arbitration concerns the amount of insurance contribution to be paid for the last five months of 2001. The cost of insurance increased substantially on August 1, 2001 to \$603 per month, per employee. The Union suggests this figure will remain constant through July 2002. The Arbitrator cannot ignore the fact this case comes to him under a reopener on insurance only. The entire contract will be open for negotiation on January 1, 2002, with the expiration of the existing contract on December 31, 2001.

In awarding the Union's proposal of \$483 per month for the first seven months of 2001, the members will continue to enjoy fully funded insurance benefits for that period. For the last five months of 2001, the Arbitrator is persuaded the parties should share in paying for the substantial increase in the cost of insurance. The Union represented at the arbitration hearing the rate effective August 1, 2001 will be \$603 per month even though it proposed a \$600 per month contribution. Using the \$600 offer, adoption of the Union's proposal, would represent an additional \$117 per month, per employee in cost to the County.

Dividing the \$117 increase in half equals \$58.50. Rounding that figure up to \$60 and adding the \$60 to the \$483 contribution awarded through July 31st, equals \$543. The Arbitrator finds the County's contribution should be set at \$543

effective August 1, 2001. The \$543 is \$27 above the average amount paid in the comparators. The \$543 contribution per month, per employee is \$43 a month above the internal comparators' contribution rate of \$500 per month effective July 1, 2001.

The \$43 difference is not excessively higher than the amount the County is paying its other employees. On the other hand, the members will have an approximate \$57 per month out-of-pocket expense for the last five months of 2001. This is not an unreasonable amount which will impose undue burden on the members to purchase the comprehensive insurance benefit package.

The parties have stipulated to four jurisdictions which are comparable to Mason County. Beyond that stipulation, there were no stipulations of the parties relevant to this interest arbitration.

Regarding the factor of constitutional and statutory authority of the County, no issues were raised with respect to this factor which would place the Award in conflict with Washington law.

Regarding the factor of change in circumstances during the pendency of the interest arbitration proceeding, none were brought to the attention of the Arbitrator by the parties to this dispute.

The County did not argue it had the inability to pay the insurance benefit sought by the Union.

Neither party to this interest arbitration presented any evidence regarding the statutory factor of cost of living.

The parties did not offer any other evidence which is normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment on the issue of the reopener for insurance benefits.

While your Arbitrator recognizes this Award will become a factor in the negotiations for the successor Collective Bargaining Agreement, the parties should keep in mind the interest arbitration was conducted pursuant to a contract reopener on the single issue of insurance. Under the reopener provision, there was no opportunity for the parties to engage in the give and take of negotiations where the entire contract is at issue. The parties will have that opportunity when negotiations commence for the 2002 Collective Bargaining Agreement.

AWARD

The Arbitrator awards that Article VII, Section 13 shall be modified to read:

Employee Group Insurance: Effective 1/1/2001 the employer shall pay up to four hundred, eighty three dollars (\$483) per month for each eligible employee for medical, dental, vision, and life insurance coverage through the Machinist Trust.

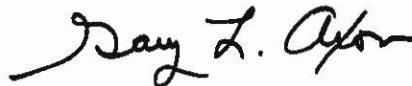
Effective 8/1/2001 the employer shall pay up to five hundred, forty three dollars (\$543) per month for each eligible employee for medical, dental, vision, and life insurance coverage through the Machinist Trust.

Eligible employees are those working ninety (90) hours or more per month during the calendar year. Time missed from work due to a worker's compensation claim will be considered as time worked for employee group insurance and vacation purposes for a maximum of twelve (12) months.

Effective 1/1/2001, unless notice to re-open this Article is sent by the union, the employer shall contribute up to an amount equal to the highest amount paid to any other group of County Employees or officials.

The employer shall provide an Employee Assistance Program benefit (EAP) for all bargaining unit members.

Respectfully submitted,



Gary L. Axon
Arbitrator

Dated: September 12, 2001