

BEFORE THE NEUTRAL ARBITRATOR

In the Matter of the Interest Arbitration Between)
Franklin County)
the Employer)
and)
United Steel Workers' Union, Local 12-369)
the Union)
_____)

**ARBITRATOR'S OPINION
AND AWARD**

PERC Nos. 19374-1-05-0449 and
18871 -M-04-6182

Appearances:

For the Employer:

Adam Collier
Bullard, Smith, Jernstedt, Wilson
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Portland, OR 97205

For the Union:

Todd Lyon
Reid, Pedersen, McCarthy and Ballew, L.L.P.
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Neutral Arbitrator:

Jane Wilkinson
Attorney and Arbitrator
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3 Monroe Pkwy., Ste. P
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Date of Award: March 1, 2007

WITNESS LIST

For the Employer:

Fred Bowen, County Administrator

For the Union:

Gordon Thomasson, Deputy Sheriff (Third Class)

Lee Barrow, Deputy Sheriff (First Class)

EXHIBIT LIST

Employer Exhibits:

1. County's Proposal
2. Union's Proposal
3. Interest arbitration statutes
4. 2004 Collective Bargaining Agreement
5. 2003 Annual Financial Report
6. 2004 Annual Financial Report
7. 2005 Annual Financial Report
8. Selected Portion of Franklin County Budget 2004
9. Selected Portion of Franklin County Budget 2005
10. Loss of Tax Revenue Due to Repeal of Motor Vehicle Excise Tax
11. Franklin County Loss of Revenue Due to 1-747 (2002-2005)
12. Franklin County Spending Freeze Notifications
13. Franklin County Unencumbered Cash (2002-2005)
14. Franklin County General Fund Ending Balances (1996 Current)
15. Unemployment rates for State of Washington
16. Populations of Cities, Towns, and Counties of State of Washington for 2005
17. Franklin County Sheriffs Department Budgeted Positions vs. Unincorporated Population
18. State of Washington — County Population, Property Tax, and Sales Tax Information for years 2004 and 2005
19. Map of Comparator Counties
20. Total Benefit Package: Wages and All Monetary Benefits as of 12/31/04—Comparable Counties Within 50%-150% of Franklin County Population
21. Comparable Counties Within 50%-150% of Franklin County Population and Assessed Value
22. Comparable Counties Within 50%-150% of Franklin County Population and Unincorporated Population
23. Voluntary Employees' Beneficiary Association (VEBA) Medical Expense Plan for Franklin County
24. 2004 Vacation Leave Accrual Comparison
25. 2004 Sick Leave Accrual Comparison
26. Wage Increases vs. CPI-W Annual Average [effective dates January 1, 1996 through present]
27. Benefits Contributions [1996 through 2007]
28. Franklin County Detailed Listing of Represented and Non-Represented Job Classifications (as of 2/15/2006)
29. Summary of Franklin County Wage/Insurance Increases for Other Bargaining Units (2005 through 2008)
30. Raises in Salaries/Wages Received 2001-2006 (All Employees)
31. Health Insurance Plan/Summary of Benefits
32. Dental Plan
33. Washington Counties Insurance Fund — Group Life Insurance Certificate \$24,000 Benefit

Witness and Exhibit List

34. Vision Plan - Added Value You Can See — 2005 Vision Benefit News
35. Sheriff Deputies Guild Insurance Census
36. Franklin County — Insurance Allocation! VEBA Contribution (Employee Only Medical)
37. Franklin County SCAAP Revenue
38. 2000 to 2004 Budgeted vs. Actual Revenue and Expenditures
39. Recommended Ending Fund Balances
40. VEBA Contribution Option
41. Witness Statement of Fred Bowen
42. Witness Statement of Rosie Rumsey
43. Monthly EE Out-of-Pocket Cost to Health Insurance
44. 2004 Salary Data -Counties
45. 2005 Salary Data-Counties

Union Exhibits:

1. Certified Issues for 2004-5
2. Certified Issues for 2005-2007
3. 11/7/06 Union Offer
4. 11/7/06 Employer Offer
5. Demographics Summary
6. CPI (US Cities, West, and Seattle-Tacoma)
7. Seniority list
8. 2005 Top Step Deputy
9. 2006 Top Step Sergeant
10. 2006 Top Step Deputy without Employer's proposal
11. 2006 Top Step Sergeant without Employer's proposal
12. 2006 Top Step Deputy with Employer's proposal
13. 2006 Top Step Sergeant with Employer's proposal
14. 2005 10-year Deputy Adjusted Wage (Average Franklin Deputy is 9)
15. 2005 10-year Sergeant Adjusted Wage
16. 2005 15-year Deputy Adjusted Wage
17. 2005 15-year Sergeant Adjusted Wage
18. Comparator County Detective Pay
19. 2005 Franklin County Insurance employee choices and costs
20. 2006 Franklin County Insurance employee choices and costs
21. 2005 Comparator Insurance Summary & Data
22. 2006 Comparator Insurance Summary & Data
23. Statement re insurance of Jason Nunez
24. Statement re insurance of Aaron Hamel
25. Franklin County Resolution Number 2005-538 (Part of 2006 Budget)
26. 2005 Franklin County Budget (excerpt)

I. PROCEEDINGS

This dispute, between Franklin County (the Employer or County) and United Steel Workers Union, Local 12-369 (the Union), concerns certain terms of a three-year labor agreement covering the calendar years 2005, 2006 and 2007. The Union represents a bargaining unit of Deputy Sheriffs employed by the County. Although the parties tentatively agreed to most provisions of their new contract, they reached an impasse in their negotiations on two key issues, wages and health care insurance. Pursuant to RCW 41.56.450, those issues were certified for interest arbitration by the Public Employment Relations Commission (PERC) and submitted to neutral Arbitrator Jane R. Wilkinson for resolution. The parties waived the RCW 41.56.450 provisions for a tri-partite panel. The Arbitrator conducted evidentiary hearings, in Pasco, Washington, on November 21, 2006. Each party had the opportunity to present evidence, examine and cross-examine witnesses and argue its case. The Arbitrator received the parties' post-hearing briefs on January 12, 2007, and thereupon closed the hearing.

II. PARTIES' FINAL OFFERS ON WAGES AND INSURANCE

A. Employer's Final Offer

2005:

1. Health Insurance.

No change in the County contribution.

2. Wages.

Effective January 1, 2005, the County offers a zero percent COLA Adjustment and zero dollars added to the benefits with Contractual Leave as discussed below.

3. Contractual Leave

For the year 2005 only, employees shall be provided a one-time entitlement of Contractual Leave. Contractual Leave is defined as one work week of leave. For the bargaining unit, Contractual Leave shall only amount to a total of forty (40) hours of leave for regular full-time employees. In addition, the following provisions shall apply:

(a) To be eligible for Contractual Leave, the employee must be employed by Franklin County at the time the Arbitrator issues her decision.

(b) Contractual Leave shall only be used within a twelve (12) month period starting with the date the Arbitrator issues her decision and ending exactly 12 months after that date. Any Contractual Leave not utilized within the 12 month time period shall expire and be forfeited without any compensation or benefit owing to the employee.

(c) Contractual Leave shall be scheduled in full day increments. Full day increments shall mean the regularly scheduled hours which make up a work day as approved by the Elected Official/Department Head. This means if the employee's scheduled work

day is more than the balance of the employee's Contractual Leave, then vacation will have to be used to make up the difference for the work hours for that day.

(d) This Contractual Leave is a one-time-only contractual clause which means it is valid for only the 2005 term of the Agreement.

(e) Termination and/or separation of employment with Franklin County shall result in the expiration and forfeiture of all Contractual Leave entitlements accrued by such employee without any compensation or benefit owing to the employee for the Contractual Leave.

(f) VEBA Election will not apply for the year 2005. (This means if an employee has accrued vacation beyond the limit of 240 hours as of December 31, 2005, for 2005 only, those hours will be forfeited. The balance carried over for 2006 will only be 240 hours with no payment into the employee's VEBA account.)

2006:

1. Health Insurance

For 2006, the County offers a \$60 increase for medical premium. contributions for a total of \$645 per month per employee. The \$60 takes into consideration the 2005 and 2006 increase to the lowest premium plan for the employee only.

2. Wages

Effective January 1, 2006, the 2005 Salary Schedule will be increased by a 2.69% COLA for the year 2006 based upon 89.7% of the CPI-W-West-B/C 12 month period ending July 31.

2007:

1. Health Insurance.

For the 2007 year, the Employer contribution will increase by 100% of the increase for the employee-only coverage of the County's lowest premium plan.

2. Wages

Effective January 1, 2007, the 2006 Salary Schedule will be increased by a COLA in an amount no less than 1.5% and no greater than 3.5% based upon the CPI-W-West-B/C 12 month period ending July 31 minus any employer paid medical benefit increase. For year 2007, the final percentage of the COLA amount will take into consideration medical benefit increases and/or decreases in order to achieve a desired 100% COLA.

For example, for year 2006:

2.69% Wage Increase is	89.7% of the 3% COLA
\$60 Employer Insurance increase is	<u>10.3%</u>
TOTAL PERCENTAGE	100.0%

Example No. 2 — for year 2007:

For example purposes only, assume there is an Insurance Increase of \$30 with the same 3% COLA:

2.85% Wage Increase is	95.3% of the 3% COLA
\$30 Employer Insurance increase is	<u>4.7%</u>
TOTAL PERCENTAGE	100.0%

B. Union's Final Offer

2005, 2006 and 2007:

1. Health Insurance (Including Benefit Levels and Costs)

Employer pays 90% of cost of premiums for employee plus. The Employer pays 100% cost of premiums for employee only. This benefit shall be retroactive to the first day of the contract.

2. Wages

- A. A 5% increase each year. This benefit is retroactive to the first day of the contract.
- B. Special duty pay for detectives of 3% above scale.
- C. Bilingual pay for Spanish speakers of 3% above scale.

III. STATUTORY AUTHORITY AND CRITERIA

RCW 41.56.030(7), read in conjunction with RCW 41.56.430-.450, states that unresolved disputes concerning the terms and conditions of a collective bargaining agreement must be settled by interest arbitration when the affected bargaining unit is composed of "uniformed personnel," including (emphasis added):¹

(a) ... (ii) beginning on 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 two thousand five hundred or more and law enforcement officers employed by the governing body of any county with a population of ten thousand or more; (b) correctional employees who are uniformed and nonuniformed, commissioned and noncommissioned security personnel employed in a jail as defined in RCW 70.48.020(5), by a county with a population of seventy thousand or more, and who are trained for and charged with the responsibility of controlling and maintaining custody of inmates in the jail and safeguarding inmates from other inmates; (c) general authority Washington peace officers as defined in RCW 10.93.020 employed by a port district in a county with a population of one million or more; (d) security forces established under RCW 43.52.520; (e) fire fighters as that term is defined in RCW 41.26.030; (f) employees of a port district in a county with a population of one million or more whose duties include crash fire rescue or other fire fighting duties; (g) employees of fire departments of public employers who dispatch exclusively either fire or emergency medical services, or both; or (h) employees in the several classes of advanced life support technicians, as defined in RCW 18.71.200, who are employed by a public employer.

RCW 41.56.450 specifies the powers and duties of the interest arbitration panel:

Uniformed personnel--Interest arbitration panel--Powers and duties--Hearings--Findings and determination. If an agreement has not been reached following a reasonable period of negotiations and mediation, and the executive director, upon the recommendation of the assigned mediator, finds that the parties remain at impasse, then an interest arbitration panel shall be created to resolve the

¹ RCW 43.52.520 authorizes a joint operating agency such as ENW to establish a nuclear security force: An operating agency constructing or operating a nuclear power plant under a site certificate issued under chapter 80.50 RCW may establish a security force for the protection and security of each nuclear power plant site exclusion area.

dispute. The issues for determination by the arbitration panel shall be limited to the issues certified by the executive director. Within seven days following the issuance of the determination of the executive director, each party shall name one person to serve as its arbitrator on the arbitration panel. The two members so appointed shall meet within seven days following the appointment of the later appointed member to attempt to choose a third member to act as the neutral chairman of the arbitration panel. Upon the failure of the arbitrators to select a neutral chairman within seven days, the two appointed members shall use one of the two following options in the appointment of the third member, who shall act as chairman of the panel: (1) By mutual consent, the two appointed members may jointly request the commission, and the commission shall appoint a third member within two days of such request. Costs of each party's appointee shall be borne by each party respectively; other costs of the arbitration proceedings shall be borne by the commission; or (2) either party may apply to the commission, the federal mediation and conciliation service, or the American Arbitration Association to provide a list of five qualified arbitrators from which the neutral chairman shall be chosen. Each party shall pay the fees and expenses of its arbitrator, and the fees and expenses of the neutral chairman shall be shared equally between the parties.

The arbitration panel so constituted shall promptly establish a date, time, and place for a hearing and shall provide reasonable notice thereof to the parties to the dispute. A hearing, which shall be informal, shall be held, and each party shall have the opportunity to present evidence and make argument. No member of the arbitration panel may present the case for a party to the proceedings. The rules of evidence prevailing in judicial proceedings may be considered, but are not binding, and any oral testimony or documentary evidence or other data deemed relevant by the chairman of the arbitration panel may be received in evidence. A recording of the proceedings shall be taken. The arbitration panel has the power to administer oaths, require the attendance of witnesses, and require the production of such books, papers, contracts, agreements, and documents as may be deemed by the panel to be material to a just determination of the issues in dispute. If any person refuses to obey a subpoena issued by the arbitration panel, or refuses to be sworn or to make an affirmation to testify, or any witness, party, or attorney for a party is guilty of any contempt while in attendance at any hearing held hereunder, the arbitration panel may invoke the jurisdiction of the superior court in the county where the labor dispute exists, and the court has jurisdiction to issue an appropriate order. Any failure to obey the order may be punished by the court as a contempt thereof. The hearing conducted by the arbitration panel shall be concluded within twenty-five days following the selection or designation of the neutral chairman of the arbitration panel, unless the parties agree to a longer period.

The neutral chairman shall consult with the other members of the arbitration panel, and, within thirty days following the conclusion of the hearing, the neutral chairman shall make written findings of fact and a written determination of the issues in dispute, based on the evidence presented. A copy thereof shall be served on the commission, on each of the other members of the arbitration panel, and on each of the parties to the dispute. That determination shall be final and binding upon both parties, subject to review by the superior court upon the application of either party solely upon the question of whether the decision of the

panel was arbitrary or capricious. [1983 c 287 § 2; 1979 ex.s. c 184 § 2; 1975-76 2nd ex.s. c 14 § 2; 1975 1st ex.s. c 296 § 29; 1973 c 131 § 4.]

RCW 41.56.452 states that an interest arbitration panel is a state agency and specifies

An interest arbitration panel created pursuant to RCW 41.56.450, in the performance of its duties under chapter 41.56 RCW, exercises a state function and is, for the purposes of this chapter, a state agency. Chapter 34.05 RCW does not apply to proceedings before an interest arbitration panel under this chapter. [1983 c 287 § 3; 1980 c 87 § 19.]

In RCW 41.56.465, the Washington Legislature specified that the interest arbitrator must apply the following criteria over the terms of a new collective bargaining agreement:

(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.

In resolving the issues in this dispute, whether or not fully articulated herein, the undersigned Arbitrator has been mindful of these criteria and has given consideration to all of the evidence and arguments presented by the parties relative to these criteria.

IV. POSITION OF THE PARTIES

A. Position of the County

1. The County's ability to pay is the overriding factor in this interest arbitration proceeding.
 - a. Following the repeal of the Motor Vehicle Excise Tax, replacement funding by the Legislature decreased significantly in 2003 and 2004; the County's share of the excise tax proceeds decreased over \$500,000 by 2004 (compared to 1999 levels).
 - b. This caused the County's criminal justice funding to decrease from about \$789,000 in 2001 to \$369,000 in 2005.
 - c. Initiative 747 limited increases in property tax collections to 1% per year, resulting in cumulative lost revenues of over \$700,000 by 2005.
 - d. When Benton County opened a new jail in 2004, Franklin County lost a contract to house prisoners from other counties; lost revenues were almost \$1 million in 2004 alone.
 - e. The County's Sheriffs Criminal Alien Assistance Program (SCAAP) funding was drastically reduced from the expected amount for 2003 and has remained low, over \$50,000 less than the 2003 level.
 - f. Investment interest has declined in the County.
 - g. As a result, the County experienced budget shortfalls for three years in a row, forcing it to freeze spending on at least two occasions and take out a \$500,000 loan in 2004. In 2004, the County's ending fund balance was only 0.3% of total general fund expenditures, extremely weak from the point of view of Standard & Poor's, which gave it a low "BBB" bond rating.
 - h. After drastic cost cutting, the County's 2005 ending balance increased to 3.4% of general fund expenditures, which was still inadequate. Despite improvements, the County is still in the midst of a financial crisis.
2. Comparables data favors the County's proposal.
 - a. Comparables should be located in Eastern Washington; Exh. E-21 contains the most appropriate comparator chart.
 - b. The County's deputies receive 8% more in base compensation and 10% more in total compensation (including medical) than the comparables average despite the County's small service population and relatively high unemployment rate.
 - c. The total compensation of the lone bargaining unit member who has chosen full family coverage, the most expensive plan, continues to exceed the average of the comparables by between 3% and 8%.
 - d. The Union's comparables list is inappropriate; there is no justification for including Western Washington jurisdictions and jurisdictions which exceed 150% of the County's population or valuation. The Union failed to justify its exclusion of Kittitas, Okanogan, and Douglas counties from its list, all of which have populations and assessed valuations within the 50-150% range and are located close to Franklin County.
 - (1) The County's proposal will keep every wage step 3% to 5% above the average of the Union's three appropriate comparators of Stevens, Walla Walla, and Whitman counties.
 - (2) The County cannot afford bilingual and detective pay, and the Union failed to justify the need. Only one of the Union's three appropriate comparators offers a detective premium, and none offer a bilingual premium.
3. Internal comparability favors the County's proposal.
 - a. In the context of an employer's financial crisis, internal parity carries more weight than it does in better times. It is unfair to ask some groups of employees to make sacrifices (all other County employees have accepted its package on wages and insurance) while others get pay increases.

- b. The 2.5% step increase some County employees received in 2005 was not a cost-of-living adjustment (COLA); rather it was an automatic step increase pursuant to a matrix accepted by all the County's employees except the Union. The Union cannot claim to be treated unfairly in light of its previous refusal to accept the matrix.
 - c. Sheriff's deputies have historically received higher wages than other bargaining unit members, but the County can no longer afford to give deputies preferential treatment.
 4. Deputies' wages have outpaced the cost of living over the past ten years. The one-year proposed wage freeze and 40-hour limit on contractual leave will cause employees to lose ground against the cost of living for one year, but proposed wages and other benefits for the following years guarantees that employees will keep pace with the cost of living.
 5. The statutory criteria favor the County's health insurance proposal.
 - a. The potential cost of the Union's proposal is enormous; it would double the County's contribution to the full family health coverage and reduce employees' contribution such that compensation for each employee would increase by \$492.69, equivalent to an 11.8% increase in total compensation for a top step deputy in 2005. For 2006, the increase would be 16.4%.
 - b. Franklin County compares favorably to the Union's three appropriate comparators. While County employees pay more than the comparators for employee plus and full family coverage, they fare much better under employee-only coverage.
 - c. Consider also that employees have additional benefits through their HRA VEBA plan. Each HRA VEBA receives funds from cashed-out, unused vacation or sick leave as well as unused County insurance contributions. There is no cap on the amount an HRA VEBA can accrue, and it is available to the employee even if he/she discontinues employment.
 6. The Union's charts are misleading.
 - a. The Union's charts do not reflect employees' total compensation and reflect only the cost of the most expensive health plan. In contrast, the County's charts show that Franklin County's total compensation exceeds that of comparable jurisdictions even after insurance costs are subtracted.
 - b. The current plans were not foisted on the employees; they themselves chose the more expensive set of health plans available to them. Instead, employees preferred to have HRA VEBA option available than reduce the cost of insuring dependents. The County should not be forced to incur the cost of the actions of employees, who control the administration and selection of plan benefits.
 - c. The Union does not show that some employees pocket money from the County's health insurance contribution by either choosing employee-only coverage or waiving coverage altogether.

B. Position of the Union

1. Seven comparators is an appropriate number and the Union's are superior to the County's.
 - a. The Union's comparables are within 50%-200% population. In contrast, all of the County's comparables have populations less than Franklin County.
 - b. The Union's comparables are well within 50%-200% assessed valuation, an appropriate bandwidth.
 - (1) This bandwidth is statistically symmetrical and provides equal weight to jurisdictions larger and smaller than the subject jurisdiction.
 - (2) Arbitrators in recent years have become more receptive to using this larger bandwidth to generate comparables.

- (3) Franklin County is experiencing a surge in new construction that is not subject to the 1% limitation imposed by Initiative 747, which supports the larger bandwidth and counters its ability to pay argument.
- c. To achieve a balance of comparators, the Arbitrator must pierce the Cascade Curtain.
2. The Union's 5% wage increase is supported by the comparables data; moreover, the Union's wage data is superior to the County's.
 - a. The Union's data comes directly from comparators' collective bargaining agreements.
 - b. The County's data is unreliable.
 - (1) The County was unsure what class of deputy the data showed. Ms. Rumford testified she thought it was for a 5-year deputy.
 - (2) Despite the notation that most information was compiled from counties and contracts, Ms. Rumford simply confessed that she gathered the information from the Municipal Research & Services Center of Washington, which excluded senior deputies from the data.
 - (3) The County's data should not have included social security, retirement, and educational incentives.
 - (4) The County improperly compared Franklin County's 2004 data with 2004 data from the comparators. It should have used 2005 comparator data.
 - c. The Union's data shows that deputies are entitled to a significant wage increase.
 - d. The benchmark classification is 5% behind the comparables' average for 2005 and over 8% behind for 2006.
 3. The wage increase should be retroactive to the beginning of the contract. Otherwise, the County would obtain its wage freeze simply by proceeding to arbitration.
 4. The Union's retroactive 90/10 split on insurance premiums is justified.
 - a. Deputies currently pay nearly 50% of the premium for full family medical coverage and over 23% for employee plus coverage, much higher than the Union's comparables' average of 12.6% for full coverage and just under 9% for employee plus coverage.
 - b. The County's insurance program is currently largely inaccessible to employees because of its cost. It should be accessible, and the Union seeks to cure this problem with a premium-sharing program consistent with the comparators.
 5. A 3% bilingual premium is warranted.
 - a. Approximately 80% of the citizens encountered by deputies speak Spanish, while there are only two deputies in the bargaining unit who speak fluently. They are stretched too thin to accommodate all the needs of the County.
 - b. City of Pasco police officers are commonly brought in to fill the County's Spanish-speaking gap. The city's officers receive a 3% bilingual premium, no doubt the result of an interest arbitration award.
 6. A 3% detective premium is warranted.
 - a. Metro detectives are required to be on call 24 hours a day, work with federal investigators, generate informants, and work undercover. Investigation detectives work on homicides and child/sex cases and maintain evidence.
 - b. Of the comparable jurisdictions that offer a detective premium, 5% is the lowest one. Therefore, 3% is appropriate for bargaining unit members.
 7. The County's inability to pay argument is baseless. The financial difficulties experienced by the County in 2004 do not prove that it cannot pay for the Union's proposals in 2005-2007. In fact, the County experienced a major turnaround in 2005.
 - a. Mr. Bowen admitted on cross-examination that the County has over \$4 million in a rainy day fund.
 - b. The Sheriff's Department finished 2005 nearly \$54,000 under budget.

- c. The County's assets and revenues were up in 2005.
 - d. Cash exceeded accounts payable.
 - e. The unreserved fund balance increased \$341,762 over the 2004 amount.
 - f. Property tax collections increased 9%.
 - g. The General Fund increased by 6.5% over the 2004 amount. Actual revenues for 2005 were \$44,073 over budget.
 - h. Long-term debt is down by nearly \$1.3 million.
8. The County's reliance on internal parity misses the mark.
- a. Rather than experiencing a wage freeze, County employees actually received a 2.69% wage increase in 2005.
 - b. Several employees received greater wage increases. An accounting coordinator received a 7.7% increase, the chief deputy for the County clerk received a 4.8% increase, and a courthouse custodian received a 25.9% increase.
 - c. The Union's bargaining unit is the only group of County employees entitled to interest arbitration.
 - d. Internal consistency must give way to external comparability.
 - e. The County improperly compares this bargaining unit to other groups of County employees. The proper, apples-to-apples comparison is with other law-enforcement units.

V. ARBITRATOR'S DISCUSSION AND DETERMINATION

A. Analysis of the Statutory Considerations

As set forth in full above, RCW 41.56.465 requires the Arbitrator to set wages after considering the legislative purpose of the statute, the compensation paid by comparators, employees' cost of living, any stipulations and legal concerns over the employer's authority, and "other factors ... that are normally or traditionally taken into consideration in the determination of wages, ..." Such "other factors" typically include turnover, increased duties, the fiscal health of the employer, general economic considerations, and considerations relating to internal parity or equity. The statute does not specify the relative weight to be assigned to each consideration, nor how they are to be measured. These matters are left to the determination of the arbitrator.

1. Comparison of Franklin Police Compensation to that of Police Employed by "Like Employers of Similar Size"

The parties agreed that Stevens, Walla Walla and Whitman counties are suitable comparators. Beyond that, they disagreed. The Union proposed adding Chelan, Clallam, Grant and Grays Harbor counties to this list. The County proposed adding Douglas, Kittitas and

Okanogan counties. The County could not, however, verify the wage data it presented for these three additional counties, and in its post-hearing brief, relied upon the three agreed-upon comparator jurisdictions. I agree with the Union that three comparators is a very small sampling, and it would be preferable to have more (at least five), even if it means crossing the "Cascade curtain" or increasing the range of the more traditional plus or minus 50% screen.

My analysis of the proposed comparators appears on the following table. Figures outside of the plus or minus 50% screen are shown with italicized boldface type:²

County	Population 2005	Total Revenues 2004	Revenues per capita
Franklin	60,500	\$25,963,089	\$429
-50%	30,250	\$12,981,545	\$215
50%	90,750	\$38,944,634	\$644
Whitman	42,400	\$20,187,854	\$476
Walla Walla	57,500	\$33,194,118	\$577
Chelan	69,200	\$41,515,707	\$600
Stevens	41,200	\$26,275,358	\$638
Clallam	66,800	\$42,755,493	\$640
Okanogan	39,600	\$25,636,939	\$647
Grant	79,100	\$52,932,044	\$669
Grays Harbor	69,800	\$51,597,171	\$739
Kittitas	36,600	\$32,549,549	\$889
Douglas	34,700	\$32,047,821	\$924

That data shows that both Grant and Grays Harbor counties are relatively well off on both a total revenues and revenues per capita basis. Kittitas, Okanogan and Douglas counties fail the +50% screen for revenues per capita. Information presented by the County indicates they would pass a +50% screen for assessed valuation, although Kittitas County would exceed the ceiling for assessed valuation per capita. Because I lack sound wage data, however, for those three counties, I will not consider them further. That leaves Clallam and Chelan counties as possibilities. Since I would like to add to the list, and both counties pass the more important

² I used the Union's data, Exh. U-5 as a source. That data provides total revenues and total revenues per capita in lieu of assessed valuation. The County did not contend this was inappropriate.

revenue per capita screen, I will include them.³ Their total revenues are respectively 65% and 60% higher than Franklin County's, which still is within a range of acceptability.⁴ Accordingly, the comparable jurisdictions I will utilize for purposes of analysis are listed next, along with Franklin County, in order of revenues per capita:

County	Population 2005	Total Revenues 2004	Revenues per capita
Clallam	66,800	\$42,755,493	\$640
Stevens	41,200	\$26,275,358	\$638
Chelan	69,200	\$41,515,707	\$600
Walla Walla	57,500	\$33,194,118	\$577
Whitman	42,400	\$20,187,854	\$476
Franklin	60,500	\$25,963,089	\$429

I have not obtained, and under the circumstances cannot obtain, an optimally balanced list of comparators. Although Franklin County's population is third highest of the comparators, its revenues per capita are lowest and its total revenues are second lowest. I will keep that in mind when rendering my award herein.

2. The "Average Consumer Prices for Goods and Services, Commonly Known as the Cost of Living"

The parties agree that the appropriate time span for measuring cost of living increases should be from July through June. According to Exh. U-6, the changes to the most recent CPI-W (west) are:

July 2003-July 2004	2.51%
July 2004-July 2005	3.03%
July 2005-July 2006	4.13%

³ If I had verifiable 2005, 10-year deputy wage data on Okanogan County, I would have used it as a comparator in lieu of Clallam County. I realize that my selection of Clallam County results in an average comparator wage that is probably higher than would result using Okanogan County instead. As discussed later in this opinion, I am therefore not pegging Franklin County's wage to the comparator average.

⁴ Although arbitrators use the plus or minus 50% screen preferred by the City, they will increase the screen's upper range in order to achieve balance, going as high as 100% of the subject jurisdiction's population or valuation. For instance, Arbitrator Krebs remarked that he used an upper bandwidth of 150% to 200%, "depending on the circumstances presented." *City of Redmond (Int'l Association of Fire Fighters, Local 2829)*, PERC No. 17577-I-03-0406 (Krebs, 2004), at 15. Arbitrators seek foremost an adequate number of comparators and a balanced list.

The County presented evidence that bargaining unit wage increases exceeded the CPI-W increase in every year from 1996 through 2004. The County acknowledged that that bargaining unit would lose ground in 2005 with its proposed wage freeze, it maintains that with CPI based increases during the second and third year of the agreement, bargaining unit members' wages will keep up with cost of living changes.

3. "Such Other Factors" ... that are Normally or Traditionally Taken into Consideration in the Determination of" Compensation

a. The City's Financial Picture

The City most heavily relies on this consideration in support of its proposals, while the Union would minimize its importance.

The County identified five revenue sources that have substantially declined in recent years:

- Motor Vehicle Excise tax revenue - funds decreased by approximately half between 2002 (\$790,762 in revenues) to 2005 (\$369,000 in revenues). These funds are dedicated to criminal justice.
- Initiative 747 (capping levies at 101%, versus 106% prior to the initiative) resulted in a cumulative loss of \$713,421 by 2005, according to the County, with the amount increasing each year.
- Jail revenue loss - Benton County opened a new jail in 2004, causing Franklin County to lose contracts it had with other counties to house their prisoners. The shortfall in revenues for 2004 (budgeted versus actual) was \$945,000.
- Reduction in the Washington's Sheriffs Criminal Alien Assistance Program (SCAAP) funding to the counties resulted in a shortfall of budgeted-versus-actual revenues of \$82,732 for 2003, and roughly (it appears) \$55,000 for 2004 and for 2005. These are funds that help the counties deal with illegal aliens in the criminal justice system (e.g., court expenses, housing prisoners, etc.)
- The County's investment interest declined from \$531,439 in 2000 to \$288,000 in 2005.

The County's finances were in such bad shape in 2004 that it was forced, for the first time, to take out a \$500,000 loan to meet expenses, and it completely eliminated its parks department. Its bond rating has accordingly suffered a great deal because of its fiscal picture.

The Union, on the other hand, points to the County's improved financial situation starting in 2005, the first year of the Collective Bargaining Agreement at issue here. The County's ending

balances and reserves have increased to a healthier level, the Sheriff's Department came in \$53,971 under budget in 2005, net assets (over liabilities) were significantly higher in 2005, and most importantly, property tax collections were up by 9% in 2005 because of new construction, which is not limited by Initiative 747.

I agree with the County that its financial situation is far from robust and this supports a conservative view of wages and benefits. On the other hand, as the Union points out, the improving economy has had a salutary effect on its fiscal picture, which also should be taken into consideration. In addition, when making the award in this case, I will consider the County's revenues alongside the comparators I have selected. Other counties have also been negatively affected by laws that reduced tax revenues and by the struggling economy between about 2001 and 2004, but they were not affected equally. Moreover, other county comparators had a higher per capita revenue base to begin with.

b. *Internal Equity*

The County also heavily relies on the principle of internal equity in support of its proposals. It instituted an across-the-board wage freeze in 2005. The Union disputes this, noting that some employees actually received wage increases. I agree with the County that this argument is misplaced. Those increases were actually step increases, which in normal parlance are not considered part of a wage freeze. (Occasionally, however, an employer will be forced to impose a wage and step freeze, but that is not what occurred here). The County maintains that it has given all other represented and unrepresented employees the same package as it proposes here and that considerations of fairness and morale support the Deputy Sheriff's receiving the same.

The Union, placing emphasis on its comparator analysis and the fact that the other County employees lack interest arbitration, contends that the internal equity argument should not play a role in these proceedings.

Considerations of internal equity are always difficult for an arbitrator. Arbitrators appreciate that a jurisdiction's employee morale will suffer greatly if the bargaining unit having the benefit of interest arbitration is not forced to make the same sacrifices that other employees are making. On the other hand, the interest arbitration statute does not specifically mention internal equity or internal parity,⁵ while it does specifically require an interest arbitrator to consider wages in comparable jurisdictions and changes in the cost of living. There is ample arbitral precedent for considering internal equity (and ability to pay) under the "other factors" subsection RCW 41.56.465. Nevertheless, the wording of the statute suggests that the specifically enumerated factors should receive at least equal weight.

c. *Recruitment and Retention*

The parties did not present evidence on this consideration.

B. Evaluation of and Award on the Parties' Proposals

1. Award for 2005

a. *2005 Wages and Health Insurance Contribution*

An analysis of the wages of the comparators I have selected (using the benchmark 10-year deputy) yields the following information (contribution to medical not included):⁶

⁵ Nor, for that matter, does it mention the employer's ability to pay.

⁶ I have not included the employers' contributions to social security and retirement in my analyses because the data is incomplete. The County, however, supplied information for Stevens, Walla Walla and Whitman counties. That data shows that Franklin County's 2004 contribution to social security and retirement (\$463 per month, top step deputy) exceeded the three-county average by 9.4%, a substantial amount. See Exh. E-21. The aggregate contributions of Chelan and Clallam counties would have to exceed the three-county average by 23% in order to bring the overall average to the level of Franklin County's contribution. This is something I have kept in mind in rendering the awards herein.

10-Year Deputy, Franklin 2004 versus Comparators 2005

County	Base Wage /Mo.	Long.	Total /Mo.	Vac Hrs	Hol Hrs	Adj Hrly Wage
Franklin County (2004)	\$3,974.87	\$79.50	\$4,054.37	136	88	\$26.21
Whitman County	\$3,600.00	\$72.00	\$3,672.00	160	88	\$24.06
Walla Walla County	\$3,990.34	\$40.00	\$4,030.34	160	88	\$26.40
Stevens County	\$3,834.13		\$3,834.13	144	88	\$24.90
Chelan County	\$4,175.77		\$4,175.77	128	88	\$26.88
Clallam County	\$4,337.60		\$4,337.60	144	96	\$28.29
Average						\$26.10
Franklin County to Average						+0.41%

Source: Exh. U-14

The analysis for the sergeants yields a similar result. Franklin County sergeants were paid, in 2004, slightly more (.54%) than sergeants in comparable jurisdictions received in 2005. (Clallam County was excluded from this latter analysis because it does not have a Sergeant classification.)

The inclusion of the employers' contribution to medical premiums, however, dramatically affects the result shown above:⁷

10-Year Deputy, Franklin 2004 versus Comparators 2005 w/ Medical

County	Total Wages/Mo	Prem. Contrib.*	Total Comp /Mo	Vac/Hol Hrs	Adj Hrly Wage
Franklin County (2004)	\$ 4,054	\$ 585	\$ 4,639	224	\$ 30.00
Chelan	\$ 4,176	\$ 915	\$ 5,090	216	\$ 32.77
Clallam	\$ 4,338	\$ 733	\$ 5,071	240	\$ 33.07
Stevens	\$ 3,834	\$ 734	\$ 4,568	232	\$ 29.66
Walla Walla	\$ 4,030	\$ 735	\$ 4,765	248	\$ 31.21
Whitman	\$ 3,672	\$ 799	\$ 4,471	248	\$ 29.29
Average					\$ 31.20
Franklin to Average					- 4.03%

*Employer contribution to premium based on employee plus 2 or more children.
Sources: Exh. U-14, Exh. U-21, and comparator collective bargaining agreements.

⁷ To compare health care benefits, I considered each jurisdiction's contribution to a hypothetical employee with two or more children. (My preliminary analysis also considered a jurisdiction's contribution to full family coverage-employee, spouse and two or more children-although that is not shown here). I selected the hypothetical employee with two or more children for several reasons. The distribution of plan coverages can vary from jurisdiction to jurisdiction. The cost for the employee plus two lies somewhere in the middle. Applying the same rationale, I could have used the employee plus spouse (which generally costs a little more than the employee plus two children), but the Union's exhibits, upon which I largely relied, did not include that breakout. I also note that in the comparator jurisdictions, the county employer pays only so much as each individual employee elects. For example, with an employee with no spouse or dependents, the jurisdiction's expenditure is relatively low, which helps to offset the large premiums paid for employees with full family coverage. With the VEBA plan in Franklin County (as I understand it), however, the County pays a flat rate for each employee, regardless of the number of dependents. If the employee's insurance costs less than that amount, the employee essentially pockets the difference. Although I did not study each comparator's plans in depth, I only saw one other jurisdiction with a form of VEBA. That was in Stevens County, where the Employer pays a flat \$100 a month towards a VEBA.

I prefer an analysis that considers the employer's contribution to medical premiums as opposed to trying to compare plans and benefits offered (which is nearly impossible) or calculating the employees' contributions. Total plan premiums vary a great deal among the comparators, and I presume that has more to do with the benefits that the plan offers, and not that one plan is substantially more cost-effective than another. Ultimately, a contribution to premium is another form of compensation; therefore, what the employer pays is what counts.

Sergeants fare somewhat better. A similar analysis shows that Franklin County's Sergeant's total compensation, including the employer's contribution to health care premiums, lags its comparators by 3.8%.

The next tables ranks total compensation (including contribution to medical premiums) by jurisdiction:

Ranking, 10-year Deputy, Franklin 2004 versus Comparators 2005
Contribution to Premium Included

County	Adjusted Hourly Wage
Clallam	\$ 33.07
Chelan	\$ 32.77
Walla Walla	\$ 31.21
Franklin (2004)	\$ 30.00
Stevens	\$ 29.66
Whitman	\$ 29.29

Ranking, 10-year Sergeant, Franklin 2004 versus Comparators 2005
Contribution to Premium Included

County	Adjusted Hourly Wage
Chelan	\$ 36.99
Walla Walla	\$ 33.83
Stevens	\$ 32.84
Franklin (2004)	\$ 32.62
Whitman	\$ 31.76

In making the wage determination herein, I will give at least as much weight to ranking as I will to averages. This is because of Franklin County's ranking on a total revenue and revenue per capita basis vis-à-vis its comparators. Additionally, as I stated previously, the comparator list is not as balanced as I would like to see and I do not think it appropriate to peg the bargaining unit's compensation to the comparator average. It should be below average, although it should not trail the average substantially.

Three important considerations favor the County's proposal on wages and health care for 2005. The first is that during that year, it was just starting to emerge from very precarious financial straights. The second is that all other County employees were subjected to a wage (but not a step) freeze. The third is that bargaining unit members went into 2005 with a wage ranking that was appropriate for the bargaining unit. On a total compensation basis, wages

were below average (and will fall further below average going into 2006), but a somewhat below average wage is acceptable, as I stated previously. I realize that a wage freeze means that relative to the previous years' change in the cost of living, employees will fall behind. Although this is something I have not ignored, I note that wages for this bargaining unit have rather substantially outpaced inflation over the past decade. Exhibit E-26 shows that between the start of 1996 and the end of 2004, the CPI-W has increased by 24%, while bargaining unit wages have increased by 37%.

The one problem I have with the County's proposal is its offset for 40-hours of contract leave on a one time basis. I was on the verge of awarding that, along with a wage freeze, but I was having difficulty seeing how it could be effectively implemented this late in the Collective Bargaining Agreement. Further, there were some ambiguities in its terms that I could not resolve. Finally, I was concerned that deputies, even if given a year to take the leave, might be prevented from doing so because of staffing requirements. I tried writing penalty language in the form of a cash-out for bargaining unit members deprived of the opportunity to take leave, but I found that endeavor difficult without input from the parties. I would not want my efforts to sow the seeds for future dispute. If one equates time to money, the value of the one-time Contractual Leave would be about 2% of base salary. I presume the bargaining unit members would prefer the pay to leave time, but the County feels it is in a better position to offer leave, as opposed to pay. Balancing these competing interests, I have decided to convert the proffered leave to half of its cash equivalent (i.e., 1% of base wage), and apply that 1% to a much needed increase in the Employer's premium contribution for 2006, which is discussed below.

For 2005, I also will award the County's proposal of a \$545 contribution to premiums. Again, I do so in deference to the County's somewhat limited financial resources. Although I believe, as I will explain below, that the County's contribution to premiums should increase beyond what it proposes, I have decided against making the increase in 2005 because of the strain a back pay award will put on the County's resources. Ordinarily, I make all wage and

benefit increases retroactive to the first day of the parties' new collective bargaining agreement. In this case, however, the County has presented sufficient evidence of the need for restraint with respect to the first contract year.

b. *2005 Premium Pay*

I will not be awarding the Union's proposal for premium pay for bilingual employees and for detectives. Although I have no quarrel with such pay stipends *per se*, in interest arbitration I have maintained a generally consistent stance of making wage and benefit awards based on considerations of total compensation, rather than trying to redistribute the pie, so to speak with special allotments for certain skills or services. Further, the value that management places on certain skills or services is something that is better left for its judgment, as opposed to an arbitrator's. Thus, in my view, premium pay considerations are best left for negotiations. There may be circumstances where an award for premium pay is appropriate, but I am not convinced that the Union's proposals are warranted in this case. I note in particular that its proposals do not have strong comparator support.

2. 2006 Award

a. *2006 Wages and Health Insurance Contribution*

The record does not contain a complete wage analysis for the comparable jurisdictions at the 10-year deputy mark. Instead, the Union, although expressing preference for the 10-year deputy benchmark, provided top step wage comparisons for 2006. For Stevens and Whitman Counties, the 10-year point is the top step, so I was able to use the Union's data. For the other jurisdictions, I extrapolated from the stated percentage or CPI increases specified in the comparators' respective collective bargaining agreements. Chelan and Walla Walla counties specified flat percentage increases of 2% and 4% respectively. Clallam County specified an

increase of 80% of the CPI-U for Seattle-Tacoma-Bremerton (June to June), which amounts to approximately 1.848%.⁸

With a wage freeze carrying over as the base for 2006 wages and factoring in the Employer's offer for 2006, the bargaining unit's position vis-à-vis its comparators is shown on the next table.

10-Year Deputy, County offer for 2006 versus Comparators 2006, w/ Medical

County	Total/Mo (Base+Long)	Empl Med Contrib	Total Monthly	Vac/Hol Hrs	Adj Hrly Wage
Franklin	\$ 4,163.43	\$ 645.00	\$ 4,808.43	224	\$ 31.09
Chelan	\$ 4,259.29	\$ 956.86	\$ 5,216.15	216	\$ 33.58
Clallam	\$ 4,417.76	\$ 758.65	\$ 5,176.41	240	\$ 33.87
Stevens	\$ 3,973.91	\$ 754.97	\$ 4,728.88	232	\$ 30.71
Walla Walla	\$ 4,189.96	\$ 808.52	\$ 4,998.48	248	\$ 32.74
Whitman	\$ 3,746.46	\$ 858.34	\$ 4,604.80	248	\$ 30.28
Average					\$ 32.19
Franklin to Average					-3.54%

Employer contribution to premium based on employee plus 2 or more children.
 County offer was 2.69% wage increase and \$60 premium contribution increase.
 Sources: Exh. U-10, U-22, and arbitrator's review of comparator collective bargaining agreements.

The County's proposal improves the bargaining units position relative to the comparable jurisdictions somewhat and its ranking would not change. Nevertheless, I am concerned that its total compensation is further below average than optimal and that the County's proposed contribution to insurance premiums is extremely low. Its proposed 2006 contribution is a full 17% lower than the second lowest jurisdiction, Stevens County and it is 28% below the comparator average.

On the other hand, the Union's proposals (5% annual increase plus 90% contribution to premiums) are clearly too rich and not justified by a comparator analysis or the other statutory considerations.

In the end, I have determined that the Employer's contribution to premium should be increased to \$700 monthly. The Employer's contribution will still be the lowest of the

⁸ The change in the CPI-W for Seattle-Tacoma-Bremerton was 2.31%. See Exh. U-6.

comparator grouping, but it will not lag the next lowest (Stevens County) significantly.

The County argues for cost of living wage adjustment that subtracts its increased contribution to premium from the relevant CPI inflator. (For the 2006 contract year, the relevant CPI-W (west) increase was 3.03%.) Explained differently, one simply increases the total compensation of bargaining unit employees by the relevant CPI inflator and allocating that amount between wages and premium contributions. However, considering the relative lag of bargaining unit members, the 1% "Contractual Leave" allotment I deferred from 2005, and bearing in mind that members whose insurance costs exceed the County's cap will still have to absorb the inflation in medical costs, I will not subtract all of the increased contribution to premium from the wage award. On the other hand, in deference to the County's less-than-ample resources, I will entertain a reduction of the CPI increase by 10%, which is a somewhat common formula in collective bargaining agreements, including those involving law enforcement units. The \$55 monthly premium enhancement (over the Employer's proposal) to \$700 amounts to 1.4% of base wage for a 10-year deputy. (Of course, it is a larger percentage for more junior deputies, and a smaller percentage for more senior deputies and sergeants). The 10% cut on the CPI increase reduces the value of the premium enhancement to about 1% of wages. This roughly correlates to my targeted compensation increase equal to the Employer's proposal plus 1%.

Accordingly, I will order a 2006 wage increase of 90% of the CPI, which according to my calculations, is 2.73%. This increase, along with a \$700 contribution to premiums, yields the following for bargaining unit members relative to the comparator jurisdictions:

Wage Comparison, Arbitrator's 2006 Award

County	Total/Mo (Base+Long)	Empl Med Contrib	Total Monthly	Vac/Hol Hrs	Adj Hrly Wage
Franklin	\$ 4165.05	\$ 700.00	\$ 4,865.05	224	\$ 31.46
Chelan	\$ 4,259.29	\$ 956.86	\$ 5,216.15	216	\$ 33.58
Clallam	\$ 4,417.76	\$ 758.65	\$ 5,176.41	240	\$ 33.87
Stevens	\$ 3,973.91	\$ 754.97	\$ 4,728.88	232	\$ 30.71
Walla Walla	\$ 4,189.96	\$ 808.52	\$ 4,998.48	248	\$ 32.74
Whitman	\$ 3,746.46	\$ 858.34	\$ 4,604.80	248	\$ 30.28
Average					\$ 32.19
Franklin to Average					-2.34%

Employer contribution to premium based on employee plus 2 or more children.
Sources: Exh. U-22 and arbitrator's calculation of comparators' 2006 wage increases based on her reading of their collective bargaining agreements.

With this award, Franklin County Deputies will continue to rank fourth out of the six jurisdictions and will be at a more appropriate below average wage relative to the comparator group.

b. *2006 Premium Pay*

For the reasons stated previously, I will not award the Union's proposals for Detective and Bilingual premium pay

3. 2007 Award

a. *2007 Wages and Health Insurance Contribution*

The comparator data, particularly for health care premium contributions, is inadequate for 2007. For wages, I again extrapolated from the stated percentage or CPI increases specified in the comparators' respective collective bargaining agreements. Two counties, Whitman and Walla Walla, specified straight percentage increases of 2% and 4% respectively. Clallam County specified an increase of 80% of the CPI-W for Seattle-Tacoma-Bremerton (June-June), which amounts to approximately 3.7%.⁹ Stevens County uses the CPI-W All Cities Index (August-August), which amounted to a 3.9% increase. Chelan County had to be excluded because it does not yet have an agreement for 2007. Thus, the approximate average 2007

⁹ The applicable June-June CPI-W for Seattle-Tacoma-Bremerton was 4.62%. See, Exh. U-6.

increase of the comparators, excluding Chelan County, was 3.4%. The evidence does not contain adequate premium information for Walla Walla and Whitman Counties, although it does show that those counties retained their 2006 formula with respect to premium contributions. Nor does the record show the exact amounts that Clallam and Stevens counties are contributing for insurance in 2007, and certain uncertainties made my efforts at calculating the same unreliable. Since all four jurisdictions in 2007 engaged in some form of premium sharing after exceeding a certain threshold, one can make an educated guess that the increases absorbed by those counties employers was at least equal to the change in the CPI, since health care premium costs have risen across the board at twice the rate or more as changes in the general cost of living.

The parties here both use the CPI-W (west), July to July as the appropriate index. The July-July 2005-06 change, which applies to 2007, was 4.13%.

I believe that the average wage increase of the comparators (3.4%, approximately) and the increase in the agreed-upon CPI index are the two most important pieces of data to consider in setting the 2007 wage. Again, I also am giving consideration to the County's fiscal resources.

After considering these and the remaining statutory factors, I have determined that the bargaining unit total compensation increase should be slightly less than the change in the consumer price index, and the base wage should be increased by an amount that approximates the comparator average of 3.4%. I also believe the County should endeavor to further improve its premium contribution, so I am increasing it by a modest \$25, to \$725 per month. Combined with the premium increase, the bargaining unit will see an effective increase of about 4%. I believe this final increase is a fair balance between the legitimate fiscal interests of the County and the interest of the bargaining unit in being paid a fair and competitive wage. Further, this award will maintain the bargaining unit's ranking among the comparable jurisdictions.

b. *2007 Premium Pay*

For the reasons stated previously, I will not award the Union's proposals for Detective and Bilingual premium pay.

VI. AWARD SUMMARY

The Arbitrator's award for each year of the contract is as follows:

A. 2005

1. *Wages: Frozen at 2004 levels*
2. *County Contribution to Health Insurance Premiums: \$545 monthly*
3. *Contractual Leave of 40 Hours: not awarded (but 50% of cash value deferred to 2006)*
4. *Premium Pay for Detectives and Bilingual Employees: not awarded*

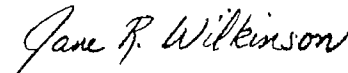
B. 2006

1. *Wages: 2.73% (90% CPI-W (west)) across-the-board wage increase*
2. *County Contribution to Health Insurance Premiums: \$700 monthly*
3. *Premium Pay for Detectives and Bilingual Employees: not awarded*
Note: This award is retroactive to January 1, 2006

C. 2007

1. *Wages: 3.4% across-the-board wage increase*
2. *County Contribution to Health Insurance Premiums: \$725 monthly*
3. *Premium Pay for Detectives and Bilingual Employees: not awarded*
Note: This award is retroactive to January 1, 2007

Date: March 1, 2007



Jane R. Wilkinson
Labor Arbitrator