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PUBLIC EMPLOYMENT
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IN THE MATTER OF THE INTEREST ARBITRATION BETWEEN:)
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MOUNT VERNON POLICE SERVICES GUILD)
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and)
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CITY OF MOUNT VERNON, WASHINGTON)
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PERC CASE NO. 20682-I-06-0482

ANALYSIS
AND
AWARD

HEARING SITE: Vaux Retreat Center
Mount Vernon, Washington

HEARING DATES: May 8 – 11, 2007

POST HEARING BRIEFS: July 17, 2007

DATE OF AWARD: August 13, 2007

NEUTRAL ARBITRATOR: William F. Reeves
P.O. Box 1259
Ashland, OR 97520

APPEARING FOR THE GUILD: James M. Cline, Attorney
Cline & Associates
1001 Fourth Avenue, Suite 2301
Seattle, Washington 98154

APPEARING FOR THE CITY: Bruce L. Schroeder, Attorney
Summit Law Group
315 Fifth Ave S Suite 1000
Seattle, Washington 98104

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Procedural Summary

As provided by RCW 41.56.450, an interest arbitration hearing was held in Mount Vernon, Washington on May 8 through 11, 2007, between the Mount Vernon Police Services Guild ("Guild") and the City of Mount Vernon ("City"). The Parties agreed to waive the statutory provision which specifies an arbitration panel consisting of three members. Instead, as authorized by WAC 391-55-200, the Parties agreed to present the matter to a sole neutral arbitrator. The City of Mount Vernon was represented by Bruce L. Schroeder of the Summit Law Group. The Mount Vernon Police Services Guild was represented by James M. Cline of the law firm Cline and Associates.

At the hearing, witnesses were examined and cross-examined, exhibits introduced, and the parties presented oral opening statements. Written briefs were submitted, and the record closed on July 17, 2007, upon my receipt of the Parties' briefs. A court reporter was present, and I was provided a transcript of the hearing.

The Parties' exhibits and post-hearing briefs provide detailed support for their positions. It is impractical for me to restate and refer to each and every piece of evidence, testimony, and argument presented. However, I have carefully reviewed and evaluated all of the evidence and arguments in accordance with the criteria established by RCW 41.56.465.

Statement of the Issues

In accordance with RCW 41.56.450, the Executive Director of the Washington State Public Employment Relations Commission certified the following issues for interest arbitration:

Issue 1	Article 10.1	Hours of Work
Issue 2	Article 11.1	Wages
Issue 3	Article 11.2	Education Incentive (and Longevity)
Issue 4	Article 11.5	Special Duty Pay
Issue 5	Article 11.8	Bilingual Pay
Issue 6	Article 12.1	Sick Leave Cash Out
Issue 7	Article 18A.1	Plainclothes Allowance
Issue 8	Article 20.1	Health Insurance
Issue 9	Article 25.1	Indemnification
Issue 10	Article 30	Duration

Statutory Criteria

When certain public employers and their uniformed personnel are unable to agree on new contract terms after negotiation and mediation, RCW 41.56.450 provides for the settlement of the Parties' dispute by interest arbitration. Arbitrators are generally mindful that interest arbitration is an extension of the bargaining process. They recognize those contract provisions to which the Parties agreed and, considering the statutory criteria, decide the remaining issues in a manner which would approximate the result which the Parties would likely have reached in good faith negotiations. *See generally, Kitsap County*(Arbitrator Krebs, 2000); *City of Centralia*(Arbitrator Lumbley, 1997).

Interest arbitrators are required to consider the enumerated legislative purpose of RCW 41.56.430, which provides:

The intent and purpose of chapter 131, Laws of 1973 is to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of settling their labor disputes; that the uninterrupted and dedicated service of these classes of employees is vital to the welfare and public safety of the state of Washington; that to promote such dedicated and uninterrupted public service there should exist an effective and adequate alternative means of settling disputes.

Furthermore, interest arbitration panels must consider certain factors or criteria set forth in RCW 41.56.465, which are:

- 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) . . .
- 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

The Act does not provide guidance as to the relative weight an arbitrator should give to the above-referenced factors. However, there is considerable arbitral authority which analyzes and applies the statutory criteria.¹ The arbitral consensus is that these factors are standards or guidelines which the arbitrator must use to fashion an acceptable and workable bargain. Interest arbitration is not an exact science. However, the arbitrator uses principled reasoning to arrive at a bargain approximating what the parties themselves would have reached if they had continued to bargain with determination and good faith. Thus, the award should reflect the relative bargaining strength of the parties and should not be a mere “compromise” between the parties’ positions because such a compromise would favor the party with the more extreme or intransigent position. Parties must not be allowed to view arbitration as a panacea for unrealistic proposals which would never be acceptable in the underlying negotiation process.

¹See generally, *City of Kent* (Arbitrator LaCunga, 1980); *City of Seattle* (Arbitrator Snow, 1988); *City of Ellensburg* (Arbitrator Snow, 1992); *City of Pullman* (Arbitrator Axon, 1992); *Kitsap County* (Arbitrator Krebs, 2000); *Whatcom County* (Arbitrator Smith-Gangle, 2001); and *City of Centralia* (Arbitrator Lumbley, 1997).

With respect to the statutory factors, I have considered the stipulations of the Parties, and I will address those stipulations during the appropriate discussion in my Analysis and Award. I have also considered the cost of living and other traditional factors which are discussed in my consideration of the Parties' wage proposals. Finally, during the pendency of the proceedings, I have considered such "changes in circumstances" as updated consumer price indices and population estimates.

Selection of Comparables

Introduction

RCW 41.56.465(1)(c)(I) requires an interest arbitrator to use as a standard or guideline a "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." The term "Comparables" is used as a shortcut to identify "like employers of similar size on the west coast of the United States." Once determined, the Comparables provide a principled basis for the arbitrator's reasoning in resolving the impasse. A reasoning, which hopefully, the arbitrator can communicate to the parties.

Background – Mount Vernon

Mount Vernon, Washington is on the I-5 corridor approximately 60 miles north of Seattle, Washington and 60 miles south of Vancouver, Canada. Located in the Skagit River Valley, Mount Vernon is the county seat and largest city in Skagit County which adjoins Snohomish County to the south. Mount Vernon is rural, although the influence of the Puget Sound metropolitan area is reflected in rapid population growth for Mount Vernon. Mount Vernon had a population of 14,260 in 1986. In 1993 the population stood at 20,450, and in 2006 the population was 28,710. The

City's assessed valuation almost doubled from \$476,118,903 in 1986 to \$815,494,595 in 1992, and then increased again by two and one-half times to \$2,177,000,000 in 2006.

Not only is Mount Vernon's population increasing, it is experiencing a significant demographic shift. The 2000 U.S. Census reported that over 25% of Mount Vernon residents are Hispanic / Latino (Guild Exhibit 222). Many of these Hispanic / Latino residents do not speak English. The City has adapted to this population base by providing information and services in Spanish.

The Mount Vernon Police Department ("Department") consists of 45 commissioned officers, two community service officers, and ten support personnel. Recently, the Department has experienced significant personnel changes. Since 2006, two officers moved out of state to be closer to family, and four officers as well as the former Chief retired. While new officers have been hired, the Department is not yet fully staffed. The Guild represents the 41 commissioned police officers below the rank of lieutenant. Of the Guild-represented officers, the average length of service is 11.6 years, 14 officers have AA degrees, 12 officers have BA degrees, and 2 officers have MA degrees. In the recent past, the Parties have typically negotiated three-year collective bargaining agreements ("CBA"). The last CBA had a term of January 1, 2003 through December 31, 2005.

The Parties' Proposals and Positions

The City's proposed ten (10) Comparable jurisdictions were derived by the City as follows. The City used a variance range of 50 percent above or below Mt. Vernon for the following factors: a) population; b) assessed valuation; and c) sales tax revenues. Following this screening process, the City then applied its fourth factor, geographical location, and eliminated jurisdictions inside Central Puget Sound (e.g., jurisdictions within Pierce, King and Snohomish counties), and the city

of Walla Walla because of its substantial distance from Mount Vernon. The resulting cities were: Anacortes, Arlington, Bremerton, Lacey, Longview, Marysville, Monroe, Oak Harbor, Port Angeles, and Wenatchee.

The Guild argues for a slightly different method for selecting Comparables. The Guild concurs with the City in using population and assessed valuation as factors in determining an appropriate list of comparable jurisdictions. The Guild also agrees with the City that sales tax should be a factor, but disagrees with the City on the most appropriate measure of sales tax. The Guild derived its nine (9) Comparables as follows. The Guild used a 2:1 variance range of 100 percent above to 50 percent below for the following factors: a) population; b) assessed valuation; and c) total retail sales; taxable retail sales; and d) number of officers. Following this screening process, the Guild selected jurisdictions from a geographical location within the I-5 corridor. The resulting cities were: Anacortes, Arlington, Bonney Lake, Bremerton, Lacey, Longview, Marysville, Monroe, and Oak Harbor.

Each Party contends its method is consistent with the statutory requirements and superior to the other Party's method. However, in this arbitration, the Parties' differences in criteria and selection range do not materially affect their selected Comparables – the Parties matched on eight (8) cities. See Table 1. Moreover, the slight difference in Comparables is not a function of a different selection range, nor a difference in the measurement of sales tax revenues. The difference is based solely on the Parties' geographical screening criteria.

Table 1. Proposed Comparables

City	Pop. ¹	Assessed Valuation (Millions)	Sales Tax Revenue Received (Thousands)	Total Retail Sales (Thousands)	Taxable Retail Sales (Thousands)	Number of Officers ²
Mount Vernon	28,170	\$2,177	\$5,972	\$552,686	\$308,868	45
Comparables Proposed by Both City and Guild						
Anacortes	16,170	\$1,999	\$3,326	\$356,756	\$147,267	24
Arlington	15,430	\$1,558	\$3,975	\$418,005	\$236,160	25
Bremerton	35,910	\$2,222	\$6,654	\$702,144	\$403,472	62
Lacey	34,060	\$2,886	\$7,838	\$763,330	\$361,999	46
Longview	35,570	\$1,919	\$6,927	\$703,472	\$408,101	52
Marysville	32,150	\$2,652	\$5,523	\$502,340	\$225,802	41
Monroe	16,170	\$1,362	\$3,837	\$425,439	\$200,908	31
Oak Harbor	22,290	\$1,226	\$2,990	\$328,250	\$186,659	27
Comparables Proposed Only By City						
Port Angeles	18,970	\$1,281	\$3,254	\$324,240	\$140,630	29
Wenatchee	29,920	\$1,589	\$6,970	\$715,119	\$395,419	40
Comparables Proposed Only By Guild						
Bonney Lake	15,230	\$1,435	\$3,075	\$297,721	\$155,285	24

¹ Population figures are the 2006 OFM estimates.

² Total Budgeted and Commissioned Officers.

The City argues for excluding Bonney Lake as a Comparable because it is a bedroom community for Tacoma, and is located in the “heart of Central Puget Sound.” According to the City, the use of communities in the Central Puget Sound metropolitan area is inappropriate because the economy of that area has been robust for nearly two decades; the cost of housing has skyrocketed, and labor costs are relatively high. The City argues for including Wenatchee and Port Angeles because: 1) they fall within the 50% plus-or-minus brackets with regard to population, assessed valuation and sales tax revenue; 2) they are similar to Mount Vernon in that they are more rural jurisdictions outside the Central Puget sound metropolitan area; 3) Arbitrator Gary Axon included

both Wenatchee and Port Angeles in the previous City / Guild arbitration²; and 4) The City of Mount Vernon was used as a Comparable for interest arbitrations involving both the City of Wenatchee and the City of Port Angeles.³

The Guild argues for including Bonney Lake and excluding Wenatchee and Port Angeles. According to the Guild, Mount Vernon is increasingly intertwined with the Central Puget Sound economy as evidenced by Mount Vernon's dramatic population and economic growth. The Guild argues for including Bonney Lake in recognition of the fact that Mount Vernon can no longer be considered part of an isolated rural island. Instead, Mount Vernon should be considered at the outskirts of the Seattle metropolitan economy. With respect to Wenatchee and Port Angeles, the Guild contends they are not appropriate Comparables because neither city is on the I-5 corridor.

Analysis and Conclusions

I find any discussion of Comparables must begin with the list of Comparables established by Arbitrator Axon in his Interest Arbitration on the Parties 1993 wage reopener. See *City of Mount Vernon* (Arbitrator Axon, 1993). In that arbitration the Parties and the arbitrator had a much more difficult time selecting Comparables. The Parties' proposed list of Comparables contained only two matches, Aberdeen and Port Angeles. Arbitrator Axon selected Anacortes, Centralia, Lacey, Oak Harbor, Puyallup, and Wenatchee as the other Comparables. Arbitrator Axon excluded Bremerton and Longview because they were respectively 78% and 60% larger than Mount Vernon. Arbitrator Axon noted that: "Mount Vernon is not an eastern Washington city. It is located on the Interstate 5 corridor within the 'sphere of influence' of larger metropolitan areas to the immediate north and

²*City of Mount Vernon* (Arbitrator Axon, 1993)

³*City of Wenatchee* (Arbitrator Savage, 2003), and *City of Port Angeles* (Arbitrator Gaunt, 2004).

south.” Nevertheless, Arbitrator Axon included Wenatchee as a Comparable because it was the closest eastern Washington city to Mount Vernon and fit well with Mount Vernon on the demographic values.

I find a lot has changed in the Skagit Valley since 1993. The Parties obviously recognized and acknowledged these changes when they proposed their respective list of Comparables. Mount Vernon’s population has increased more than 40% since 1993. Bremerton and Longview are now respectively only 25% and 24% larger than Mount Vernon, and both Bremerton and Longview were selected by both Parties as Comparables in the present arbitration. Additionally, the Parties jointly agreed on Marysville and Monroe which were not Comparables in 1993, and agreed Aberdeen, Centralia, and Puyallup are not appropriate Comparables even though they were deemed Comparables by Arbitrator Axon in 1993. Based on the changes noted above, I find there is no reason to give any “favorable treatment” or “presumption status” to any of the 1993 Comparables.

I considered both Parties’ arguments for the including or excluding Bonney Lake, Wenatchee, and Port Angeles in the agreed-upon list of Comparables. I find there are valid reasons for including or excluding any or all of those cities. However, I find the arguments for excluding all three cities outweigh including them. Of primary importance to this finding is the Parties’ agreement on 8 Comparables which are well-matched. All of the jointly selected Comparables are along the I-5 corridor, and outside the Central Puget Sound metropolitan area. Additionally, I note there are significant differences between the agreed-upon Comparables and Bonney Lake, Wenatchee, and Port Angeles which, on balance, warrant excluding them from my list of Comparables.

While Mount Vernon may be predominately rural, which would argue for including Wenatchee and Port Angeles, I find there is a difference in Mount Vernon’s labor market which warrants excluding Wenatchee and Port Angeles. Mount Vernon is only a 30-mile commute from

either Everett or Bellingham. Even in 2000, more than 7,800 people (approximately 15% of the workforce) commuted from Skagit County to King or Snohomish Counties, and another 1,800 commuted to Whatcom County.⁴ The residents of Wenatchee and Port Angeles do not have that option. Port Angeles is not a viable commute from the Central Puget metropolitan area, perhaps that is why Port Angeles has only grown by a total of 4% since 1993. Similarly, Wenatchee is not a viable commute to, and clearly outside the “sphere of influence” of, a larger metropolitan area. On the other end of the spectrum, Bonney Lake is in the Central Puget Sound metropolitan area and immediately adjacent to the City of Tacoma. Once again, given the existence of eight (8) agreed-upon Comparables which have a “rural character,” I see no justification for including one jurisdiction so dissimilar from the other eight.

Accordingly, I find the appropriate Comparables consist of the cities agreed upon by the Parties: Anacortes, Arlington, Bremerton, Lacey, Longview, Marysville, Monroe, and Oak Harbor. In terms of population, four are larger than Mount Vernon and four are smaller. In terms of “Assessed Valuation,” Mount Vernon ranks fourth (4th) with three Comparables having a greater assessed valuation, and five Comparables having a smaller assessed valuation. See Table 2. I find these Comparables are a balanced and manageable list of cities which, when compared to Mount Vernon, are: 1) reasonably close in size ; 2) reasonably close in assessed valuation and other measures of wealth; and 3) are all geographically located along the I-5 corridor, yet all have a rural character.

⁴ Source: OFM Most Common County-to-County Commutes Involving Washington Counties, 2000 (based on U.S. Census Bureau County-to-County Worker Flow Files, Census 2000) [4,447 workers commuted from Skagit County to Snohomish County; 1,689 commuted to King County; and 1848 commuted to Whatcom County].

Table 2. Arbitrator Selected Comparables and Statistical Comparisons

Mount Vernon & Arbitrator Selected Comparables							
City	Pop.	Assessed Valuation (Millions)	Sales Tax Revenue Received (Thousands)	Total Retail Sales (Thousands)	Taxable Retail Sales (Thousands)	Number of Officers	
<i>Mount Vernon</i>	28,710	\$2,177	\$5,972	\$552,686	\$308,868	45	
Anacortes	16,170	\$1,999	\$3,326	\$356,756	\$147,267	24	
Arlington	15,430	\$1,558	\$3,975	\$418,005	\$236,160	25	
Bremerton	35,910	\$2,222	\$6,654	\$702,144	\$403,472	62	
Lacey	34,060	\$2,886	\$7,838	\$763,330	\$361,999	46	
Longview	35,570	\$1,919	\$6,927	\$703,472	\$408,101	52	
Marysville	32,150	\$2,652	\$5,523	\$502,340	\$225,802	41	
Monroe	16,170	\$1,362	\$3,837	\$425,439	\$200,908	31	
Oak Harbor	22,290	\$1,226	\$2,990	\$328,250	\$186,659	27	
STATISTICAL COMPARISONS							
Comps > M.V.	4	3	3	3	3	3	
Comps < M.V.	4	5	5	5	5	5	
Range	Maximum	27.47%	32.57%	31.25%	38.11%	32.13%	37.78%
	Minimum	-45.23%	-43.23%	-50.07%	59.39%	-47.68%	-53.33%
Average (With Mount Vernon)	26,273	\$2,000	\$5,227	\$528,047	\$275,471	39	
Median (With Mount Vernon)	28,710	\$1,999	\$5,523	\$502,340	\$236,160	41	

Issue 1 – Hours of Work

Introduction and the Parties' Proposals

In 2005, the Parties agreed to transition from an 8-hour work schedule to an 8.5-hour work schedule. On January 12, 2005, the Parties entered into a Memorandum of Understanding (“MOU”) regarding the transition to the 8.5-hour schedule. Both Parties propose “bringing the MOU into the agreement,” although there are a few differences in grammar and structure. The main difference between the Parties’ proposals relates to the “payback” provision, and the minimum number of hours between shifts before overtime attaches. The existing “payback” provision provides:

Employee base compensation is calculated on 2080 hours of work in a calendar year. Certain work schedules will result in an employee not working a full 2080 hours in a calendar year. The parties agree that the deficit number of hours per year is six (6). Employees may elect to have the necessary hours deducted from their overtime accumulation during any pay period. Any hours still owed by an employee after the November pay period shall be deducted in December.

The City proposes changing the “payback” provision because it contends there was a mutual mistake when the 8.5-hour schedule was implemented. According to the City, when the Parties’ joint committee undertook the exploration of alternative work schedules, a fundamental premise was maintaining the status quo of 2080 annual work hours. The City contends the Parties believed an 8.5-hour schedule rotation would total 2,074 hours during a 365-day period. Based on that belief, the Parties agreed that employees on the 8.5-hour schedule would payback 6 hours per year in order to meet the City’s annual requirement of 2,080 hours.

In reality, the 8.5-hour schedule rotation did not “repeat” as the Parties assumed, and there is a 10-hour “deficit” from the City’s annual requirement of 2,080 hours. According to the City, the 6-hour payback agreement was based on the assumed 6-hour shortfall in the 8.5-hour schedule.

The City proposes changing the payback provision to require employees to “payback” 10 hours per year. Specifically, the City proposes amending the current “payback” provision as follows:

Employee base compensation is calculated on 2080 hours of work in a calendar year. Certain work schedules will result in an employee not working a full 2080 hours in a calendar year. ~~The parties agree that the deficit number of hours per year is six (6).~~ Employees may elect to have the necessary hours deducted from their overtime accumulation during any pay period. Any hours still owed by an employee after the November pay period shall be deducted in December from an employee's vacation leave bank. Deficit hours to be made up will be 10 hours per employee per year.

In addition to proposing a change to the “payback” provision, the City proposes reducing the minimum number of hours between shifts before the overtime provisions apply. The current language calls for overtime in the event the employee is not granted twelve hours off between shifts. The City proposes reducing the minimum number of hours to eleven because the move to the 8.5 hour shift schedule requires an occasional 11.5-hour break between shifts in order to maintain minimum staffing levels.

The Guild proposes maintaining the existing language in both these areas. With respect to the “payback” provision, the Guild argues that data from the Comparables support its proposal to maintain the status quo. Specifically, The Guild argues: 1) the average number of work hours per year among all eleven Comparables is 2076 (See Guild Exhibit 191) ; 2) Lacy, which has a 8.5 hour shift similar to Mount Vernon's, waived the short hours “in recognition of shift rotation.” 3) The city of Longview shortened its work periods to accommodate alternate schedules rather than require offices to “make up” hours. The Guild also contends Mount Vernon officers have less annual leave and fewer holidays than officers in comparable jurisdictions. According to the Guild, Mount Vernon officers have 80 hours of annual leave compared to an average of approximately 90 hours.

In summary, the Guild contends there is nothing magical about 2080 hours, and any shortage in the existing “make-up” formula should be considered in light of the inconvenience of the 8.5 hour shift, and the work-hours, leave time, and holidays of officers in the comparable jurisdictions.

Analysis, and Conclusion

I find the MOU provides the basis for the Parties’ understanding regarding the “payback” provision. Specifically, the Parties agreed that: “Employee base compensation is calculated on 2080 hours of work in a calendar year.” I also find the joint committee mistakenly believed the 8.5 hour work schedule would result in a minimum of approximately 2074 hours per year, leaving a “deficit” of 6 hours to the agreed-upon base compensation. Finally, I find the Parties agreed the officers would “payback” the short hours through deductions from their pay.

Thus, I conclude that changing the number of “deficit” hours from 6 to 10 is merely reforming the “payback” provision to conform to the Parties’ understanding. Having made that finding, the “burden” shifts to the Guild to justify a change in the provision.

The Guild is correct that there is no magic in 2080 hours, and it is certainly within the power of the parties to waive the short hours in recognition of the inconvenience of shift rotation. However, I find the Guild has not provided a compelling reason to do so within the context of this interest arbitration. Accordingly, I award a change in the maximum deficit hours of the “payback” to reflect the Parties’ mutual understanding. However, I have slightly modified the City’s proposed language to reflect that “payback” hours are not “overtime” hours, and they may be repaid from an officer’s “comp-time” hour bank. My reason for such a change is two-fold. First, the “short” hours are regular-time hours, and logically should be repaid in kind. Second, I believe the Parties’ will be better served without a potential FLSA claim to argue about.

Regarding the City's second part of its proposal, I find the City did not provide sufficient justification for the change. I base my finding on the following. The combination of the 8.5-hour shift schedule and the existing 12-hour between shift provision triggers overtime about two times per month. The total result is approximately 12 overtime-hours per year. I find such an infrequent occurrence and such a minor cost is insufficient to justify reducing the Parties' agreed-to 12-hour minimum between shifts. Additionally, I find the City did not provide any evidence of an understanding between the Parties relating to the 12-hour minimum. In short, unlike the "payback" provision, there is no evidence that the Parties did not intend the 12-hour minimum to continue in effect regardless of the change to an 8.5-hour shift.

Finally, the parties stipulated to incorporating the January 12, 2005 MOU into the CBA. Accordingly, my award reflects the changes in the CBA by modifying the appropriate provisions in the CBA.

Issue 2 – Wages

The Parties' Proposals

The Parties' proposals for increasing the CBA's Appendix "A" wage rates are set forth in Table 3. Both Parties proposed "across the board" increases. Neither party proposed changing the relative rates of pay between officers.

Table 3. The Parties' Proposed Wage Increases

	1/1/2006	1/1/2007	1/1/2008
City Proposal	3.0%	3.0%	3.0%
Guild Proposal	4.0%	5.1%	NA (5%) ¹

¹ The Guild did not formally propose a wage for 2008 because it proposed a 2-year agreement. However, in its brief the Guild contends a 5% increase is appropriate if a 3-year agreement is awarded.

The City contends its wage proposal is fair in relationship to the Comparables. Furthermore, the City argues its proposal is supported by: 1) comparisons to cost of living factors; 2) internal comparisons with other work groups; and 3) comparisons with the local labor market. The City contends the Guild has not demonstrated that higher wages are justified, and contends the Guild's reliance on the "tight" labor market and high turnover is not borne out by the "reality of the Mount Vernon Police Department."

The Guild contends its wage proposal is supported by the Comparables, a consideration of settlement trends, economic and fiscal conditions, and the City's recruitment problems. The Guild argues against the City's use of internal wage comparisons, and contends the CPI should be given less consideration than given by City.

Comparison of Wage Rate Data

Both Parties provided me with wage rate data for the Comparables which reflect varying educational premiums (no degree, AA degree, and BA degree) and incremental changes due to longevity after 5, 10, 15, 20, and 25 years of service. There were a few slight discrepancies between the Parties' data which, with the exception of the 2006 Monroe wage rates, I resolved by using the Guild's data as explained below.

- The City's wage rate data for Anacortes differs from the Guild's wage rate data beginning in the 20th year. The Guild contends this is due in part due to the City's failure to include the longevity figures for employees hired prior to 1983 as stated in 18.2 of the 2006 CBA. I was not provided a copy of the 2006 Anacortes CBA. The City did not challenge the Guild's correction.
- The Guild computed Marysville's 2006 wage rate by using a 5% increase. In fact, Marysville had a 3% across-the-board increase effective January 1, 2006, and an additional 2% across-the-board increase effective July 1, 2006. The City contends it is more fair to incorporate mid-year wage rate adjustments by averaging the two increases, i.e., 4% in this instance. I find there would be merit to the City's argument if we were comparing the annual total of wages received by a Marysville police officer to the annual total wages received by

a Mount Vernon Police Officer. However, the wage rate tables reflect wage rates. In fact from July 1, 2006 through December 31, 2006, a Marysville police officer was making 1% (approximately \$50 per month) more than reflected in the City's wage rates. More importantly though, is the effect of the City's method on Marysville's 2007 wage rates. By basing Marysville's 2006 wage rate on only a 4% increase, and then using the 2006 wage rate as the basis for Marysville's 2007 wage rates, the City computes an inaccurate wage rate for 2007. Without question, at the end of 2006 all Marysville police officers had received the full 5% increase, not the 4% as computed by the City. Therefore, the wage increase for 2007 must be based on the full-year adjustment of 2006 wages – and not on the average of the 2006 increases.

- The City's 2005 wage data for Oak Harbor increased the premium for an AA degree by 3%; however, the CBA provides for a 4.5% increase for an AA in "Criminal Justice, Behavioral Sciences, Public Administration or an allied field . . . subject to the approval of the Police Chief." The City's wage table reflects the 3% education premium, while the Guild's wage table reflects the 4.5% education premium. Neither Party provided any information on the degrees actually held by the Oak Harbor officers. I find it is reasonable to assume all, or nearly all, of the Oak Harbor police officers with degrees have degrees in Criminal Justice, Behavioral Sciences, Public Administration or an "allied field."
- I have elected to use the Guild's data which reflects the slightly higher wages for Anacortes beginning in the 20th year, the mid-year increase for Marysville, and the higher AA premium for Oak Harbor. I have no idea as to the reason for the difference, but the effect on my wage calculations is *de minimus*.
- I used the City's wage rates for Monroe in 2006. The City's wage rates were between \$10 and \$16 lower than the Guild's wage rates. The Guild acknowledged it erred in computing Monroe's 2006 wage rate.

There are a few significant differences in the way the Parties presented their comparisons. Most significantly they are: 1) The "adjustment" or "updating" of wages for Longview and Oak Harbor which have not had wage adjustments since 2005; and 2) the determination of an "average" wage by using a median of the Comparables rather than an arithmetic mean.

Neither Oak Harbor nor Longview have received wage adjustments since 2005. Both cities are scheduled for interest arbitrations. Obviously the 2005 wage rates for Oak Harbor and Longview are stale and out-of-date. Including such stale data will affect the results. The City argues it addresses the problem by comparing its proposed Mount Vernon wage package to the median wage rate of the Comparables. According to the City, the median wage rate provides a

better measure than an arithmetic average, or mean, because arithmetic averages are susceptible to skewing. According to the City, the median wage “controls the anomalies” of Bremerton’s and Marysville’s high wage rates, and Oak Harbor’s and Longview’s low, stale 2005 wage rates.

While I find some merit in the City’s argument regarding the use of a Median Comparable Wage as opposed to a Average Comparable Wage⁵, I find there is no justification for using 2005 wage data from Oak Harbor and Longview to arrive at an average or median wage for the Comparables in 2006 and 2007.

Rather than use stale wage rates, the Guild suggests “projecting” the stale wage rates by updating the 2006 and 2007 wage rates for Oak Harbor and Longview by the average percentage settlement increases of the other Comparables for each year. This is a novel approach, and one that on its face has some appeal because a full complement of Comparables is available for wage comparison purposes. However, I find the Guild’s approach only gives the appearance of using the full list of Comparables. In reality, it is the wage data from the “other” Comparables that determines the average percentage wage rates. Let’s examine the Guild’s approach from a different perspective. Wages for the wage-stale Comparables (Oak Harbor and Longview) are projected based on the average percentage annual increase of the wage-current Comparables. If the average increase for the wage-current Comparables is 4%, then the wage rates in wage-stale

⁵ The median can eliminate anomalies because the “median” is the middle number in a series of number, or the middle two numbers divided by two if there are an even number of numbers. A simple example follows which demonstrates the possible advantage of using a median rather than an arithmetic average or mean follows. If ten people on a bus earn \$10,000 per year the mean and the median salary are both \$10,000 per year. If Bob steps off the bus and Fred, who makes \$1,000,000 per year, gets on the bus the median salary stays the same but the mean salary becomes \$109,000 per year. Thus, in situations where the “mean average” can be skewed by a few samples, it is more appropriate to use the “median average.” Using the example above, most people would agree the “average” or “typical” salary of the bus riders remained at \$10,000 per year after Fred got on the bus. The other bus riders’ salaries did not increase by \$99,000 per year when Fred got on the bus.

Comparables are increased by 4%. The wage-current Comparables are then averaged with these “updated” Comparables, and *viola* – the average wage increase was 4%. In summary, I find the Guild has not convinced me its approach is superior to simply using only the wage-current Comparables to compare wages.

In the final analysis, the question is whether the remaining six wage-current Comparables provide a reasonable basis for comparing wages. I find the answer is yes. Although six is a small number of Comparables for comparing wages, many arbitrators have concluded a reasonable minimum is five.⁶ Furthermore, I find a smaller number of Comparables is justified when the Comparables are more similar in size and wealth, and more proximate geographically. As discussed earlier and as shown in Table 1, all of the Comparables are fairly representative of Mount Vernon, and the mix of the six wage-current Comparables remains balanced. All of the six wage-current Comparables are on the I-5 corridor, none are inside the Puget Sound metropolitan area, and all are within 125 miles of Mount Vernon. Furthermore, of the remaining six wage-current Comparables, three are larger than Mount Vernon, and three are smaller; and three have larger assessed valuations, and three have smaller assessed valuations.

Tables 4 and 5 show the wage-current Comparables and various statistical comparisons for 2006 and 2007 respectively. Wage rates are shown at various periods of longevity, and for various education levels. All of the periodic wage-rate points assume the longevity bonus is paid for the time period stated, i.e., 10 years means the wages payable on the day following the tenth year. The Parties’ proposals in the tables assume the agreed-upon longevity and education premiums for 2006 and 2007 respectively. Furthermore, the “Current Wage” for Mount Vernon

⁶See generally, *City of Seattle* (Arbitrator Beck, 1983); *City of Pullman* (Arbitrator Axon, 1992); *City of Port Angeles* (Arbitrator Gaunt, 2004)

Officers is the 2005 wage rate; however, the longevity and education premiums are increased at the agreed-upon increases for 2006 and 2007 respectively.

Table 4. 2006 Wage Rate Comparisons and Statistical Comparisons

2006 WAGE RATE COMPARISONS												
COMPARABLE CITY	5 – YEAR			10 – YEAR			15 – YEAR			20 – YEAR		
	ND	AA	BA	ND	AA	BA	ND	AA	BA	ND	AA	BA
ANACORTES 2006	5074	5114	5134	5074	5114	5074	5114	5134	5106	5146	5166	5114
ARLINGTON 2006	4961	5060	5158	4986	5085	5183	5011	5110	5208	5036	5135	5233
BREMERTON 2006	5257	5361	5465	5322	5426	5530	5387	5491	5595	5452	5556	5660
LACEY 2006	5095	5197	5299	5095	5197	5299	5171	5273	5375	5209	5311	5413
LONGVIEW 2006	NOT AVAILABLE – PENDING INTEREST ARBITRATION											
MARYSVILLE 2006	5111	5409	5508	5260	5558	5657	5359	5657	5756	5459	5757	5856
MONROE 2006	4994	5107	5219	5022	5135	5247	5078	5191	5303	5135	5247	5360
OAK HARBOR	NOT AVAILABLE – PENDING INTEREST ARBITRATION											
AVERAGE WAGE	5082	5208	5297	5127	5253	5332	5187	5309	5391	5240	5362	5439
MEDIAN WAGE	5085	5156	5259	5085	5166	5273	5143	5232	5339	5178	5279	5387
STATISTICAL COMPARISONS & PROPOSALS												
CURRENT MOUNT VERNON WAGE (2005)***	4860	4957	5054	4957	5054	5152	5006	5103	5200	5054	5152	5249
AVE. COMP. WAGE / CURRENT MV WAGE	4.6%	5.1%	4.8%	3.4%	3.9%	3.5%	3.6%	4.0%	3.7%	3.7%	4.1%	3.6%
MED. COMP. WAGE / CURRENT MV WAGE	4.6%	4.0%	4.1%	2.6%	2.2%	2.4%	2.7%	2.7%	2.4%	2.5%	2.6%	2.9%
CITY PROPOSAL (3% Increase)	5006	5106	5206	5106	5206	5306	5156	5256	5356	5206	5306	5406
AVE. COMP. WAGE / CITY PROPOSAL	1.5%	2.0%	1.7%	0.4%	0.9%	0.5%	0.6%	1.0%	0.7%	0.7%	1.1%	0.6%
MED. COMP. WAGE / CITY PROPOSAL	1.6%	1.0%	1.0%	-0.4 %	-0.8 %	-0.6 %	-0.3 %	-0.5 %	-0.3 %	-0.5 %	-0.5 %	-0.4 %
GUILD PROPOSAL (4% Increase)	5054	5155	5256	5155	5256	5357	5206	5307	5408	5256	5357	5458
AVE. COMP. WAGE / GUILD PROPOSAL	0.6%	1.0%	0.8%	-0.5 %	-0.1 %	-0.5 %	-0.4 %	0.0%	-0.3 %	-0.3 %	0.1%	-0.3 %
MED. COMP. WAGE / GUILD PROPOSAL	0.6%	0.0%	0.1%	-1.4 %	-1.7 %	-1.6 %	-1.2 %	-1.4 %	-1.3 %	-1.5 %	-1.5 %	-1.3 %

Table 5. 2007 Wage Rate Comparisons and Statistical Comparisons

2007 WAGE RATE COMPARISONS												
COMPARABLE CITY	5 – YEAR			10 – YEAR			15 – YEAR			20 – YEAR		
	ND	AA	BA	ND	AA	BA	ND	AA	BA	ND	AA	BA
ANACORTES 2007	5252	5307	5327	5252	5307	5327	5252	5307	5327	5252	5307	5327
ARLINGTON 2007	5208	5312	5415	5233	5337	5440	5258	5362	5465	5283	5387	5490
BREMERTON 2007	5551	5661	5770	5620	5730	5839	5688	5798	5907	5757	5867	5976
LACEY 2007	5451	5560	5669	5560	5669	5778	5615	5724	5833	5669	5778	5887
LONGVIEW	NOT AVAILABLE – PENDING INTEREST ARBITRATION											
MARYSVILLE 2007	5639	5967	6077	5803	6131	6241	5913	6241	6351	6022	6350	6460
MONROE 2007	5204	5321	5438	5233	5350	5467	5291	5408	5525	5351	5468	5585
OAK HARBOR	NOT AVAILABLE – PENDING INTEREST ARBITRATION											
AVERAGE WAGE	5384	5521	5616	5450	5587	5682	5503	5640	5735	5556	5693	5788
MEDIAN WAGE	5352	5441	5554	5406	5510	5623	5453	5566	5679	5510	5623	5736
STATISTICAL COMPARISONS & PROPOSALS												
CURRENT MOUNT VERNON WAGE (2005)***	4860	4957	5054	4957	5054	5152	5006	5103	5200	5054	5152	5249
AVE. COMP. WAGE / CURRENT MV WAGE	10.8 %	11.4 %	11.1 %	10.0 %	10.6 %	10.3 %	9.9%	10.5 %	10.3 %	9.9%	10.5 %	10.3 %
MED. COMP. WAGE / CURRENT MV WAGE	10.1 %	9.8%	9.9%	9.1%	9.0%	9.1%	8.9%	9.1%	9.2%	9.0%	9.1%	9.3%
CITY PROPOSAL (3% Increase)	5156	5259	5362	5259	5362	5465	5311	5414	5517	5362	5465	5568
AVE. COMP. WAGE / CITY PROPOSAL	4.4%	5.0%	4.7%	3.6%	4.2%	4.0%	3.6%	4.2%	4.0%	3.6%	4.2%	4.0%
MED. COMP. WAGE / CITY PROPOSAL	3.8%	3.5%	3.6%	2.8%	2.8%	2.9%	2.7%	2.8%	2.9%	2.8%	2.9%	3.0%
GUILD PROPOSAL (5.1% Increase)	5312	5418	5524	5418	5524	5631	5471	5575	5684	5524	5631	5737
AVE. COMP. WAGE / GUILD PROPOSAL	1.4%	1.9%	1.7%	0.6%	1.1%	0.9%	0.6%	1.2%	0.9%	0.6%	1.1%	0.9%
MED. COMP. WAGE / GUILD PROPOSAL	0.8%	0.4%	0.5%	-0.2 %	-0.3 %	-0.1 %	-0.3 %	-0.2 %	-0.1 %	-0.3 %	-0.1 %	0.0%

Tables 4 and 5 show: 1) wage comparisons for the six wage-current Comparables; 2) the average (mean) wage rate, and the median wage rate of the Comparables; 3) the adjusted current (2005) Mount Vernon wage rate (i.e., includes the newly agreed to longevity and education increases); 4) the percentage difference between the average Comparable wage rate and the adjusted current Mount Vernon wage rate; 5) the percentage difference between the median Comparable wage rate and the adjusted current Mount Vernon wage rate; 6) the Parties' proposed wage rates; 7) the percentage difference between the average Comparable wage rate and each Party's proposed wage rate; and 8) the percentage difference between the median Comparable wage rate and each Party's proposed wage rate. Similar to the presentation by the Parties, I compared wages at various longevity thresholds (5, 10, 15 and 20 years), and education levels (no degree, AA degree, and BA degree). In examining the percentage comparisons, a positive number means the "average Comparable wage rate" or "median Comparable wage rate" is larger than the indicated comparator (e.g., a party's proposed wage rate or the current Mount Vernon wage rate); a negative number means the comparator is larger than the "average Comparable wage rate" or "median Comparable wage rate."

Table 5 also shows a cumulative two-year look at the wage disparity between Mount Vernon's adjusted 2005 wage rate ("Current Wage") and the average and median Comparable wage rates. Furthermore, Table 5 shows a cumulative two-year look at the Parties' proposed wage when compared to the average and median Comparable wage rates.

After examining the statistical comparisons in Tables 4 and 5, I make the following findings:

- Table 5 shows a need for an overall increase in wages over the two-year period (2006 & 2007) of between 9.1% and 10.3% depending upon whether one compares the Median Comparable Wage Rate to the Current Mount Vernon Wage Rate (the median "shortfall" is 9.1%); or compares the Average Comparable Wage Rate to the Current Mount Vernon Wage Rate (the average, or mean, "shortfall" is 10.3%).

- Table 5 shows that the Guild's proposed cumulative two-year wage rate is approximately 0.1% above or 1.8% below the respective Median Comparable Wage Rate and Average Comparable Wage Rate. In other words, the Guild's proposed cumulative two-year wage rate tracks extremely close to the two-year Median Comparable Wage rate, and is slightly less than the two-year Average Comparable Wage Rate.
- Table 5, shows that the City's proposed cumulative two-year wage rate is approximately 2.9% below or 4.1% below the respective two-year Median Comparable Wage Rate and two-year Average Comparable Wage rate.

Comparability is generally regarded as the predominant criterion for determining wages in public sector interest arbitration.⁷ However, RCW 41.56 requires arbitrators to also consider the cost of living and other factors that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment.

Cost of Living

RCW 41.56.465(d) requires consideration of "the average consumer prices for goods and services, commonly known as the cost of living." The standard used most often to measure increases in the cost of living is the consumer price index (CPI), which is reported in two indices – the CPI-U (all urban consumers) and the CPI-W (Urban Wage Earners and Clerical Workers).

Unfortunately, CPIs are only published for specific regions and, by their nature, CPIs are a period-to-period measurement of the cost of a fixed market basket of goods and services. In the instant grievance, we are fortunate to be proximate to one of the regions for which a CPI is reported. The Bureau of Labor Statistics "BLS") publishes the CPI-U and CPI-W for the Seattle-Tacoma-Bremerton area on even-numbered months. Of course, Seattle-Tacoma-Bremerton is an urban area while Mount Vernon is more rural in nature.

⁷Bornstein *et. al.*, *Labor and Employment Arbitration*, §48.05[2] (2nd ed., continuously updated).

The most recent statistics show the annual average increase in the 2006 CPI-U and CPI-W for Seattle was 3.7%. However, since the CPI is a “periodic” index, the CPI-W rate-of-increase fluctuated bi-monthly throughout 2006 with a high of 5.0% and a low of 0.9%. The most recent data from BLS shows a 3.3% increase in the Seattle-Tacoma-Bremerton CPI-W from June 2006 to June 2007. Table 6 shows the historic wage rate increases negotiated by the Parties and the corresponding annual CPI. Table 6 shows the Parties have frequently negotiated wage increases which appear to have little correlation with the CPI.

Table 5. Historic CPI Increases and Negotiated Wage Increases – Mount Vernon & Guild

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
% Wage Increase	5.0%	5.0%	4.5%	4.5%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%
% CPI Increase*	2.8%	2.3%	1.7%	2.0%	3.7%	3.2%	1.1%	2.1%	3.3%	3.0%

*Source: City Exhibit 2.3.4

In addition to the CPI, both Parties introduced other data to support their respective positions including data relating to the cost of housing and the rental rates for apartments. I found such information to be inconclusive.

Other Factors: Internal Parity

The City did not make an inability to pay argument, but argues that I should consider “internal parity” in making my award. The City argues that Guild members have fared well against other employee groups. The Guild contends internal wage comparisons should not be considered because it is inappropriate to compare wages to groups that are not eligible for interest arbitration. Furthermore, the Guild contends that police officer salaries should not be tied to the salaries of other municipal employees; instead police officer salaries should be considered on their own merits.

City Exhibit 2.4.1 shows the salaries of various groups of Mount Vernon employees. I note that police officer salaries had a cumulative increase of 44.5% between 1995 and 2005. For the same period firefighters (the only other group eligible for interest arbitration) received a cumulative increase of 43.9%. Other city employee groups had a cumulative increase of approximately 33% for the same period.

I find internal equity considerations are of little importance in this instant arbitration. However, I do note the City-provided data shows that police officer wages are historically consistent with the only other group of City employees that is eligible for interest arbitration, e.g., firefighters.

Other Factors: Turnover / Recruitment / Local Labor Market

Both Parties argue that several other factors support their respective wage proposals. The Guild argues that the local economy is growing faster than national averages and there is a tight labor market for police officers. Part of the tight labor market is caused by a limited number of applicants passing the initial screening process. According to the Guild, it is important to maintain a competitive wage with its peer agencies to attract recruits.

Recruitment is a greater challenge for all police departments than it was twenty years ago. However, I find the evidence submitted by the Parties is inconclusive. There was no evidence that Mount Vernon faces greater challenges than any other police department. For example, City Exhibit 2.7.1 lists the voluntary resignations from the Mount Vernon Police Force since 1998. Of the ten resignations, only two remained in law enforcement in the Skagit County area. In 2002, one officer went to the Skagit County Sheriff's Department to work as the Undersheriff; and in 2004 one officer went to work for the Department of Homeland Security.

The City did not raise an inability to pay defense. Accordingly I find the Guild's proffered evidence relating to the City's finances are irrelevant to my consideration. Furthermore, I find the Guild's evidence relating to officer workload, productivity, and morale was inconclusive.

Other Factors: Settlement Trends

Another factor which may influence an arbitrator is Settlement Trends. Table 7 shows the settlement trends among the Comparables and the Parties' proposed wage rates. As shown in Table 7, both the average and median percentage wage increase for the Comparables was 3.7%. In 2007 the average was 6.0% and the median was 5.3%.

Table 7. Settlement Trends

Comparable City	2006 Wage Rate Increase	2007 Wage Rate Increase	2008 Wage Rate Increase
Anacortes	4.50%	3.5%	3.5%
Arlington	3.07%	5.0%	4.0%
Bremerton	2.50%	5.6%	4.8% ¹
Lacey	2.61%	7.0%	3.0% ²
Longview	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
Marysville	5.00%	10.6%	NOT AVAILABLE
Monroe	4.28%	4.25%	NOT AVAILABLE
Oak Harbor	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
Average	3.7%	6.0%	3.8%
Median	3.7%	5.3%	3.8%
City Proposal	3.0%	3.0%	3.0%
Guild Proposal	4.0%	5.1%	5.0% ³

¹ 100% Seattle CPI-W June 07 (2-5%) plus 1.5%. June 07 CPI-W = 3.3%

² 90% Seattle CPI-W mid-year (2-5%). June 07 CPI-W = 3.3%

³ The Guild did not formally propose a wage for 2008 because it proposed a 2-year agreement. However, in its brief the Guild contends a 5% increase is appropriate if a 3-year agreement is awarded.

Other Factors: Consideration of Other Issues in Dispute

Although I will be addressing the Parties' proposals on the other issues separately, my deliberations on each issue are not entirely separable. Just like parties in negotiations, I consider how a party's settlement threshold on one issue might be affected by the settlement terms of another issue. This interrelationship of issues is particularly important when those issues have economic consequences.

Analysis and Conclusion

In considering the above factors and evidence, I have predominately relied on my wage rate comparisons with the Comparables. Not only is this factor given statutory prominence, but Comparable wage-rate comparisons are usually the fairest way to arrive at a wage-package the Parties might have arrived at themselves. However, I have considered the cost of living, in particular the Seattle CPI-W for June 2006 to June 2007. Additionally, I have considered settlement trends in the comparable jurisdictions and, of course, I have kept in mind my awards on other issues in this interest arbitration. I find the following wage increase is reasonable and in keeping with the statutory criteria.

Effective January 1, 2006 a 4.0% wage increase
Effective January 1, 2007 a 5.1% wage increase
Effective January 1, 2008 a 3.3% wage increase

The awarded wage for 2006 and 2007 is the Guild-proposed wage increase. I find Guild's proposed wage rate was fair and reasonable. As can be seen in Table 9, the awarded wage rate is the median wage rate of Mount Vernon and the Comparables across all longevity and education screens. In other words, the 2007 awarded wage is in the middle of the Comparables. The wage rates for Marysville, Bremerton, and Lacy are higher than Mount Vernon's awarded wage, while the wage rates for Anacortes, Arlington and Monroe are lower than Mount Vernon's awarded wage.

I find that a middle wage among the Comparables is an appropriate ranking for Mount Vernon's wage when considering the characteristics of the Comparables. Bremerton, Marysville, and Lacy all are larger than Mount Vernon, and they have a larger assessed valuation.

Table 8 shows the awarded wage for 2006 places Mount Vernon's wages slightly above the median wage for Mount Vernon and the Comparables. I find this wage rate is still a reasonable wage *vis a vis* the Comparables. The 2006 Awarded wage is less than Bremerton and Marysville and less than 1% higher than Lacy's wages in the 10 to 20-year longevity screens.

The 2008 wage rate is much more difficult to establish because of the lack of comparable wage data. Only four of the Comparables have settled wages for 2008. See Table 7, *supra*. Anacortes has settled for a 3.5% increase, Arlington a 4.0% increase, Bremerton a 4.8% increase⁸, and Lacy a 3% increase.⁹

I conclude a 3.3% increase is appropriate for 2008. The increase is the same as 100% the Seattle CPI-W for June 2006 to 2007 which I find would have been a reasonable index for the Parties to choose had they negotiated a 2008 rate at the expiration of the 2005 CBA. Furthermore, I find a 3.3% increase gives Guild members a cumulative 12.4% increase in wages over the three-year period. This compares favorably with both the median and average cumulative percentage increases for the four Comparables which have settled for 2008. Anacortes had a 3-year cumulative increase of 11.5% ; Arlington's was 12.1%; Bremerton's was 12.9%; and Lacy's was 12.6%. The average and median 3-year cumulative increase for those Comparables were the same, 12.3% .

⁸Bremerton's 2008 wage rate was 100% of the Seattle CPI-W plus 1.5%. The June 2007 CPI-W was 3.3%.

⁹Lacy's 2008 wage increase was 90% of the CPI-W mid-year. I assumed that was the June 2006 to June 2007 CPI-W increase which was 3.3%.

Table 8. 2006 AWARDED WAGE AND COMPARISONS

2006 AWARDED WAGE RATE												
MOUNT VERNON AWARDED WAGE RATE	5054	5155	5256	5155	5256	5357	5206	5307	5408	5256	5357	5458
2006 COMPARABLE WAGE RATES												
COMPARABLE CITY	5 – YEAR			10 – YEAR			15 – YEAR			20 – YEAR		
	ND	AA	BA	ND	AA	BA	ND	AA	BA	ND	AA	BA
ANACORTES 2006	5074	5114	5134	5074	5114	5074	5114	5134	5106	5146	5166	5114
ARLINGTON 2006	4961	5060	5158	4986	5085	5183	5011	5110	5208	5036	5135	5233
BREMERTON 2006	5257	5361	5465	5322	5426	5530	5387	5491	5595	5452	5556	5660
LACEY 2006	5095	5197	5299	5095	5197	5299	5171	5273	5375	5209	5311	5413
MARYSVILLE 2006	5111	5409	5508	5260	5558	5657	5359	5657	5756	5459	5757	5856
MONROE 2006	4994	5107	5219	5022	5135	5247	5078	5191	5303	5135	5247	5360
STATISTICAL COMPARISONS												
AVERAGE WAGE OF COMPARABLES	5082	5208	5297	5127	5253	5332	5187	5309	5391	5240	5362	5439
MEDIAN WAGE OF COMPARABLES	5085	5156	5259	5085	5166	5273	5143	5232	5339	5178	5279	5387
AVERAGE WAGE OF COMPARABLES AND MT. VERNON	5078	5200	5291	5131	5253	5335	5189	5309	5393	5242	5361	5442
MEDIAN WAGE OF COMPARABLES AND MT. VERNON	5074	5155	5256	5095	5197	5299	5171	5273	5375	5209	5311	5413

Table 9. 2007 AWARDED WAGE AND COMPARISONS

2007 AWARDED WAGE RATE												
MOUNT VERNON AWARDED WAGE RATE	5312	5418	5524	5418	5524	5631	5471	5575	5684	5524	5631	5737
2007 COMPARABLE WAGE RATES												
COMPARABLE CITY	5 – YEAR			10 – YEAR			15 – YEAR			20 – YEAR		
	ND	AA	BA	ND	AA	BA	ND	AA	BA	ND	AA	BA
ANACORTES 2007	5252	5307	5327	5252	5307	5327	5252	5307	5327	5252	5307	5327
ARLINGTON 2007	5208	5312	5415	5233	5337	5440	5258	5362	5465	5283	5387	5490
BREMERTON 2007	5551	5661	5770	5620	5730	5839	5688	5798	5907	5757	5867	5976
LACEY 2007	5451	5560	5669	5560	5669	5778	5615	5724	5833	5669	5778	5887
MARYSVILLE 2007	5639	5967	6077	5803	6131	6241	5913	6241	6351	6022	6350	6460
MONROE 2007	5204	5321	5438	5233	5350	5467	5291	5408	5525	5351	5468	5585
STATISTICAL COMPARISONS												
AVERAGE WAGE OF COMPARABLES	5384	5521	5616	5450	5587	5682	5503	5640	5735	5556	5693	5788
MEDIAN WAGE OF COMPARABLES	5352	5441	5554	5406	5510	5623	5453	5566	5679	5510	5623	5736
AVERAGE WAGE OF COMPARABLES AND MT. VERNON	5374	5507	5603	5446	5578	5675	5498	5631	5727	5551	5684	5780
MEDIAN WAGE OF COMPARABLES AND MT. VERNON	5312	5418	5524	5418	5524	5631	5471	5575	5684	5524	5631	5737

Issue 3 – Education / Longevity Incentive

Introduction and the Parties' Proposals

Both Parties propose amending the existing language of the education/longevity incentive. There is no dispute regarding an increase in the longevity incentive for 25 years of service and a new longevity incentive for 20 years of service.

Currently, officers with an AA degree receive an education incentive of 2% of base salary, and officers with a BA or MA degree receive 3% of base salary. The City proposes increasing the education incentive to 4% for a BA or MA degree. The Guild proposes increasing the education incentive to 4% for a BA degree and 6% for a MA degree. The existing and proposed incentives are shown in Table 10 below.

Table 10. The Parties' Proposals on Longevity and Education Premiums

Longevity Premium (Agreed to by Parties)			
Completed Years of Service	Existing Premium	City Proposal	Guild Proposal
10	2% of base salary	2% of base salary	2% of base salary
15	3% of base salary	3% of base salary	3% of base salary
20	NA (Same as 15 yrs)	4% of base salary	4% of base salary
25	4% of base salary	5% of base salary	5% of base salary
Education Premium			
Degree	Existing Premium	City Proposal	Guild Proposal
AA Degree	2% of base salary	2% of base salary	2% of base salary
BA Degree	3% of base salary	4% of base salary	4% of base salary
MA Degree	3% of base salary (Same as BA)	4% of base salary (Same as BA)	6% of base salary

The Parties' only dispute is whether an education incentive should be given to officers who possess an MA degree. The City argues: 1) Such a premium is very rare amongst the Comparables; 2) No other employee groups within the City receive a premium for possessing a Master's Degree; and 3) The additional skills derived from a Master's degree program do not provide significant benefits to those in the position of police officer or sergeant.

The Guild argues that modern-day law enforcement requires well-rounded officers who have been exposed to different ideas and cultures. According to the Guild, its proposal for a MA premium is reasonable because higher educated officers: 1) Are more able to adjust to an ever changing society; 2) Are more capable of dealing with the demanding requirements associated with Mount Vernon's Community Policing Program; and 3) Can improve methods of policing in Mount Vernon. According to the Guild, financial incentives for officers with master's degrees is an excellent way to attract those officers. The Guild acknowledges that only three Comparables offer an education premium at the M.A. level, but argues for the change because three other jurisdictions offer higher premiums for at the B.A. level.

Table 11 Education Incentives in Comparable Jurisdictions

Comparable City	2006			2007		
	AA	BA	MA	AA	BA	MA
Anacortes	\$40.00	\$60.00	\$80.00	\$55.00	\$75.00	\$95.00
Arlington	2%	4%	6%	2%	4%	6%
Bremerton	2%	4%	No	2%	4%	No
Lacey	2%	4%	No	2%	4%	No
Longview					\$125.00	No
Marysville	6%	8%	No	6%	8%	No
Monroe	\$112.69	\$225.37	\$325.68	\$117.42	\$234.84	\$339.36
Oak Harbor	4.5%	6.0%		4.5%	6.0%	

Analysis and Conclusion

I find the Guild has failed to justify an education premium for a MA degree at this time. I find the City recognizes the value of a higher-educated police force, and has offered to increase the education premium for a BA degree. An examination of Table 11 shows a premium is given for an MA by only three (3) of the Comparables – and for one of those Comparables (Anacortes) the MA premium is less than Mount Vernon's BA premium. Furthermore, I find Mount Vernon's new BA premium is equal to, or greater than, the BA or MA premium of 4 of the Comparables (Anacortes, Bremerton, Lacey, and Longview).

Issue 4 – K-9 Handlers & Special Duty Pay

Introduction and the Parties' Proposals

Currently, The Parties provide a "special duty pay" of 3% of base pay when officers are assigned certain "special" duties; and 4% of base pay if an officer is assigned two or more special duties (§11.5). Currently the Department's only K-9 Handler does not receive Special Duty pay. Instead, the K-9 handler receives ½ the hourly rate of pay for up to 10 hours per month for home care of his dog and routine visits to the veterinarian. Any non-regular duty work in excess of 10 hours per month requires advance approval (§11.7).

The Guild proposes adding K-9 Handlers to the list of "special duties" entitled to "special duty pay." Additionally, the Guild proposes increasing the special duty premium from 4% to 6% if an officer is assigned two or more special duties.

The City proposes no change to the current Special Duty Pay provisions of CBA §11.5. With respect to K-9 Handlers, the City proposes to substitute the current language of CBA §11.7 with language which provides ½ hour per day for the care of the dog. The language would allow the possibility of providing the ½ hour per day during the normal duty hours. The specific language proposed by each Party is shown in Table 12.

Table 12. The Parties' Proposals: Special Duty Pay & K-9 Handlers

Section 11.5 Special Duty Pay		
G U I L D	P R O P O S A L	Adds the following special duty assignment: "K-9 Handlers: In recognition of the hazards and special skills required to handle a K-9."
		Modifies the final paragraph of 11.5 as follows: "The Special Duty Pay shall be 3% of base pay per month for the duration of such assignment. Employees performing more than one (1) special duty may receive a total of 4% 6% of base pay per month for two (2) or more such assignments."
C I T Y		No change to existing language
Section 11.7 – K-9 Handlers		
G U I L D	P R O P O S A L	Maintains the current provision, which provides: "All work performed by K-9 handlers outside the regular duty assignment (e.g., at-home care of the dog, routine visits to the veterinarian) shall be compensated at an hourly rate equal to one-half of such handler's regular hourly rate of pay, up to ten (10) hours per month. Any such non-regular duty work in excess of ten (10) hours per month shall require advance approval from the Department."
		Substitutes a new provision which reads: "K-9 Handlers shall be allowed ½ hour per day for the care of the dog. The time may be included during the normal duty hours, the schedule is to be determined by the on-duty supervisor, unless overtime is approved. During off duty days, handlers will receive ½ hour pay per day at the overtime rate for care of the dog. Any work in excess of the ½ hour per day allowance shall be paid at the overtime rate and shall require advance approval from the supervisor. Any time the handler is not caring for the dog, i.e., non-related training, vacation, and the dog is in a kennel, the officer will not receive the ½ hour compensation."
C I T Y		

Analysis and Conclusion

I find the Guild failed to produce sufficient evidence to justify its proposal to add K-9 officers as a "Special Duty" eligible for Special Duty pay or for the Guild's proposal to compound, or "stack" Special Duty pay. In part, my finding is based on my award of the Guild's wage proposal. Additionally, my finding is based on the following.

With respect to the Guild's proposal on "stacking" special assignments, I note that only one comparable, Monroe, allows premium pay for more than one assignment. With respect to the K-9 pay, the Guild itself acknowledges that Comparable data does not provide overwhelming support for its proposal. As shown in Table 13, the Comparable data does not provide any support for the

Guild's proposal. Among the Comparables, the City's existing K-9 "premium" is fourth highest. The Guild's proposal would make Mount Vernon's K-9 premium equal to the top Comparable. The City's proposal is difficult to weigh because the ½ hour per day of dog care may be included in the normal duty hours. However, on non-duty days the K-9 officer is compensated with ½ hour of overtime pay. This non-duty overtime pay alone exceeds the compensation under the existing CBA. If the K-9 officer actually works a full shift, then City-proposed "K-9 Premium" could be the highest of all of the Comparables.

Table 13. K-9 Handlers Pay: Comparables, Existing K-9 Pay, and the Parties' Proposals

COMPARABLES			
Comparable	Special Duty Premium	Stipend	Approximate Monthly Amount¹
Anacortes	No	No	\$0
Arlington	No	No	\$0
Bremerton	No	Yes, 3 hours per week at 48% of Step 5 overtime rate	\$272
Lacy	6% ¹	No	\$310
Longview	No	No	\$0
Marysville	4.5%	No	\$232
Monroe	3%	No	\$160
Oak Harbor	No	No	\$0
MOUNT VERNON: CURRENT AGREEMENT AND PARTIES' PROPOSALS			
Current Agreement	No	Yes. 10 hours per month at ½ regular pay	\$150
City Proposal	No	½ hour per day which may be within "normal duty hours." Off duty = ½ hour of overtime	\$180 ² to \$675 ³
Guild Proposal	3%	Yes. 10 hours per month at ½ regular pay	\$310

Source: Based on City Exhibit 4.3

¹For "rough" comparison purposes I assumed a monthly salary of \$5,160 per month and an hourly wage of \$30 per hour.

²\$180 per month assumes only 8 off duty days with ½ hour of overtime each at the assumed wage of \$30 per hour.

³\$675 per month assumes 22 duty days and 8 off duty days each with ½ hour of overtime at \$30 per hour

Issue 5 – Bilingual Pay

Introduction and the Parties' Proposals

Currently the CBA does not provide a premium for bilingual officers. Both Parties agree a new section is necessary to address bilingual pay. Although the Parties' proposals were initially quite different, the Parties' stipulated to the language of the new proposal at the hearing. Now the only dispute concerns the amount of the premium. The City proposes a 1% premium and the Guild proposes a 3% premium. The agreed-upon language for the new provision is:

In recognition of the extra responsibilities and duties associated with having to assist other officers and citizens. Employees shall receive a premium of ___% of their base wage when language skills have been confirmed by an agreed upon language specialist or such method as agreed upon by the City and Guild. Bilingual pay for officers having conversational proficiency in Spanish can qualify for this incentive.

Analysis and Conclusion

I find the testimony of all witnesses and the external evidence clearly indicates a need for Spanish-speaking officers in Mount Vernon. A 2000 U.S. Census Bureau report shows that more than 25% of Mount Vernon's population was Hispanic/Latino. The Department acknowledges the existence of a large Spanish-speaking population, and is the primary sponsor of a community newspaper published in both Spanish and English.

One difficulty I have in deciding fair and reasonable level for the Bilingual premium is the absence of an agreed-upon purpose for the provision. Without question, Spanish-speaking officers are an asset to the Department. But what is the purpose of the premium? Is it to compensate Spanish-speaking officers for "special skills"? Is it to encourage existing officers to become conversationally proficient in Spanish? Is it to assist in recruiting Spanish-speaking officers? Or is

a combination of all of the above? Inasmuch as this is a new provision, the Parties can discuss the purpose of this provision in future negotiations.

I find the Comparables provide me little with which to compare. Currently only one Comparable provides a bilingual premium pay. Longview compensates its bilingual officers with a flat-rate premium of \$75 per month. Of course, one reason for a lack of Comparable data is the fact the Comparables may not need Spanish-speaking officers. All of the other Comparables have less than a 10% Hispanic/Latino population according to the 2000 census data. See Guild Brief at p. 49.

With little to base a decision on, I conclude a 1.5% premium is fair and reasonable. I find, a 1.5% premium will approximate Longview's premium, reward the existing Spanish-speaking officers for their extra work, and perhaps encourage some of the existing officers to become conversationally proficient in Spanish.

Issue 6 – Sick Leave Cashout

Introduction and the Parties' Proposals

The Parties agree on the concept of adding a new provision to “cashout” a portion of an officer's sick leave balance when an officer leaves employment with the Department. The City proposes a graduated sick leave cashout with a threshold eligibility of five consecutive years of employment. An additional requirement proposed by the City is separation in good standing. The Guild proposes an across-the-board 25% cashout of any unused sick leave upon voluntary termination, disability or retirement. The Parties' proposals are shown in Table 14.

Table 14. Sick Leave Cash Out: Parties' Proposals

G U I L D	P R O P O S A L	<p>AMEND Existing Section 12.1 as follows: Accumulate sick leave with pay shall accrue to each employee at the rate of eight (8) hours per month and shall continue to accumulate while on sick leave or vacation. Total accumulation shall not exceed one hundred and twenty (120) days. <u>Upon voluntary termination, disability or retirement employees shall receive 25% cash out of any unused sick leave.</u></p>
C I T Y	P R O P O S A L	<p>Insert a NEW Section 12.9 Sick Leave Cashout Upon Voluntary Termination or Retirement of an employee covered by this agreement, he/she will be eligible for a sick leave cashout based on the following criteria:</p> <ul style="list-style-type: none"> • Employed with the City of Mount Vernon for consecutive five (5) years or more of service. • Separated in good standing. • May cash out any unused sick leave at the rate of 1% per year to a maximum of 25%

The Guild argues its proposal is overwhelmingly supported by data from the Comparables. According to the Guild, of the eleven Comparables proposed by both Parties, nine provide for cash out of sick leave; four have payout provisions equal to that proposed by the Guild; and four have provisions that are significantly more generous. The Guild argues that its proposal imposes a cap of 960 hours (which at a 25% cash out rate equals payment for 240 hours), and this “cap” is far below the average of 415 hours for those Comparables permitting a cash-out upon retirement. In response to the City’s proposal, the Guild argues that only two Comparables have a tiered percentage system based on years of service; and both Comparables have higher starting and maximum percentages than the City’s proposed formula. Additionally, the Guild contends the Comparable data does not support City’s proposal to impose a 5-year employment threshold for sick-leave-cash-out eligibility. According to the Guild, only two jurisdictions impose a 5-year threshold and one imposes a 10-year threshold.

The City states this new benefit is intended to reward longer-term employees, and encourage the build-up of employees' sick-leave banks. The City contends the Guild's proposal does not further the City's objectives.

Table 15. Sick Leave Cashout Provisions of Comparables

COMPARABLES			
Comparable City	Yes/ No	Minimum or Tenure	Rate /Maximum
Anacortes	Yes	Ret. or Death	50%; Maximum 500 hours;
Arlington	Yes	No Minimum	33.3%; Maximum sick leave and vacation combined is 240 hours.
Bremerton	Yes	Ret. or Death	35%; Maximum 420 hours.
Lacey	No	NA	NA
Longview	Yes	10 Years	Tiered: 10 yrs = 25%; 20 yrs = 37.5%; 25 yrs = 50%.
Marysville	No	NA	NA
Monroe	Yes	No Minimum	50%; Maximum 800 hours.
Oak Harbor	Yes	5 Years	Tiered: 5 yrs =10%; 10 yrs =25%; 15 yrs =35%; 20 yrs =45%; 25 yrs =50%; 30 yrs =60%.
PARTIES' PROPOSALS			
Guild Proposal	Yes	No Minimum	25%; Maximum 240 hours.
City Proposal	Yes	5 Years	Tiered: 1% per year. Maximum 25%; Maximum 240 hours.

Analysis and Conclusion

Many of the Comparables offer some form of sick-leave cashout, but comparison is somewhat difficult. Table 15 shows most of the key provisions in the sick-leave cashout provisions of the Comparables and the Parties' proposals. I find that only two of the Comparables offer a sick leave cashout without a minimum restriction – Arlington and Monroe. The other six Comparables either do not offer a sick leave cashout (Lacy and Marysville), offer the sick leave cashout only upon retirement or death (Anacortes and Bremerton), or have a minimum tenure for eligibility (Longview

and Oak Harbor). I conclude the City's minimum 5-years of employment is equal to or better than the Comparables' provisions.

With respect to the tiering of the benefit, I find both Oak Harbor and Longview also tier the benefit, although the maximum percentages for both Oak Harbor and Longview are at least double the City's proposal. While a higher rate of accrual might be more in keeping with the Comparables that offer this benefit, I still conclude the City's proposal is the most appropriate proposal at the present time, and in consideration of my award of the Guild-proposed wage increase. Furthermore, this is the first year for this benefit which is not provided to any other group of City employees.

Issue 7 – Plainclothes Allowance.

Introduction and the Parties' Proposals

Both Parties propose changes to the plainclothes allowance. Currently officers who are assigned to plainclothes duties for the first time receive \$700 in the first year to purchase the necessary plainclothes. In subsequent years the officers receive \$450 per year as a plainclothes allowance. The City proposes increasing the first-year allowance to \$800. The Guild proposes increasing the first-year allowance to \$1000. Neither Party proposes a change in the plainclothes allowance for subsequent years. The plainclothes allowance provisions for the Comparables are shown in Table 16.

The City contends its proposal is fair when compared to the Comparables, and in light of the \$100 increase in the clothing allowance which was added in the 2003 through 2005 CBA. The City contends the Guild's proposal is excessive, and points out that plainclothes can be used on non-working occasions and the clothes remain the officers property when the officers are no longer assigned to plainclothes duty.

The Guild argues the comparability data supports its proposal. While the Guild concedes the City's proposal is similar to the Comparables in the first year, the Guild contends the City's proposal lags behind the comparable in later years. The Guild also contends the existing first-year allowance does not provide an officer with sufficient funds to purchase the clothing necessary for the first year. The Guild also argues that the plainclothes allowance had remained unchanged from 1990 until 2003 when the first year allowance was increased \$100.

Table 16. Plainclothes Allowance: Comparables and Mount Vernon

COMPARABLES			
City	Annual Allowance	Cumulative 2 yrs	Cumulative 5 yrs
Anacortes	\$200 (footwear only)	\$400	\$1,000
Arlington	NONE	NONE	NONE
Bremerton	\$475	\$950	\$2,375
Lacey	\$650	\$1,300	\$3,250
Longview	1 ST \$450; then \$400	\$850	\$2,050
Marysville	\$850	\$1,700	\$4,250
Monroe	\$300 (optional equip.)	\$600	\$1,500
Oak Harbor	1 ST \$700; then \$450	\$1,150	\$2,500
MOUNT VERNON			
Existing Agreement	1 ST \$700; then \$450	\$1,150	\$2,500
Guild Proposal	1 ST \$1,000; then \$450	\$1,450	\$2,800
City Proposal	1 ST \$800 then \$450	\$1,250	\$2,600

Analysis and Conclusion

Based on a review of the comparable data I find the City's proposal is fair, reasonable, and the most appropriate. A review of Table 16 shows the City's proposal is near the top of the Comparables for the first year. This is expected given the two-step nature of the Parties' plainclothes allowance provision. However, the cumulative 2-year and 5-year totals show the City's proposal is still in the top half of the Comparables. The 2-year cumulative total show the City's proposal is near the top with only Marysville being appreciably higher. The 5-year total shows the

City's proposal still ranks third amongst the Comparables with only Marysville and Lacey being higher. I find the Guild has not produced sufficient evidence that a higher allowance is necessary.

Issue 8. Health Insurance

Introduction and the Parties' Proposals

Since 1992 the City has been self-insured for health insurance. Currently the City pays 100% of the monthly premium for enrolled employees and their dependents for medical, dental and prescription drug charges. The City argues it is grappling with skyrocketing health insurance costs, and proposes to change the current arrangement beginning in 2007. Under the City's proposal employees would contribute 8% of the premium for dependent coverage. The City would continue to pay 100% of an Employee's premium. Specifically, the City proposes to amend CBA Article 20, as follows:

ARTICLE 20 - HEALTH AND WELFARE

20.1 Health and Welfare – ~~The Employer shall pay the monthly premium amounts for enrolled employees and their dependents during the term of this agreement for all currently offered health care providers with plan changes effective 08-01-03. (See attached)~~

Effective 1/1/2007 the Employer shall pay 100% the monthly premium amounts for enrolled employees and 92% of dependents premiums for medical, dental and prescription drug charges per month inclusive of the amount described in 20.2 during the term of this agreement for all currently offered health care plans. Accrual rate increases will be based on recommendations from an actuarial firm.

~~20.3 Maintenance of Benefits: The employer shall pay the cost of any premium increases for insurance coverages described in section 20.1. The Employer shall also increase the contributions for Dental and Vision coverages commensurate with the increase in premiums for similar coverages in the Teamsters Plan.~~

[The remainder of Article 20) is unchanged.]

The City points out that all of the Comparables require employees to contribute toward dependent coverage. Furthermore, the City argues that so far it has borne all of the impact of increase medical costs – a cumulative 42% increase between 2003 and 2007.¹⁰

The Guild contends the City's proposal should be rejected because there is no basis for instituting an employee copay for dependent coverage at the current time. According to the Guild, healthcare insurance should be addressed as an economic issue and considered in conjunction with the Parties' wage rate proposals. The Guild argues that even its own wage rate proposal will barely allow officers to keep pace with the wage rate in the comparable jurisdictions. Furthermore, the Guild argues that, even if some premium copay is warranted, the City's proposal is unfair as it charges a "premium" the City is capable of manipulating. The Guild contends discrepancies abound in the City-prepared documents. The Guild also points out the City's "rates" are much higher for spouses than for employees. The Guild contends this is not typical, and suggests the City is attempting to extract a higher copay premium by manipulating the "premiums" on its self-insured plan. Finally the Guild contends the City's proposal is not supported by internal equity. Currently, none of the other City employee groups contribute to the employee or dependent portion of healthcare costs.

With respect to the Guild's internal equity argument, the City produced evidence that the City currently has a copay provision with the Teamsters and is in the process of negotiating one with the Firefighters. The City had not implemented the copay provision with the Teamsters because the City is trying to devise an equitable copay solution for all employee groups. (See testimony of HR Director Ada Beane pp721–726).

¹⁰The City uses a composite, or per employee, rate to fund its reserves for reinsurance premiums and the self-insured retention for its health plan. In 2003, the City set aside \$601.60 per month for each employee. In 2007 that number had grown to \$855.20 per month, a cumulative increase of 42%.

Table 17. Comparables: Employee Copay of Insurance Premiums

Comparable City	Employee Copay of Insurance Premiums			
	2007			
	Employee Coverage	Dependent Coverage	Employee Coverage	Dependent Coverage
Anacortes	0%	\$55	0%	\$65
Arlington	0%	10%	\$0	10%
Bremerton	0%	\$20/dep. Max \$60	\$0	10%
Lacey	0%	10%	\$0	10%
Longview ¹	10%	10%	10%	10%
Marysville ²	0%	10%	0%	10%
Monroe ³	0%	15%	0%	15%
Oak Harbor ⁴	0%	25%	0%	25%

¹Longview has not settled. The copay data is from the existing agreement which ended in 2005. Note: City and employees equally bear additional costs.

²Marysville has not settled for 2008. The copay data is from the existing agreement which ends in 2007.

³Monroe has not settled for 2008. The copay data is from the existing agreement which ends in 2007.

⁴Oak Harbor has not settled. The copay data is from the existing agreement which ended in 2005.

Analysis and Conclusion

Table 17 shows the premium co-pay provisions of the Comparables. Without question, the Comparables support some form of copay for dependent coverage. Every Comparable has some form of copay for dependent coverage, and the norm and median is 10%. Furthermore, there is no question that the days of an employer paying 100% of the cost of health insurance has come to an end.¹¹

¹¹See *King County Fire District 44* (Arbitrator Wilkinson, 2002) [“Arbitration awards from the past several years also have shown a willingness on the part of arbitrators to frame an award that includes some sort of employee contribution to the cost of health care insurance.”]; *City of Anacortes* (Arbitrator Parent, 2006); [During the past five years arbitrators have shown a willingness toward requiring employees to contribute toward escalating health care premiums.]; and *Paine Field Airport* (Arbitrator Axon, 2005) [“The Union’s position to maintain 100% Employer-paid medical coverage . . . is out of touch with reality.”]

The Guild introduced a significant amount of testimony and evidence relating to the possibility of the City manipulating data to arrive at higher premium rates. For example, as a self-insured entity, the City sets its own accrual rate per employee which forms the basis for the four-tier rating plan. However, in its brief the Guild argues the City is saving money by self-insuring and, therefore, Guild members should not have to copay a portion of the premium for dependent coverage. According to the Guild, the average Comparables pays a premium of \$1,130.39 to insure an employee and his/her dependents, while the City pays \$855. Such a favorable comparison of the City's insurance costs do not add credence to the Guild's claim that the City is manipulating data to arrive at higher premium rates. Accordingly, I find no basis for the Guild's arguments that the City is manipulating its data.

One aspect of the City's rating structure is surprising. Typically, insurance coverage for an employee and a spouse is twice the premium as for an individual employee. The rating structure for the Police Plan shows the rate for an officer's spouse is 67% higher than the premium rate for an officer. For example, in the Police Plan the "employee only" rate is \$374.58, while the "employee and spouse" rate is \$1,000.58. This means the additional spousal coverage costs \$626 more. Still more surprising, the derived "spousal rate" is different if calculated by subtracting the "employee and children" rate (\$597.53) from the "family rate" (\$1,037.20). It seems when children are involved, the additional spousal coverage costs \$439.67 more rather than the \$626 when children are not involved. Table 18 shows the four-tier rates for Mount Vernon's Healthcare Plans. I have subtracted the "Employee Only" rate from the various tiers to show the seeming anomalies in the "spousal rate." In Table 18 the "Remainder" column shows the "derived rate" for the additional coverage shown in parentheses.

Table 18. 2006 Mount Vernon Healthcare Rate Summary: Police Plan

Coverage	"Premium Rate"	Subtract "Employee Only" Premium	Remainder
Employee Only	\$374.58	\$374.58	\$0.00
Employee & Spouse	\$1,000.58	\$374.58	\$626.00 (Spouse)
Employee & Child(ren)	\$597.53	\$374.58	\$222.98 (Children)
Family	\$1,037.20	\$374.58	\$662.62 (Spouse & Children)
Coverage	"Premium Rate"	Subtract "Employee & Children" Premium	Remainder
Family	\$1,037.20	\$597.53	\$439.67 (Spouse)

However, the actuarial assumptions reveal that City's rates were based on actual employee and dependent counts, and rates were developed based on the particular demographics (age and gender) of each tier within the plan.¹² Thus, I find the difference in the City's rates for employees and spouses is adequately explained. The City's self-insured rates are very specific to a small group of plan participants, and it is rated by the gender and age of those participants at all ages. A typical group insurance plan would not be able to make such a specific rating structure, and would not normally break it down to the specific age and gender of such a small group of plan participants.

¹²The actuarial assumptions are contained in City Exhibit 8.10. They state in relevant part:

We used total employee and total dependent counts by medical plan, as provided by you, together with the Milliman standard demographic assumptions to estimate the four-tier distribution of employees for each plan.

We used the [Health Cost Guidelines] to estimate the four-tier loading factors for each of the employee categories. These loading factors assume underlying member age/sex cost factors and demographic mix within each of the four tiers.

With respect to the Guild's internal equity argument, I find it is without merit. The City provides medical coverage for all its employees which include non-represented classified employees and five different groups represented employees. Currently the City provides this medical coverage for employees and dependents without cost to the employee. City representatives testified they are attempting to institute an employee copay provision for dependent healthcare coverage with all of its employee groups. City representatives also testified they want a uniform copay provision. The City negotiated a cap on its contribution for premium increases with the Teamsters, but it has not implemented that provision because of its stated objective for equality among the different employee groups. The City hopes to negotiate a copay provision with the firefighters, and then implement the copay provision with all groups simultaneously.

Based on the above, I find the City's proposal is reasonable and fair.

Issue 9 – Indemnification

Introduction and the Parties' Proposals

Currently the CBA requires the City to provide liability and errors and omissions insurance for employees who are involved in lawsuits stemming from the performance of their duties. Specifically, CBA Section 25.1 provides:

The Employer agrees to remain a covered participant in the Washington Cities Insurance Authority or to obtain alternative coverage for Liability and Errors and Omissions Policy for the employees in the performance of their duty in accordance with the terms, conditions and limits of the insurance pool.

RCW 4.96.041 requires local government agencies to pay for damages and the expenses of defense for present and past employees when an action is brought "arising from acts or

omissions while performing or in good faith purporting to perform his or her official duties.”

Specifically RCW. 4.96.041 provides:

(1) Whenever an action or proceeding for damages is brought against any past or present officer, employee, or volunteer of a local governmental entity of this state, arising from acts or omissions while performing or in good faith purporting to perform his or her official duties, such officer, employee, or volunteer may request the local governmental entity to authorize the defense of the action or proceeding at the expense of the local governmental entity.

(2) If the legislative authority of the local governmental entity, or the local governmental entity using a procedure created by ordinance or resolution, finds that the acts or omissions of the officer, employee, or volunteer were, or in good faith purported to be, within the scope of his or her official duties, the request shall be granted. If the request is granted, the necessary expenses of defending the action or proceeding shall be paid by the local governmental entity. Any monetary judgment against the officer, employee, or volunteer shall be paid on approval of the legislative authority of the local governmental entity or by a procedure for approval created by ordinance or resolution.

(3) The necessary expenses of defending an elective officer of the local governmental entity in a judicial hearing to determine the sufficiency of a recall charge as provided in *RCW 29.82.023 shall be paid by the local governmental entity if the officer requests such defense and approval is granted by both the legislative authority of the local governmental entity and the attorney representing the local governmental entity. The expenses paid by the local governmental entity may include costs associated with an appeal of the decision rendered by the superior court concerning the sufficiency of the recall charge.

(4) When an officer, employee, or volunteer of the local governmental entity has been represented at the expense of the local governmental entity under subsection (1) of this section and the court hearing the action has found that the officer, employee, or volunteer was acting within the scope of his or her official duties, and a judgment has been entered against the officer, employee, or volunteer under chapter 4.96 RCW or 42 U.S.C. Sec. 1981 et seq., thereafter the judgment creditor shall seek satisfaction for nonpunitive damages only from the local governmental entity, and judgment for nonpunitive damages shall not become a lien upon any property of such officer, employee, or volunteer. The legislative authority of a local governmental entity may, pursuant to a procedure created by ordinance or resolution, agree to pay an award for punitive damages.

As permitted by RCW 4.96.041(4), the City has provided by ordinance to pay an award for punitive damages. MVMC 2.78.110 provides:

When an [employee] has been represented at the expense of the city pursuant to MVMC 2.78.010, and the court hearing the action has found that the [employee] was acting within the scope of his or her official duties, and a judgment has been entered against the [employee] then the city council shall authorize the payment of an award for punitive damages upon finding that the [employee] acted without malice or fraud. (Emphasis added).

The Guild contends the standard for indemnifying officers is inadequate because the City limits its obligation to pay punitive damages to those situations where the city council finds the officer acted *without malice or fraud*. According to the Guild, the CBA needs clarification to ensure that if an officer incurs punitive damages for acts done within the scope of his employment, the City will in fact indemnify the officer. The Guild also contends further clarification is needed if the court does not “determine” whether the officer acted within the scope of employment. In such a situation, the Guild argues there is no clear requirement for the City to cover the claim even if the officer’s act was within the scope of his/her employment. The Guild also contends an officer has little, if any, control over whether or not a law suit settles, or the amount of the settlement. Thus, there is little meaningful protection against a bad faith refusal to settle a claim by a liability insurer. Finally, the Guild contends its proposal is supported by the Comparables.

Based on its arguments and the testimony of Officer Oster, the Guild proposes the following to replace the existing Section 25.1:

- 25.1 If an action or proceeding for damages is brought against an employee arising from acts or omissions made while acting or, in good faith purporting to act, within the scope of the employee’s official duties, then the City will provide a defense of the action or proceedings for the employee and indemnify the employee from any damages arising from such an action or proceeding.
- 26.1 The Employer shall reimburse any employee in the bargaining unit for any reasonable legal expenses which the employee shall be legally obligated to pay as a result of court action and coroner’s inquests, against said employee regarding an incident where such employee acted reasonably and lawfully and within the scope of said employee’s authority and assigned duties and authority as a Mount Vernon Police Officer, and which are necessary in order for such officer to secure legal representation. A judicial determination

that the employee was so acting made as a part of such litigation shall be binding on the issue. Where no such judicial determination is made and the Employer and employee cannot agree on reimbursement, the employee shall have recourse through the grievance procedure. The employee may designate the attorney, so long as the City's reimbursement is limited to the amount the City would pay to an attorney it would have designated.

The Guild contends the change is necessary to protect Mount Vernon Police Officers from the whims of a jury. The Guild argues that the "scope of their employment" is an appropriate standard for limiting the City's obligation to indemnify its Police Officers.

The City contends the Guild failed to produce sufficient evidence to support its contention that the City's existing ordinance is substantively deficient. Thus, there is no justification for changing the CBA. The City contends MVMC does provide for payment of punitive damage awards under a "scope of employment standard." The only exception is when an officer was judged to have acted with malice or fraud. According to the City, MVMC 2.78.110 requires the City to pay a punitive damage award in the absence of fraud or malice. [The city council *shall* authorize the payment of an award for punitive damages upon finding that the employee acted without malice or fraud.] According to the City, such a narrow exception is justified and appropriate when an employee's liability is premised on fraudulent or malicious actions.

As part of its case, the Guild presented the testimony of Officer Oster who expressed concern for his potential liability for punitive damages in a law suit in 1999. According to Officer Oster, the attorney hired by the insurer told Oster he would not be covered for any punitive damages that might be awarded. Oster testified it was possible the attorney was merely commenting on the scope of the insurance coverage. Furthermore, Oster testified he had not talked to anyone at the City, and he was unaware of MVMC 2.78.110 which provides for the payment of punitive damage awards.

Analysis and Conclusion

The Guild contends the current provision fails to fully indemnify, defend, and pay judgements against police officers acting in the scope of their employment. Accordingly, I find a useful starting point is to determine those instances where a police officer acting in scope of his or her employment is exposed to personal liability under the current CBA provision.

In CBA Section 25.1, the Parties agree the City will provide insurance coverage for Liability and Errors and Omissions of police officers in the performance of their duty, i.e. in the scope of their employment. Furthermore, in the case of non-punitive damage award against a police officer acting within the scope of his or her official duties, RCW 4.96.041(4) precludes a judgment creditor from seeking satisfaction from the police officer, i.e., the judgement creditor must seek satisfaction from the City. Thus, the only possible instance where an officer's personal assets are in jeopardy arises out of a punitive damages award.

This is where the City ordinance comes into play. MVMC 2.78.110 provides that: "The city council shall authorize the payment of an award for punitive damages upon finding that the officer, employee, or volunteer acted without malice or fraud." If the city council finds the officer acted without malice or fraud, then the officers personal assets are no longer in jeopardy. The City is responsible for the punitive damages award.

Thus, an officer's personal assets are exposed only in the following two circumstances. In the first instance: 1) An officer engages in rogue conduct which is malicious or fraudulent; 2) A jury correctly finds the officer engaged in an egregious level of conduct and awards the plaintiff punitive damages; and 3) The city council correctly finds the officer acted with fraud or malice.

In the second instance: 1) An officer engages in conduct which is neither malicious nor fraudulent; 2) A jury incorrectly finds the officer engaged in an egregious level of conduct and

awards the plaintiff punitive damages; and 3) The city council incorrectly finds the officer acted with fraud or malice.

I presume the Guild is not asking to protect police officers who in fact act maliciously or fraudulently as described in the first instance above. Such a request would clearly be against public policy, and such a provision would never be gained at the bargaining table. Thus, the only situation at issue involves: 1) an officer performing his or her duties without malice or fraud who is sued for compensatory and punitive damages; 2) The case does not settle; 3) The jury incorrectly finds the officer's conduct was so egregious that it awards punitive damages; and 4) The city council incorrectly concludes the officer acted with fraud or malice.

I find this is an extremely remote circumstance. However, there are instances of "runaway juries" where inconsistent findings are rendered. Additionally, under MVMC 2.78.110 the city council is not a disinterested party whenever it is called upon to determine whether an officer acted with fraud or malice. However, I conclude the Guild failed to make a case for changing Section 26 at the present time. I base this finding on the following.

First, I find it is a very remote possibility that the situation described above would occur. The Guild did not produce any evidence of a police officer being denied a defense, or a punitive damage award that was unpaid.

Second, I find the Guild failed to show the current Mount Vernon situation is not the norm among the Comparables. As shown in Table 19, more than half of the Comparables do not have specific provisions in their agreements relating to indemnity and the payment of judgements. Of the three Comparables that do have specific provisions, all require the officer to be engaged in some kind of lawful or reasonable activity, e.g., Oak Harbor excludes from its coverage employees engaging in criminal or malicious conduct; Bremerton requires the officer to have acted in good faith; and Lacy requires the officer to have been engaged in reasonable and lawful activities.

Table 19. Indemnity Provisions of the Comparables

Comparable	Indemnity Provision in CBA
Anacortes	NONE
Arlington	NONE
Bremerton	The City shall provide legal defense and will pay all legitimate claims, settlements, judgments, and associated costs for employees and their marital communities named as parties or defendants in claims or lawsuits as a result of acts or omissions made in the good faith performance of the City's business.
Lacey	The Employer shall provide liability insurance for all sworn officers. In addition, the Employer shall pay on behalf of any Employee in the bargaining unit any sums, including reasonable legal expenses, which the Employee shall be legally obligated to pay as a result of reasonable and lawful activities and exercise of authority within the course and scope of assigned duties and responsibility as a Lacey Police officer, and which are necessary in order for such officer to be represented.
Longview	NONE
Marysville	NONE
Monroe	NONE
Oak Harbor	The Employer shall provide legal counsel or reasonable attorney's fees for representation and defense, settlement or monetary judgments from such actions, claims, or proceedings arising out of an incident or acts and/or omissions occurring while the employee was acting in good faith in the performance or purported failure of performance of his official duties or employment and provided further that the employee was not engaging in criminal or malicious conduct.

As implied in my discussion above, I find the testimony of Officer Oster was not helpful. The situation he described was incomplete and did not make sense given the Rules of Professional Conduct.¹³ In any event, by his own testimony, Officer Oster did not consult with anyone or inquire of City or the Guild with respect to his options or potential liability.

Issue 10 – Duration

¹³ The Rules of Professional Conduct preclude a lawyer from representing a client when there is a significant risk that the representation of that client will be materially limited by the lawyer's responsibility to another client. See RPC 1.7(a)(2). The allegation of conduct on the part of the officer necessary to award punitive damages, and the city council's role in accepting or denying responsibility for those punitive damages, should require the appointment of separate council for an officer in such a circumstance.

The City proposes a three-year agreement and bases its proposal on the following: 1) The contract term is consistent with the historical length of agreements between the Parties; 2) The contract term is consistent with the other collective bargaining agreements between the City and other unions; 3) The contract term is consistent with the duration of agreements negotiated by the Comparable cities. Furthermore, the City contends a two-year contract (ending December 31, 2007) would require the Parties to immediately begin negotiating a new agreement.

The Guild asks for a two-year agreement because it fears that compensation in the unsettled contracts is likely to far exceed increases in the cost of living index. According to the Guild, it is necessary to re-evaluate the 2008 wage rate based on those settlements – a two-year duration will allow for this re-evaluation.

After due consideration, I reject the Guild's proposal for a two-year contract. In part, my decision is based on my granting of the Guild's wage proposal for 2006 and 2007. I find the awarded wage rates for 2006 and 2007 are competitive and in line with the Comparables. Thus, I find the Guild's concern over lagging wages is overstated. I find a three-year term is an appropriate duration for the contract because:

- The Parties have historically negotiated three-year agreements.
- The Guild has not provided a significant reason to change from this historical practice.
- A three-year term is consistent with the practice in nine of the eleven Comparable jurisdictions, and all of the City's labor agreements since 1997.
- The Parties would benefit from a collective-bargaining hiatus rather than immediately returning to the bargaining table to negotiate a new agreement.

Issue 1: Hours of Work & MOU¹⁴

- The existing MOU between the Parties dated January 12, 2005 is DELETED IN ITS ENTIRETY.
- The existing Section 10.1 is DELETED IN ITS ENTIRETY, and a new Section 10.1 is inserted which reads:

10.01 Work Period – Employees may expect to work one of the following work periods, depending upon assignment and needs of the Department.

Schedule One – Seven (7) day work period; Fifty-six (56) day rotation

- Five (5) consecutive eight (8) hour shifts with two (2) consecutive days off.

Schedule Two – Seven (7) day work period; Fifty-six (56) day rotation.

- Week 1: Five (5) consecutive eight and one-half (8 ½) hour shifts with two (2) consecutive days off.
- Week 2: Five (5) consecutive eight and one-half (8 ½) hour shifts with two (2) consecutive days off.
- Week 3: Four (4) consecutive eight and one-half (8 ½) hour shifts with three (3) consecutive days off.
- Schedule Two is designed for assignments requiring work days and hours of officers and sergeants assigned to Traffic Enforcement, NRO, SRO, PPT, CID and Crime Prevention.

Schedule Three – has a six (6) day work period with a forty-eight (48) day rotation.

- Four (4) consecutive eight and one-half (8 ½) hour shifts with two (2) consecutive days off.
- Schedule three is designed specifically for rotating patrol squads.

[NOTE: UNDERLINES INDICATE CHANGES FROM EXISTING MOU WHICH WERE AGREED TO BY THE PARTIES]

¹⁴Issue 1 originally was limited to the City's proposal to change Article 10.1 of the January 12, 2005 MOU. At the hearing the Parties' agreed to incorporate the MOU provisions into the CBA. Accordingly, I have set forth not only my award which is contained in Article 10.1, but the new CBA provisions to which the Parties have stipulated.

AWARD

Based on my findings above, I make the following award modifying the collective bargaining agreement between the City and the Guild:

- The existing Section 10.2 is DELETED IN ITS ENTIRETY, and a new Section 10.2 is inserted which reads:

10.2 Overtime – Overtime pay at the rate of one and one-half (1 ½) times the hourly rate shall be paid for time worked in excess of the normally scheduled shift. The following exceptions will apply.

- 1) Shift rotations.
- 2) Employees attending training sessions.
- 3) By mutual agreement between the parties.

It is the intent of this sub-section that, when possible, employees will be granted a minimum of twelve (12) hours off between shifts. Anything less than 12 hours shall be compensated at the rate of one and one-half (1 ½) times the hourly rate.

Employees working Schedule One shall receive overtime pay for all hours worked in excess of eight (8) hours in a twenty-four (24) hour period or for time worked in excess of one hundred sixty (160) hours in twenty-eight (28) consecutive twenty-four (24) hour periods.

Employees working Schedule Two shall receive overtime pay for all hours worked in excess of eight and one-half (8.5) hours in a twenty-four (24) hour period or for time worked in excess of one hundred sixty one and one-half (161.5) hours in twenty-eight (28) consecutive twenty-four (24) hour periods.

Employees working Schedule Three shall receive overtime pay for all hours worked in excess of eight and one-half (8.5) hours in a twenty-four (24) hour period or for time worked in excess of one hundred thirty six (136) hours in twenty-four (24) consecutive twenty-four (24) hour periods.

- The existing Section 10.7 is DELETED IN ITS ENTIRETY, and a new Section 10.7 is inserted which reads:

10.7 Meal times shall consist of one (1) thirty (30) minute period per shift. The rest break shall consist of one (1) thirty (30) minute period during a shift. Emergency conditions or other circumstances, as determined by the Department Head or designee, will be considered just cause to require covered and affected officers to miss breaks and/or lunch periods, and any breaks or lunch periods shall not be recoverable as overtime.

[NOTE: IDENTICAL TO EXISTING MOU]

- The existing Section 10.10 is DELETED IN ITS ENTIRETY, and a new Section 10.10 is inserted which reads:

10.10 Employees required to work more than eight and one-half (8 ½) hours in a work period due to seasonal Standard Time adjustments shall be compensated for any hours over eight and one-half (8 ½) at the overtime rate. Employees required to work less than eight and one-half (8 ½) hours in a work period due to the Seasonal Daylight Savings Time adjustment shall forfeit one (1) hour of accumulated vacation or compensatory time. If workload requires an employee to work beyond seven and one-half (7 ½) hours, the first hour will be at the regular rate of pay. This section applies accordingly to employees whose hours of work may differ from eight and one-half (8 ½) hours.

[NOTE: UNDERLINES INDICATE CHANGES FROM EXISTING
MOU WHICH WERE AGREED TO BY THE PARTIES]

- The existing Section 10.11 is DELETED IN ITS ENTIRETY, and a new Section 10.11 is inserted which reads:

10.11 Employees will be given six (6) months' notice prior to any permanent change to their regular schedule. This provision does not apply to schedule changes

- During a probationary period
- Resulting from normal rotation to or from a temporary assignment
- Due to promotion
- Due to removal for cause from any assignment.

The Department reserves the right to change an employee's hours of work without notice to accommodate operational needs.

[NOTE: IDENTICAL TO EXISTING MOU]

- A NEW Section 10.12 is added which reads:

10.12 Employee base compensation is calculated on 2080 hours of work in a calendar year. Certain work schedules will result in an employee not working a full 2080 hours in a calendar year. The parties agree that the maximum deficit number of hours per year is ten (10). Employees may elect to have the necessary hours deducted from their Compensatory Time accumulation during any pay period. Any hours still owed by an employee after the November pay period shall be deducted in December from an employee's vacation leave bank.

[NOTE: UNDERLINES INDICATE CHANGES FROM EXISTING MOU]

- The existing Section 12.1 is DELETED IN ITS ENTIRETY, and a new Section 12.1 is inserted which reads:

12.1 Accumulative sick leave pay shall accrue to each employee at the rate of eight (8), or eight and one-half (8 ½) hours per month, depending on assigned schedule, and shall continue to accumulate while on sick leave or vacation. Total accumulation shall not exceed one hundred and twenty (120) days.

[NOTE: IDENTICAL TO EXISTING MOU]

- The existing Section 12.3 is DELETED IN ITS ENTIRETY, and a new Section 12.3 is inserted which reads:

12.3 Sick leave for all employees shall be deducted from the accumulated sick leave of said employee at an hour for hour rate.

[NOTE: IDENTICAL TO EXISTING MOU]

- The existing Section 12.8 is DELETED IN ITS ENTIRETY, and a new Section 12.8 is inserted which reads:

12.8 Family Leave – Leave will be granted consistent with the City’s Personnel Plan, Chapter 8, Section 8.17, with the exception that an employee may take three calendar weeks of sick leave solely for the birth or adoption of a child.

[NOTE: IDENTICAL TO EXISTING MOU]

- The existing Section 14.1 DELETED IN ITS ENTIRETY, and a new Section 14.1 is inserted which reads:

14.1 Vacation Accrual – Vacation with pay shall be granted to all permanent full-time employees. Vacation shall accrue at the following monthly rates.

Time in Service	Days/Year	Hours/Month Schedule 1	Hours/Month Schedules 2 & 3
0 to 3 Years	10 Days	6.67	7.08
Over 3 to 5 Years	12 Days	8.00	8.50
Over 5 to 10 Years	15 Days	10.00	10.63
Over 10 to 15 Years	20 Days	13.34	14.17
Over 15 to 20 Years	22 Days	14.67	15.58
Over 20 Years	25 Days	16.67	17.71

[NOTE: IDENTICAL TO EXISTING MOU]

Issue 2: Wages

- Addendum "A" Section 11.2 is DELETED IN ITS ENTIRETY and a new Addendum "A" Section 11.2 inserted to read:

11.1 Effective January 1, 2006, through December 31, 2008, the City shall set salaries for each pay step of Patrol Officer and Sergeant as illustrated below.

PATROL OFFICER

Years of Service	1/1/06	1/1/07	1/1/08
0 – 6 Months	\$4043.37	\$4249.59	\$4389.82
Over 6 Months – 1 Year	\$4246.63	\$4463.21	\$4610.50
Over 1 Year – 2 Years	\$4448.62	\$4675.50	\$4829.79
Over 2 Years – 3 Years	\$4651.86	\$4889.10	\$5050.44
Over 3 Years – 5 Years	\$4852.56	\$5100.04	\$5268.34
Over 5 Years	\$5054.54	\$5312.32	\$5487.62

SERGEANT

0 – 1 Year	\$5306.79	\$5577.43	\$5761.49
Over 1 Year – 2 Years	\$5564.59	5848.39	\$6041.38
Over 2 Years	\$5771.69	\$6066.04	\$6266.22

Issue 3: Education Incentive and Longevity

- Addendum "A" Section 11.2 is AMENDED to read:

11.2 Education/Longevity Incentive. Effective January 1, ~~2003~~**2006**, employees will receive longevity premiums in the following amounts:

Completed Years of Service with Mount Vernon Police Department	Monthly Amount
10	2% of base salary
15	3% of base salary
25 20	4% of base salary
25 25	5% of base salary

Effective January 1, ~~2003~~**2006**, employees will receive an education premium in the following amount:

<u>Degree</u>	<u>Monthly Amount</u>
AA Degree	2% of base salary
BA	3% 4% of base salary
MA	3% 4% of base salary

Issue 4: Special Duty Pay & K-9

- SECTION 11.5 IS UNCHANGED
- The existing Section 11.7 is DELETED IN ITS ENTIRETY, and a new Section 11.7 is inserted which reads:
 - 11.7 K-9 Handlers shall be allowed ½ hour per day for the care of the dog. The time may be included during the normal duty hours, the schedule is to be determined by the on-duty supervisor, unless overtime is approved. During off duty days, handlers will receive ½ hour pay per day at the overtime rate for care of the dog. Any work in excess of the ½ hour per day allowance shall be paid at the overtime rate and shall require advance approval from the supervisor. Any time the handler is not caring for the dog, i.e., non-related training, vacation, and the dog is in a kennel, the officer will not receive the ½ hour compensation.

Issue 5: Bilingual Pay

- A NEW Section 11.8 is added which reads:
 - 11.1 Bilingual Pay: In recognition of the extra responsibilities and duties associated with having to assist other officers and citizens, Employees shall receive a premium of 1.5% of their base wage when language skills have been confirmed by an agreed upon language specialist or such other method as agreed upon by the City and Guild. Bilingual pay for officers having conversational proficiency in Spanish can qualify for this incentive.

Issue 6: Sick Leave Cashout

- SECTION 12.1 IS UNCHANGED
- A NEW Section 12.9 is added which reads:
 - 12.9 Sick Leave Cashout – Upon Voluntary Termination or Retirement of an employee covered by this agreement, he/she will be eligible for a sick leave cashout based on the following criteria:
 - Employed with the City of Mount Vernon for consecutive five (5) years or more of service.
 - Separated in good standing.
 - May cash out any unused sick leave at the rate of 1% per year to a maximum of 25%

Issue 7: Plainclothes Allowance

- Addendum "B" Article 18A.1 is AMENDED to read:

18.A.1 The Police Department shall provide a clothing and shoe allowance for all sworn employees assigned to plain-clothes duties excluding narcotics investigations so long as they hold that assignment. The allowance shall be in an amount not to exceed ~~seven hundred (\$700)~~ **eight hundred (\$800)** dollars per year in the initial year of such assignment and four hundred and fifty (\$450) dollars per year thereafter. The allowance shall be paid on assignment to plain clothes duties for the initial year and shall become eligible for use of subsequent allowance amounts on the anniversary of assignment to plain clothes duties. Any residual unused amount shall be forfeited upon reassignment to uniform duty.

Allowance items include the following:

Sports Coats	Slacks	Belts
Overcoats	Business Shirts	Ties
Skirt/Dress	Dress Shirts	Dress Shoes/Boots
Sweaters		

Issue 8: Health Insurance

- Article 20.1 is AMENDED to read:

20.1 Health and Welfare – ~~The Employer shall pay the monthly premium amounts for enrolled employees and their dependents during the term of this agreement for all currently offered health care providers with plan changes effective 08-01-03. (See attached)~~

Effective 1/1/2007 the Employer shall pay 100% the monthly premium amounts for enrolled employees and 92% of dependents' premiums for medical, dental and prescription drug charges per month inclusive of the amount described in 20.2 during the term of this agreement for all currently offered health care plans. Accrual rate increases will be based on recommendations from an actuarial firm.

20.3 DELETED IN ITS ENTIRETY

~~20.3 Maintenance of Benefits: The employer shall pay the cost of any premium increases for insurance coverages described in section 20.1. The Employer shall also increase the contributions for Dental and Vision coverages commensurate with the increase in premiums for similar coverages in the Teamsters Plan.~~

[THE REMAINDER OF ARTICLE 20 IS UNCHANGED]

Issue 9: Indemnification

SECTION 25.1 IS UNCHANGED

Issue 10: Duration

- Article 30 is AMENDED to read:

This Agreement shall be in full force and effect from January 1, ~~2003~~ 2006, through and including December 31, ~~2005~~ 2008. This Agreement may otherwise be modified by the mutual consent of the Employer and Union.

Dated this 13th day of August 2007.

WF Reeves

William F. Reeves,
Neutral Interest Arbitrator

William F. Reeves

Digitally signed by William F. Reeves
DN: cn=William F. Reeves, c=US, ou=Arbitrator, email=wreeves@ccountry.net
Reason: I am the author of this document
Location: Ashland, Oregon
Date: 2007.08.13 06:37:03 -07'00'

William F. Reeves

P.O. Box 1259
Ashland, Oregon 97520

e-mail: wreeves@ccountry.net

Arbitrator

Phone: 541.621.0254

Fax: 541.552.1139

VIA EMAIL AND U.S. MAIL

RECEIVED
OLYMPIA, WA

AUG 16 2007

PUBLIC EMPLOYMENT
RELATIONS COMMISSION

August 13, 2007

Cathleen Callahan
Executive Director
Public Employment Relations Commission
P. O. Box 40919
Olympia, WA 98504-0919

RE: City of Mount Vernon & City of Mount Vernon Police Services Guild
Interest arbitration / PERC case No. 20682-I-06-482

Dear Ms. Callahan:

Attached please find a copy of my award in the above referenced matter. I am providing you an electronic pdf copy via email and a hard copy via U.S. Mail. Both are signed copies.

Please contact me if you have any questions or need additional information.

Sincerely,



William F. Reeves,
Arbitrator

Attachment

