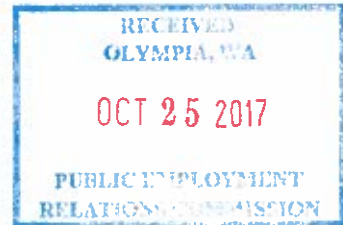


IN THE MATTER OF)
INTEREST ARBITRATION)
BETWEEN)
TECHNICAL EMPLOYEES ASSOCIATION,)
Union,)
and)
KING COUNTY, WASHINGTON,)
Employer.)

PERC CASE NO. 128481-I-16
ARBITRATION PANEL'S
OPINION AND AWARD
2015 – 2018 COLLECTIVE
BARGAINING AGREEMENT



HEARING SITE: Summit Law Group, Seattle, Washington
HEARING DATES: June 5 – 9 and June 26, 2017
POST-HEARING BRIEFS DUE: Postmarked August 21, 2017
RECORD CLOSED ON RECEIPT OF BRIEFS: August 24, 2017
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ARBITRATION PANEL: King County: David S. Levin
T E A: Eamon McCleery
Neutral Arbitrator: Gary L. Axon
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I. **INTRODUCTION**

The Technical Employees Association (TEA or Union) and King County, Washington (Employer or KC) are signatories to Collective Bargaining Agreements (CBAs) going back to 2005. The most recent CBA was a one-year agreement covering the period January 1, 2014 through December 31, 2014. The parties were unable to resolve all of the issues in dispute through negotiation and mediation for the successor contract.

In a letter dated October 12, 2016, Michael Sellars, the Executive Director of the Public Employee Relations Commission, certified for Interest Arbitration as provided in RCW 41.56.465, eleven issues that were in dispute between the parties. Er. Ex. 4. The Interest Arbitration was scheduled for hearing before this Arbitration Panel for a final and binding resolution. Prior to the arbitration hearing, the parties were able to resolve eight of the eleven issues certified for Interest Arbitration. The TEA came to the Interest Arbitration with a six-year proposal covering the period January 1, 2015 through December 31, 2020. King County proposed a four-year agreement extending through December 31, 2018. At issue in this dispute are three certified topics in which the parties were unable to reach agreement:

- Issue 1: Article 17, Wages
- Issue 2: Article 15, Benefits
- Issue 3: Article 24, Duration

In conjunction with the filing of the post-hearing briefs, the Union informed the Arbitration Panel that it was dropping its proposal for a six-year contract. The Union's modified proposal agreed with the four-year contract term offered by King County. The Arbitration Panel considers the issue resolved and will enter an Award for a four-year

Collective Bargaining Agreement covering the period January 1, 2015 through December 31, 2018.

The hearing in this case required a total of six days for each side to present their evidence, testimony, and argument. By stipulation of the parties, no court reporter was engaged to record the proceeding and prepare a transcript for the use of the parties and the Arbitration Panel. Testimony of witnesses was received under oath. At the hearing, the parties were given the full and complete opportunity to present evidence, oral testimony, and argument regarding the two issues remaining in dispute. Both TEA and King County provided the Interest Arbitration Panel substantial written documents to support their respective positions on the issues.

Moreover, the parties submitted comprehensive and detailed post-hearing briefs to further support their positions taken at arbitration. The approach of the Interest Arbitration Panel when writing this Award will be to summarize the major, most relevant evidence and argument presented by the parties on the two issues.

The Arbitration Panel carefully reviewed and evaluated all of the evidence and argument submitted pursuant to the criteria established in RCW 41.56.30 and RCW 41.56.492(2). Since the record in this case is so comprehensive, it would be impossible for this Arbitration Panel in the Discussion and Award to restate and refer to each and every piece of evidence, testimony, and argument presented. However, in formulating this Award, the Arbitration Panel did give careful consideration to all of the evidence and argument placed into the record by the parties. The relevant statutory criteria are attached to this Award. (See Attachment A).

II. BACKGROUND

King County is the fifth largest employer in the Puget Sound region, with approximately 15,000 employees. Approximately 12,000 of those employees are represented by various labor unions. King County bargaining units range in size from 12 to over 4,000 employees. The King County Executive Branch is comprised of 10 different departments, including the Department of Transportation. The Department of Transportation has six divisions: Director's Office, Transit, Road Services, Fleet Administration, Airport, and Marine. The Transit Division is responsible for bus and transit operations provided by King County. Within the Transit Division there are multiple sections, including the Design and Construction section, which TEA members in this bargaining unit belong to.

The employees involved in this dispute work in the Design and Construction (D&C) section of the Metro Transit Division. The D&C section employees work on a variety of different capital projects for Transit, ranging from fairly large projects to small projects. D&C employees have been involved in the design and construction aspects of park and ride centers, transit bases, bus shelters, transit base modifications, and transit base improvements. The members of this bargaining unit are highly educated and many occupy positions that require engineering or architecture degrees. Er. Ex. 19. The average annual salary for TEA represented members is \$98,563. Er. Ex. 31. There are twenty different employment classifications in D&C. Engineers represent the largest group at 18.

In order to keep up with the rapid growth in the Seattle Metropolitan area, Metro Transit is planning on expanding its service capacity to double transit ridership and

increase services by 70% by the year 2040. The plan expansion includes new capital projects and infrastructure projects such as base expansions, adding twenty rapid ride bus lines, bus stops, creating 85 new and upgraded transit hubs, and building a technical support center by the year 2040. The D&C section currently spends approximately \$30 to \$40 million on capital projects each year. As D&C employees work on the massive Transit expansion, they will increase their capital projects spending to approximately \$250 million each year. In order to effectuate this expansion, D&C will almost double in size by hiring 35 additional employees at the end of 2018.

King County and TEA stipulated the Transit agencies of the following jurisdictions should serve as the comparable agencies:

- (a) City of Seattle
- (b) Port of Seattle
- (c) City of Bellevue
- (d) Sound Transit

Er. Ex. 7.

The parties also stipulated to a matrix of agreed job matches within the above-mentioned agencies. No agreement was reached on six disputed matches arising out of the Port of Seattle and Sound Transit proposed comparisons.

In presenting their positions regarding the 2015-2018 Collective Bargaining Agreement, the parties were mindful of two prior Interest Arbitration Awards that set some parameters for the development of a Collective Bargaining Agreement between TEA and King County. In an Award dated January 31, 2005, Arbitrator Howell A. Langford set the terms and conditions of the original contract between TEA and King County. The Langford Award consisted of 52 single spaced pages of detailed, and comprehensive analyses of the issues between the parties. Er. Ex. 11.

The parties went back to Interest Arbitration to resolve the dispute surrounding the 2005-2007 Collective Bargaining Agreement before Arbitrator Michael H. Beck. Er. Ex. 12. Arbitrator Beck published an Award dated December 23, 2008, incorporating several of the principles set forth in the Langford Award of 2005. The Beck Award, while agreeing with much of the approach of Langford, did decline to follow some of the reasoning set forth in the Langford decision. By design, this Arbitration Panel has agreed to avoid reproducing most of the background provided in the two prior Interest Arbitration Awards. The Arbitration Panel was in agreement that it would not serve the parties to engage in a comprehensive reiteration of the Langford and Beck decisions except where necessary.

ISSUE 1: ARTICLE 17, WAGES

A. Background

The wage range for the members of this bargaining unit goes from a low of \$22.40 per hour for the administrative office staff to a high for transit engineers of \$60.12 per hour. (See Attachment B). Several of the positions in this bargaining unit require an engineering degree or a degree in architecture. King County asserts there is no need for market adjustments since the proposed COLA increases will ensure TEA members will remain at or above the market.

TEA takes the position that with the supercharged local economy, the demand for engineering and technical employees has accelerated. Maintenance of the current wage arrangement, without a corrective range increase would not be in the public interest. Bargaining unit members are engaged in projects the dollar value of which dwarfs their individual compensation.

While the parties agreed on four jurisdictions to be used as comparables, there was a wide variance in the positions of the parties regarding methodology and comparison of job positions among the four comparables, and two exceedingly complex prior interest arbitration awards that the parties attempted to position their offers in line with the teachings of the Beck and Lankford decisions. The Arbitration Panel will discuss those issues later in the Award.

B. Technical Employees Association

TEA begins by stating that the Arbitration Panel should adopt TEA's wage analysis and award TEA its proposed wage increase of 11.95% over the term of the

four-year Collective Bargaining Agreement. TEA proposed COLA adjustments over the four-year Collective Bargaining Agreement as follows:

2015	5.00%
2016	2.00%
2017	2.00%
2018	<u>2.95%</u>
	11.95%

The overwhelming evidence presented at the arbitration hearing demonstrates there is a strong local economy and tight labor market that should be factored into the arbitration award for 2015-2018. The growing economy and heated labor market function in tandem, and in a more dynamic way than is typically presented. The nature of the work performed by members of this bargaining unit directly responds to the growing economy by providing transportation infrastructure to keep up with the needs of King County citizens. The demand for engineers and technical employees in this local economy requires greater weight than might otherwise be warranted in fashioning a wage award.

King County is in the midst of an economic boom, and that economy is by far the largest driver of the Washington financial strength. The Washington State economy has been outpacing the national economy. The national wage increases have exceeded the CPI. What is happening locally far exceeds the national pace. The reality is the labor market is driving up wages, and not by small amounts. In 2015, the median Seattle income surpassed \$80,000 following a one-year surge of \$9,374. King County's own economists have noted the stellar regional economy and forecast continued strong local economic growth.

The economy and its associated labor market have placed tremendous pressure on wages, especially to those occupations connected to the TEA bargaining unit.

The evidence presented by TEA shows the local labor market for professional and construction employees is particularly tight and becoming tighter. King County's professional and construction wage increases are vastly exceeding the CPI. TEA wages are not keeping up with the regional labor market in the post-recession era. TEA witnesses described the intense competition for qualified employees.

King County Metro and other regional transit agencies have ambitious and crucial plans to expand transit services to serve the exploding and more dispersed population. These plans will require a significant ramp up on capital construction projects.

The growing economy and intensified housing market in the King County region are creating more demand for public transportation services precisely at the time the same growth is creating significant wage pressure on the labor market. TEA submitted a number of exhibits at the hearing detailing the booming housing market. Recent Seattle home price increases have been leading the nation. As of spring 2017, the median home price in King County exceeded \$600,000 and the in-city median exceeded \$700,000. This inevitably places greater pressure on the transportation system as workers are forced into longer commutes, and population growth creates clogged roadways.

The changes in the residential housing market are occurring contemporaneously with a large regional boom in private commercial construction. TEA's exhibits reported that Seattle led the nation in major construction projects. Metro's own long-term plans are set forth in the MetroConnects report. Capital construction is the key and necessary ingredient in those long-term projects. Capital construction plans will involve the Design and Construction Unit and the required expansion of the workforce.

The County has been unable to even sustain the size of its current workforce or successfully recruit qualified employees to join King County in the Design and Construction Unit.

The evidence indicates that recent recruitment for TEA positions has been poor. There are three striking indications that the County is having serious recruitment problems. First, the County is not even able to adhere to the agreed upon CBA wage scale, often bringing new employees in at near the top of the scale. Second, management, while deviating from the established step system, has often been unable to attract well-qualified candidates.

Third, as a result of the County's recruitment failures, it has lost employees and has been unable to replace them. The failure to recruit new employees has caused a dramatic decline in the overall size of the bargaining unit. From 2013 to the current time, staffing within Design and Construction plummeted from 68 to 51, a 25% contraction in the size of the workforce in only four years. TEA members are doing more with less. The County's failure to recruit and requiring new hires to be brought in at near the top creates a morale problem and is unfair to incumbents. Having incumbents who have committed years of service and yet make only marginally more than a new recruit is not a sustainable strategy.

Evidence concerning wage comparisons supports TEA's wage proposal. The purpose of comparisons is to provide a rational standard and not to create a method for splitting the difference in interest arbitration. Rather, the statutory criteria provide a principled basis for resolving the impasse. The record evidence indicates that TEA employees are behind the four comparables.

TEA's position matches should be adopted. Historically, the methodology that has been used by the parties and adopted by the Beck and Lankford Awards was centered on minimum qualifications. In evaluating the disputed position matches, it is important for the Arbitration Panel to consider that these agencies are evolving. The Union submits the Arbitration Panel should accept the matching matrix presented by TEA to each of the disputed positions. TEA Ex. 4, Wage Comparisons.

TEA next challenges the County's attempt to include discretionary bonuses into the wage scale while disregarding bonuses and special monies paid by other agencies. Arbitrator Beck rejected the County's position that longevity pay should be included on the wage scale for purposes of comparison. The Arbitration Panel should follow the reasoning of Arbitrator Beck that longevity pay is not appropriate for making a direct comparison to wages and benefits in the stipulated comparators.

It is the position of TEA that where the top pay scale is not used, as in the case of Port of Seattle and Sound Transit, the highest pay extended for the position, adjusted for inflation, should be used. The proper application of the higher pay is to use the highest pay ever applied in that particular classification. By doing this, the parties would avoid the irrational anomaly that the departure of an incumbent would reduce the market pay for that job.

The Arbitration Panel should reject Lankford's "snapshot date" to mean only those on the payroll on January 1. The Union proposed that the application of the highest paid wage during the year preceding January 1 should be utilized. Under this approach, the departure of an incumbent in the latter part of the year does not eliminate the data point from consideration. The problem with the County's approach is almost invariably the

lagging wage reports are chasing the market, not keeping current with it because increases actually offered and paid early in the year are never to be considered in that year. They are only applied in the following year. TEA Exhibit IV.C.4 shows that there is a 9.19% wage gap in 2017 TEA wages versus those of the comparables. The problem of the disappearing incumbent is properly resolved by first using the highest ever paid to an employee in the position and second, adjusting that number up with cost of living adjustments. The comparables indicate that something beyond the County's wage proposal is needed. King County's inflation based on proposed adjustments would not close the gap with the comparables, but would drop bargaining unit members further behind the known settlements for those agencies in 2015-2017.

The evidence offered by TEA shows that an additional wage increase will need to be added if there is any hope to begin closing the wage gap between TEA and the comparables. The need to at least keep pace with these trends is especially acute at a time when the labor market conditions make recruitment difficult. TEA contends that in the present labor market, where the shortage of qualified applicants is driving up the labor market for engineering and technical employees throughout the region, the settlement trends factor eclipses the CPI factor in importance. TEA Ex. IV.D.1.

Under the King County proposal, bargaining unit members would lose just over 1.5% during the initial three years of the CBA. In the Seattle labor market, there is no reason why TEA members should lose ground, especially this much ground if the King County proposal were adopted. There is nothing in the record that suggests the situation warrants the retrenchment that would occur under King County's proposal. The County has more than enough fiscal capacity to meet the wage increases proposed by TEA.

There is no principled reason the pay award should be any less than what is necessary to keep up with the other agencies.

During the four-year period in which the County proposal would increase wages by 8.98%, the Assessed Valuation rose 30.74%. TEA Exs. IV.E & IV.E.2. During the four-year period of 2015-2018 under the County proposal, wages would rise 10.61% while sales taxes have climbed 40.35%. A similar review comparing housing prices to the County wage proposal shows the year-to-year increases in those prices. TEA Exs. IV.E.4-6. The County wage proposal of 10.61% stands in dramatic contrast to the 52.36% increase in median home prices during this same time period. The Arbitration Panel is justified in using this data under the "Other Factors" so the Panel can assess the reasonableness of the competing wage proposals.

The evidence adduced at the hearing showed Metro Transit's fiscal capacity supports TEA's wage proposal. The budget reserve levels and recent trends among King County's main revenue and expenditure sources demonstrate the financial strength of King County. Times are exceptionally good for King County. This is especially true as to the dedicated Metro Transit revenues. Saving cash on the members of this bargaining unit's wages is not physically prudent by virtually any measure as the swelling demand continues for public transportation services.

The public interest and employee productivity are relevant interest arbitration factors. According to TEA, it is in the public interest to grant a reasonable award that sustains employee morale, but also is warranted by declining staff levels over the past few years.

The number of employees in this bargaining unit has already been strained due to the 25% contraction of the workforce that has occurred over the past four years. These professional employees not only carefully design and engineer complex projects well, they supervise the construction by third party contractors to ensure that projects are built in a safe and sound manner and inside the contract parameters established.

Turning to the CPI factor, TEA maintains that its proposal to return to the published Seattle CPI formula adopted by both Beck and Lankford, plus a small supplemental wage increase on top of the CPI is necessary to keep pace with known and anticipated wage trends among the comparable agencies.

The Arbitration Panel should reject the King County CPI formula as too complicated and less than understandable. King County witnesses could not clearly or correctly describe the formula or explain its intricacies. It is not clear why TEA would want to agree to adopt a formula or explain its intricacies to its members. The King County method is not recognized by any formula officially published by BLS. King County takes the various published BLS reports and calculates its rolling average figure. The formula does not measure CPI in the preceding year, but rolls it back to one additional preceding year. The formula would cover inflation events from the summer of 2015 through the summer of 2017. There is no justification for the Arbitration Panel to apply inflation data from time periods so disconnected from the year in which the wage would be adjusted.

The Arbitration Panel should take judicial notice that the actual published Bureau of Labor Statistics CPI for Seattle-W, June 2017 was reported as 3.0%. That 3.0% amount, not some combination of data points under King County's anomalous and

bewildering 24-month rolling average formula, should be the starting point for any 2018 wage adjustment.

B. King County

The County proposed wage rates as follows:

ARTICLE 17: WAGE RATES

17.1 Wage rates under this Agreement shall be retroactive to January 1, 2015. The ~~2014~~ **2015-2018** salaries for employees in the bargaining unit are set forth in Addendum A of this agreement.

17.2 ~~2014~~ **2015, 2016, 2017, 2018** Wage Rates: ~~2014~~ **2015, 2016, 2017, 2018** COLA:

Effective January 1, ~~2014~~ **2015**, employees shall be eligible to receive 95% of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bremerton Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W, July of the previous year to June of the current year)- **with zero floor and no ceiling plus an additional 0.52% for 2015 and an additional 1.20% in 2016, which together with the CPI formula, equates to the wage increases received by other County labor organizations in 2015 and 2016., which amounts to 1.67%.**

YEAR	CPI FORMULA	TOTAL WAGE INCREASE
2015	1.48% Plus an additional 0.52%	2.00%
2016	1.05% Plus an additional 1.20%	2.25%
2017	1.78%	1.78%
2018	2.70%	2.70%
COMPOUND TOTAL		9.02%

King County argues its proposal maintains the current contract language, which keeps TEA members' wages consistent with employees doing similar work in comparable jurisdictions. In addition, the County's proposal is consistent with the negotiated collective bargaining agreements reached with 114 other County bargaining units in 2015, representing 7,691 employees; and 69 other County bargaining units in

2016, representing 6,479 employees throughout the County. Based on the County's analysis of the agreed and disputed job matches, the County submits there is no need for a market adjustment to TEA members' salaries, since the County's proposed cost of living adjustment increases will ensure TEA members' salaries remain at or above market. Co. Ex. 32.

Moreover, the comprehensive wage survey of the stipulated comparable jurisdictions, using the agreed and disputed job matches, confirm the County's proposed wage increases were consistent with the outside labor market. King County's wage analysis is reflected in wage matrixes showing the proposed job matches and prospective wages for each year of the proposed contract. Co. Exs. 33A-D, 34A-D, 35A-D, 91A-D, 92A-D. The documents show King County's proposal exceeds the wages of the comparators by approximately 2% plus 6.7% if merit pay over the top is added to the TEA wages.

The King County proposal regarding the COLA formula is to maintain the current contract language of 95% of the CPI-W for the July-June average of averages with no floor and no ceiling. The County also asked to be given credit for merit over the top (MOT) pay, since all eligible TEA members receive the 5% MOT pay on top of their regular wages. Since MOT pay is awarded to all eligible TEA members, MOT must be viewed as an element of compensation for comparison purposes. The King County wage proposal would give TEA members an 8.73% increase or a compounded 9.02% salary increase for the period 2015 through 2018.

The County's proposal for job position matches is the status quo. In some cases, the County has proposed alternate matches, if the Arbitration Panel believes that a

match is inappropriate. The County's proposal for the calculation of the averages from the comparable agency wages is the status quo.

Arbitrators Lankford and Beck established ten comparable job position matches and four comparable local jurisdictions. The parties agree on four matches, but disagree on six matches. Co. Exs. 8 & 26. The Arbitration Panel should continue the status quo with respect to the appropriate job matches established by Lankford and Beck. TEA is pushing for comparison using job descriptions from the comparators that show those positions have supervisory responsibilities. None of the job positions relied on by the County has supervisory responsibilities.

King County next turns to the CPI formula and submits the Arbitration Panel should maintain the status quo because it was previously adopted by the parties and provides a reasonable inflationary index. The parties' prior agreements have used a CPI or a COLA formula to prevent volatility due to market fluctuations. The TEA proposal would result in a more volatile formula for establishing COLA increases. There is not a lot of difference between the County's proposal for the current contract language, and the TEA proposal for the 90% CPI-U formula. TEA has not showed any compelling need for a change in the status quo with respect to the current COLA formula. TEA presented no evidence whatsoever that would justify why a 2% floor is necessary.

The stretch in the County's pay scale between top and bottom step is 26.7%; the stretch between top and bottom at City of Seattle is 17%; the stretch between top and bottom at City of Bellevue is 37%; the broadband stretch at Port of Seattle is 50%; the broadband at Sound Transit is 50%. Given the vast differences of the stretches, Lankford and Beck determined that the best approach was to use the highest paid

incumbent at the “broadband” comparators of Port of Seattle and Sound Transit, which represented a more accurate picture of the actual pay at those comparables. The Arbitration Panel should reject TEA’s new tactic the highest paid incumbent is acceptable, but the snapshot date no longer applies. TEA would have the Arbitration Panel include the highest paid rate at any time during the year as the plan of determining comparability.

Pursuant to TEA’s proposal, the highest paid incumbent from the previous year, even if that person were no longer in that position, would be used for determining the appropriate wage level. This approach makes no sense as it requires pay to be measured against a person who is no longer in that position and, as such, is a matter of pure fiction. While not perfect, the method of using the highest paid incumbent is already a generous method. This Arbitration Panel should follow the lead of Lankford and Beck that the snapshot date is appropriate to make the comparison regarding wage rates.

The Arbitration Panel should continue the CPI-W formula set forth in the current contract. Further, TEA presented no evidence that the CPI-W number was inaccurate in any of the County’s exhibits. The County relied on its comparison of proposed wages with the comparator group. The County’s analysis revealed as follows:

1. Comparison of Proposed Wages and Status Quo Matches

Using status quo matches that were established in the Beck decision and used by the County in developing its proposed wage increases, TEA members will be paid 2.04% higher wages than the comparators. With status quo matches from the Beck decision and TEA’s proposed wage increases, TEA members will be paid 5.06% higher wages than the comparators.

The County next argues that retention and recruitment factors favor King County. The testimony presented by TEA does not support their position about recruitment problems and staffing shortages. In 2015 and 2016, only four employees, or 8%, each year departed the bargaining unit. Co. Ex. 99. In contrast, there were three TEA employees hired in 2015 and 13 TEA employees hired in 2016. Co. Ex. 59. While the job market is tight, TEA presented no evidence that any alleged recruitment or retention issues are in any way related to wages and benefits. To the contrary, the Design and Construction Section is planning to hire 35 more employees by 2018, most of which will be TEA members. The Interest Arbitration Panel should not revamp or revise wages based on anecdotal comments about the local market. The County concludes that TEA members in the Design and Construction Section are fairly compensated when analyzed against the local market's comparable agencies. The County concluded in its post-hearing brief as follows:

The County's wage proposal to maintain the current contract language fairly treats bargaining unit members when compared to the other bargaining units at the County. Application of the Lankford and Beck decisions analysis to the comparator wages also establishes the fairness and equity of the County's wage proposal, and ensures that TEA bargaining unit members are paid at market-comparable wages. TEA presented no justification for their assertion that TEA members need a market adjustment increase of 5% in 2015. To the contrary, TEA members are already at or above market, given the proposed wage increases and job position matches for 2015, 2016, and 2017. When looking at the general wage increases at the City of Seattle and City of Bellevue, the County's proposed wage increase is comparable for 2015 through 2017.

TEA presented no evidence that would justify their request for a 2% floor on the CPI formula. No evidence was produced that would justify TEA's proposal for adding an additional .25% on top of the CPI formula for 2018-2020. TEA also failed to

produce evidence that any of the comparable positions or wages at any of the comparator markets includes these requirements. Nor was TEA able to produce any evidence that any other bargaining unit within King County has the 2% floor, or the additional .25% on top of the CPI formula.

For all of these reasons, the County asks the arbitration panel to grant its proposal for wage increases for 2015, 2016, 2017, and 2018.

Co. Brief, p. 34; emphasis added.

D. DISCUSSION

Based on the evidence and argument presented, as applied to the statutory standards, the Arbitration Panel awards a 2.25% increase effective January 1, 2015. Effective January 1, 2016, an additional increase applied to the existing salary schedule of 2.25% shall be implemented. Effective January 1, 2017, the pay for all classifications in the bargaining unit shall be increased above 2016 levels equal to 2.25%. Effective January 1, 2018, the pay for all classifications in the bargaining unit shall be adjusted by 3%. The total increase over the life of the four-year Collective Bargaining Agreement would be 9.75%. The reasoning of the Arbitration Panel—as applied to the statutory criteria—is set forth in the discussion that follows.

Constitutional and Statutory Authority of the Employer

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

Stipulations of the Parties

The parties reached an agreement on a number of contract provisions in dispute that were not the subject of this Interest Arbitration. The Arbitration Panel incorporated the parties' agreement at Interest Arbitration that the contract should be of a

four-year duration. The parties' stipulated to the following list of jurisdictions that served as the list of comparable agencies:

- a) City of Seattle
- b) Port of Seattle
- c) City of Bellevue
- d) Sound Transit

Co. Ex. 7.

The parties also stipulated to a matrix that constitutes the agreed job matches with the four above-mentioned agencies. Co. Ex. 7, p. 2. Beyond wage settlements for other King County bargaining units and for the comparators, there were no significant stipulations of the parties relevant to this Interest Arbitration.

Comparability

In the typical interest arbitration, comparability is often the driving force behind the wage proposals offered by the parties to a dispute. The parties to this dispute have agreed on four jurisdictions to be used as a guide in establishing the appropriate wage rates for TEA represented employees. Because the wage offers of both parties are extremely close, the comparability factor is less significant in the instant case.

TEA proposed an 11.95% increase over the four-year contract. TEA's proposed 11.95% increase is distorted by the 5% increase proposed for 2015. The County's proposed wage increase over that same four-year period is 8.73%. The difference between the parties over the four-year term of the Collective Bargaining Agreement is 3.22%. The TEA proposal for the same three-year period of 2016, 2017, and 2018 is for a 6.95% increase. The County proposal over that same three-year period totals a 6.73% increase proposed by the County or an overall difference of .22%.

The Arbitration Panel agrees with the Lankford and Beck Awards that a snapshot date when making wage comparisons best conforms to the statutory criteria. To do otherwise would require the parties to make rolling comparisons over the course of the year. The complications in applying this approach argue against using anything other than a snapshot date. It is only through the snapshot date that the parties can make apples to apples comparisons of the wages paid in the stipulated jurisdictions. The Arbitration Panel finds the snapshot date should continue to be January 1 of the contract year.

Turning to the issue of merit pay, the Arbitration Panel agrees with the Beck Award that specialty pay should not be treated as the equivalent of an automatic step in the salary schedule for purposes of making comparisons. The Arbitration Panel notes that most of the compensation comparisons were done without merit pay included. If the parties are going to treat specialty pay as the equivalent of the top step, then all of the comparators' jurisdictions need to be treated equally when it comes to including the merit pay or other specialty pay that are available to those bargaining unit members. The bottom line is by treating merit pay as the equivalent of the top wage, King County distorts the comparison studies. This is not to say that the merit pay available to members of this bargaining unit should be ignored. The Arbitration Panel has taken into account that all eligible TEA members received an additional 5% in merit pay in reaching a decision of the final wage award.

The Arbitration Panel concludes that with regard to the comparators that the status quo shall be continued on the issue of appropriate job matches. The issue is not critical in this round of bargaining because the parties' proposals are so close on the wage issue, with the single exception of the conflicting proposals for 2015. In addition, the

Arbitration Panel rejects TEA's attempt to match job positions in the other comparators with positions in the TEA bargaining unit that includes supervisory duties that are not part of the King County job classification. The presence or absence of supervisory duties is a key part in determining whether there is a position match. The Arbitration Panel is not holding the position matches are immune from reexamination in future bargaining.

The wage comparison charts prepared by the County show that TEA bargaining unit members enjoy a competitive and reasonable wage level. TEA members will be paid 2.04% higher in 2017 than the comparators with the implementation of the County's proposal. Co. Ex. 33-C. The same pattern holds true in 2015 and 2016 when wages are compared using the County's wage proposal. Co. Ex. 91. Wage increases at the comparable agencies for 2015 to 2017 reveal wage increases as follows:

Agency	2015	2016	2017	Compounded Total
Seattle	2.00%	2.00%	2.50%	6.64%
Bellevue	1.98%	0.99%	1.80%	4.84%
Port of Seattle	Performance Based Compensation System – Do not provide COLAs			
Sound Transit	Performance Based Compensation System – Do not provide COLAs			
King County	2.00%	2.25%	1.78%	6.15%

Co. Ex. 48.

Internally, the wage settlements for other King County employees show that 62 of the contract settlements for 2015-2018 will produce a compounded total increase over the four years of 8.51%. Co. Ex. 47. One unit of supervisors will receive a total compounded increase of 9.04% over that same period of time. King County proposed a total of 9.02% compounded over the life of the four-year Collective Bargaining Agreement. The Arbitration Panel finds that internal comparability favors the County's proposal.

The Arbitration Panel's wage award does not distort or compromise King County's ability to fund a wage increase for members of the TEA unit at the expense of

other County employees. The Arbitration Panel's award is consistent with the wages agreed on for the other King County employee groups.

The evidence offered by TEA is compelling that the economic health of the local King County economy is booming with the substantial increases in housing prices and wages. The Arbitration Panel's wage award of 9.75% over the four years is in accord with both the internal comparators and external comparators, and within the ability of King County to afford funding the four years of this Collective Bargaining Agreement.

Cost of Living

Turning to the factor of cost of living, the evidence supports a wage settlement closer to TEA's position than the amounts offered by King County. In addition, the cost of living formula proposed by the County is complicated and not easily understood. The Arbitration Panel holds the current complicated CPI formula should be abandoned in favor of a traditional cost of living formula. In the present case, King County's cost of living formula makes little difference to this case, as the parties are two and one-half years into the agreed on four-year Collective Bargaining Agreement.

The Arbitration Panel agrees with TEA that trying to explain how the County formula works injects an unnecessary element of complexity into the process that does not need to be present in a collective bargaining agreement.

The Arbitration Panel favors a traditional CPI formula for establishing wage increases based on a COLA approach. Managers and bargaining unit members should be able to go to a published BLS figure on which a COLA is based. A COLA based on a traditional formula will be in the best interest of both parties. Because all of the CPI figures

are known at the point, the Arbitration Panel concludes it is unnecessary to include TEA's proposed formula in the Collective Bargaining Agreement for 2015-2018.

Changes in Circumstances During the Pendency of the Proceeding

At the time of the hearing, the most recent Seattle CPI-W data was not available. By the time the parties submitted their post-hearing briefs, the Seattle June CPI was determined to be 3%. The Arbitration Panel will utilize the 3% figure in developing the wage award for 2018.

Other Traditional Factors

Both parties maintain that recruitment and retention supported their respective proposals. TEA asserts the law of supply and demand clearly shows the wage rates offered by King County are not sufficient to attract and retain qualified employees. The skill sets for Design and Construction Unit engineers, planners, and technicians in this bargaining unit are in high demand. The evidence is undisputed that King County cannot bring employees in at the agreed on wage schedule. King County has to offer wages at the higher levels of the wage scale. This causes morale problems for current employees who have worked several years to advance to their level of the pay schedule and have new employees brought in at higher rates.

The evidence adduced at the hearing also identified a number of recruitment efforts that resulted in no hiring, and leaving a vacancy unfilled. From 2013 to the current time, staffing within Design and Construction plummeted from 68 to 51, a 25% contraction in the size of the workforce in only four years. While part of the reduction in positions was due to the recession, the evidence shows that King County is well positioned in the post-recovery era to expand the number of jobs in the bargaining unit.

King County's attempt to deny these uncontroverted facts was not persuasive to the Arbitration Panel. The Arbitration Panel finds that in light of King County's ambitious plans for expansion of transit services, that the public interest supports an award on the wage issue higher than that proposed by King County.

TEA maintained that evidence concerning the strong local economy and tight general labor market support TEA's wage proposal. Arbitrators have generally recognized that current economic conditions are relevant and often an important factor in determining wage increases. In down economic times employers argue that wage freezes or minimal increases are warranted. The Arbitration Panel agrees that King County is in the midst of an economic boom, and that economy is a large driver of Washington's financial strength. The Washington State economy is out pacing the national economy. The reality of the labor market in the Seattle area is driving up wages by significant amounts. The King County forecast is for continued strong economic growth.

The Arbitration Panel concludes when the skill set of the highly trained employees in this bargaining unit is combined with the highly charged economy, a wage increase larger than proposed by King County is in order. The ambitious capital construction plans for transit will require a total complement of employees in the Design and Construction Unit. The Arbitration Panel finds it would not be in the public interest to continue the downward trend of the number of employees in this bargaining unit in light of the future plans for King County to develop and attract more riders.

The 3% wage adjustment for 2018 is equal to the Seattle CPI Index from June 2016-June 2017 CPI. The Arbitration Panel award of a 9.75% increase over the four-year Collective Bargaining Agreement is comfortably positioned between the final

offers between the parties. King County offered wage increases totaling 8.73% over the four-year Collective Bargaining Agreement. The Arbitration Panel's award exceeds the King County proposal by 1.02% over the life of the four-year contract. TEA sought a total wage adjustment of 11.95%. The Arbitration Panel's award of 9.75% is 2.2% less than the TEA proposal over the life of the four-year contract.

In reaching a conclusion on the wage issue, the Arbitration Panel is mindful of the fact that the Panel awarded the County's health insurance proposal that would include premium sharing for bargaining unit members effective January 1, 2018. The Arbitration Panel awarded the County's proposal to make substantial changes in the manner health insurance is funded that will increase the cost to individual TEA members to help control the cost to the County. The Arbitration Panel awards the 3% for 2018, in part, as recognition of the introduction of premium sharing effective January 1, 2018.

The Arbitration Panel also took into account in framing the award on wages that members of this bargaining unit will continue to enjoy the full range of insurance programs for the duration of the 2015-2018 Collective Bargaining Agreement. Implementation of the Arbitration Panel's award on the wage issue will continue the wage level that is comfortably positioned within the range of the comparators. (See Attachment C). The Arbitration Panel also took into account in formulating this Award that all eligible members receive an additional 5% merit over the top money added to their wages. The goal of this Arbitration Panel is to maintain wage levels for the members of this bargaining unit that are consistent and competitive with both the internal and external comparators.

AWARD

The Arbitration Panel awards as follows:

Article 17, Wage Rates

17.1 2015 Wage Rates: Wage rates under this Agreement shall be retroactive to January 1, 2015. 2015 salaries to employees in the bargaining unit are set forth in Addendum A of this Agreement.

17.2 2015 Wage Rates: Effective January 1, 2015, the pay rate shall be increased by 2.25% for all classifications.

17.3 2016 Wage Rates: Effective January 1, 2016, the pay rate shall be increased by 2.25% for all classifications.

17.4 2017 Wage Rates: Effective January 1, 2017, the pay rate shall be increased by 2.25% for all classifications.

17.5 2018 Wage Rates: Effective January 1, 2018, the pay rate for all classifications in the bargaining unit shall be increased above the 2017 levels by a percentage equal to 90% of the increase in the Seattle CPI index (from June 2016 to June 2017) or 2.70% plus a .30% for a total increase of 3%.

ISSUE 2: ARTICLE 15, HEALTH INSURANCE

A. Background

The health insurance issue is a major obstacle to a mutual resolution of this dispute. Currently, members of this bargaining unit do not make any contribution toward the cost of health insurance. King County proposes a premium sharing between the employees and the County. TEA proposes to maintain the current health plan specification with no premium sharing.

The insurance issue is complicated by the fact King County is entirely self-insured. In an attempt to simplify and create uniformity among all King County employees, King County and a coalition of unions joined together to create "The Joint Labor Management Insurance Committee" (JLMIC). Er. Ex. 60.

One of the primary goals of the JLMIC was affirmed as follows:

Whereas, it is the policy objective of King County that a sustainable compensation package is achieved by reducing the year over year growth rate of King County's overall employee compensation budget to align with the County's population adjusted inflation rate. The overall employee compensation budget includes adopted expenditures for all wages, compensation, leave, retirement contributions and benefits for active employees. This includes all amounts accounted for in account class 51000 in the County's accounting and budget system of record; ...

Er. Ex. 61.

The individual unions and King County in their separate collective bargaining agreements agreed to include in their contracts language that incorporates the insurance package that was negotiated by JLMIC. If the JLMIC negotiates and implements plan design changes, those become effective immediately for all employees in the County who are in the JLMIC plan, represented or unrepresented, interest arbitration eligible or not.

Every bargaining unit in the JLMIC ties its healthcare insurance to whatever is negotiated by the JLMIC. Er. Ex. 62.

King County has long been providing health care in a traditional defined benefit model. JLMIC would negotiate and implement a plan design and then commit that plan for the life of the benefits agreement. Because the County was locked into a three-year deal on health care plan design regardless of actual cost, 100% of the risk was on the County. In addition, the defined benefit model does not give employees any incentive to keep benefits reasonable and affordable. The County wanted its employees to have "skin in the game" to get some cooperation from employees individually and from the unions collectively to contain the rising cost of health care insurance. The solution was to move from the defined benefit to a defined contribution approach to health care. The defined contribution approach shifts the risk of increased cost from the employer to the employees and incentivizes the parties to modify plan design elements that can impact usage and overall cost.

One of the provisions of the JLMIC resulted in an agreement where the parties took some of the excess money and created a Protective Reserve Fund (PRF) of \$25 million, which could be used solely for the purpose of protecting JLMIC benefit members against future premium cost increases. This was a *quid pro quo* for the move to a defined contribution approach in exchange for the PRF. The bottom line was the \$25 million PRF produced a bargain that would prevent premium sharing for those participating in the JLMIC that would avoid premium sharing for the foreseeable future. TEA elected not to participate in the JLMIC program. It is against this background that the Interest Arbitration Panel must produce an Award on health insurance.

B. King County

The TEA bargaining unit of 50 employees is too small for a stand-alone self-insured group. According to King County, when bargaining failed to resolve the dispute, the County proposed premium sharing as a compromise that meets TEA's interest in remaining on a defined benefit plan while simultaneously managing the risk of self-insuring a group that is too small on its own. The problem that King County wants to avoid is a proliferation of health care plans as various County groups seek to maintain their respective health plans.

The County submits its proposal for premium sharing for TEA serves as a balance that allows TEA to access the JLMIC fund to pay for their health care claims. Because the small TEA group was overlooked when the original JLMIC agreement was drafted, they are a "free rider" benefiting from the savings of the JLMIC without paying for it by accepting the same plan design changes that everybody else took in order to achieve those savings.

The County next argues that its proposal is justified when measured against the four comparable jurisdictions. Three of the four comparators require premium sharing for employee only monthly premiums, and premium sharing for full family monthly premiums in all of the comparators. Er. Ex. 90. King County is the only agency that does not require premium sharing for full family coverage. The County's proposal for employee only premium sharing of \$50 is reasonable. Turning to the full family coverage, all of the comparators require premium sharing. Premium sharing is the norm in the Seattle/Tacoma labor market in the amount of \$313 for a PPO and \$430 for an HMO.

In sum, King County has been able to avoid premium sharing only because of its partnership and collaboration with labor through the JLMIC and the maintenance of a healthy PRF. The TEA wants to reap the reward of that hard work in putting the JLMIC together without taking any of the risk. The TEA wants no part of possible mid-term benefit changes, preferring instead to use the JLMIC negotiated changes as bargaining leverage.

The Interest Arbitration Panel should award the King County proposal as a matter of both internal equity and external stipulated market comparators. The Interest Arbitration Panel should award King County's proposal for a reasonable premium sharing on the defined benefit plan that existed at the time the TEA bargaining unit was certified for Interest Arbitration.

C. Technical Employees Association

TEA takes the position that in the presence of conflicting and unsupported County proposals, the Arbitration Panel should maintain the current health insurance benefits. TEA has indicated a willingness to accept incremental, supportable revisions in the health care plan in exchange for an overall contract, including an agreement on total compensation. TEA's protected position proposal is to maintain current health plan specifications in the absence of a broader agreement. Thus, TEA proposes that the status quo be continued into the successor CBA.

TEA avers that the County's proposal is to make an example of TEA in retribution for its insistence on negotiating health benefits as part of its total compensation. The "stunning evidence" that the County never discussed its proposal for the new premium

charge at any point during negotiations most compellingly demonstrates the punitive nature of this Interest Arbitration proposal.

General equity and internal equity support TEA's health insurance proposal. Arbitrators impose a heavy burden of proof on the party seeking to break parity from an established internal equity on health insurance benefits. Arbitral authority supports the principle that internal equity is of paramount importance in deciding health insurance issues. First, there is an issue as to broader internal equity within the County. There is no dispute that not a single County bargaining unit is paying the additional premium charge the County proposed for this isolated imposition on TEA. TEA and the rest of the County are subject to spousal co-pay fees, a fee the County separately wants to increase. TEA opposes being forced to take benefit reductions, in the form of an increase of 33% in the spousal "access fee" premium from \$75 to \$100, and then to have yet another premium surcharged on top of that existent spousal premium.

The second factor is that the Supervisor Bargaining Unit at METRO, who are represented by the Teamsters, have separated themselves slightly in wages and with no premium sharing. Rather than addressing the pay inequity issue, the insurance proposal aggravates the compensation gap between TEA represented employees and Teamster represented employees in the Construction and Design Department.

Third, the County's proposal has not been thoroughly vetted through the negotiation process. The County never seriously negotiated this premium increase. The County has mischaracterized the supposed "free rider" issues and the current manner in which the JLMIC process has been altered.

In sum, TEA opted out of the JLMIC in order to retain the freedom to bargain insurance in conjunction with wages. TEA, in recognition of its Interest Arbitration standing and skepticism about the other JLMIC participants, chose to retain their bargaining rights over the implementation of plan design changes.

TEA submits the viability of the JLMIC system remains in doubt, and the dramatic alteration the County seeks to impose on the TEA benefit arrangement should not be considered ripe for adoption until two things occur. First, it becomes clearer what direction the entire County JLMIC medical plan is heading. Second, the County engages in real and serious negotiations on its premium proposal, something that it has never done.

The Arbitration Panel should award TEA's insurance proposal to continue the status quo during the period of the 2015-2018 Collective Bargaining Agreement.

D. DISCUSSION

Based on the totality of the evidence, the Arbitration Panel awards the King County proposal on insurance with several modifications. First, the King County insurance proposal shall not become effective until January 1, 2018. The status quo shall remain in effect until December 31, 2017.

Second, the benefit access fee shall be set at \$90 per month. Third, the premium sharing for employee only coverage shall be set at \$40 per month per employee. Fourth, the premium sharing for full family coverage shall be set at \$75 per month.

The reasoning of the Arbitration Panel for the above-stated modifications to the County proposal is to ease the transition for members into the premium-sharing model. When combined with a delay in implementation of the premium sharing until the final year of the Collective Bargaining Agreement, bargaining unit members will have the opportunity

to plan and prepare for premium sharing. In reaching the conclusion to adopt the County's proposal on the insurance issue, with modifications, the Arbitration Panel took the premium sharing decision into account when coming to an Award on the wage issue.

The level of benefits offered to TEA bargaining unit members is not an issue. Members of this bargaining unit continue to enjoy a rich and comprehensive level of benefits to protect members and their family from expenditures caused by illness or injury.

There is no contract or statutory requirement that prevents premium sharing by employees to assist in maintaining the health insurance plan. In fact, the opposite is true that with the exception of King County employees, premium sharing by employees is the norm in both the private and public sectors in King County.

A review of the external comparators supports King County's position. Three of the four stipulated comparators require employee only premium sharing. Premium sharing ranges from a low of \$38 per month to a high of \$52. Er. Ex. 90.

Each of the four comparators require a monthly premium sharing for full family coverage ranging from \$98.50 per month in Seattle to \$365 per month at the City of Bellevue. The average annual premium sharing for full family coverage is \$227 per month for the four stipulated comparators. Er. Ex. 90. King County is proposing a \$100 per month benefit access fee for King Care, which is certainly reasonable when measured against the comparators. However, the Arbitration Panel was persuaded \$90 per month is a reasonable access fee in the first year of implementation.

The Arbitration Panel will modify the King County proposal for employee only premium share from \$50 per month to \$40 per month. The Arbitration Panel will reduce the County's proposal for \$100 premium share to \$75 per month for full family

coverage to assist in the transition to the premium-sharing model. TEA relied on internal comparability to sustain its proposal to maintain the status quo. TEA correctly points out that members of this bargaining unit would be the only King County group to have premium sharing. It is also true that TEA is a small bargaining unit of 50 members. The Arbitration Panel finds that maintaining a separate health insurance plan for 50 members is not sustainable. TEA represents a group that includes .36% of the King County insurance groups. TEA proposes the status quo to remain on a January 1, 2013 medical plan that no longer exists in the County for any bargaining unit, but TEA. The Arbitration Panel concludes the time has come for TEA members to have some "skin in the game." King County's proposal to add premium sharing represents a modest and reasonable step to attain that goal.

Pursuant to the King County proposal, the TEA plan will continue to be a defined benefit plan. This means that the risk of future cost increases for health insurance coverage will be borne by King County. The TEA bargaining unit is in a unique situation and as such a different approach to the health insurance plan is justified.

The Arbitration Panel concludes the King County proposal with the modifications ordered by the Arbitration Panel provides a compromise that meets TEA's interest in remaining on a defined benefit plan while simultaneously managing the risk of self-insuring a group that is too small on its own. (See Attachment D).

AWARD

The Arbitration Panel awards as follows:

ARTICLE 15: MEDICAL, DENTAL AND LIFE PLAN

1. The status quo shall be maintained until December 31, 2017. The bargaining unit members shall remain in the self-insured defined benefit plan described therein through December 31, 2018.

2. Through December 31, 2018, the County will provide medical, dental and life insurance plans for all benefits-eligible employees in accordance with Exhibit Z. As noted in Exhibit Z, employees will pay a \$90.00/month benefit access fee for the KingCare plan through the term of this agreement. Also as in Exhibit Z, effective January 1, 2018, employees will pay a premium of \$40.00 per month for employee-only, and \$75.00 per month for full-family coverage to remain in the self-insured defined benefit plan described therein.

3. The King County insurance proposal shall be adopted effective January 1, 2018 subject to the modifications listed in this Award. Article 15 shall be amended to read:

Effective January 1, 2018, the County will provide medical, dental and life insurance plans for all benefits-eligible employees in accordance with Exhibit Z of the Employer's proposal.

Effective January 1, 2018, Exhibit Z shall be modified as follows:

- (a) The benefit access fee shall be established at \$90 per month.
- (b) The premium share for employee only coverage shall be established at \$40 per month.
- (c) The premium share for full family coverage shall be established at \$75 per month.

ISSUE 3: ARTICLE 24, DURATION

The parties came to the Interest Arbitration with different proposals on the duration issue. King County proposed a four-year contract concluding on December 31, 2018. TEA proposed a five-year contract with termination on December 31, 2019. In a letter to the Interest Arbitration Panel, TEA advised the Panel that the Union was modifying its duration proposal to reflect a CBA for the period January 1, 2015 through December 31, 2018.

As a consequence, the Union withdrew its wage proposals for the years 2019 and 2020. The Interest Arbitration Panel will enter an Award reflecting what is now the agreement of the parties for a four-year contract.

AWARD

The Arbitration Panel awards that Article 24 be modified to read:

ARTICLE 24: DURATION

This Agreement shall become effective upon the conclusion of the approval process by King County and cover the period January 1, 2015 through December 31, 2018.

Either party may initiate negotiations upon written notice to the other within one hundred eighty (180) days of the expiration of this Agreement or at a mutually agreed time.

RCW 41.56.492

Application of uniformed personnel collective bargaining provisions to employees of public passenger transportation systems - Conditions.

In addition to the classes of employees listed in *RCW 41.56.030(7), the provisions of RCW 41.56.430 through 41.56.452, 41.56.470, 41.56.480, and 41.56.490 shall also be applicable to the employees of a public passenger transportation system of a metropolitan municipal corporation, county transportation authority, public transportation benefit area, or city public passenger transportation system, subject to the following:

(1) Negotiations between the public employer and the bargaining representative may commence at any time agreed to by the parties. If no agreement has been reached ninety days after commencement of negotiations, either party may demand that the issues in disagreement be submitted to a mediator. The services of the mediator shall be provided by the commission without cost to the parties, but nothing in this section or RCW 41.56.440 shall be construed to prohibit the public employer and the bargaining representative from agreeing to substitute at their own expense some other mediator or mediation procedure; and

(2) If an agreement has not been reached following a reasonable period of negotiations and mediation, and the mediator finds that the parties remain at impasse, either party may demand that the issues in disagreement be submitted to an arbitration panel for a binding and final determination. In making its determination, the arbitration panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and as additional standards or guidelines to aid it in reaching a decision [decision], shall take into consideration the following factors:

- (a) The constitutional and statutory authority of the employer;
- (b) Stipulations of the parties;
- (c) Compensation package comparisons, economic indices, fiscal constraints, and similar factors determined by the arbitration panel to be pertinent to the case; and
- (d) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment.

[1993 c 473 § 1.]

NOTES:

*Reviser's note: RCW 41.56.030 was alphabetized pursuant to RCW 1.08.015(2)(k), changing subsection (7) to subsection (14). RCW 41.56.030 was subsequently amended by 2011 1st sp.s. c 21 § 11, changing subsection (14) to subsection (13).

cba Code: 427

ADDENDUM A - Wages

Union Code: W2

Technical Employees' Association

Department of Transportation - Staff, Interest Arbitration

Job Class Code	PeopleSoft Job Code	Classification Title	2014
			Top of Range
4200100	421114	Administrative Office Assistant	\$22.40
4201100	421218	Administrative Specialist I	\$24.62
4201200	421325	Administrative Specialist II	\$27.05
4201300	421417	Administrative Specialist III	\$29.76
2131100	214110	Business and Finance Officer I	\$33.27
2131200	214214	Business and Finance Officer II	\$39.36
2131300	214309	Business and Finance Officer III	\$43.62
2131400	214415	Business and Finance Officer IV	\$49.12
7321200	734809	Database Administrator - Journey	\$41.45
7321300	734909	Database Administrator - Senior	\$49.12
2441100	243112	Project/Program Manager I	\$39.57
2441200	243217	Project/Program Manager II	\$44.52
2441300	243313	Project/Program Manager III	\$50.13
2441400	243409	Project/Program Manager IV	\$56.44
2634100	264803	Real Property Agent I	\$31.62
2634200	264903	Real Property Agent II	\$41.45
2634300	265003	Real Property Agent III	\$45.84
2634400	265103	Real Property Agent IV	\$51.63
2502100	252603	Special Project Manager I	\$54.34
2502200	252702	Special Project Manager II	\$56.99
7143100	717302	Transit Construction Management I	\$31.62
7143200	717402	Transit Construction Management II	\$37.43
7143300	717502	Transit Construction Management III	\$43.62
7143400	717602	Transit Construction Management IV	\$51.63
7143500	717703	Transit Construction Management V	\$57.13
7143600	717803	Transit Construction Management VI	\$60.12
7142100	717902	Transit Designer I	\$25.57
7142200	718002	Transit Designer II	\$30.05
7142300	718102	Transit Designer III	\$34.98
7142400	718202	Transit Designer IV	\$37.43
7142500	718302	Transit Designer V	\$41.45
7142600	718402	Transit Designer VI	\$49.12
7140100	714202	Transit Engineer I	\$34.98
7140200	714302	Transit Engineer II	\$41.45
7140300	714402	Transit Engineer III	\$49.12
7140400	714502	Transit Engineer IV	\$54.34
7140500	714602	Transit Engineer V	\$57.13
7140600	714702	Transit Engineer VI	\$60.12
2423100	242602	Transit Environmental Planner	\$49.12
7141100	718502	Transit Project Control Engineer I	\$34.98
7141200	718602	Transit Project Control Engineer II	\$41.45
7141300	718702	Transit Project Control Engineer III	\$49.12
7141400	718802	Transit Project Control Engineer IV	\$54.34

Classification Title	2014	2015	2016	2017	2018
	Top of Range	(+2.25%)	(+2.25%)	(+2.25%)	(+3.00%)
Administrative Office Assistant	\$22.40	\$22.90	\$23.42	\$23.94	\$24.66
Administrative Specialist I	\$24.62	\$25.18	\$25.75	\$26.32	\$27.11
Administrative Specialist II	\$27.05	\$27.66	\$28.29	\$28.92	\$29.79
Administrative Specialist III	\$29.76	\$30.43	\$31.11	\$31.81	\$32.77
Business and Finance Officer I	\$33.27	\$34.01	\$34.78	\$35.56	\$36.63
Business and Finance Officer II	\$39.36	\$40.24	\$41.15	\$42.07	\$43.34
Business and Finance Officer III	\$43.62	\$44.60	\$45.60	\$46.63	\$48.03
Business and Finance Officer IV	\$49.12	\$50.22	\$51.35	\$52.51	\$54.08
Database Administrator- Senior	\$49.12	\$50.22	\$51.35	\$52.51	\$54.08
Database Administrator-Journey	\$41.45	\$42.38	\$43.34	\$44.31	\$45.64
Project/Program Manager I	\$39.57	\$40.46	\$41.37	\$42.30	\$43.57
Project/Program Manager II	\$44.52	\$45.52	\$46.55	\$47.59	\$49.02
Project/Program Manager III	\$50.13	\$51.26	\$52.41	\$53.59	\$55.20
Project/Program Manager IV	\$56.44	\$57.71	\$59.01	\$60.33	\$62.14
Real Property Agent I	\$31.62	\$32.33	\$33.06	\$33.80	\$34.82
Real Property Agent II	\$41.45	\$42.38	\$43.34	\$44.31	\$45.64
Real Property Agent III	\$45.84	\$46.87	\$47.93	\$49.01	\$50.48
Real Property Agent IV	\$51.63	\$52.79	\$53.98	\$55.19	\$56.85
Special Project Manager I	\$54.34	\$55.57	\$56.82	\$58.09	\$59.84
Special Project Manager II	\$56.99	\$58.27	\$59.58	\$60.92	\$62.75
Transit Construction Management I	\$31.62	\$32.33	\$33.06	\$33.80	\$34.82
Transit Construction Management II	\$37.43	\$38.28	\$39.14	\$40.02	\$41.22
Transit Construction Management III	\$43.62	\$44.60	\$45.60	\$46.63	\$48.03
Transit Construction Management IV	\$51.63	\$52.79	\$53.98	\$55.19	\$56.85
Transit Construction Management V	\$57.13	\$58.41	\$59.73	\$61.07	\$62.90
Transit Construction Management VI	\$60.12	\$61.47	\$62.85	\$64.27	\$66.20
Transit Designer I	\$25.57	\$26.15	\$26.73	\$27.34	\$28.16
Transit Designer II	\$30.05	\$30.73	\$31.42	\$32.13	\$33.09
Transit Designer III	\$34.98	\$35.77	\$36.58	\$37.40	\$38.52
Transit Designer IV	\$37.43	\$38.28	\$39.14	\$40.02	\$41.22
Transit Designer V	\$41.45	\$42.38	\$43.34	\$44.31	\$45.64
Transit Designer VI	\$49.12	\$50.22	\$51.35	\$52.51	\$54.08

Transit Engineer I	\$34.98	\$35.77	\$36.58	\$37.40	\$38.52
Transit Engineer II	\$41.45	\$42.38	\$43.34	\$44.31	\$45.64
Transit Engineer III	\$49.12	\$50.22	\$51.35	\$52.51	\$54.08
Transit Engineer IV	\$54.34	\$55.57	\$56.82	\$58.09	\$59.84
Transit Engineer V	\$57.13	\$58.41	\$59.73	\$61.07	\$62.90
Transit Engineer VI	\$60.12	\$61.47	\$62.85	\$64.27	\$66.20
Transit Environmental Planner	\$49.12	\$50.22	\$51.35	\$52.51	\$54.08
Transit Project Control Engineer I	\$34.98	\$35.77	\$36.58	\$37.40	\$38.52
Transit Project Control Engineer II	\$41.45	\$42.38	\$43.34	\$44.31	\$45.64
Transit Project Control Engineer III	\$49.12	\$50.22	\$51.35	\$52.51	\$54.08
Transit Project Control Engineer IV	\$54.34	\$55.57	\$56.82	\$58.09	\$59.84

Exhibit Z: Medical Benefits for 2015, 2016, 2017, 2018**KingCare**

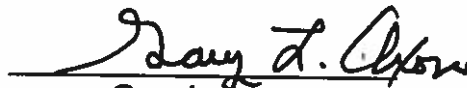
KingCare	Gold	Silver	Bronze
Annual deductible	\$300/person \$900/family	\$600/person \$1,800/family	\$800/person \$2,400/family
Coinsurance paid by member	15% in network 35% out of network	25% in network 45% out of network	25% in network 45% out of network
Annual out-of-pocket maximum for medical services (total for deductible + coinsurance)	In network \$1,100/person \$2,500/family Out-of-network \$1,900/person \$4,100/family Does not apply to prescriptions	In network \$1,600/person \$3,800/family Out-of-network \$2,400/person \$5,400/family Does not apply to prescriptions	In network: \$2,000/person \$4,800/family Out-of-network \$2,800/person \$6,400/family Does not apply to prescriptions
Copay for prescription drugs—30 day supply	\$7 generic \$30 preferred brand \$60 non preferred brand		
Copay for prescription drugs—90 day supply mail order	\$14 generic \$60 preferred brand \$120 non preferred brand		
Annual out-of-pocket maximum for prescription drugs	\$1,500/person or \$3,000/family		
Emergency Room Co-pay	\$100		
Benefit Access Fee	\$90/month		
Premium Share (effective 1/1/2018)	\$40/month employee-only and \$75/month for full family		

Kaiser Permanente

Kaiser Permanente	Gold	Silver	Bronze
Annual deductible	\$0	\$0	\$0
Copay paid by member	\$20	\$35	\$50
Annual out-of-pocket maximum (medical + prescription drug)	\$1,000/person \$2,000/family+	\$2,000/person \$4,000/family	\$3,000/person \$6,000/family
Copay for prescription drugs—30 day supply (network only)	\$10 generic \$20 preferred brand \$30 non preferred brand		
Copay for prescription drugs—90 day supply mail order (network only)	\$20 generic \$40 preferred brand \$60 non preferred brand		
Benefit Access Fee	\$0/month		
Premium Share (effective 1/1/2018)	\$40/month employee-only and \$75/month for full family		

IN THE MATTER OF)
INTEREST ARBITRATION)
BETWEEN)
TECHNICAL EMPLOYEES ASSOCIATION,)
Union,)
and)
KING COUNTY, WASHINGTON,)
Employer.)

PERC CASE NO. 128481-I-16
ARBITRATION PANEL'S
OPINION AND AWARD
2015 – 2018 COLLECTIVE
BARGAINING AGREEMENT


Gary L. Axon
Neutral Arbitrator
Dated: October 23, 2017

Concur/Dissent

David Levin
Dated:

Concur/Dissent

Eamon McCleery
Dated:

FIRST CLASS MAIL

FROM

GARY L. AXON
ARBITRATOR
POST OFFICE BOX 190
ASHLAND, OREGON 97520

TO

E MATTHEW GREER
MEDIATOR
PUBLIC EMPLOYMENT RELATIONS COMMISSION
112 HENRY ST NE STE 300
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OLYMPIA WA 98504-0919



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