In the Matter of the Interest Arbitration

between Amalgamated Transit Union, Local Division 1765, AFL-CIO ("ATU" or "Union")

and

Grays Harbor Transportation Authority ("GHT" or "Agency").

Findings, Discussion and Award.

Case Numbers:	PERC cases 134495-I-21 (Operators) and 133074-I021 (Dispatchers). Arbitrator's X57.
Representing GHT:	John Lee and Summit Law Group, 315 Fifth Avenue South, Suite 1000, Seattle, WA 98104.
Representing ATU:	Peter Donohue and PBI Associates, 5460 Shuth Hyde Park Boulevard #1, Chicago, IL 60615.
Arbitrator:	Howell L. Lankford, P.O. Box 22331, Milwaukie, OR 97269-0331.
Hearing held:	Remotely via Zoom on August 24 and 25, 2022.
Witnesses for GHT:	Jean Braaten, Katie Heikala, Martin Best, and Terri Gardner.
Witnesses for ATU:	Peter Donohue, Javar M Perez, Jr., Stephen McEvoy, Dennis Antonellis, and Paul Tischer.
Post-hearing Briefs submitted:	From both parties by email on October 14, 2022.
Date of this award:	Monday, November 14, 2022.

This is an interest arbitration under the authority of RCW 41.56.450 et seq. In addition to the prior "Operator unit"—which also includes maintenance employees and customer service representatives—this case addresses a new separate bargaining unit of the Agency's seven Dispatchers. The parties agree that the preliminary procedures leading up to interest arbitration were properly completed and that they had adequate notice of one another's positions for the hearing in this case.[1] They also agree that the Operator contract at issue here will cover the period from December 20, 2019, through December 19, 2022; and the Dispatcher contract will cover at least the period from the date of the Award through June 30, 2024. They disagree about retroactivity for that initial contract. The hearing was orderly. Each party had the opportunity to present evidence, to call and to cross examine witnesses, and to argue the case. Both parties filed post-hearing briefs, and those briefs have been carefully considered.[2]

BACKGROUND

Grays Harbor Transit covers all of Grays Harbor County on the coast, due west of Tacoma and Olympia, in northern Washington State. GHT provides fixed-route and dial-a-ride and para-transit service and operates a van pool program. It is officed in Aberdeen, the largest city in the County, rather than in the County Seat of Montesano. The 2020 census showed a County population of not quite 76,000 in its 1,902 square land miles.[3]

For the Operator unit, GHT proposes increases of 0.5% for 2019, 2.5% for 2020, and 1.5% for 2021. (GHT explains the final proposal by reference to the COVID-19 economy in 2021.) GHT also proposes "market adjustments" of 5% for its Lead Mechanic and 4% for its Mechanic First Class classifications, effective on the date of this Award. GHT also proposes one language change which would allow up to 20% of bid runs to have split days off (i.e., not two consecutive days off). ATU proposes 5% increases for each of the three years of the new contract, with no change in the scheduling language. Operator CBAs end on December 19 (the cut-off date of a new payroll period).

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[1]ATU did not quite meet the fourteen day statutory notice requirement, but the parties expressly agreed that they would rather proceed on the scheduled day than back off and repeat the notice process.

[2]Near the end of the briefing period, ATU brought up the possibility of needing an extension but then declined my offer to add the weekend between October 14–the agreed submission date–and Monday, October 17. ATU's brief was timely, but it later proposed to submit a correction. In light of the prior discussion, GHT objected; and I denied ATU's motion.

[3]Operators drive both fixed routes and on-demand buses. Neither party argues that this mix should be addressed in the choice of comparable transit employers.

For the Dispatcher unit, GHT proposes no retroactivity, 1.5% effective on the contract's signing, and 1% on July 1, 2023 with Dispatchers moving to the next established step on their anniversary dates. With respect to scheduling days off, GHT proposes that the initial contract include no restriction of scheduling days off. ATU proposes specific across-the-board hourly wage rates—rather than the prior six-step wage system—of $29.58 for 2020, $31.06 for 2021, and $32.61 for 2022 with no stated option to assign split days off. (The increases for the final two years are 5%, but it is not clear what the starting point was for the 2020 proposed single rate.) For the new Dispatcher unit, ATU proposes specific wage rates: $29.58 for 2020, $31.06 for 2021, and $32.61 for 2022 with no change in their existing schedules.

There are currently 54 Operators, 16 maintenance employees, and 3.5 FTE customer service representatives in the Operator bargaining unit. With the Dispatchers, that totals about 81 of the Agency's 95 total employees. The most recent collective bargaining agreement (CBA) for the Operators expired in 2019; and the 2019 Operator negotiations—which gave birth to this proceeding—reached multiple tentative agreements with an Agency wage offer of 2% for 2019 and 2.5% for 2020 and 2021. The new, Dispatcher unit was certified in March of 2020, and negotiations began in January, 2021. Those negotiations, too, reached full tentative agreement. GHT offered increases of 2% upon execution, 1.25 % on July 1 of 2022 and 2023, and 0.5% on January 1, 2024, with step movement on the employee's next anniversary date. All the TAs, for both units, were rejected by the ATU membership.

STATUTORY LANGUAGE

This proceeding is covered by RCW 41.56.492(2):

> ... 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 decisions [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.

This is the shortest of the several Washington statutory enumerations of the factors to be considered in interest arbitration, but it is also the least restrictive. I take "Compensation package comparisons, economic indices, [and] fiscal constraints," along with "other factors ... normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment" to point an interest arbitrator toward a traditional analysis which includes two elements that usually drive pay increases, one element that traditionally restricts increases, and one very important element in the middle. Pay increases are usually driven by increases in the cost of living and by an employer's inability to recruit and retain employees; and increases are usually restricted by limitations on the employer's reasonable ability to afford them. The very important element in the middle, sometimes pointing one way and sometimes the other, is the comparison of the compensation currently being received by the employees in question with the comparison of similar employees of comparable employers.[4]

The last sentence just above is full of technical terms masquerading as ordinary language. Here is what those terms are generally agreed to mean. "Compensation currently being received" invites an analysis of "total compensation" that includes, at least, the current wage rates, the hours worked (i.e., adjustments for different workweeks, for vacation time, and for holiday time off), and the value of indirect benefits of employment such as medical insurance, sick leave, and retirement credits.[5] "Comparable employers" is sometimes a battlefield; but the policy core that should decide those disputes is clear in the existing cases: A small employer providing a single service in a thinly popluated ecomonic backwater should not be compared to large employers providing multiple services in densely populated and economically vibrant areas. Thus the employer's size and the local population are always factors in determining comparability, and other factors that influence the income sources for the agencies at issue are always relevant. In Washington there is a common claim—and equally common dispute—that the Cascades constitute a "curtain" that should shield public employers west of the Cascades from comparisons with public employers east of the Cascades, and ATU makes that argument in the case at hand. Finally, interest arbitrators commonly favor geographically close comparators if close comparators are available; but that preference frequently cannot overcome the first rule: the case at hand must be decided on the basis of the evidence presented by the parties.

The Agency points out (Post-hearing Brief at 9-10) that "interest arbitration is not a substitute for the collective bargaining process." I cheerfully agree with my earlier self (quoted by GHT) that interest arbitration is "an extension of the collective bargaining

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[4]GHT also looks at "internal parity" and the local labor market (Er. Ex. B1), but no such data or arguments are included in this record.

[5]The records presented to interest arbitrators do not always reflect all of those possible adjustments; and arbitrators commonly assume–at least I do–that the missing minor elements have been left out because counsel considers them to be insignificant in the case at hand.

process in the sense that it provided a neutral third party to be convinced—or not—by the same sort of data, analyses and arguments the parties traditionally exchange in two-party negotiations" (*King County Metro*, 2005). What I previously left out is that the statute itself quite clearly tells us the goal of interest arbitration, in the cited RCW 41.56.430:

> 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.

That is the same goal that arbitration has had since the days of the War Labor Board: the prevention of industrial unrest by providing solutions that both parties can view as fair.

THE FACTORS

Comparability. The parties disagree about which transit employers are comparable. They agree that GHT is classified as a Rural Transit Agency for Federal Transit Administration (FTA) purposes and that other Rural Transit Agencies should be preferred for comparisons. I will take Operator as a benchmark classification for this bargaining unit since the 54 Operators make up most of the 81 employee unit. GHT offers these employers as comparables (Ex. B2): Clallam Transit (Port Angeles, WA), Island Transit (Coupeville, WA), Link Transit (Wenatchee, WA), Skagit Transit (Burlington, WA), Valley Transit (Walla Walla, WA), Yakima Transit (Yakima, WA), and Mason Transit (Sheldon, WA).[6] The FTA classifies three of those (Clallam, Island, and Mason) as Rural and the other four as Small Urban. Five of those six are more or less within the range of ± 50% with respect to service area population, revenue miles, and passenger trips; but Link Transit—in addition to being Small Urban rather than Rural—is outside that range in every particular and has 2.4 times GHT's revenue vehicle hours and almost twice the revenue vehicle miles. Table 1 shows the numbers provided by GHT for Operator rates. (Beyond offering its own comparability analysis, ATU does not attack either the data or GHT's analysis of it.)

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[6]I take notice from Mason Transit's web page that its business office is in Sheldon. GHT notes (GHT Ex. B1) that it has historically considered internal parity, local labor market and turnover in setting compensation. There does not seem to be a significant "Cascade Curtain" problem with these comparables—i.e., the common perception that wages are lower east of the Cascades—since one of the three eastern Washington comparables—Valley Transit—brings the average up and two—Link and Yakima—bring it down. For the three mechanic classifications, three eastern comparables bring the average up.

GHT's Analysis of Comparable Agencies				
Agency	Service Area Population	Revenue Vehicle Hours	Revenue Vehicle Miles	Passenger Trips
Grays Harbor	74,720	37,679	939,184	424,858
Cap (+50%)	112,080	56,519	1,408,776	637,287
Floor (-50%)	37,360	18,840	469,592	212,429
Clallam Transit	76,700	48,597	1,045,523	424,336
Island Transit	85,530	39,964	1,095,826	237,051
Link Transit*	117,576	89,255	1,796,685	705,115
Mason Transit	66,650	24,262	453,229	186,889
Skagit Transit*	116,627	64,685	1,263,295	358,382
Valley Transit*	53,506	24,374	247,287	252,109
Yakima Transit*	95,490	68,249	988,534	559,908

Table 1 (*: Small Urban)

Looking at that set of proposed comparables, GHT adjusts the ten-year Operator's 2022 hourly rate for medical benefit premiums, and hours of vacation, holiday time, and sick leave.[7] After making those adjustments, GHT comes to Table 2's conclusion for comparability of net hourly rates for a ten-year Operator. ATU objects to the inclusion of agencies from east of the Cascades, and I agree that Link Transit (Wenatchee), at least, is not an appropriate comparable, being above—never below—the ±50% range in every respect and a Small Urban agency to boot. Without Link Transit, GHT's numbers show that GHT is very nearly right on the average for net hourly rate and is at the bottom of GHT's goal of staying in the middle third of comparable agencies.[8]

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[7]The GHT contract, and at least some of the proposed comparable contracts, include longevity pay, but neither party proposes to make changes to that part of the wage provision, and neither party figured longevity pay into its comparability analysis.

[8]The Agency puts considerable store in adjusting compensation by "cost of living" provided by a web service at BestPlaces.net. Adjusted according to that website, GHT argues that the real ranking of net hourly wages–in terms of purchasing power–should put GHT wages first among comparables and over 36% ahead of the adjusted average. BestPlaces.net is not entirely a

ATU proposes comparables chosen on the basis of location west of the Cascades, operating expenses, capital expenses, vehicle miles, revenue hours, and number of vehicles. On that basis, ATU proposes as comparables: Jefferson Transit, Clallam Transit, Island Transit, Everett Transit, and Intercity Transit. (ATU Ex. C5.) ATU argues that Everett Transit is also justified as a comparable based on its proximity, even though it misses the ±50% range in some respects and is classified by FTA as a Full Reporter Non Rural Agency. Intercity Transit, too, is a Full Reporter and is massively larger than GHT in number of vehicles (289 compared to 44 in 2020), Vehicle Miles and Revenue Hours.[9] ATU rejected Skagit Transit and Link Transit because they do not fall in the Rural category and rejected Valley Transit because it is on the East side of the Cascades. Table 3 sets out the numbers for 2020 (apparently the most recent available):

GHT's Comparabe Compensation Analysis		
Agency	Hourly Base Pay	Net Hourly
Clallam Transit	$28.19	$43.60
Island Transit	$27.67	$45.54
~~Link Transit~~	~~$29.30~~	~~$42.83~~
Mason Transit	$28.34	$50.49
Skagit Transit	$29.39	$49.68
Valley Transit	$26.55	$46.63
Yakima Transit	$23.61	$35.58
AVERAGE	$27.29	$45.25
Grays Harbor Transit	$27.09	$45.57
Difference	($0.20)	$0.32
	-0.01%	0.50%

Table 2

black box, as ATU argues, because it publishes its data source and methodology. GHT notes (Post-hearing brief at 28-29) that Arbitrator Gary Axon, NAA, accepted the parties' "substantial agreement" to use Best Places in *Snohomish County* (1996). But, by comparison, some years ago BLS announced that it could no longer adequately collect data to support a Portland, OR index (as it supports the Seattle-Tacoma-Bellevue index). If BLS cannot adequately support that urban index, one must wonder whether Best Places' support for indices reaching down to Aberdeen and Mason, Washington is statistically "adequate." That may be a consequence of the brevity of the record before me, but on this record, I cannot give it substantial weight.

[9]The bargaining team"rejected Mason simply because I don't know anything about Mason" and could not get a copy of their contract (Tr. 262:24–263:1).

ATU's Analysis of Comparable Agencies					
Agency	Operating Expenses	Capital Expenses	Annual Vehicle Miles	Annual Revenue Hours	Number of Vehicles
Grays Harbor Transit	9,394,527	1,119,329	1,347,493	67,606	44
Cap (+50%)	14,091,790	1,678,994	2,021,240	101,409	66
Floor (-50%)	4,697,263	559,665	673,746	33,803	22
Jefferson Transit	4,833,793	2,712,995	453,017	18,381	12
Clallam Transit	11,423,501	5,722,064	1,686,202	81,417	59
Island Transit	10,964,763	4,251,440	1,697,263	71,238	77
Everett Transit	21,066,131	3,386,184	1,188,666	102,177	69
Intercity Transit	44,070,855	22,834,090	4,282,494	250,922	289
AVERAGE	14,258,582	38,906,773	1,101,528	104,827	275

Table 3

In addition to being above the 150% cutoff in every respect, Intercity Transit is a full reporter; therefore it is clear that Intercity Transit is not an appropriate comparable here. There is no dispute that in addition to being classified as a Full Reporter Non Rural agency, Everett Transit is an operation of the City of Everett, whereas all the other employers proposed as comparables stand alone.[10]

ATU does not offer a "compensation *package* comparison" (RCW 41.56.492(2)(c) of its proposed comparables. Table 4 is ATU's statement of the top hourly rate paid by each of its comparables. ATU also offers top hourly wages for Whatcom Transit, Kitsap, Skagit Transit, Mason Transit, and "Homage." GHT established that Homage is not a public transit agency, and ATU did not offer data showing that Whatcom, Kitsap, Skagit, and Mason satisfy ATU's proposed criteria for determining comparability. Table 4 shows the data ATU offers for Jefferson, Island, Clallam and Everett Transit and also analyses that data without Everett (which is questionable as a comparable for an independent Transit agency). The hourly rate numbers come from the current CBA for each of

[10]GHT notes (Post-hearing brief at 23-24) that Jefferson Transit, too, falls outside all the Agency's choice criteria.

agency. (Without Everett, the current average of these proposed comparables is $29.68 and GHT is 14.6% behind. With ATU's 5% & 5% & 5% proposal it would be slightly ahead of the average; and with GHT's proposal it would be 10% ahead of the average.)

In summary, GHT's calculation of comparable net hourly wages puts it half of one percent ahead of GHT's proposed comparables (not counting Link Transit); and ATU's calculation puts GHT 20% behind the average of its smaller set of proposed comparables. There is no dispute that the Agency has long used its current proposed set of comparables in negotiations and in setting salaries, with the sole addition of Mason County. Mason County is a match in three of the five areas proposed by GHT (Service Area Population, Revenue Hours, and FTA category), and it has the additional appeal of being right next door. Moreover, ATU did not offer any substantial reason for rejecting it, and it actually brings the average up. Mason County Transit is an appropriate comparable. On the other hand, Link Transit is not: it is outside the +50% range in every category and it is distant.

ATU's Comparable Compensation Analysis	
Agency	Top Hourly
Everett	$35.37
Jefferson	$28.47
Island	$33.02
Clallam	$27.57
AVERAGE	$31.11
Grays Harbor	$25.91
% behind	20%
w/ all ATU increases	$29.99
% behind	4%
w/ all GHT increases	$27.09
% behind	9%

Table 4

The "other factors" provision of the statute allows me to consider compensation data—such as ATU's—that is not supported by "compensation package comparisons;" but I must adopt GHT's analysis and conclude that GHT is currently half a percentage point ahead of the average total compensation received by Operators—the benchmark classification for this bargaining unit—in comparable agencies.

Recruitment and retention. As far as this record shows, recent departures from GHT have all been attributable to retirement or to employees having to travel from substantial distances outside the County (Tr. 104:18–105:2). Nothing suggests that GHT has experienced problems of recruitment or retention, and neither party argues that such problems are likely in the near future. This is not a significant factor in this case.

Cost of Living. The Agency argues that the parties have not traditionally discussed

CPI numbers during negotiations. But the statute specifically lists "economic indices" as a factor an arbitrator is to take into account; and it is difficult to imagine that the Legislature did not intend that the CPI, measuring changes in the cost of goods and services, be consulted as one such index. The parties here disagree about *which* CPI index should be considered, with GHT proposing the CPI-U West Size Class B/C and ATU proposing the CPI-U Seattle-Tacoma-Bellevue.

Year	Western	S/T/B
2019	2.6%	2.3%
2020	0.8%	0.9%
2021	6.0%	5.5%
2022	8.5%	10.1%
'19-'22	18.9%	19.9%
'20-'22	15.9%	17.2%

Table 5

I take notice that the CPI West index covers Washington, Oregon, Idaho, California, Nevada, Arizona, Alaska, and Guam. The Record does not show what restrictions may be applied to produce the "Size Class B/C" index, but I assume that it focuses on smaller entities. The focus of the CPI-U for Seattle-Tacoma-Bellevue is obvious in the title. Table 5 shows the index changes (all positive) and cumulative total, June to June, for the two indices from 2019 to 2022 and from 2020 to 2022. In rough summary terms, the value of money in goods and services declined somewhere between 16% and 20%. I give more weight to the Seattle-Tacoma-Bellevue index as being focused more locally (without Hawaii and Guam). Bargaining unit employees would have to see increases of somewhere between 16% and 17% over the course of the contract at issue in order to keep up with the increases in the price of goods and services over the period of the contract at issue. GHT proposes increases totaling about 4.6%; and ATU proposes increases totaling about 15.8%. That means (ATU Ex. B3) that in purchasing power ATU's own proposal would leave employees 0.75% in the hole, and GHT's proposal would leave them behind by almost 12.2% (ATU Ex. B3).

Ability to Pay. Like every other transportation agency in Washington, GHT has never entirely recovered from the 1999 elimination of the Motor Vehicle Excise Tax. That loss left GHT, and Washington transportation agencies generally, almost entirely dependent on sales tax revenue and government grants. In 2020, GHT suffered a $2.5M cut to its income and responded with a proposed 0.3% sales tax increase which doubled the sales tax revenue to 0.6% total. That avoided layoffs, but some vacancies were left unfilled. Next, the general economic downturn of 2004-2006 reduced sales tax income and required reduced evening operating hours; and that got worse following the recession of 2008 and the gasoline price increases that followed it. GHT had to dip into its reserve fund for almost $859,000 to balance its 2010 budget. Even following a fare increase, GHT had to lay off employees in 2010, for the first time in its history. That experience encouraged GHT to adopt a policy of maintaining four months of operating costs.[11] Things had not improved by 2013 when sales tax revenue declined by 3% and GHT had to ask for an additional 0.01% sales tax income source (which was approved and began to come in in 2014) and had to eliminate some weekend service, an entire route to Centralia, college passes, and transfers, and to increase monthly pass prices. In March of 2020, Washington declared a State of Emergency due to COVID-19, and the Agency eliminated fares from March until August.

The broad COVID-19 stay-at-home order caused service reductions, but full weekday service was resumed by June. CARES Act (Caronavirus Aid, Relief, and Economic Security) reimbursement arrived to the tune of $4.6M in October of 2020 and, along with $6.7M in one-time CRRSSA funds (Coronavirus Response and Relief Supplemental Appropriation), reimbursed operating costs during 2021 and 2022 (even though fuel costs have increased to almost $5/gallon for unleaded and over $5.25 for diesel).[12] The Agency had eliminated fares from August, 2021, through December 21, 2022, in order to increase ridership; and it aggressively hired and trained Operators, Dispatchers, Maintenance staff and CSRs to restore weekend service at the beginning of 2022. (See GHT Ex. C1.)

On the capital side, GHT is still pulling itself out of a deferred maintenance / delayed replacement hole. In 2017, most of the coaches were past their useful life benchmarks, working space was seriously inadequate. and the main building of the Agency needed to be replaced rather than repaired because it is "barely adequate,"[13] close to 45 years old, and out of building code compliance but is "safe" (Tr. 157:22–158:8). GHT bought the last part of its block at the Aberdeen Transit Center in 2020, in order to expand that Center at an estimated cost of $7M; and it bought almost 21 acres in Montesano for a future operations facility at an estimated cost of $60M. Those major capital outlays are budgeted to begin in 2025 to 2026. Catch-up capital projects have been contracted for 2022 and 2023 including not quite $3.8M in grants and not quite $3.6M from GHT funds.

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[11]ATU agreed (Tr. 222:21-24) that "for smaller entities like Grays Harbor, it's not at all unusual, as Grays Harbor seems to prefer, to have a working capital ratio of roughly four months."

[12]The Agency had to put more buses on the road in the remaining routes in order to allow for social distancing; and it had to hire additional maintenance employees to sanitize buses.

[13]The Agency chose to move the administrative staff into rented space in order to make room for operations in the current facility.

GHT's 2022 operations budget shows the oddity of the pandemic period: 58% from sales tax, almost 26% from CARES/CRRSAA Federal grants, and 11% from Federal capital grants. But the 2023 budget will lose the CARES/CRRSAA funding. GHT's total income for 2022 is a bit over $18M.[14] GHT costs its own proposed increases for the Operator bargaining unit, including the Lead Mechanic and Mechanic First Class adjustments, at just over $333,000 over the three years; and it costs ATU's proposal at just over $1.27M over that same period. [15]

ATU sought a list of the pay of non-represented employees. Looking only at those who had been in their position since 2019 and for whom no explanatory note appears (such as a promotion or extra responsibilities), it shows that from 2021 to 2022 the Accountant's pay increased by 12.3%, the "AGM/Finance Manager" increased by 8.8%; the Accounting Specialist increased by 10.3%; the "COB/IT/Marketing" increased by 14%; and the General Manager increased by 5%. The GM showed no entry for 2020, but the rest of those positions increased by at least 3% from 2019 to 2020 and again from 2020 to 2021.[16] (ATU Ex. E1).

It is difficult to access the Agency's ability to afford rate increases because it is currently almost 26% dependent on grant funding under programs that expire next year. Their base projection shows GHT's ending cash balance running in the red beginning in 2026 with either of the two current proposals (Er. Ex. C4). ATU quite correctly points out that the Agency's projection is far from subtle and detailed, but the coming loss of 26% of the current income base is sobering.

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[14]ATU's analysis of working capital ratio is not compelling, particularly because it does not reflect payroll liability, which is by far the largest ongoing expense of the Agency and also does not reflect ordinary-course-of-business restrictions. (Tr. 215:11–19, 216:7–217:6, and 220:19–22.) Economic analyses that do not reflect an agency's personnel costs—always more than half of the expenses—are of limited use in these proceedings.

[15]ATU (ATU Ex. D1) calculates GHT's proposal's at about $345,000 and its own at just over $673,000 for a three-year difference of about $329,000 (ATU Ex. D1). ATU shows the compound wage increase of its own proposal at 15.76%—which roughly checks by multiplying 1.05 three times—and the compound increase of GHT's proposal at 8.07%. But GHT's proposed increases of 0.5%, 2.5% and 1.5% only add up to 4.5% (slightly more with compounding), which is nowhere close to 8.07%. Moreover, ATU does not include the first and second year costs of either proposal, and what it labels as the *3-year* difference is really, at best, the *third year* difference, without years one and two.

[16]The Agency's Finance Manager was recalled to account for these numbers, but her list of promotions did not include the positions mentioned above. Some of these increases are probably accounted for by the fact that these employees were on a ten-step progression, adjusted from the prior eight-step progression, but the index of the steps stayed the same, and each step was previously worth about 4%, so each ten-step step should have been worth 3+%.

Wage increases are usually driven by comparability, by problems of recruitment and retention, or by increases in the cost of living. Two of those factors do not help ATU in this case, and that leaves increased cost of living on the one hand against GHT's difficult financial condition on the other. The only remaining evidence in the record of what GHT could reasonably afford is the Agency's prior offers—rejected by ATU—of 2%, 2.5% and 2.5% (GHT Ex. A9 & A10); and I will award those increases.

MARKET ADJUSTMENTS

GHT proposes to increase the rates for Lead Mechanic and Mechanic First Class on the grounds that (Post-hearing Brief at 34), "they are not competitive, even after incorporating the Agency's market adjustment of 5% (Lead Mechanic) and 4% (Mechanic First Class). In fact, the Lead Mechanic rate is last among the Agency's comparables at 9.9% off the comparable average, and the Mechanic First Class also last, is 6.2% off the comparable average. ATU does not propose catch-up increases for these classifications, but it does not oppose them either, and I will award both of these market adjustments.

DISPATCHER BARGAINING UNIT

GHT's proposal in this proceeding is 1.5% at execution and 1% on July 1, 2023.

GHT argues that it properly froze Dispatcher rates—including step movement—at the time the unit was certified because *Christie v. Port of Olympia*, 27 Wn.2d, 534 (1947) held that it was a gift of public funds, and contrary to the State Constitution, to pay for work that was not previously contracted. PERC has adopted that interpretation of *Christie*, and so has the State Auditor's office; and it was adopted by Arbitrator Alan Krebs, NAA, in *Intercity Transit* (1995). In the face of that history, I will not offer an analysis of what the *Christy* court actually wrote, and I must agree with the Agency that the award here must be prospective.

Agency	Net Hourly Wage
Skagit Transit	54.00
Mason Transit	53.87
Grays *Harbor Transit*	*52.40*
Valley Transit	51.33
AVERAGE	**48.79**
Clallam Transit	48.24
Island Transit	45.85
Yakima Transit	41.07

Table 6.

Table 6 sets out GHT's net hourly wages for dispatchers at comparable employers. The existing ten-year rate at

GHT is 7.4% ahead of the average. ATU calculates GHT's top wage rate at $5.28 below the average top rate of ATU's proposed comparables.[17]

Dispatchers are subject to the same cost of living increases as employees in the Operator unit, and I will take those increases into account as much as the *Christy* will allow. GHT's proposal to the Dispatchers, which was rejected by the bargaining unit members after having been TA'ed at the table, was for increases of 2% upon signing, another 1.25% on July 1, 2022 and on July 1, 2023, and 0.5% on January 1, 2024. The Agency can afford those increases, and the cost of living increase over the period of the contract at issue more than justifies them. One difference between the prior Agency proposal and the Award will be that the initial increase will be effective on the date of the Award, since a legal obligation is created on that date. Another difference is that the Agency proposed not to award step increases that would have occurred on anniversary dates falling during the *Christy* freeze. But *Christy* does not require that step as long as the increases are prospective, and I will award them.

SPLIT DAYS OFF

GHT currently operates nine routes and runs from 04:00 to 22:45 on weekdays and from 06:00 to 21:15 on the weekends. Those nine routes combine to create 41 bid runs which are bid three times a year. The Agency does not point to any concrete savings to be accomplished by the availability of split days off but notes that it is "because many of our comparable agencies have that option or that flexibility" (Tr. 173:20–23).[18]

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[17]Once again, the analysis was in terms of top rate rather than the statutorily required compensation packages.

[18]The record does not include the contract language of GHT's proposed comparable agencies which allegedly "have that option;" but Er. Ex. 2.3 includes at least excerpts of the responses from other transit agencies, and several of those that GHT shows "Allows Split Days Off" apparently have no such language in their CBAs. GHT did not show that this is a common provision of comparable CBAs. Moreover, proposed changes in contract language—as distinguished from changes in rates—are traditionally subjected to the "don't fix what is not broken" rule

AWARD

For the Operator bargaining unit: Grays Harbor Transit shall increase the existing rate for the by Lead Mechanic by 5% and shall increase the rate for the Mechanic First Class by 4% effective on December 20, 2019. Grays Harbor Transit shall then increase the base rates for all bargaining unit members by 2% effective on December 20, 2019, by another 2.5% effective on December 20, 2020, and by another 2.5% on December 20, 2021. There shall be no change in the contract addressing split days off.

For the Dispatcher bargaining unit: For the Dispatcher bargaining unit: Grays Harbor Transit shall increase the base rate by 2% effective on the date of this Award, by another 1.25% on the date of this Award to make up for the missed July 1, 2022, increase, by another 1.25% on July 1, 2023, and by 0.5% on January 1, 2024. The new contract shall not address the issue of split days off. The step structure shall continue into the new contract, and any Dispatchers whose anniversary dates occurred during the *Christy* freeze shall move to their new step on the date of this award (and again on their next anniversary dates).

By stipulation of the parties, I retain jurisdication for the limited purpose of resolving any issues that may arise in the implementation of this Award. That jurisdiction shall lapse 90 days after the date of this Award unless it is earlier invoked or extended for good cause shown.

Respectfully submitted,

Howell L. Lankford, NAA
Arbitrator