



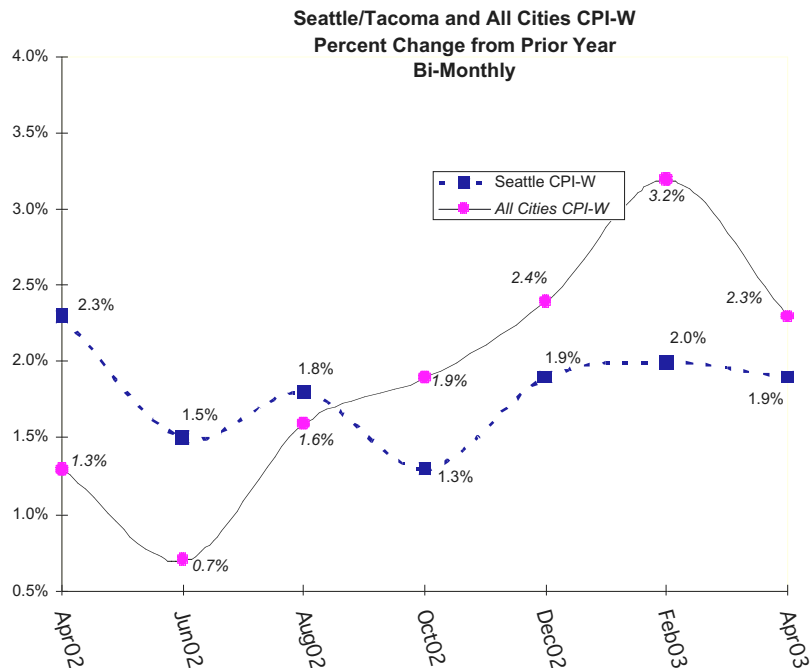
THE CLINE NEWSLETTER

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NEWEST CPI NUMBERS SHOW DECLINE IN RATE OF INFLATION

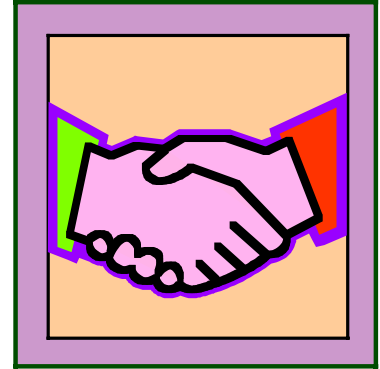
For bargaining units trying to negotiate a contract now, the inflation report is a "good news, bad news" situation. Inflation is down and that is supposed to be good. But the expected impact on contract settlements, which tend to be driven in large part by the CPI, will be lower settlements. This graph shows the latest CPI numbers as well as the trend of the past 12 months:



The All Cities-W CPI Number of 2.3% for April represents a huge drop off from the reported number of 3.2% from February. That difference appears to reflect, in large part, the spike up and then subsidence in oil prices.

The other noteworthy aspect about this year's trend is that it represents a deviation from the historic pattern which normally places the Seattle Index above the All Cities Index. The Seattle Index now is running unusually low, no doubt a reflection of the weak Seattle regional economy. We view this as only a short-term deviation from what we would expect to be a continuation of the historic pattern whereby the Seattle Index would out pace the All Cities Index. Although it may well be that the All Cities Index will continue to run higher in the short-term, bargaining units looking towards the long-term are likely to be better served by using the Seattle Index.

For those bargaining units which are using indices other than the Seattle-W or All Cities-W, we have also set out the most recent numbers from some other potentially applicable indices:



CPI INDEX*	CPI-W	CPI-U
All-Cities (April 2003)	2.3%	2.2%
Seattle (April 2003)	1.9%	1.9%
West Coast (April 2003)	2.3%	2.0%
West Coast-Class B/C (April 2003)	1.6%	1.1%
Portland (Second Half 2002) are	0.4%	0.2%

*The change in the Consumer Price Index reported for the previous 12 months.

Bargaining units in Southwest Washington, especially those close to Portland, are also likely to be adversely affected by the unusually low Portland Index. This is particularly true if there has been a previous practice of using the Portland CPI Index or Oregon comparables. A midyear Portland Index covering June 2002 through June through 2003 will be available in August.

Other data available from the Bureau of Labor Statistics which purport to reflect the "underlying rate of inflation" (such as the Producer Price Index) are signaling further continued weakening in the inflation rate. Absent some type of renewed spike and energy prices, those heading into negotiations for 2004 are likely to see CPI numbers in the area of 2%.

Given this recent pattern, we are seeing many employees offering flat percentage increase in the area of 2%. Although that may be a reasonable approximation of CPI for 2002 and 2003, the historic Seattle CPI has been around 3% and an agreement to extend a flat 2% increase beyond next year may result in short changing the bargaining unit.

Any decision to go with either the CPI Index or an agreed set percentage involves risks. And predicting the CPI Index 12 months ahead is even more difficult than normal because it seems to hinge entirely on the future growth rate of an unpredictable Puget Sound economy. We will continue to watch and report on this trend.

OAK HARBOR POLICE OFFICERS ASSOCIATION CONTRACT SETTLEMENT SHOWS GAINS

The Oak Harbor Police Officers Association has settled contracts for both its commissioned and noncommissioned bargaining units and—despite the lower CPI, discussed above and the soft economy—is making forward progress in its wages. Under the 3 year agreement covering 2003-05, wages will increase across the board 3% each year. The terms of the agreement set the increases at 90% of the Seattle CPI but set a floor of 3% and a ceiling of 4%. The agreement also includes a conversion of flat dollar education premiums into percentages with a modest boost in the amount of the premium.

Another major bargaining objective that was not met by the Association was an increase in its dependent health insurance coverage. The employees currently pick up 25% of the dependent health insurance cost and that arrangement will continue unchanged in the next agreement.

The agreement will also resolve a significant noneconomic issue. The Association clarified the grievance procedure language so that it is clear that grievance arbitration disputes will be resolved in final binding arbitration.

The Association was represented by a bargaining team consisting of Pat Horn, Renee' Mueller, Jerry Baker, and Steve Nordstrand. The bargaining team was assisted by Jim Cline of Cline and Associates.

CHRISTOPHER CASILLAS JOINS CLINE AND ASSOCIATES

Christopher Casillas is the newest addition to the legal staff of Cline and Associates. Chris is a 2003 graduate of the Seattle University School of Law. Chris distinguished himself academically during law school, graduating with the high honors of "Magna Cum Laude" reserved for top students in the class. Chris received his B.A. with honors in Political Science from the University of California, Santa Barbara in 2000.

Chris has worked for the firm for the past year as a law clerk. Prior to working for Cline and Associates, Chris worked in the Legal Department of Starbucks Coffee Company. He will be sitting for the Washington State Bar Examination this summer. Chris will be assisting in litigation and interest arbitration preparation.

CLINE AND ASSOCIATES SCHEDULES TRAINING SEMINARS FOR JUNE 27 AND SEPTEMBER 5

Cline and Associates has announced that training seminars for public safety labor organization representatives are scheduled for June 27 and September 5. Each of the seminars is scheduled for one full day and will cover

separate material.

The June 27 seminar covers contract negotiations and collective bargaining rights. Topics expected to be covered include:

- Negotiating a Contract: Tactics and Techniques
- Emerging Trends in Public Safety Labor Contracts: Getting the Best Possible Deal While Maintaining Realistic Expectations
- The Right to Collective Bargaining: What is Negotiable and What is a “Management Right”
- Unfair Bargaining Tactics: What They Are and What You Can Do about Them
- Interest Arbitration: How to Prepare and What to Expect
- Interpreting and Administering Your Contract: Common Problems and Issues
- Getting Paid Your Due: The Hour and Overtime Requirements of the Fair Labor Standards Act

The September 5 Seminar covers the legal and civil rights of public safety Labor Organizations and their members and is expected to include the following topics:

- Discipline Investigations: Important Predisciplinary Rights of Your Members including *Garrity*, *Weingarten* and *Loudermill*
- “Just Cause” Discipline: What it Is and How to Enforce Your Members Rights to It
- Common Types of Discipline Issues Facing Public Safety Labor Organizations and What to do About Them
- You Have Constitutional Rights, Too: The Right of Public Safety Employees to Free Speech, Privacy and Other Important Civil Rights
- Rights of Officers in Lethal Force Situations: What Every Law Enforcement Officer Needs to Know
- Facing Disabilities: Identifying and Protecting the Rights of Employees with Medical Limitations
- Handling Grievances: Complying with the “Duty of Fair Representation” That You Owe Your Members
- Being Left Alone When You’re Just Doing Your Job: The Right of Union Representatives to be Free from Discrimination and Retaliation

Your organization should have received materials to sign up for the seminars in the mail. If you need additional copies, please email your request to

clinelawfirm@clinelawfirm.com or call Paulette Pettis at 206-505-5820. The \$60 seminar fee includes continental breakfast, buffet lunch, a reception at Cline & Associates following the seminar, and a copy of the soon to be released book written by Jim Cline: "THE RIGHTS OF WASHINGTON PUBLIC SAFETY EMPLOYEES: REPRESENTATIVE'S MANUAL." The book is expected to be available from the printer by the date of the seminar and will be available for purchase for those not able to attend the seminars.

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