



THE CLINE NEWSLETTER

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This newsletter is a publication of the law firm of Cline and Associates. It reports on news and developments in the area of public-sector labor law. It is offered as an aid to our clients and readers and is not a substitute for legal advice. Clients are advised to request specific legal advice when addressing specific situations. Names can be added or removed from this newsletter mailing list by replying back on this email to clinelawfirm@clinelawfirm.com.

TRAINING SEMINARS SELL OUT BUT NEW SESSIONS SCHEDULED

Cline and Associates is announcing two additional training seminar dates for later this fall. A session on contract negotiations and collective bargaining rights will be held on November 14 and a session on the legal rights of public safety employees will be held on December 5. Our June collective bargaining session played to a full house and the employee rights seminar scheduled on September 5 is also already filled.

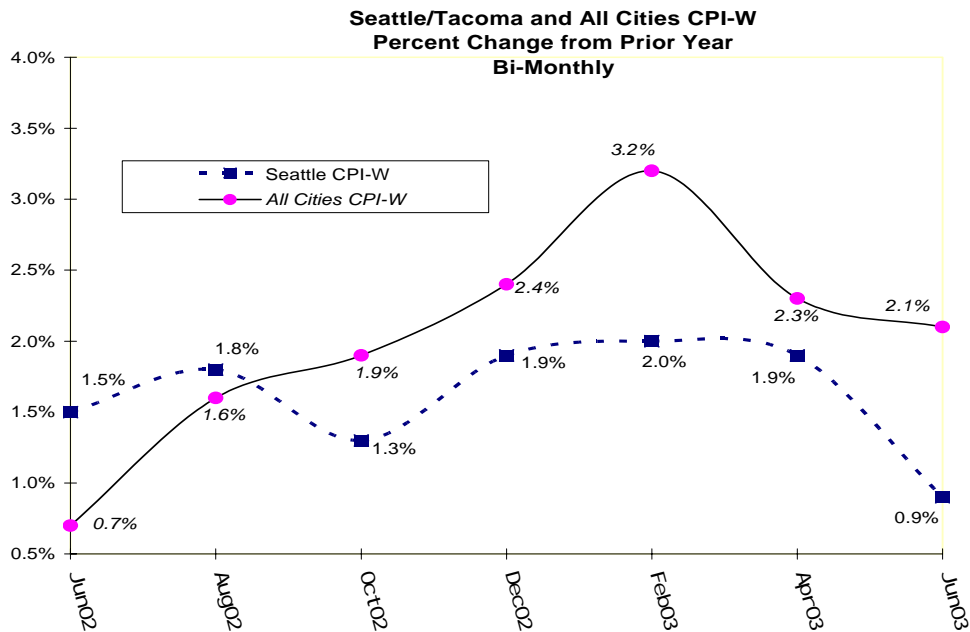
The seminar fee is \$75 dollars and includes a continental breakfast and lunch. Seminar attendees will also receive the soon to be released book "THE RIGHTS OF WASHINGTON PUBLIC SAFETY EMPLOYEES: REPRESENTATIVE'S MANUAL." We have acquired a slightly larger room in hopes of having space for all who sign up. The seminars are designed for those who are or wish to serve as representatives for public safety labor organizations.

Those seeking to sign up can obtain a form through email by contacting our staff at clinelawfirm@clinelawfirm.com or calling Janna Olerud or Paulette Pettis at 206-505-5820.

SEATTLE CPI PLUMMETS; FURTHER NEGOTIATION UNCERTAINTY AHEAD

The latest release of CPI numbers indicates a sharp and unexpected drop in the Seattle CPI Index. The latest numbers covering the period from June 2002 to June 2003 was reported at 0.9%, a stunning drop from the previous CPI report of 1.9%. By contrast the All-Cities CPI edged down minimally from 2.3% to 2.1% although that index itself

had fallen from its high of 3.2% earlier in the year.



The low Seattle CPI is no doubt largely a reflection of the weak area economy. The historic trend has been for the Seattle CPI to outrun the All-Cities CPI. As long as the Seattle economy continues to be weak, this current trend may well continue. But we are still betting on the Seattle CPI to return to a position ahead of the All-Cities CPI once economic recovery takes hold and, therefore, we continue to view the Seattle index the better one, in the long term, to have your contract tied to.

In the short term, this latest report can be expected to really jumble the collective bargaining outlook. The June index is the CPI index most heavily used in Washington public safety contracts. Contracts already settled will be impacted in widely varied ways by these numbers. Some contracts call for a percentage of CPI tied to a floor (many between 2 and 3%). Others contracts have no floors. Jurisdictions without a floor and with an agreement for 90% of the Seattle June CPI are scheduled for an anemic .8% raise in January.

We would expect that this CPI report, especially if it is repeated in the next couple of CPI reports, will push down settlements for negotiations currently underway. The recent settlement trends have already been suppressed because of last year's lower CPI along with the weak economy. Unless there is a rapid economic turnaround, we would expect settlements for 2004 to average somewhere near 2%. We would expect bargaining units to be proposing flat percentage increases in lieu of a percentage tied to CPI. We do not anticipate very many units willing agreeing to a percentage of the latest .9% CPI.

Another complication is that employers continue to press hard for concessions on the medical front. Labor organizations are not likely to make such concessions in return for small scale wage increases. We are currently seeing a rapid increase in the number of labor contracts being submitted to arbitration. With this latest CPI report, we expect that trend to continue. What arbitrators would do in light of this latest report is very difficult to predict.

We will continue to keep you apprised.

Jim Cline.

CLINE & ASSOCIATES DIRECTORY

James M. Cline (jcline@clinelawfirm.com)

William F. Barrett (wbarrett@clinelawfirm.com)

Kathleen Kremer, Of Counsel

Chris Casillas, Labor Consultant (cacillas@clinelawfirm.com)

Paulette Pettis, Legal Assistant (paulette@clinelawfirm.com)

Janna Olerud, Administrative Assistant (janna@clinelawfirm.com)

999 Third Avenue, Suite 3800

Seattle, WA 98104

Telephone: (206) 505-5820

Facsimile: (206) 505-5821

clinelawfirm@clinelawfirm.com