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In Re the Arbitration Between:

Case No. 140892-I-24

Washington State Ferries (WSF),

Employer,

and

**INTEREST ARBITRATION**

Marine Engineer's Beneficial

**OPINION AND AWARD**

Association,

(MEBA), Port Engineers

Bargaining Unit,

Union.

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- On August 15, 2024, the Marine Engineers Beneficial Association (MEBA) and Washington State Ferries (WSF) submitted impasse issues to be certified to interest arbitration under **RCW 47.64.300**.
- The parties waived mediation under **RCW 47.64.170**.
- The interest arbitration is limited to the issues the Executive Director certified based on **RCW 47.64.300**.
- Under **RCW 47.64.170** the parties selected James A. Lundberg as their neutral arbitrator.
- A hearing was conducted using Zoom software on August 30, 2024.

**APPEARANCES:**

**FOR THE EMPLOYER**

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**FOR THE UNION**

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By letter dated August 20, 2024, Michael P. Sellars, Executive Director of the Public Employment Relations Commission, certified the following issues between Washington State Ferries (WSF) and Marine Engineers Beneficial Association (MEBA) Port Engineers Bargaining Unit to interest arbitration pursuant to **RCW 47.64.245** and **WAC 391-55-200**:

**Issues submitted by the Employer and certified by the Executive Director:**

- Section 6- Wages

**Issues submitted by the Licensed Engineers Bargaining Unit and certified by the Executive Director:**

- Section 6 – Wages
- Section 11- Minimum Call

Contract negotiations between Washington State Ferries and the Marine Engineer’s Beneficial Association for the Port Engineers Bargaining Unit were conducted and came to an impasse.

James A. Lundberg, a neutral arbitrator, heard the Interest Arbitration between the Employer and the bargaining unit.

The Interest Arbitration is docketed under **Case Number 140892-I-24**.

In determining this Interest Arbitration **Case Number 140892-I-24** the arbitrator was mindful of the legislative purpose under **RCW 47.64.005** and **47.64.006**. As additional standards or guidelines to aid in reaching a decision, the arbitrator also took into consideration the following factors found at **RCW 47.64.320 (3)**:

- (a) The financial ability of the department to pay for the compensation and fringe benefit provisions of a collective bargaining agreement;
- (b) Past collective bargaining contracts between the parties including the bargaining that led up to the contracts;
- (c) The constitutional and statutory authority of the employer;
- (d) Stipulations of the parties;
- (e) The results of the salary survey as required in **RCW 47.64.170(8)**;
- (f) Comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;
- (g) Changes in any of the foregoing circumstances during the pendency of the proceedings;
- (h) The limitations on ferry toll increases and operating subsidies as may be imposed by the legislature;
- (i) The ability of the state to retain ferry employees;
- (j) The overall compensation presently received by the ferry employees, including direct wage compensation, vacations, holidays and other paid excused time, pensions, insurance benefits, and all other direct or indirect monetary benefits received; and
- (k) Other factors that are normally or traditionally taken into consideration in the determination of matters that are subject to bargaining under this chapter.

## **Issues between Washington State Ferries and MEBA Port Engineers**

### **ISSUE #1 – Section 6 – Wages and Overtime Key Boxes and Key Exchange**

#### **MEBA’S Position:**

The MEBA proposes the following change to the wage provision of **Section 6:**

#### **Rates of Pay:**

Maintenance and Operations Port Engineer’s hourly equivalent wage will be paid a supervisory differential of one percent (1%) separation between the classification of Maintenance and Operations Port Engineer and the highest rate paid, in any classification, for engine department employees who are permanently assigned below them in the chain of command.

Senior Engineer’s hourly equivalent wage will be paid a supervisory differential of a five percent (5%) separation between the classification of Senior Port Engineer and Maintenance and Operations Port Engineer.

Digital Systems Port Engineers will receive the same hourly equivalent wage as a Maintenance and Operations Port Engineer.

Maintenance Analyst Project Engineers will receive the same hourly equivalent wage as a Chief Engineer.

#### **Washington State Ferries Position:**

WSF proposes the following change to the wage provisions of **Section 6:**

**Wages Table:**

Effective July 1, 2025, the wage rates for all bargaining unit positions shall be increased by three percent (3%). Effective July 1, 2026, the wage rates for all bargaining unit positions shall be increased by two percent (2%).

**Discussion:**

The arguments on this issue focus on internal wage comparability and the cost of each wage proposal.

The Union is seeking wage separation between Port Engineer job categories. They argue that tying the wages of the Port Engineers to Senior Licensed Engineers and Chief Engineers will achieve internal wage parity.

Witnesses called to review the cost of proposals indicated that the Union proposal could result in wage increases of close to thirty percent (30%). With revenue forecasts essentially flat, WSF claims it cannot pay for the proposal. In concrete terms, the cost of the Union's proposal is approximately \$815,247 compared with the cost of the WSF's proposal of \$103,002.

The WSF proposal of a 3% wage increase in fiscal 2025 and a 2% wage increase in fiscal 2026 will result in base wages for Port Engineers falling behind the wages of other WSF bargaining units, who will receive a four percent (4%) wage increase in fiscal 2025 and a four percent (4%) wage increase in fiscal 2026. While revenue projections indicate that ferry tolls will not support the increase proposed by the Union, other bargaining units have settled wages with the Washington State Ferries at a higher rate of increase than proposed by the State.

The fact that other bargaining units settled their wage dispute with Washington State Ferries at four percent (4%) in fiscal 2025 and 2026 creates a compelling argument. Presumably, the wage settlement was made with confidence that the Employer would have sufficient revenues to pay the agreed-upon wage settlement. Port Engineers will be working for the same Employer and should not be asked to work for a lesser percentage wage increase than other employees working for WSF.

**AWARD:**

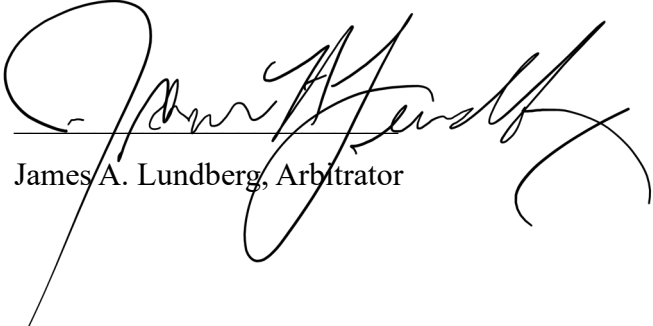
**SECTION 6 –Wages & Overtime – Watch Turnover Key Boxes and Key Exchange shall include the following wage increase:**

Effective July 1, 2025, the wage rates for each classification covered by this Agreement shall include a four percent (4%) increase. Effective July 1, 2026, the wage rates for each classification covered by this agreement shall include an additional four percent (4%) increase.

**ISSUE #2 – Section 11 – Minimum Call**

**The parties settled this issue.**

Dated: September 21, 2024



James A. Lundberg, Arbitrator