

Human resources and labor relations

Cities need competent, enthusiastic, and hardworking employees. Recruiting and hiring the best employees, treating them fairly, and training them to do the job is central to a city's success. Personnel costs make up the lion's share of a city's operating budget—typically, about 60% of a city budget—so recruiting, training, and retaining good employees is time well spent.

It may be tempting to think that in a small town or city, relations with employees can be kept informal, and that it's okay to be casual about hiring, work rules, or other job-related practices. But this is a big mistake. Employee relations can be a source of real legal and financial liability if not handled properly. It only takes one disgruntled employee or one untrained supervisor to disrupt city hall and derail the ability of city officials to focus on making the city a great place to live.

It is difficult to keep up to date on important personnel issues, because laws and regulations keep changing, and small cities can rarely afford a professional personnel manager with expertise in human resources and labor relations. But having clear, consistent rules and personnel practices can prevent a lot of trouble. And it can provide an orderly way to resolve problems when they do arise, before they spin out of control.

Here are just a few components of a good system of human resources management. While most of these may be more common in larger cities, they also have applications for smaller municipalities:

- A recruitment process that tests for, hires, and promotes applicants based on merit and the ability to perform the essential functions of the position
- Personnel policies that outline work rules, employee benefits, overtime, paid and unpaid leave, employee conduct, and discipline
- A classification and compensation plan that includes job descriptions for all positions and identifies the method for re-evaluating and setting salaries
- An orientation program for new and newly promoted employees
- A performance evaluation process
- A training program for employees, especially supervisors, on key federal and state laws such as the Americans with Disabilities Act (ADA), Family and Medical Leave Act (FMLA), Fair Labor Standards Act (FLSA), Washington Paid Family & Medical Leave (PFML), Washington Paid Sick Leave, and on workers' compensation, discipline, or grievance procedures
- A trained person to coordinate labor relations and negotiate with employees regarding wages, hours, and working conditions
- A grievance process to address employee concerns and serious complaints

For cities that may be lacking in some of these areas, many resources are available to help improve their human resources systems.

Hiring the best employee

Few employers can say that every employee working in their organization is the ideal person for the job. But with a little effort, the chances of attracting and retaining high-quality employees can be greatly increased.

Except for police and fire personnel (see the Civil Service section of this chapter) there are no specific legal requirements that a city must follow to recruit and select new employees. However, employees must be hired fairly. Many cities have established their own hiring policies, which usually include procedures for attracting enough qualified candidates to compete for job openings, screening those applicants, and selecting the most qualified individual for the available position. It is essential that this process does not discriminate against protected classes of employees, either by intent or impact. Therefore, selection decisions must be based on job-related criteria that measure knowledge, skills, abilities, and attributes that relate directly to successful job performance.

Many organizations, including cities, are also re-evaluating formal requirements in many of their job descriptions and eliminating unnecessary educational or credentialing requirements that have little bearing on a job candidate's ability to perform the required work. For example, some cities are eliminating requirements for a bachelor's degree for positions whose required duties do not really require a bachelor-level education and focusing more on necessary skills (which candidates can demonstrate with or without formal education). This makes the opportunity to apply to a city job more equitable for a wider range of residents, and also has the benefit of growing the pool of potential qualified applicants that small cities can draw on by not artificially limiting who can apply in the first place. Some positions will still require certain levels of formal education or credentials, but some cities are finding that many positions do not.

Under the Washington Law Against Discrimination (WLAD), employers may not refuse to hire someone, fire an employee, or discriminate against an employee in pay or other terms or conditions of employment, because of the person's race, creed, color, national origin, sex, marital status, age, disability, retaliation, sexual orientation/gender identity, honorably discharged veteran or military status, or use of a trained dog guide or service animal by a person with a disability. Current law exempts employers with fewer than eight employees.

The Washington Equal Pay & Opportunities Act (EPOA) also requires that when recruiting for a job, employers with 15 or more employees must provide a starting salary or wage range in the job posting, as well as a general description of benefits and other compensation for the position. The EPOA also prohibits unequal pay or career advancement opportunities based on gender.

Civil service for police and fire

Most police and fire employees are covered by state civil service law, which governs hiring and provides a process for hearing appeals to disciplinary actions. Cities with more than two full-time police officers (including the chief) or with any full-time firefighters are required to establish a three-member civil service commission. Appointments to the commission are usually made by the mayor, city manager, or city administrator. The commission must establish rules for the operation of the city's civil service system that are consistent with state law, administer tests to determine the relative qualifications of candidates, and hear appeals or complaints.

Volunteer firefighters and reserve officers

The Board for Volunteer Firefighters and Reserve Officers (Board) provides workers' compensation benefits and a small retirement pension for volunteer firefighters and reserve police officers in Washington. All volunteer firefighters must be covered for workers' comp; coverage for reserve police officers is optional. Cities must report volunteers to the Board, remit the appropriate fees,

and form a local board of trustees with the responsibility to approve retirement forms, remittance forms, and claims for payment, and to administer claims due to injuries.

Labor relations

It's not surprising that most small city councils and staff struggle with labor relations issues. The state law, the Public Employees Collective Bargaining Act (RCW 41.56), is complex and technical for those unfamiliar with it. It also differs significantly in some key areas from labor law that applies to private sector jobs. And unlike private sector employers, most cities have a large percentage of their personnel covered by union contracts.

Almost all public employees in Washington have a legal right to form unions or associations and collectively bargain with their employers. A city cannot change wages, hours, or working conditions for union members without bargaining these issues with them. Collective bargaining is the mutual obligation of employees and their employers to meet at reasonable times and to bargain in good faith. However, this obligation does not compel either party to agree to a proposal.

It is an unfair labor practice for an employer to interfere with, restrain, or coerce public employees in the exercise of their right to unionize. A state agency, the Public Employment Relations Commission (PERC), regulates the relationships between public employers and their employees concerning issues like union representation and unfair labor practices. City officials with questions about union issues should contact PERC for guidance.

All paid fire departments, and all police departments in cities over 2,500 in population, have access to interest arbitration. This means that when an impasse in bargaining occurs, the issues in dispute are turned over to an outside arbitrator to make the decisions on wages, benefits, and other contract language. This can create a unique dynamic in police and fire negotiations. The arbitrator has the power to set the terms of the contract—obligating the city to provide wages or benefits to police or fire employees that other employees don't get, and that perhaps the city can't afford.

Because of the complexity of labor negotiations and the impact of wages and benefits on city budgets, some cities hire professional consultants to bargain on behalf of management. For smaller cities with limited resources, this may not be affordable.

Employee salaries and benefits

To attract, retain, and motivate qualified employees, cities try to establish and maintain compensation and benefit levels that are competitive within their labor markets and that are internally fair.

It's hard to decide how much to pay employees, and it's made harder when cities just can't afford to pay the wages they would like to.

AWC produces an annual Salary and Benefit Survey that allows city officials to see what comparably sized or nearby cities and counties pay their employees, what benefits they provide, and how much the employer and the employee each pay for those benefits.

Most cities offer a variety of benefits—paid vacation, sick leave, pensions, insurance benefits (health, dental, vision, disability, life, etc.). Benefits are important to employees and can be costly for the employer. Therefore, the total cost of compensation (including both salary and benefits) should be carefully reviewed.

Public employee pensions

Washington’s public pension systems are among the most complex in the nation. They are also among the most financially sound. While the Department of Retirement Systems (DRS) administers eight different systems, most city and town employees are members of either the Public Employees’ Retirement System (PERS) or the Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF).

In most cases, employers and employees contribute a percentage of employee wages into the appropriate system each month. The rules governing eligibility for membership, when an employee can retire, and how retirement benefits are calculated are extremely complicated and vary widely.

- **PERS Plan 1** is a defined benefit plan that provides full pension benefits based on years of service—members are eligible after 30 years of employment. This plan has been closed to new members since 1977.
- **PERS Plan 2** is a defined benefit plan that provides full pension benefits after the member reaches age 65.
- **PERS Plan 3** is a defined benefit plan that includes a member-funded defined contribution component. Full pension benefits are provided after the member reaches age 65.
- **LEOFF Plans 1 and 2** are defined benefit plans that provide full pension benefits based on the member’s age at retirement. (Employers of LEOFF Plan 1 retirees are also responsible for their lifetime medical costs.)

Cities and towns also need to be aware that strict rules govern the ability to hire employees (or independent contractors) who have retired from one of the state systems. Employers should be cautious and make sure they are following DRS rules and established common law regarding hiring independent contractors, or they could be on the hook for significant financial penalties.

Personnel policies

Personnel policies and procedures constitute the basic “rules of the game” for employer-employee relations. They help to ensure that employees are treated in an equitable and consistent manner and in compliance with legal requirements. Personnel policies and procedures should be regularly reviewed and updated to reflect new legislation and organizational changes.

Current, clearly written personnel policies help avoid lawsuits, promote consistency, and contribute to employee morale. A city’s failure to follow its own personnel policies is one of the most potentially expensive liability exposures a city can have.

Leave laws

Employers in Washington have a complex (and often confusing) web of federal and state leave laws to navigate, including the federal Family and Medical Leave Act (FMLA), Washington Paid Family and Medical Leave (PFML) Act, Washington Paid Sick Leave Act, and pregnancy disability protections, among others. These laws create entitlements for employees that must be respected and managed by employers and can result in penalties and back pay for violations.

Family and Medical Leave Act

The federal FMLA applies to all public employers and guarantees most employees up to 12 weeks of unpaid leave every 12 months for certain qualifying events, like childbirth or adoption, care for a family member's or the employee's own serious medical condition, and certain military-related leave. The only required compensation under FMLA is the maintenance of the employee's medical benefits.

Paid Family and Medical Leave Act

The state PFML Act is a similar (yet completely separate) entitlement program that provides partial wage replacement to qualifying employees on leave for certain qualifying events (similar to the FMLA list) for 12-18 weeks, depending on the employee's circumstances. A second part of PFML is job protections—employers with 50 or more employees are required to keep an employee's job (or an equivalent position) open for a qualifying employee on leave. In another twist, if an employee's PFML leave runs concurrently with any FMLA leave, the employer is required to maintain the employee's health benefits for the entire duration of the employee's FMLA and PFML leave.

Paid Sick Leave Act

Washington also has a mandatory Paid Sick Leave Act that requires employers to provide non-exempt employees paid sick leave time, accruing at least one hour of sick leave for every 40 hours worked. Paid sick leave can be used for the employee's own health condition or medical appointment, caring for a family member with a health condition or medical appointment, certain times when the employer or the employee's children's school/childcare facility is closed, or for absences covered by the Domestic Violence Leave Act.

Additional state laws also protect employees' leave needs, including for pregnancy/childbirth disability and family care. These add to the complexity of managing various types of employee leave. The various leave law entitlements often overlap, and cities and towns need to be aware of how each of these laws works on its own, as well as in conjunction with each other.

The Fair Labor Standards Act (FLSA) and Washington state overtime law

The laws governing overtime pay are very complicated, and even veteran human resources professionals and payroll staff have a hard time sorting through the various federal and state rules and regulations. Complex, often contradictory, court decisions add to the confusion, exposing cities to tremendous liability for back overtime wages.

Generally, the FLSA requires that overtime pay must be paid at a rate of not less than one and one-half times an employee's regular rate of pay for each hour worked in excess of 40 hours in a week, although there are exceptions. Some employees at certain salary levels are exempt from the overtime provisions of the law, in some cases compensatory time may be granted instead of overtime pay, and there are different rules for when overtime is required for police and fire employees. The thresholds for determining if an employee is exempt from overtime is based on a multiplier of the state minimum wage.

While many of the provisions of the state overtime law and the FLSA are identical, there are some differences. When there is a difference, the city must comply with the law that is most beneficial to the employee. In addition to

overtime, local, state, and federal laws set the minimum hourly wage that employees must be paid. Although the federal minimum wage is \$7.25, the minimum wage in Washington is significantly higher—\$16.66 per hour as of January 1, 2025. The state minimum wage is indexed to increase every January based on an increase in the Consumer Price Index (CPI). The Washington State Department of Labor & Industries announces changes to the state minimum wage annually on September 30. In years when the CPI decreases, the state minimum wage may remain the same. The overtime exempt threshold in 2025 is \$1,332.80 per week (\$69,305.60 per year) for employers with up to 50 employees, and \$1,499.40 per week (\$77,968.80 per year) for employers with 51 or more employees..

It's very important to keep up to date on this ever-changing area of law.

Laws that protect employees from discrimination and unfair practices

A wide range of federal and state laws and regulations govern employment decisions, protect employees from discrimination and other unfair practices, and ensure the safety of employees at work. These laws have become increasingly complex, and there are ever more inconsistencies between state and federal regulations. Because city officials generally need more information on this issue than this brief chapter can provide, they should take advantage of the resources listed and attend training when it is offered.

Know the law

- [WAC 162-12-140 - Pre-employment Inquiries, Human Rights Commission](#)
- [RCW 41.08 - Civil service for firefighters](#)
- [RCW 41.12 - Civil service for police](#)
- [RCW 41.56 - Public Employees Collective Bargaining Act](#)
- [RCW 49.46 - Washington State Minimum Wage Act](#)
- [RCW 49.46.200 - Paid sick leave](#)
- [RCW 49.46.210 - Paid sick leave – Authorized purposes - Limitations](#)
- [RCW 49.60 - Washington Law Against Discrimination](#)
- [RCW 50A – Family and Medical Leave](#)
- [The Americans with Disabilities Act, U.S. Equal Employment Opportunity Commission](#)
- [Federal Family & Medical Leave Act, U.S. Dept. of Labor](#)
- [Fair Labor Standards Act, U.S. Department of Labor](#)