

STATE OF WASHINGTON

BEFORE THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the matter of the petition of:

PROTEC17

Involving certain employees of:

CITY OF SEATTLE

CASE 138291-E-24

DECISION 13942-A - PECB

ORDER ON ELIGIBILITY

Kristen Kussman, General Counsel, for PROTEC17.

Kathryn Childers, Assistant City Attorney, for the City of Seattle.

On January 24, 2024, PROTEC17 (union) filed a representation petition seeking to represent “All Strategic Advisors 1 and 2 in the City of Seattle’s (employer or city) Budget Office.” The employer objected to the union’s petition and asserted that four of the petitioned-for Strategic Advisor 2 employees are confidential employees who are not eligible for collective bargaining. Three of these positions are commonly referred to as “internal rate analysts” and one position as an “economist.” The number of objections in this case did not impact the outcome of an election. So, an election was conducted, and an interim certification was issued pending the status of the objected-to employees. *City of Seattle*, Decision 13942 (PECB, 2024).¹ Hearing Officer Erin Slone-Gomez conducted a hearing on May 13 through 15, 2025. The parties filed post-hearing briefs on July 10, 2025, to complete the record.

The economist and internal rate analyst positions are not confidential employees under RCW 41.56.030(12)(c). The at-issue employees do not participate in the formulation of collective bargaining strategy or proposals, sit at the bargaining table, edit proposals, or otherwise have a

¹ The bargaining unit is described as, “All Strategic Advisors 1 and 2 in the Budget Office at the City of Seattle, excluding supervisors, confidential employees, and all other employees.”

labor relations nexus. This matter is remanded to the Representation Case Administrator for further processing consistent with this decision.

BACKGROUND

The City of Seattle's Budget Office performs many budgetary functions for the city including but not limited to gathering and analyzing data for the annual budget process and second year budget process, reviewing general fund and non-general fund revenues, determining the financial impacts of external and internal variables, and providing analyst support to other departments.

The relevant section of the Budget Office is organized into six groups, each of which is led by a manager. The groups relevant to this case include Economics and Forecasting; Fiscal Management; Public Safety and IT; Community Development and Human Services; Community, Culture, Recreation and Administration; and Utilities and Transportation. The Economics & Forecasting group includes the at-issue economist position occupied by Alexandria Zhang. This group has a dual reporting relationship to the Budget Office Director. Dan Elder was Acting Director at the time of the hearing, and Jeanette Blankenship is the Deputy Director. A second group, Fiscal Management, primarily provides city-wide program support such as work related to the city budget process and capital funds. The other three groups included are composed of one manager and four or five Fiscal and Policy Analysts (analysts).

Each analyst is assigned to provide support to at least one department. The three remaining objected-to positions are each assigned to a department known as "internal rate departments." Internal rate departments are those where a portion of department's budget is funded by charging other city departments for their services. At the time of the hearing, these positions were filled by Andrew Dziedzic, Information Technology Department (ITD); Alyssa Ha, Finance and Administrative Services (FAS); and Lorine Cheung, Human Resources (SHR).

The Economist Position

The economist position held by Zhang works with one other economist, Joseph Russell, and their manager, Dave Hennes. The parties previously agreed that Russell's position should be excluded

as confidential. Zhang's work includes revenue forecasting, budget analysis for the retirement department, special projects, and budget analysis for the Judgment Claims Fund. The Judgment Claims Fund is the city's self-insurance portion of its insurance program. In her role providing analysis for the Judgment Claims Fund, Zhang is a member of the Judgment Claims Fund Committee. The Committee includes Hennes, representative(s) from the City Attorney's Office, representative(s) from the Council's central staff, representative(s) from the City Finance Department, and Bruce Hori, the City's Director of Risk Management. This Committee meets monthly and administers a fund of ten million dollars that the city must utilize before accessing additional funds through insurance. Zhang's role is to make expenditure projections and set the budget for the fund. Zhang is made aware of potential settlement prior to finalization. However, she often does not know the details of the cases being settled. Zhang has never participated in a discussion that includes PROTEC17.

As the retirement analyst, Zhang attends public meetings for the board that administers the city's retirement program when the budget is being discussed. Zhang receives copies of nonconfidential reports generated by an outside firm. She aids the department with their annual budget process and supplemental requests. Zhang helps make an annual recommendation about what the city's employer contribution rate should be to the retirement plan.

The Internal Rate Department Analysts

All the analysts do very similar work. Each works directly with their assigned department's finance managers on the department's budget including reviewing budget proposals and monitoring expenditures. The three contested positions are each assigned to support an internal rate department. Unique to the internal rate departments is the process of determining the rates these departments will charge other departments for their services. The budgets for the internal rate departments, FAS, ITD, and SHR, are created first. The other departments budgets are created after the internal rate departments as the other departments' budgets will be impacted by those internal charges. All other analysts, except the three assigned to the internal rate departments, are members of the bargaining unit.

The city's budget process begins when the Budget Office Director sends a memo explaining the budget process to the directors of the three internal rate departments. Each department director also receives a worksheet called "Inflation Rate Guidance for 2026 [Department] Internal Rate Setting." This document lists the department's budget items and projections for the upcoming fiscal year. It is created by two members of the Fiscal Management team, Candice Foote and Caleb Wagenaar who consult with Russell.² The analyst assigned to that city department also receives a copy of this memo and rate setting worksheet and uses this information to assist their department with the budget process.

The Inflation Rate Guidance worksheet calculations are informed by the negotiating parameters as determined by the city. These negotiating parameters are used to estimate the costs for staff at the internal rate departments, and thus impact how the internal rate departments will charge non-internal rate departments for their services. As the internal rate departments establish their budget first, the employer is concerned that these analysts will be able to determine what the city's labor parameters are while negotiations are still in session.

Historically the analysts may work with different departments during their time in the Budget Office. Assignments are made based on employee interest, skill development, and workload. The workload associated with supporting ITD, SHR, and FAS is such that an analyst cannot support more than one of these departments at a time.

The Labor Relations Policy Committee

The Labor Relations Policy Committee (LRPC) is comprised of the Select Labor Committee (SLC), made up of City Council members, and the Executive Labor Committee (ELC), made up of five members of the Mayor's Office. None of the challenged employees participate in the work of the LRPC. The Budget Office Director is a standing member of the ELC and thus a member of

² The parties agreed that positions filled by Foote, Wagenaar, and Russell would not be included in the bargaining unit as their work involves confidential labor relations information. Foote and Wagenaar work directly with the LRPC and Russell works with Foote and Wagenaar using information from the LRPC.

the LRPC and may attend the SLC to provide information about the city's budget. Each of these three committees meet monthly. The LRPC then determines labor parameters, which are used during by the city's labor negotiators during collective bargaining discussions. Foote is the Budget Office staff member who tracks the financial information and performs analysis during the negotiation process. Foote uses this information to create the internal rate worksheet that is distributed at the start of the internal rate department budget process.

ANALYSIS

Applicable Legal Standard(s)

The determination of appropriate bargaining units is a function delegated to this agency by the legislature. *City of Richland*, Decision 279-A (PECB, 1978), *aff'd*, *International Association of Fire Fighters, Local 1052 v. Public Employment Relations Commission*, 29 Wn. App. 599 (1981), *review denied*, 96 Wn.2d 1004 (1981). The purpose of this function is to ensure there is a community of interest among the employees sufficient to enable them to bargain effectively with their employer. *Quincy School District*, Decision 3962-A (PECB, 1993).

In making bargaining unit determinations, this agency considers "the duties, skills, and working conditions of the public employees; the history of collective bargaining by the public employees and their bargaining representatives; the extent of organization among the public employees; and the desire of the public employees." RCW 41.56.060(1). These criteria are not applied on a strictly mathematical basis. *King County*, Decision 5910-A (PECB, 1997). Not all factors will arise in every case, and where they do exist, any one factor could be more important than another, depending on the facts. *Renton School District*, Decision 379-A (EDUC, 1978), *aff'd*, *Renton Education Association v. Public Employment Relations Commission*, 101 Wn.2d 435 (1984).

This agency's role is to determine whether there is a community of interest, not the best community of interest. Consequently, the fact that other groupings of employees may also be appropriate, or even more appropriate, does not render the proposed configuration inappropriate. *State – Secretary of State*, Decision 12442 (PSRA, 2015) (citing *Snohomish County*, Decision 12071 (PECB, 2014), and *City of Winslow*, Decision 3520-A (PECB, 1990)).

Confidential Status

Only those personnel who qualify as “employee[s]” may exercise collective bargaining rights under the statute. RCW 41.56.030(12). Excluded from this definition are employees whose duties imply a confidential relationship to the bargaining unit or to the executive management of the employer, such as an appointee to a board, commission, or committee for a particular term of an elected official. RCW 41.56.030(12). Accordingly, anyone who meets the confidential employee definition is precluded from exercising collective bargaining rights under the statute. *Id.* Because confidential employees are precluded from exercising collective bargaining rights, a heavy burden is placed on the party seeking that confidential determination. *City of Seattle*, Decision 689-A (PECB, 1979).

A confidential employee is further defined as any employee who participates directly on behalf of the employer in the formulation of labor relations policy, the preparation for or conduct of collective bargaining, or the administration of collective bargaining agreements. WAC 391-35-320(1). The nature of the work that creates the confidential status should be more than routine or clerical in nature. Rather, the work must call for the consistent exercise of independent judgment. *Id.*; see also *City of Lynden*, Decision 7527-B (PECB, 2002).

In determining whether the work performed by an employee is confidential in nature, a labor relations nexus test is used to examine the employee’s current duties. *City of Yakima*, Decision 9983-A (PECB, 2008). The labor nexus test examines whether the employee’s current duties imply a confidential relationship that flows from an official intimate fiduciary relationship with the executive head of the bargaining unit or public official. *International Association of Fire Fighters, Local 469 v. City of Yakima*, 91 Wn.2d 101 (1978).

The confidential exclusion depends on the particular association of the persons involved, rather than on any arbitrary test including title, position on organization chart, job description, or role. See *Shelton School District*, Decision 1609-B (PECB, 1984). “The nature of this close association must concern the official and policy responsibilities of the public officer or executive head of the bargaining unit, including formulation of labor relations policy.” *City of Yakima*, 91 Wn.2d at 107. The exclusion prevents potential conflicts of interest between the employee’s duty to their employer and status as a union member. *Walla Walla School District*, Decision 5860-A (PECB, 1997). An employee’s official duties may provide them with access to sensitive information regarding the employer’s collective bargaining position. In that case, the employee’s loyalties should not be placed in a position where they could be questioned by either the employer or the

bargaining unit. *State – Natural Resources*, Decision 8458-B (PSRA, 2005). Any relied-upon labor relations responsibilities must be necessary, regular, and ongoing. *Yakima School District*, Decision 7124-A (PECB, 2001) (citing *Oak Harbor School District*, Decision 3581 (PECB, 1990)).

Application of Standard(s)

The Economist and the Internal Rate Analysts are not confidential employees excluded from coverage under chapter 41.56 RCW. None of the positions have a sufficient labor relations nexus to require exclusion. None of the positions participate in bargaining, edit proposals, make recommendations, or participate in meetings where bargaining strategy or proposals are formulated.

The Economist

The employer contends that the economist position is confidential for three reasons: joint work with the other economist position, participation in the city's litigation settlement fund, and work performed with the city's Retirement Fund. Zhang's work with the other economist, Russell, whom the parties agreed should be excluded as confidential, does not make Zhang a confidential employee. While Zhang, works closely with Russell, their duties are not identical. Russell works closely with members of the Fiscal Management team who provide support and information to the LRPC, which may include reviewing potential layoffs, hiring freezes or other personnel actions that impact the city's budget. There is no evidence that Zhang has participated or assisted in this work. Working with a confidential employee does not inherently make another employee confidential.

Zhang's recent work on a budgeting project does not make Zhang confidential. The city may propose staff reductions based on the results of the budgeting project., This is the first such project Zhang has worked on of this nature and is only remotely related to a possible future city proposal. Working on the project does not directly involve labor strategy. Even if this limited duration project work involves confidential information, it does not appear to create a labor nexus. There are no facts that there is a back and forth between Zhang at the city related to the development of labor policy in the work she is performing for the project.

Zhang's work with the Judgement Claims Fund is also not evidence of confidential work. Zhang testified that her work as a member of the committee administering the fund is at a high level. The fund is a general self-insurance fund. The fund is not specific to labor claims and does not involve a labor nexus. Zhang testified that PROTEC17 has never been discussed at a committee meeting. She does not learn about the specifics of the individual claims, the litigation or settlement strategy employed by the city Attorney's Office, and she does not consult in those processes.

Lastly, Zhang's work supporting the city's retirement department does not make Zhang confidential. While employee retirement benefits are at times addressed in bargaining, Zhang testified that the retirement plan is run by the Seattle City Employees Retirement System (SCERS) Board. The Board does not solicit advice, nor does Zhang provide them with advice about benefit levels. Zhang attends public meetings of the Board and receives copies of nonconfidential reports generated by an outside firm. She aids the department with their budget process, including their annual budget process and supplemental requests. None of these assignments provide any insight into SCERS benefit plan-related decisions.

In all of these instances, the city's argument rests on Zhang having access to information that *may* impact bargaining. Simply having access to information does not result in confidential status. This tenuous connection to labor is both hypothetical and far removed from the decision-making process. Zhang does not work with the city's Labor Relations Office or its negotiators. Zhang does not provide input into the creation of the city's proposals and is unaware of how her work impacts the city's proposals. Zhang's work is far removed from the determination of labor policy, the drafting of proposals, or any other labor relations functions and therefore does not meet the heavy burden required of the city to preclude the position from exercising collective bargaining rights. *City of Seattle*, Decision 689-A.

The Internal Rate Analysts

The Internal Rate Analysts are not confidential employees. The employer's argument that the three Internal Rate Analyst positions are confidential rests solely on the timing of information. The Internal Rate Analysts work on budget preparation with their internal rate funded departments prior to the budget preparation for the non-internal rate funded departments. The Internal Rate

Analysts receive a worksheet, created by Foote and Wagenaar in consultation with Russell, and this worksheet includes projected labor costs. The analysts have no role whatsoever in the determination of potential labor costs or the corresponding budget inflator based on those costs. The Internal Rate Analysts use the worksheet to assist their department with the budget process. While the budget work conducted by the Internal Rate Analysts is complicated and requires a high level of skill, the use of the worksheet is primarily clerical. The mere access to these worksheets that list potential labor costs and could possibly include confidential information is not enough to render an employee a confidential employee. *Easton School District*, Decision 12592 (PECB, 2016). Like the other Fiscal and Policy Analysts, these positions analysts work directly with the department's finance managers on the budget, reviewing budget proposals, and monitoring expenditures. The employer does not contend that this work is confidential.

Outside of access to the budget worksheet, the analyst positions have no interaction with any of the city's decision makers about the employer's labor relations policy, strategy, or administration let alone participate in those decisions. In *State – Labor and Industries*, Decision 8437-A (PSRA, 2004), the Human Resource Director's assistant was deemed confidential as it had access to information directly related to the formulation, determination, and effectuation of the state's policies regarding collective bargaining and labor relations. None of the analysts in question have access to any of this source material, they rely solely on summary data provided by those who do have access to the data. Additionally, this summary is only a projection, the final labor costs are determined through the successful agreement between the employer and the union on a collective bargaining agreement. The individuals in the Budget Office, such as Elder and Foote, who do have access to the changing proposals and accompanying budget costs do not share this information with the analysts. The analysts only receive budget inflator data, which is based in part on those changing proposals and strategy.

CONCLUSION

The Strategic Advisor 2 positions with the working titles of Economist and Internal Rate Analyst are not exempt from collective bargaining under RCW 41.56.030(12)(c). None of the positions have a sufficient labor relations nexus to exclude them from collective bargaining.

FINDINGS OF FACT

1. The City of Seattle is a public employer within the meaning of RCW 41.56.030(13).
2. PROTEC17 is a bargaining representative within the meaning of RCW 41.56.030(2).
3. The City of Seattle's Budget Office performs many budgetary functions for the city including but not limited to gathering and analyzing data for the annual budget process and second year budget process, reviewing general fund and non-general fund revenues, determining the financial impacts of external and internal variables, and providing analyst support to other departments.
4. The relevant section of the Budget Office is organized into six groups, each of which is led by a manager. The groups relevant to this case include Economics and Forecasting; Fiscal Management; Public Safety and IT; Community Development and Human Services; Community, Culture, Recreation and Administration; and Utilities and Transportation. The Economics & Forecasting group includes the at-issue economist position occupied by Alexandria Zhang. This group has a dual reporting relationship to the Budget Office Director. Dan Elder was Acting Director at the time of the hearing, and Jeanette Blankenship is the Deputy Director. A second group, Fiscal Management, primarily provides city-wide program support such as work related to the city budget process and capital funds. The other three groups included are composed of one manager and four or five Fiscal and Policy Analysts (analysts).
5. Each analyst is assigned to provide support to at least one department. The three remaining objected-to positions are each assigned to a department known as "internal rate departments." Internal rate departments are those where a portion of department's budget is funded by charging other city departments for their services. At the time of the hearing, these positions were filled by Andrew Dziedzic, Information Technology Department (ITD); Alyssa Ha, Finance and Administrative Services (FAS); and Lorine Cheung, Human Resources (SHR).

6. The economist position held by Zhang works with one other economist, Joseph Russell, and their manager, Dave Hennes. The parties previously agreed that Russell's position should be excluded as confidential. Zhang's work includes revenue forecasting, budget analysis for the retirement department, special projects, and budget analysis for the Judgment Claims Fund.
7. The Judgment Claims Fund is the city's self-insurance portion of its insurance program. In her role providing analysis for the Judgment Claims Fund, Zhang is a member of the Judgment Claims Fund Committee. The Committee includes Hennes, representative(s) from the City Attorney's Office, representative(s) from the Council's central staff, representative(s) from the City Finance Department, and Bruce Hori, the City's Director of Risk Management. This Committee meets monthly and administers a fund of ten million dollars that the city must utilize before accessing additional funds through insurance. Zhang's role is to make expenditure projections and set the budget for the fund. Zhang is made aware of potential settlement prior to finalization. However, she often does not know the details of the cases being settled. Zhang has never participated in a discussion that includes PROTEC17.
8. As the retirement analyst, Zhang attends public meetings for the board that administers the city's retirement program when the budget is being discussed. Zhang receives copies of nonconfidential reports generated by an outside firm. She aids the department with their annual budget process and supplemental requests. Zhang helps make an annual recommendation about what the city's employer contribution rate should be to the retirement plan.
9. All the analysts do very similar work. Each works directly with their assigned department's finance managers on the department's budget including reviewing budget proposals and monitoring expenditures. The three contested positions are each assigned to support an internal rate department. Unique to the internal rate departments is the process of determining the rates these departments will charge other departments for their services. The budgets for the internal rate departments, FAS, ITD, and SHR, are created first. The

other departments budgets are created after the internal rate departments as the other departments' budgets will be impacted by those internal charges. All other analysts, except the three assigned to the internal rate departments, are members of the bargaining unit.

10. The city's budget process begins when the Budget Office Director sends a memo explaining the budget process to the directors of the three internal rate departments. Each department director also receives a worksheet called "Inflation Rate Guidance for 2026 [Department] Internal Rate Setting." This document lists the department's budget items and projections for the upcoming fiscal year. It is created by two members of the Fiscal Management team, Candice Foote and Caleb Wagenaar who consult with Russell. The analyst assigned to that city department also receives a copy of this memo and rate setting worksheet and uses this information to assist their department with the budget process.
11. The Inflation Rate Guidance worksheet calculations are informed by the negotiating parameters as determined by the city. These negotiating parameters are used to estimate the costs for staff at the internal rate departments, and thus impact how the internal rate departments will charge non-internal rate departments for their services. As the internal rate departments establish their budget first, the employer is concerned that these analysts will be able to determine what the city's labor parameters are while negotiations are still in session.
12. Historically the analysts may work with different departments during their time in the Budget Office. Assignments are made based on employee interest, skill development, and workload. The workload associated with supporting ITD, SHR, and FAS is such that an analyst cannot support more than one of these departments at a time.
13. The Labor Relations Policy Committee (LRPC) is comprised of the Select Labor Committee (SLC), made up of City Council members, and the Executive Labor Committee (ELC), made up of five members of the Mayor's Office. None of the challenged employees participate in the work of the LRPC. The Budget Office Director is a standing member of the ELC and thus a member of the LRPC and may attend the SLC to provide information

about the city's budget. Each of these three committees meet monthly. The LRPC then determines labor parameters, which are used during by the city's labor negotiators during collective bargaining discussions. Foote is the Budget Office staff member who tracks the financial information and performs analysis during the negotiation process. Foote uses this information to create the internal rate worksheet that is distributed at the start of the internal rate department budget process.

CONCLUSIONS OF LAW

1. The Public Employment Relations Commission has jurisdiction in this matter pursuant to chapter 41.56 RCW and chapter 391-25 WAC.
2. Based upon findings of fact 3 through 13, the Economist and Internal Rate Analyst positions are not confidential employees within the meaning of RCW 41.56.030(12)(c).

ORDER

The Strategic Advisor 2 positions with the working titles of Economist and Internal Rate Analyst are included in the bargaining unit certified in *City of Seattle*, Decision 13942 (PECB, 2024). Absent the filing of an appeal under WAC 391-25-660, a final certification will be issued consistent with this order on eligibility.

ISSUED at Olympia, Washington, this 9th day of October, 2025.

PUBLIC EMPLOYMENT RELATIONS COMMISSION



MICHAEL P. SELLARS, Executive Director

This order will be the final order of the agency unless a notice of appeal is filed with the Commission under WAC 391-25-660.



RECORD OF SERVICE

ISSUED ON 10/09/2025

DECISION 13942-A - PECB has been served electronically by the Public Employment Relations Commission to the parties and their representatives listed below. If no email address was provided, a paper copy was sent to the mailing address.

BY: DEBBIE BATES

CASE 138291-E-24

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