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Cc: ZZGrp, Labor Relations

Subject: 2012 COLA Calculation

This email is sent on behalf of Patti Cole-Tindall, Director of the Office of Labor Relations

Dear Union Representatives,

As you recall the King County Coalition of Unions and non-affiliated labor unions reached an agreement to forego a 2011 Cost of Living pay adjustment as a way to reduce the loss of jobs held by bargaining unit members. For unions that tentatively agreed to and ratified this agreement or are planning to in the near future, we are clarifying how we are calculating the 2012 COLA rate. Attached is the King County Coalition of Labor Unions tentative agreement that includes the COLA formula language that establishes our COLA methodology.

Below are the basic formula steps for calculating the 1.631% COLA for 2012.

Step 1:

Determine the average of the 6 bi-monthly Seattle CPI values (Series: CWURA423SAO) from August 2010 to June 2011 and divide by 6:

223.444 (August 2010)

+ 223.112 (October 2010)

+ 222.853 (December 2010)

+ 225.790 (February 2011)

+ 228.313 (April 2011)

+ 230.072 (June 2011)

Total = 1353.584/6=225.597

Step 2:

Apply the same computation method used in Step 1 to the values from August 2009 to June 2010 and determine the average:

221.873 (August 2009)

+ 221.339 (October 2009)

+ 220.905 (December 2009)

+ 221.215 (February 2010)

+ 222.309 (April 2010)

+ 221.857 (June 2010)

Total = 1329.498/6=221.583

Step 3:

Take the difference between Step 1 and Step 2 and divide by results of Step 2:

$$(225.597-221.583)/221.583 = .018115$$

Step 4:

Convert into a percentage

$$.018115=1.812\% \text{ (rounded up)}$$

Step 5:

Multiply 1.812% by 90% = 1.631% **COLA for 2012**

Should you have any questions or comments, please feel free to give me a call at your earliest convenience.

Patti Cole-Tindall

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