

talk...table talk...table

AFSCME Council 5 Locals 34, 552, 1719, 2822, 2864, 2938

October 1, 2011

THE COUNTY'S 'NEW REALITY'

All Zeroes. Singles Pay \$174 a Month. No Stability Pay in 2012-13.

On Sept. 26, the County submitted its opening contract proposal. In Bill Peters' opening remarks, he stated, "We face difficult financial times." The "we" he referenced means "you" -- the employees of Hennepin County, whose Single insurance premium the County proposes to raise over 300%!

As of May 11, 2011, Hennepin County has the highest possible bond rating of Triple A, as assigned by all three bond rating agencies. Only 67 counties in the nation (out of 3,100) have attained such a rating. Standard & Poor's states: "In our opinion, the county's financial position remains very strong."

The County has been able to achieve this through the hard work, dedication, and sacrifices of Hennepin County employees. As the County's workforce shrinks, you are required to "do more with less." One of the ways employees help the county achieve budget savings is through increased use of the Voluntary Special Leave Without Pay program (SLWOP). As of Aug. 27, 1,535 employees had used 48,070 hours of SLWOP. That represents approximately \$1.3 million in savings.

The County said that, like us, it was hoping the economy would get better by this year. But it has not. There is now a "New Reality," the County says: Taxpayers are not willing to pay more for public employees' wages or benefits. They view the insurance we receive as a "Cadillac" plan. The County's budget

has been essentially flat since 2008. (The budget presented by County Administrator Richard Johnson this month recommends no levy increase for 2012).

These are the numbers you need to know:

- The total County payroll in 2011 is \$500 million.
- A 1% pay increase = **\$5 million**
- Step increases = **\$5 million**
- Stability pay = **\$5 million**.

Inflation on health insurance costs is **7%**, which is an increase of \$5.8 million dollars.

The County's initial proposal to the Union says: **No** wage increases for both years, **no** step increases for both years, **no** stability pay for both years, **yes** we will cut benefits on health insurance, and **yes**, we will make employees with Single insurance pay \$174/month. This would generate an additional \$8.5 million – taken out of our pockets!

The County went on to say that if we do not reach an agreement by the end of the year, there will be no step increases, and employees would have to eat **all** health insurance premium increases in 2012. This would raise the Family premium to over \$550 a month.

See the comparison of the Union proposal and the County proposal on the back. **It is like night and day.**

We see the County spending millions of dollars on buildings and light rail, yet they seem to be overlooking their most valuable resource -- their employees.

Action Team and Strike Preparation Team

The old statement that there is strength in numbers is true. **Now is the time to stand up and be counted!** Katie Farber (kaf1955@comcast.net) is the acting chair of the Action Committee. David Cohoes (dcohoes@gmail.com) is chair of the Strike Preparation

Committee. They are looking for folks willing to participate in any capacity that their schedules permit. With a little effort from all of us, we can make significant changes to the County's draconian opening proposal. There is nowhere to go but up.

Initial 2011 Contract Proposals - Hennepin County

Union Proposal - 9/19/2011

1. **Wage Rates:** We reserve this for a later date
2. **Step Increases:** Employees eligible for receiving a step in 2011 receive a step in the first pay period in 2012. All employees eligible for a step increase will receive a step increase in 2012 and 2013.
3. If negotiations fail to achieve a settlement by 12/31/11, the contract continues. Step increases start again in the first full payroll period in 2012.
4. **Stability Pay:** No change in stability pay for both years.
5. If negotiations fail to achieve a settlement by 12/31/11, the Employer pays the same percentage for family insurance, and employees will pay only \$40 for single insurance as of January 2012.
6. **Health Insurance Premiums**
 - Single contribution reduced to \$25 per month for both 2012 and 2013
 - County contribution toward family health insurance increased to 78% for all coverage
7. **2012 Health Plan**
 - Put the 2011 health plan summary of benefits into the contract. Lower the calendar year maximum from \$3,000 single/\$5,000 family to \$2,500 maximum for both single and family.
 - Add a new section stating the aggregate level of benefits shall not be reduced during the term of the Agreement.

County Proposal - 9/26/2011

1. **Wage Rates:** 0% in 2012; 0% in 2013
2. **Step Increases:** There will be no step increases in 2012, and no step increases in 2013.
3. If negotiations fail to achieve a settlement by 12/31/11, steps will not resume with the first full payroll period in 2012.
4. **Stability Pay:** No stability pay in 2012 or 2013.
5. If negotiations fail to achieve a settlement by 12/31/11, the Employer continues paying the same dollar amount toward insurance premiums in January 2012 as it paid in 2011. [Employees will be solely responsible for the increase.]
6. **Health Insurance Premiums**
 - Singles pay 25% of the premium, which is **\$173.84/month**
 - Employees pay 25% of all family health insurance, which equals:
 - **\$312.92/month for EE + child(ren)**
 - **\$408.52/month for EE + spouse**
 - **\$478.06/month for family**
7. **Health Plan Design Changes**
 - Will communicate any changes to the Labor/Management Committee on Health for 2012-13. Design changes include:
 - 3 tiers. Fairview and HFA/HCMC stay at Tier 1. HealthPartners goes to Tier 2; Park Nicollet goes to Tier 3.
 - Add an annual deductible of \$50/\$100 for Tier 2, and \$75/\$150 for Tier 3.
 - Increase Rx \$2 for generic; \$10 for brand.
 - All changes would lower aggregate level of benefits by 2.81%.