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County, labor union at an impasse in contract negotiations

Floreen: Employee groups know county cannot afford pay increases

by Erin Cunningham | Staff Writer

Negotiations over Montgomery County government employees' contracts have stalled over what the head of a county workers' union says is a difference of opinion on the future of county government.

Gino Renne, president of The United Food and Commercial Workers Local 1994/Municipal and County Government Employees Organization, said the dispute is not over pay increases or enhanced benefits. Rather, the two sides have opposing views of the county's priorities and whether the county government should be restructured to save money and better serve its residents.

MCGEO represents about 10,000 employees, 8,000 of whom are in Montgomery County.

The labor union is at an impasse in its talks with the county, but Renne said negotiations will resume Thursday, and he hopes the two sides can come to an agreement as soon as next week.

"But the county will have to get off their high horse and take a leap of faith with their work force," Renne said.

County spokesman Patrick Lacefield said he was unable to comment on specifics but said the county is in negotiations with the Fraternal Order of Police Lodge No. 35 as well as MCGEO.

The county government labor unions negotiate their contracts with representatives of the county executive's office, and the contracts then go to the County Council for approval.

The county and the FOP are in arbitration, meaning an impartial third party has been called in to settle the negotiations, Lacefield said. He said he was unsure when an arbitrator would make a ruling.

The FOP and the county are negotiating only economic issues in employee contracts, including wages and benefits, Lacefield said.

An FOP representative did not return a phone call or an e-mail for comment.

The third union that negotiates with the county, the Montgomery County Career Fire Fighters Association, IAFF Local 1664, is not scheduled for contract talks this year.

All three unions representing Montgomery County Public Schools employees — teachers, administrators and support staff — are in contract negotiations with the county school board.

The three education unions negotiate salaries and benefits together, but bargain working conditions and other issues separately, said Doug Prouty, president of the Montgomery County Education Association, which represents teachers.

The teachers' union is aware of the county's financial difficulties, but would not rule out seeking pay raises, Prouty said.

The county is facing at least a budget hole of \$608 million in fiscal 2011 and has trimmed \$100 million from its fiscal 2010 budget.

While Montgomery County Council President Nancy M. Floreen (D-At large) of Garrett Park said she would not comment on negotiations while they were in progress, she noted that all union leaders were aware of the limitations of the county budget.

"We do not have resources to pay for additional employee compensation this year," Floreen said. "I do believe everybody understands that."

County Executive Isiah Leggett (D) also has said it would be difficult to give pay raises to employees, Lacefield said.

Councilman Philip M. Andrews (D-Dist. 3) of Gaithersburg was criticized by Renne last year — when Andrews served as council president — for saying the county could not afford cost-of-living or step pay increases for employees.

Andrews said Monday that pay raises remain unaffordable.

He said that if all county employees, including teachers, receive general wage increases, also known as cost-of-living increases, it would cost the county \$90 million in fiscal 2011. Step increases would cost \$35 million.

"Even without pay increases we still have a big budget challenge," Andrews said. "There are a lot of cuts we have to make. We're likely to have furloughs, and it will be very difficult to avoid layoffs."

County employees received step increases in fiscal 2010, but not cost-of-living raises.

Renne said MCGEO and the county are at an impasse over proposals he has made to consolidate services, eliminate some midlevel managers and cut wasteful spending.

"There is a clear and pretty deep disagreement on how the government should be run," Renne said. "There's this decision-making paralysis that is reactive to the crisis and not proactive to the long-term interest of the community, and that's what alarms me."

Prouty said it is unlikely that teachers will wrap up negotiations until mid-May — after the Montgomery County Council will have approved the county budget that will fund teachers' salaries and school system expenses.

Montgomery County Vice President Valerie Ervin (D-Dist. 5) of Silver Spring said that the school system will receive more money in fiscal 2011 than it did in fiscal 2010 if the county follows the state's maintenance-of-effort law. Maintenance of effort requires the county to spend at least the previous year's level on education. The county sought a waiver this year from the requirement, but the request was rejected by the state.

The school system has control over how its budget is spent. For that reason, Ervin, who chairs the council's Education Committee, said school system employees could receive pay raises while other county employees go without.

"It's going to create a situation that's not going to be good for the unions that don't have a state law that governs the way that they are funded," Ervin said.

About two-thirds of county employees, or 22,000, work for Montgomery County Public Schools.

"That's why we can't afford step [increases] for the school system employees," Andrews said. "You want to treat employees similarly, fairly."

The teachers' current contract ends June 30, Prouty said, and the teachers typically bargain a three-year contract.

He said the union did not have "high expectations" that step or cost-of-living pay increases would be possible in fiscal 2011. However, the union was waiting to hear about fourth-quarter tax revenue and what the state's contribution to the schools will be, he said.

"We're aware of the economic realities, and we're mindful of that," Prouty said. "But I wouldn't want to say yea or nay [to pay increases]. We're still working that out."

Many Montgomery County career firefighters are due a 10.5 percent pay raise in fiscal 2011 — as negotiated in the third year of their three-year contract, said Andrews, who chairs the council's Public Safety Committee.

However, he said he believes Leggett will not be able to fund those pay increases in his proposed budget, which is due March 15.

Andrews said the firefighters' contract will have to be renegotiated, or Leggett simply could not fund the raises in the proposed budget.

A similar situation occurred last year, when firefighters did not receive negotiated raises they were expecting in fiscal 2010.