

Montgomery County Council approves budget cuts, backs off on union clash

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The Montgomery County Council took a series of limited steps Tuesday to begin addressing a \$300 million budget problem, including approving more than \$30 million in midyear cuts and altering laws governing negotiations with public employee unions.

But the net effect of the council's tense mix of action and inaction Tuesday - including alternately tough and tentative votes and a procedural back flip under pressure from union leaders - was to send mixed messages about how officials will address even more intractable budget problems in coming months.

Some of the actions promise to be difficult for the individuals involved, including the elderly, who will be shut out of neighborhood senior programs, and a group of fire and rescue administrators the council voted to downsize. The administrators serve the county's volunteer fire and rescue departments.

But council members fell several million dollars short of cutting as much as County Executive Isiah Leggett (D) proposed and argued about where they believed his proposals went too far. Leggett had said that he hoped the council might cut deeper than he did, which would help reduce the severity of fiscal challenges next year. The closest it came to that was a vote by council members Nancy Floreen and George Leventhal, both at-large Democrats, to accept Leggett's \$36.2 million "savings plan" as is.

That motion had little traction: Opponents said the council had the responsibility to weigh in with its own vision.

The result was a cut amounting to \$32.3 million, which closely matched Leggett's suggestions but also included a series of puts and takes that reflected the council's priorities - and pain threshold. The council, for instance, agreed to cut some senior programs, but voted to preserve more than \$23,000 to keep providing meals at three community centers. "It's just \$23,000 in a \$4.3 billion budget. We can afford to feed elderly people who have no other options," council President Valerie Ervin (D) said.

Ervin's push to close what she called "loopholes" in the laws covering bargaining with government unions ran into fierce opposition.

Gino Renne, head of the largest local government employees union, joined with his members and other union leaders in a successful effort to blunt some of the potential effects of Ervin's effort.

Her original proposal, made in November, had been given more teeth by comments from a Leggett administration official and a number of changes offered by county staff. The

council's government operations committee, which includes Ervin (Silver Spring), Nancy Navarro (D-Eastern County) and Hans Riemer (D-At Large), had sent the amended, tougher version of the bill to the full council with a recommendation that their colleagues approve it.

But on Tuesday, Navarro said there had been a change of heart and that the committee, which she chairs, had reversed course.

"After further reflection," she said, "there has been a decision to actually support and forward to you the original bill without the particular amendment."

The procedural maneuver allowed for a face-saving escape from an increasingly nasty fight between council members and employee unions. The council unanimously approved Ervin's original bill Tuesday, a result Renne said he could live with.

The legislation passed Tuesday could change the way some bargaining disputes are resolved. Before the change, if the county and one of its unions didn't reach agreement, an arbitrator would decide which side had the more reasonable offer. The arbitrator would consider a half-dozen factors in making the decision, including bargaining history and the experience of other unions in the region.

Now, the arbitrator "must first evaluate and give the highest priority to the ability of the county to pay for additional short-term and long-term expenditures," according to the approved, original legislation. The arbitrator would do so by considering "the limits on the county's ability to raise taxes" and "the added burden on county taxpayers, if any, resulting from increases in revenues" needed to pay for the package chosen by the arbitrator. The arbitrator would also consider "the county's ability to continue to provide the current standard of all public services."

After doing that, the arbitrator can also consider other factors, such as what other unions received.

Some county officials had questioned the effectiveness of this approach, essentially arguing that it too has important loopholes.

A letter from the administration's Office of the County Attorney called the language "legally sufficient" but suggested ways "to strengthen the bill's stated goal of requiring the arbitrator to consider, first and foremost, the county's ability to pay for a labor contract" in light of current and projected budget pressures.

For example, the legislation forces the arbitrator to consider the affordability of "additional" expenditures. If the purpose of the legislation is to prioritize affordability, "then it should not be limited to those proposals that would increase spending; it should be the predominant factor in reviewing every proposal," according to the letter.

The legislation passed Tuesday also could "have the effect of requiring the arbitrator to select a proposal requiring significant spending increases in times of fiscal largess," the letter warned. That's "because consideration of 'the ability of the county to pay' is not limited to fallow economic times," it said.

The amendments endorsed by the council committee last week sought to address these potential problems, but they were undone Tuesday.

For instance, the amendments would have required the arbitrator to "first determine the ability of the county to afford any short-term and long-term expenditures."

Under the failed proposal, the arbitrator would have had to assume that there would be no tax increase to pay for the package chosen by the arbitrator.

In testimony before the council last week, Renne had said that such an approach represented an "unconscionable" and "appalling" attack on labor.

But on Tuesday, Renne said the legislation that ended up being approved is "something we feel comfortable we can work with."

"This is, I believe, a positive sign," Renne said.

Ervin said it was important for the council to speak with one voice, so she brokered a last-minute deal to return to her original proposal, which she said serves to level the playing field between the county and its unions.

Council member Marc Elrich (D-At Large) thought that the amendments had gone too far. Anyway, "we're not bound by anything the arbitrator says," he said. "If there's no room in the budget, we're not going to accept an arbitrator's decision."