

PROFESSIONAL VIEW
PEA'S NEWSLETTER FOR APRIL-JUNE, 2004

FROM THE PRESIDENT

After nine years of Steve Roy writing this article, it is now my turn. First, I think it is important to recognize Steve's dedication to PEA and thank him for his contributions. With Steve at the helm, PEA has elevated itself from a loosely run organization into a Union of substance. Financially we are stable, we have an office that serves as the headquarters of the organization and we have a most capable business agent/legal counsel in Mike Wilde. All this is attributable to Steve's efforts and I hope that future presidents will continue to build on his accomplishments. I know I will try (hopefully with a little advice and assistance from him before he retires).

I will try to include brief overviews of the important issues as they are today, but please realize that by the time the Newsletter is printed, some of the information may be obsolete.

Budget: I want everybody to remember two important dates. The first is **August 11th**. This is the day the Mayor is scheduled to give his budget address and recommend his levy limit for 2005. During a presentation on June 8th by Matt Smith, the mayors budget director, the issue of levy limits was discussed quite extensively. The levy limit is the amount the City decides it needs to collect from property taxes to cover operational funds for the next fiscal year. The limit in 1992 was set at 65.5 million. The limit in 2004 was 64 million or 1.5 million **less** than 1992. The next important date is **September 15th**. This is the date the City Council adopts the levy limit for 2005. Once adopted that limit sets the ceiling or maximum dollars that can be collected. The City can collect less, but it **can not** exceed the levy limit. It doesn't take much thought to realize **all** contract negotiations are directly tied to the levy. PEA is coordinating with the other City Unions to try and influence the Mayor and Council during the budget discussions. We need to convince them of the need to increase the levy and insure adequate funding for City programs and departments. I would encourage all PEA members to support this effort any way they can.

Contract Negotiations: The School District PEA members have recently signed a new contract for 2004 -2005 and I want to compliment Jaber and his group for a job well done. Their efforts produced a contract better than expected in these times of tight budgets. We had our first City Negotiation meeting June 29th. Sheila Winderlich is the Negotiations Chair (651-501-6309) and she is looking for help, especially someone with an accounting background. Our next meeting is scheduled for July 13th @ 5:00 in the PEA office. Contact Sheila or just show up. Any help is appreciated and you will have the chance to provide input on **your** next contract.

Health Insurance: There is little positive to say about the 2005 health insurance proposals for either the City or School District. Dave Peterson's article in this newsletter discusses the School District situation, so I will concentrate on the City. The only good news I have is that the supplemental dental insurance premium will actually be going down 4% in 2005. The bad news is that all four health insurance plans will be going up approximately 20%. The Labor Management Committee on Health Insurance is scheduled to vote July 20th on any plan changes and premium increases. When the open enrollment booklets become available, members are encouraged to review **all** their options and choose the best one for them.

Finally, there is now available a Transportation Flexible Spending Account. This plan is similar to the existing Health Care Flexible Spending Account and is a way of paying eligible parking and van pooling expenses using pre-tax money. If you have parking or car pooling expenses, I would encourage you to look into this benefit.

Steve Olson, President

**SCHOOL DISTRICT LABOR MANAGEMENT
HEALTH INSURANCE COMMITTEE**

Submitted by David Peterson

The school district has a Labor Management Health Insurance Committee that recently has been meeting monthly. PEA representatives are Brian Kinder, PEA district membership; Mike Wilde, PEA Business Agent; and David Peterson, PEA Board member.

At the April 27th meeting Terri Bopp, School District Benefits Department, provided group data on 2004 employee enrollment among the different Health Partner options; Steve Clausen, Deloitte, presented information on a new federally authorized "Health Savings Account" (currently not available to school district employees, in part because of very high individual deductibles are required for participation) and also presented information on the new federal Medicare Prescription Drug Plan for senior citizens. In addition, a 2004 legislative proposal for a mandatory statewide school district employee health insurance pool was discussed (the proposal did not pass during the legislative session).

At the June 25th meeting, the 2005 Health Partners Renewal Proposal was reviewed. Based upon 2003 claims data, projections, and current trends, Health Partners renewal offer is an average 18.8% increase starting January, 2005. As a couple examples, my calculations are that a "single" employee in Health Partners Primary Care Clinics would pay \$30.33 per month premium, and a "family" employee in Health Partners Primary Care Clinics would pay \$132.58 **additional** per month premium (before Flex Account tax considerations). The Labor Management Health Insurance Committee voted for the district to solicit bids from other health insurance providers.

The next meeting will be in August, to evaluate health insurance provider bids. This may result in another health insurance provider other than Health Partners for 2005. This could preclude coverage for health service at Health Partners Primary Care Clinics (i.e. you effectively may not be able to see a doctor that you have been seeing for years).

If you wish to contact me about the Labor Management Health Insurance Committee topics, my work phone is 696-9626, and my email address is david.peterson@spps.org.

FREQUENT FITNESS PROGRAM

What does "Frequent Fitness" mean to you? For some of us it involves a quiet walk on green grass chasing a little white ball. Others look forward to a stroll around Lake Como or Lake Phalen. Then there is the dedicated individual that regularly works out at a sports and health club. Whatever our passions, we all know we can improve our health with regular exercise. Earlier this year, HealthPartners started a "Frequent Fitness Program" where members of selected sports and health clubs get reimbursed \$20 of their monthly membership fee. The list of participating sports clubs has expanded and now includes:

The Calhoun Beach Club
The St. Cloud Area Family YMCA
The White Bear Racquet & Swim Club
The Northwest Athletic Club
The Flagship Athletic Club
The YMCA of the Twin Cities and Western Wisconsin
The YWCA of Minneapolis and St. Paul
The Regency Athletic Club and Spa
The Grove Aquatics and Fitness Center
The Red Wing Family YMCA
The Eagan Community Center
The Alliance Fitness Center
Gold's Gym
Weight Watchers

If you have a membership to one of these organizations, I congratulate you and urge you to seek reimbursement. Talk to your Club or contact HealthPartners. If you are not a member, but have thought about it, maybe this will be the incentive to join and start a program of regular exercise and improved health. The results can only be positive!

NEW PRE-TAX TRANSPORTATION PLAN

Effective July 1, 2004, the City of Saint Paul will be offering a new Pre-Tax Transportation Plan. This transportation plan will allow you to pay for your eligible parking and van pooling expenses on a pre-tax basis, thereby reducing your taxable income. Eligible expenses are generally van pooling expenses you incur during your commute to and from work, and parking expenses you incur while at work.

This plan is regulated under Internal Revenue Code Section 132(f). The Code sets monthly maximums for reimbursement. Parking expenses cannot exceed \$195 each month and van pooling expenses cannot exceed \$100.

Your next opportunity to enroll will be during Open Enrollment (in October) for the 2005 plan year.

LEGAL CORNER

by Mike Wilde

I would like to add my sincere and heartfelt appreciation for the years of service that Steve Roy gave to PEA. When I was hired in 1995, PEA was a smaller, undeveloped association that worked within very limited resources. The following year Steve Roy moved from Vice President to President and reconfigured this Union into a truly effective representative for all of its members. The accomplishments are literally too many to list, but anyone who understands the value of collective bargaining and employee representation should be grateful for Steve's efforts over the many years.

Now... where is PEA headed? What does the future hold for our professionals? To answer these questions we should better understand where we have been and where we are now. I've reviewed dozens and dozens of labor contracts in Minnesota's public sector. In addition, our City negotiations team did side-by-side comparisons with several other metro labor contracts during a recent round of negotiations. Comparatively speaking, it is true that PEA has a good labor agreement with the City. Our members in the School District are probably even slightly ahead of their City brothers and sisters.

The majority of contracts I've reviewed are more expansive management's rights, slightly lower on active employee benefits and comparable or slightly below in wages. But even those contracts that are less favorable than PEA's are immeasurably better than working without a labor agreement. Members often forget that. When you work under a labor contract for several years, it becomes the expectation. When there is not significant improvement or drastic gains compared to the unrepresented employees, some people might start asking *what is the value of a contract if this is all there is?*

I appreciate divergent opinions and critical questioning. It helps us improve. But when I hear a member ask that question there are a few inevitable truths. First, that person has probably never negotiated a labor contract start to finish. Second, he usually has a naïve and unsupported belief that wages and benefits everywhere in the public sector are handed down benevolently, with or without collective bargaining. Third, she was never laid off as an employee-at-will who put in many years of good service, only to learn that her newer and lower paid co-workers were kept on in the name of cost-savings.

You buy a house and lease a car on a contract. Credit card transactions and airline travel are secured as part of a contract. Even your membership at the local video store is consummated with a written contract. What reasonable person would want to offer up their earning power without the certainties and expectations of a labor contract?

If you agree that the existence of a contract is valuable and you tentatively agree that PEA's contract might be better than some, you might wonder whether I am asking you to accept complacency. I am not. I just wanted to attempt to provide a little history.

The truth is that we are now openly losing ground. Health insurance increases of 20% are now causing single-coverage employees to pay a growing portion of the premiums. Family-covered employees are losing wages to insurance premiums at even a much faster rate. PEA wages were virtually frozen in the last City contract. Meanwhile, homes, materials, gas, milk and prescriptions have all grown as reflected in the consumer price index increase of 3.3% since last June. This begs the question - what are we to do?

To begin, fill out the questionnaire that will be circulated soon. Second, attend all PEA meetings. Lastly, offer assistance to the negotiations team. Help us help you

PEA Negotiations Survey

The PEA Negotiations Committee requests your input to help negotiate the 2005/2006 contract. Please complete and return this survey to your steward by Friday, August 6.

NAME _____

DEPARTMENT _____

Do you currently work full-time or part-time? _____

Economic gains will again be difficult, but they are at the heart of nearly every contract. There are other issues within the contract that can be addressed to achieve gains for PEA members. Please answer the following questions completely so that we will have a clear picture of current conditions.

1. Have you experienced an increase in required overtime/comp time? Are you claiming it? Are you being compensated for it?

2. Do you have any specific examples of services that your department no longer provides or provides at a reduced level?

3. Are you or is anyone in your department assigned to perform all of the significant duties of a higher classification on a full-time basis? For how long? Are they being paid at the higher rate?

4. Are maintenance and replacement schedules or inspection schedules being extended in your department?

5. Are there any private contracts being issued in your department to replace work previously done by PEA members? Any layoffs or downsizing as a result?

6. Have you submitted a JAQ in the last two years? How long did it take Human Resources to respond? Result?

7. If you have been employed by the City for less than 5 years, what is your opinion about having the City invest in a post retirement account instead of contributing to a retiree health insurance plan?

8. Do you have any other issues for the Negotiations Committee?

Thank you for your response. Please call us with any concerns or comments.

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