

## **Contra Costa unions agree to major contract concessions**

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-- Contra Costa County's three biggest labor unions have overwhelmingly ratified a two-year contract with major wage and benefit concessions.

Under the pact, county workers must take six unpaid days off for each of the two years, the equivalent of an average 2.3 percent annual pay cut.

New employees will no longer receive lifetime retiree health care benefits.

The county also secured significant bargaining leverage over its share of health insurance premium costs.

The concessions come at a time when labor unions at other public agencies such as BART and the East Bay Regional Park District are fighting for raises or to preserve benefit levels.

"We are the first major agency that has achieved this level of cooperation with our employees to make these types of changes," said Contra Costa Supervisor John Gioia of Richmond. "I think this will lead to recognition that we are in a different financial world today than we were several years ago.

"The bottom line is that we will save jobs and services as a result of this contract."

The unions, which represent 5,300 employees, are the American Federation of State, County and Municipal Employees, or AFSCME, Local 2700, Public Employees Union Local One and Service Employees International Union Local 1021. The 300 members of AFSCME Local 512 are expected to ratify the pact this week.

"There is no doubt, and our members are very conscious of it, that they will have less money in their pockets the next two years," said Local 1 spokesman Rollie Katz. "They were prepared to do it because they understand that, A, the world is in a terrible recession. And, B, the county has serious money problems and this is something we need to do under these circumstances."

The Board of Supervisors will hold a July 7 public hearing on the contract and they plan to adopt it July 21.

In the most significant cost-saving component of the new contract, employees and the county will split evenly all health insurance premium cost increases — up to 11 percent — for the next two years. If increases exceed 11 percent, the county will pay the difference.

In May 2011, the county will convert to a dollar amount its share of insurance premiums. The existing formula is based on a percentage of the total premium depending on the employees' health plan choices.

The shift puts the county in a far stronger bargaining position to control premium costs in the next round of contract talks, Gioia said.

"If you are paying a percentage of the premium and the premium goes up, you pay a larger share of the cost," Gioia said. "Once we shift to certain dollar amount, any increase has to be negotiated."

Among the other contract provisions are:

- Elimination of double health insurance coverage in cases where more than one member of a family works for the county.
- Mandatory unpaid furloughs of 48 hours per year for two years, which equates to an average 2.3 percent pay cut.
- New hires will receive \$150 a month in deferred compensation, which can be used for health insurance when they retire. The county reserved the right to change or eliminate the perk in future years.

The supervisors are expected to apply the new premium formula to themselves and the county's top managers along with a 2.3 percent pay cut.

Supervisors are also expected to place retirees under the new premium deal and pursue similar concessions from other county unions in upcoming contract talks.

The combination of eliminating retiree health care for new workers and capping contributions to existing retirees' insurance premiums will dramatically reduce the county's costs for post-employment benefits.

The county estimates this contract will cut its annual payment for post-employment benefits by \$28 million a year to \$101 million a year.

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