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Winter 2005

NEWS IN BRIEF

Convention slated for June

Council 2's biennial convention will be held June 11 and 12 at the WestCoast Ridpath Hotel in Spokane.

Registration begins Friday, June 10. A golf tournament and workshops also will be held that day.

Members wishing to attend should speak with their Local presidents. Delegate credentials and golf sign-up forms will be sent to Local presidents at the end of March.

Scholarships' deadline is March 15

The deadline for applications for Council 2 scholarships, which total more than \$12,000, is March 15.

Application forms can be obtained by downloading them from the Council 2 Web site at www.council2.com/scholarships or by telephoning 1-800-775-6418.

Hear the news first; sign up for email messages

To hear about fast-breaking Council 2 news, send us your home (not your work) email address. You will receive notification of events, newsletters and matters of importance to members.

Your email address will be kept confidential and will not be shared with anyone outside Council 2.

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HOW WE'RE SEEKING TO CUT HEALTH CARE COSTS

When Local 307-CO and members of the Clark County Labor Coalition bargained a health-care committee into existence in 2001, the former County Human Resources Director issued a challenge.

The committee would never be able to do better than he had done on health care costs, he declared.

Today, the group indeed has done better. It has been able to control costs and prevent employees paying health-insurance premiums for themselves or their dependents every year since then.

So successful has the committee been that members of the coalition have been asked twice to deliver presentations on what they have achieved. Bill McEntire, who is on the Council 2 Executive Board, outlined their accomplishments to Oregon's Collective Bargaining Conference last year. And Donna Goddard, a Local 307-CO member, will discuss them when she participates in a group presentation at the 28th Annual Collective Bargaining Conference in Seattle on March 9 and 10.

The committee is just one example of ways in which Council 2 is explor-

ing innovative ways of addressing overall health issues and thereby reducing members' costs.

After all, health care costs are often the most hotly contested issues in bargaining sessions and sometimes cutting health care costs and preventing costs from rising are regarded as more important than wage issues.

As part of its effort, Council 2 is participating in a joint labor-management health insurance committee that negotiates benefits for all King County employees. As one of eight labor representatives, Research Director Bill Dennis is playing a key role for Council 2 on the committee, which also includes four management representatives.

"We are working toward providing wellness and other creative programs that will make King County employees healthier and thereby reduce costs," Dennis says.

Clearly healthier workers mean fewer doctors' visits, less medication and therefore lower overall medical costs.

The committee has bargained four new programs in addition to

See HEALTHCARE, Page 2

Bills aim to improve pension plans

Two major bills that are being followed closely by Council 2 this legislative session are aimed at restructuring the pension plans under which many Council 2 members fall.

The bills, HB 1324 and SB 5246, would reorganize PERS Plans II and III and would

How retirement plans compare

— Page 3



increase cost-of-living-allowance benefits for Plan I.

Here are some of the changes that the measures now propose:

- **Inclusion of guaranteed benefits**

The measure would remove a provision for "gain sharing" that was included in Plan III several years ago. That provision enabled employees and employers to share in any extraordinary gains in the stock market. It stipulated that, should the market gain more than 10 percent a year for four consecutive years, the State would split any gains above 10 percent with employees.

In the wake of the impact on the fund of the market crash in 2000, the lowest interest rates in 40 years, and a weak economy, the new State Actuary decided that skimming off the top in good years failed to leave extra money that would be available during lean years. Instead, the Actuary proposed that gain sharing should be pre-funded, a move that would cost employers \$340 million.

See PENSIONS, Page 3

'High-stakes' contract finally settled

The negotiations were among those with the highest stakes in decades, says Spokane Staff Representative Gordon Smith.

At one stage it appeared that they had become hopelessly bogged down, with no resolution in sight. But in January, after more than 18 months in negotiations, a coalition of unions — primarily Council 2 Locals — reached agreement with Spokane County on a tentative contract covering some 1,350 workers.

The negotiations, almost at a stalemate



toward the end of last year, took a big jump forward with the election of two new members to the Spokane County Board of Commissioners in the Novem-

ber general elections.

The new commissioners, Todd Mielke (District 1) and Mark Richard (District 2), took office in January.

"They had a positive impact on negotiations," notes Council 2 Staff Representative Gordon Smith, who was involved in the negotiations. "Given our experiences with the new commissioners, we anticipate better times ahead."

All the Locals involved ratified the

See SPOKANE, Page 3

Social Security does not need a major overhaul

CHRIS DUGOVICH



Letter from the President

Bush, borrow and spend. I guess I'm the problem. As a member of the baby boom generation born after World War II we're the ones that have created the crisis in the Social Security system. According to the Bush Administration, we're the weapons of mass destruction.

The administration seems dead set on creating a crisis that doesn't exist. Sure, there's a funding problem off somewhere around 2040. But most experts believe that it calls for some course directions, not a

The Bush Administration seems set on creating a crisis that doesn't exist

major overhaul.

The real problems have been created by the Bush Administration with its tax cuts for the wealthy.

Remember Al Gore and the lock box? The lock box is where a president Gore would have placed a portion of the huge budget surpluses created by the Clinton/Gore budgets in the 90s.

This money in the billions would then have been used to bolster the Social Security system and run it out far beyond 2040.

Now there isn't any money.

The borrow-and-spend policies of the Bush administration have created huge deficits that have now just started to drive up our mortgage rates due to the demand on borrowing. While the Bush people preach daily about America's security, they never mention that China and a host of other foreign countries are financing the national debt Bush is creating.

This situation in itself creates nothing but a greater amount of influence for them on something that really makes us strong — our economy.

In the meantime the great fix is an additional \$2 trillion or more of debt to create private Social Security accounts.

The good days are ahead for the bankers if Bush gets his way.

For the rest of us and the baby boomers instead of Social Security checks we may end up with our payment books.

That's when Bush privatizes the national debt.

Arbitrator rules that terminated employee be reinstated

An arbitrator has ordered the reinstatement of a Benton County District court reporter who was terminated after the county said she had failed to comply with instructions to provide a doctor's note to verify her absence from work was supported by medical necessity.

In a decision on January 15, Arbitrator Michael Cavanaugh said the court reporter was let go without just cause. He ordered that she be reinstated and receive back pay.

Evidence at the hearing was that the employee, who had worked for 11 years in the Benton County District Court, had been suspended for a week without pay after going home for the afternoon on April 9, 2003. The Union filed a grievance challenging the suspension on May 2.

After she was suspended for two weeks following further incidents, the court reporter submitted a certificate by an advanced registered nurse practitioner that described her condition as "recurrent migraine headaches" that may result in the need to be absent from work for about 24 hours on occasion.

The County found the certification insufficient as "it was not executed by a doctor and did not contain an adequate description of the condition and plan for treatment."



On August 27, the employee called her supervisor to tell her she would not be going to work because she had a migraine, saying she already had submitted a doctor's note. The incident resulted in a meeting of the judges and in a memo after they had met on September 18, 2003 the judges said they had decided to discharge the employee. They said that her action shed doubt that she even suffered from migraines.

In its argument to the hearing, Council 2 focused on the precipitating event for her discharge — her alleged failure to provide a doctor's note satisfactory to the County to justify her absence from work on August 27.

Council 2 argued that she had previously provided an FMLA certification attesting to her recurrent migraines and her incapacity to work when they were severe. The Union argued that that should have been sufficient authorization for her to miss work that day.

The arbitrator ruled that al-

though the court reporter may have engaged in inappropriate behavior in the past that did not justify the conclusion that she did so with respect to the August 27 incident.

"With all due respect to the judges, the critical inferences they drew (whether she even suffered from migraines at all) do not necessarily follow from the facts as presented at the hearing," Cavanaugh said. "An employee with substantial seniority should not be deprived of her livelihood without convincing proof of wrongdoing," he added.

"The County's decision to terminate grievant for her failure to provide a doctor's note justifying her absence on August 27 was based on factual errors and/or factual inferences that, while perhaps plausible, do not constitute convincing proof of deliberate wrongdoing," the arbitrator said. "Nor does the record of grievant's prior misconduct add anything to the equation here. Had the County viewed that misconduct, standing alone, as justifying termination, the County would have discharged her instead of imposing suspensions.

"It follows that the County lacked just cause to discharge grievant."

The employer has filed an appeal of the arbitrator's decision with the Superior Court. Legal Counsel Dave Kanigel represented Council 2.

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regular benefits. These are being put into operation immediately and are likely to be included in the contracts with the unions for 2006 and 2007.

The programs are:

- **A disease management program** — which includes chronic heart disease, diabetes and asthma — that aims at monitoring patients and making doctors aware if a patient is receiving a variety of medication from different doctors that might be contra-indicated.

"It is a system to give better care and close loopholes that might be out there," Kathi Oglesby, labor liaison for King County Executive Ron Sims says.

- **A 24-hour nurse hotline.** Officials hope the availability of this line will cut down on Emergency Room visits.

- **A "whole wellness" program** aimed at taking into account the physical aspects of work, such as accessible stairways, ergonomic work spaces and the availability of fresh drinking water.

- **A monthly newsletter** called "Health Matters" that will be mailed to employees' homes and will be filled with health tips and recipes.

"We have taken a different tack than most employers," Oglesby adds. "And we are doing this in partnership with the unions."

"We believe we

will cut costs by making people healthier."

A study by Johnson & Johnson indicated how health and wellness programs can cut health-care costs. The results are shown in the table on this page.

Another effort being promoted by Sims is the Puget Sound Health Alliance, which consists largely of companies in the private sector and other public employers in the region such as Snohomish and Pierce counties and the City of Seattle. Union trusts are expected to become involved later.

Sims says the county's health-care costs are increasing by 15

percent a year and that unless something changes the bill for 39,000 county employees and dependents will reach an unaffordable \$249 million in 2008.

By forming a regional coalition, the alliance hopes to establish standards of care and accountability for the Puget Sound area that will eventually influence the health care market and result in lower insurance premium costs.

Council 2 and others involved are hoping that their efforts will mean rising health-care costs can be kept under control — and possibly even reversed — for its members.

HOW MUCH WAS SAVED IN JOHNSON & JOHNSON WELLNESS PROGRAM

Type of care	1 year after start (\$)	2 years after start (\$)	3 years after start (\$)	4 years after start (\$)	Weighted average per employee per year (\$)
Overall savings	91.99	131.02	355.54	413.10	224.66
ED visits	-12.15	-14.43	-7.27	-8.06	-10.87
Outpatients/doctors' office visits	-35.04	-3.85	146.60	121.93	45.17
Mental health visits	78.42	55.05	51.49	103.43	70.69
Inpatient days	60.76	94.25	164.72	195.80	119.67

Source: Johnson & Johnson Health & Wellness Program; MEDSTAT Group Research and Policy Division

PENSIONS, from Page 1

Before he left office, former Gov. Gary Locke proposed eliminating the benefit by not funding it, giving employees nothing in return.

The measure was recently debated by the Select Committee on Pension Policy, a 20-member board made up

‘Call or email legislators and tell them to approve the measures.’

— **Pat Thompson**
Council 2 Deputy Director

of legislators, department heads, and representatives of employers and employees. Council 2 Deputy Director Pat Thompson is a member of the committee.

The committee came up with a compromise package that trades off an uncertain benefit for a list of guaranteed benefits that Council 2 has sought for several years.

• **A modified rule of 90 for PERS II and III**

Effective July 1, 2007 employees aged 60 with 30 years service would be able to retire with no cuts in benefits. This measure would effectively eliminate the current 65 years minimum retirement age under PERS II for anyone hired after July 1, 2007 and would allow current employees to gain credit under the new system as long as they are under it.

• **An increase in the COLA for Plan I**

The COLA would rise from \$1.25 to \$1.45 for each year of service and would establish a \$1,000 minimum benefit for employees who have been retired 25 years and who have at least 20 years service. The minimum benefit rises 3 percent a year.

• **Pension rates will rise**

The costs of funding PERS II and III would be split equally between the employees and the employers. Over the years, against Council 2’s advice, the State has artificially lowered the rates to balance its budget. Now

WASHINGTON STATE PENSION PLANS AT A GLANCE

City/Plan	Retirement age	Compensation	Employee contribution rates
PERS 1	30 years’ service or more; age 55 and 25 years’ service; 60 and five years’ service	2% x service credit years x average final compensation (average of 24 consecutive highest-paid months) ÷ 12 months = monthly income	6%
PERS 2	Age 65 and five years service; 55 and 20 years service	2% x service credit years x annual final compensation (average of 60 consecutive highest-paid months) = monthly income	1.18%
PERS 3	10 service credit years; 5 service credit years including 12 months over age 54; five service credit years earned under Plan 2 and transferred to Plan 3 before 6/03	1% x service credit years x average final compensation (average of 60 consecutive highest-paid months)= monthly benefit	1.18%
Tacoma	Age 60; 55 with 10 years’ service; 40 with 20 years’ service; after 30 years’ service; or when service plus age equals 80 or more	2% x years of service x final monthly salary	6.44%
Spokane	Age 50 with five years’ service	Average of highest two-years’ consecutive salary x .0215 x years of service to a maximum of 30 years (maximum is 64.5%)	6.72%
Seattle	Age 62 and five years’ service; 57 and 10 years service; 52 and 20 years service; any age and 30 years service	Final average monthly salary x factor based on age and years of service (maximum factor is 60% with 30 years service)	8.03%

the rates will increase, but probably will not go beyond the historical levels. These bills will increase rates more gradually but will set a floor of 4 percent so the system will not be under-funded in the future.

Employee rates for 2005-06 would be 1.93 percent for PERS II and employer rates would be 2.9 percent because the employers pay for the unfunded liability of Plan I and administration costs.

“The best thing about HB 1324 and SB 5246 is that they actually save the state and local governments lots of money — \$458.6 million over the first two years alone,” says Thompson. “These bills also eliminate provisions that would have forced new school employees into PERS III and give them the same choice new PERS employees have.”

Thompson asked Council 2 members to call or email their legislators and tell them to approve the measures.

Clallam County Locals ratify three-year contracts

Following negotiations that started in summer 2003, five Council 2 Locals in Clallam County have ratified contracts covering the next three years.

Among the provisions in all the contracts is one that calls for Cost of Living adjustments based on the

percentage increases in the Consumer Price Index through 2007.

The employees, who work for the Clallam County government, are managers and professional staff (1619-MP), patrol deputies (1619-D), patrol sergeants and captains (1619-S), correctional officers and

sheriff’s employees (1619-C) and correctional sergeants (1619-CS).

“Those who took part from the individual Locals did a great job and stuck with it through the 15 hours of mediation when the contracts were finally settled,” says Staff Representative James Trefry, who led the

negotiations for Council 2.

During the intense bargaining over more than a year, Council 2 assigned additional staff to the negotiations, including Research Director Bill Dennis, Deputy Director Pat Thompson and Legal Counsel Dave Kanigel.

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contract in early February.

Council 2 negotiators faced considerable pressure from the County, which wanted to modify the medical insurance plans in a way that would make them more expensive for employees and less costly for government.

‘The agreement stacks up well with those in the rest of the state.’

— **Gordon Smith**
Staff Representative, Spokane

The new contract calls for Cost of Living Allowance increases of 2 percent a year in 2005, 2006 and 2007.

Employees will still pay none of their own medical coverage, but for the first time they will have to pay a portion of the medical premiums for dependents. Employees who belong to a preferred provider organization will pay no more than \$40 a month for family members at the outset and the amount will increase by only \$5 a month by the end of the contract. Those who belong to Health Maintenance Organizations will pay \$30 to \$35 a month.

“The agreement stacks up really well with those in the rest of the state,” says Smith.

“In fact, it is better than most. “What is noteworthy is that it was 1½ years in the making; it was a long, stressful burdensome process.”

Among the county’s demands were a three-year wage freeze, increased medical deductibles and co-payments, a boost in the amounts employees have to meet on prescription drugs, and a two-tier system that included no medical benefits for new hires until they had completed probation.

The settlement covers a contract for three years, from 2005 to 2007.

The previous contract expired in 2003, but 2004 was covered with a one-year contract in which there was no wage increase, but during which the existing medical benefit was maintained with no changes.

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THREE DECADES OF SERVICE



— and counting

Some of the Seattle Public Library workers who were honored in a ceremony for more than 30 years of service. City Librarian Deborah Jacobs is in the center in the green blouse.

Library staff honored

Forty-four Seattle Public Library staff members — many of them members of Council 2's Local 2083 — were honored January 26 for more than 30 years service to the library. The awards were presented at a special Service Awards Ceremony held by the board of trustees.

Some have worked at the library for almost 40 years. The stories of two are told on this page.

He's a car repair expert — at home and at work

Working in the auto repair collection at the Seattle Public Library is more than a daytime job for Eric Cisney. It fits right in with his love for repairing broken-down vehicles and restoring vintage cars.

So much so that Cisney has devoted almost 39 years of his working life at the library to developing a card file and an index to the auto manuals and to helping amateur and professional mechanics from across the state find the information they need for the cars on which they are working.

Cisney was one of 44 staff members who were honored January 26 for more than 30 years service to the library.

Back home, he's at his happiest repairing something around the house or tinkering with automobiles.

On the 15 acres of land he owns in Port Orchard you will find vehicles ranging from a 1948 Seagrave Fire Engine and a World War II Dodge ambulance to a 1957 Chevrolet pick-up truck or a Volkswagen Beetle.



Eric Cisney

"I taught school for a couple of years before I became a librarian," Cisney says. "And it's the same atmosphere. There is an educational aspect to this job. Some of the same feelings of helping people carry over."

Cisney not only has been a valuable librarian, he also has been an enthusiastic union activist.

In addition to helping establish Local 2083 at the library, he served as union president for six years and was involved in negotiating three labor contracts.

"Belonging to the union means you are not alone," Cisney says. "When you talk to a supervisor, you can have someone with you."

"This gives you more power than just as an individual."

Cisney, who turned 65 in December, plans to retire from public service on May 6. His automobiles will keep him busy in retirement and he plans to become involved in volunteer work in the Port Orchard area.

In a lifetime of service she has covered most subjects

Of all the inquiries that people make at the Seattle Public Library, those on cooking and recipes rank among the most popular.

Among the leading experts in that field is Linda Saunto, who was among those honored in January for devoting more than 30 years to serving visitors at the Seattle Public Library.

Saunto — hired in a pre-professional classification in the Art and Music Department in August 1968 — reached the culinary section after working in almost every division of the library. Armed with a degree and state certification, she moved from subject to subject, answering questions, helping with research, assisting job seekers find employment, digging out codes for engineers and advising Government researchers on a variety of topics, including environmental impact statements.

"The depth of information that the library provides is exciting," Saunto says. "We provide a lot of professional back-up, scholarly research and everything from

auto repair to home improvement." And, of course, cooking skills.

In the last couple of years, Saunto has been helping out in the library's many branches and is temporary head of the Columbia Library north of Rainier Beach in Seattle until mid-March.

Saunto was president of Local 2083 for more than three years and is currently executive vice president. She has held almost every office

in the union and has helped to negotiate several contracts.

"Being in the union has helped my professional experience because I care how we are treated as well as what we do," Saunto says. "I love my job, particularly the way we interact with the people. But I care very much how we workers are treated."

Recently the library administration has moved toward closer communications with the union, Saunto says. It's a move that she believes will lead to better understanding and therefore an improved working environment.



Linda Saunto

Eyman's initiative 'would create huge bureaucracy'

Tim Eyman is at it again. His latest initiative, I-900, proposes independent, comprehensive audits on state and local governments and their agencies, programs and accounts. He's running this initiative even though the legislature is poised to pass a bipartisan bill on the subject this session.

Council 2 believes the plan itself would be ineffective and is a half-baked attempt by Eyman to capitalize on the initiative process to line his pockets.

"It would create a giant bureaucracy of auditors who

would check out the performance of government services without any direction from the local communities," says Council 2 Deputy Director Pat Thompson. "The Legislature's plan is a much more efficient approach that includes employee input." He adds that the State Legislature has been working on performance audits for a number of years. "Good ideas take time to develop and it is not unusual for issues before the Legislature to take several years before there is a well-balanced compromise approach."

Thompson says that no one would disagree that govern-

ment performance should be reviewed for cost savings and efficiencies. Indeed, that is what is done in every city and county throughout the state in budget years. "The real key is to include the recommendation of frontline employees," Thompson adds.

"But to send Olympia bureaucrats into our communities with no direction is pointless," he says. "And it violates local government control."

"How many state auditors are they going to send to Wenatchee to tell them how to run the city?"