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City and SEIU Can't Agree on Budget Concessions

Five of six Redwood City labor groups have reached wage concession agreements with the city except the Service Employees International Union (SEIU.)

By [Stacie Chan](#) | [Email the author](#) | May 27, 2011 [Print](#)

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The city council has been working with the city's labor groups to help cut \$5.6 million in salary and benefits over the next three years to reign in the city's budget deficit. Five of the city's six labor groups have agreed to formal wage concessions, with the [Service Employees International Union](#) (SEIU) still in negotiations.

Over the next few years, the city faces multi-million dollar deficits and is cutting in all areas. The six labor groups below have agreed to the following concessions.

Organization	Employee Cost	Target Reduction	% Cut
Police Officers' Association	\$15.5 million	\$1.09 million	7.0
Police Sergeants' Association	\$3.9 million	\$273,000	7.0
Executive Management Team	\$5.2 million	\$400,000	7.7
International Association of Fire Fighters	\$10.9 Million	\$770,000	7.1
Redwood City Management Employees Association	\$14 Million	\$988,000	7.1
SEIU (proposed)	\$27.7 million	\$1.96 million	7.1

However, SEIU and the city still have not agreed on the proposed concessions. SEIU Chapter Chair Rich Del Ben said that his 265member union was willing to make concessions, but that the two parties haven't come to an agreement yet.

"I don't know why we're so vilified," Del Ben said. "We want to reach an agreement that's best for the city, residents and workers."

The city similarly expressed the same sentiment in a written statement to Patch.

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"The City and SEIU engaged in meaningful and confidential negotiations," Smith said. "It is the City's hope that an agreement will be reached very soon." Redwood City news, events, and deals, delivered straight to you.

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But the SEIU has suggested other alternatives, pointing to a healthy reserve of 21 percent, or \$20 million, Del Ben said. He added that the union has already agreed to freeze wages for the past few years, and that further cuts will impact the workers who are already making modest wages.

"This hurts," Del Ben said. "We're some of the lowest paid earners and there are a lot more of us than the other unions."

Both parties said that they couldn't disclose what exact concessions each side has made. City staff and eight members from the SEIU have met 19 times behind closed doors, and both have said they have made progress.

Del Ben suggested that the union had offered a proposal along the lines of making wage concessions but then receiving some sort of reimbursement once the economy picks up.

"It's hard for us," Del Ben said. "People are making \$40,000-\$50,000 and have families with kids to support."

Specific concessions have not been finalized, Smith said, but may include:

- Employees paying up to 10 percent of basic medical premiums
- Elimination of or reduction in the city's contributions to medical spending accounts
- Two-tier pension formulas for new hires
- A new basis for retirement calculation
- All employees taking over a significant percentage of the city's contributions to CalPERS, the California Public Employees' Retirement System

If an agreement is not reached by June, the city council will review a budget that has certain assumptions regarding SEIU's wage concessions. If those assumptions aren't met, further budget adjustments may be required.

If both parties still cannot reach agreement by July when the budget is formally adopted, third party mediation may be used to reach a conclusion.

The city's projected revenues and expenditures for the next year (in millions):

	2010-11	2011-12	2012-13	2013-14	2014-15
Total Revenues	78,822	78,271	79,934	82,128	84,764
Total Expenditures	(77,385)	(80,942)	(84,778)	(88,560)	(91,098)
Surplus / (Deficit)	1,437	(2,671)	(4,844)	(6,432)	(6,334)
Surplus / (Deficit)- % of expenditures	1.86%	(3.30%)	(5.71%)	(7.26%)	(6.95%)

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