

Sutter/Yuba County Employees' Association Local #1

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RE: Vote to Modify Contract

Dear YCEA Local #1 Member,

As many of you know or have suspected for some time, in response to the current budget situation, the County is requesting the YCEA to defer our currently scheduled transfer of the 7% PERS contribution until July 1, 2010. The outcome of this request, in conjunction with two other related issues – Y-rating and voluntary furloughs – will be the result of a yes or no vote by you as a collective organization. After giving this issue much thought, I will explain some of the pros and cons of this proposition as well as explain to you my proposal which has won the support of your Board of Directors.

I think there is no longer any doubt that we are in the grip of a very significant recession. This economic turmoil is so bad that the rules are being rewritten as we speak about the fundamentals of the American economy and the changes necessary to move forward. Economists have coined the term “wealth destruction” to personify the effect this market has and continues to have on us as a nation. Suffice it to say that whether or not we fully understand the impact of toxic assets, credit default swaps, or hedge fund investing, the result is clear: Nobody is immune to the devastation this recession is causing, and combined with the State’s ineptitude to pass a budget for so many months, Yuba County has certainly become a casualty of this crisis.

The disadvantage of deferring our contract as requested is obviously delaying the expectation of receiving the 7% contribution this July. I would be lying if I said that I did not already have that money spent in my head and I am sure the majority of you feel the same. However, there are some advantages and reasons why deferring for an additional year deserves your consideration.

On Friday, January 31st, Gary Stucky, Vice President Ramona Mallonee and I attended a meeting hosted by County Administrator Robert Bendorf prior to his State of the County speeches. The purpose of this meeting was for Mr. Bendorf to discuss his intent as well as the content of the message to be delivered. As you know by now, the news was sobering and made us realize the fight for survival is upon us. Mr. Bendorf was very frank and advised us of the uphill battles we would be facing. At the conclusion of the meeting, however; Mr. Bendorf was explicitly asked by our organization that he, in addition to all management, lead by example when considering solutions to closing the deficit - to which he agreed.

Mr. Bendorf subsequently met with his management staff who agreed to defer the full 7% PERS contribution for one year. I was fortunate enough to be given candid insight after this meeting and although there were a few managers upset by what was being asked of them, the overwhelming majority was eager to forego the raise to save any of their employees from being laid off. What’s more, the Board of Supervisors and elected officials followed suit and enacted the same for themselves. Whether fueled by ethical reasons or political image – or both – the precedent has been set. Clearly, this action spites the common question of “why should we give up anything when management never does?” In this case, they took the first step and the pendulum has now swung our way. We have been demanding equality and now that it is on our doorstep, how will we embrace it? It is not unreasonable to think that any less sacrifice on our behalf will serve to create a degree of

animosity from management as well as make the Board of Supervisors less inclined to favor our contract negotiations in the future.

Another thing to consider is our overall image as public employees and as an organization. With the nation's economy circling the drain in all sectors, public and private, if our unit accepts a salary increase during this budget shortfall, it will be viewed by the general public as prosperity at the expense of others. I'm absolutely convinced that any raises right now will cause irreparable damage to our image as an organization and as public employees. Any increase taken will be done at the behest of others and that will not sit well with the public – especially when layoffs are reported by local media almost weekly. Furthermore, failure to act might lend favoritism toward those who have done their 'fair share' and may hinder our ability to garner support in the future.

The overall ethical issue is at hand as well. Lay-offs are coming, but to what degree is anyone's guess. What we can be certain of though is the less we take in salary increases for now directly relates to the number of the people who will go out the door – for now. I accepted the nomination for President and vowed to take a utilitarian stance – a benefit for the greater good. While that specific benefit is open to interpretation, I saw the result of a layoff last month as a coworker sitting next to me was in utter desperation in hopes of finding a job to support his wife and children. To my knowledge he still has yet to find a job and lives in fear of losing his home in addition to all the years of equity used to purchase it. It is absolutely devastating and I will firmly maintain that our most critical obligation as a union is to ensure this happens to as few people as possible and that our membership is able to sleep at night. I understand that not everyone is in jeopardy but know that we render the term "union" irrelevant when we refuse to look out for those who are.

Upon seeing the impact up close and personal, I came to realize that it will be difficult in good conscience to receive an extra few hundred dollars a month knowing that it will likely cost one of our members a job, leaving them out in the cold. My thought is that if we do choose to defer the contract for an additional year, other industries may rebound to a degree where we can feel comfortable about some of our members taking their marketable skills elsewhere with an increased likelihood of being employed.

Furthermore, another year under this contract will give us an additional year of security during these troubling times. It offers a glimmer of hope to put us at the bargaining table in what may be more prosperous times for the County, enabling us to negotiate a better contract than what will certainly be a disappointment if we stay the course to the current 2010 expiration date.

As for the Y-Rate policy that you will also be asked to vote on, under the current provisions in Article 11 of the Merit Resolution, the policy allows for any employee whose position is eliminated to keep his/her current salary when he/she "bumps" into a previously held position in the same department. At first glance, this can be interpreted as a good thing but in the case where layoffs are initiated to achieve cost savings, it makes little sense because the employee ends up making the same amount as before the layoff. The result is that departments find the need to cut several lower level positions to compensate for the ones that "bump" and retain their salary. This of course, means more layoffs than what may be necessary. Although the County has asked that we support deleting the Y-Rate provision, your leadership has proposed that we suspend it (except for the case of reclassifications) until the next round of negotiations when the full contract is open.

The County has also asked that we explore a voluntary time off without pay policy to help mitigate the need for layoffs. In discussing this, we have identified some concerns with a new policy, primarily that of accountability. Fortunately, past contracts had detailed a similar policy allowing for voluntary time off without pay which seemed to work, so in response to this request it is our recommendation

that the organization vote to re-enact the policy but with the provision that it has a sunset concurrent to the end of our current contract. Just to be clear, however; I should emphasize that the time off without pay is voluntary and none of our members should feel compelled to take part if they do not wish to do so. This policy will just detail the procedural aspects for those of us who do indeed wish to contribute.

In light of all this information and in considering what's at stake, your leadership and I propose that we stand as one union and cast one vote to defer the 7% PERS contribution for one year to July 1, 2010, which will extend our contract to July 1, 2011. We also propose that you vote to approve the suspension of the Y-Rate policy as described and vote to re-enact the past Voluntary Furlough Program to allow for cost savings if the need or desire rises. The issues of deferring the 7% until July 1, 2010, suspension of the Y-rate application and approval of the Voluntary Furlough Program through the term of the extended agreement will be decided by separate vote. Furthermore, if approved by your vote, this action will not create a new contract but will extend the contract the bargaining units have already approved. I'm confident that these actions will not only preserve as many of our members' jobs as possible, but will serve as an investment that will pay dividends when prosperity returns to Yuba County.

Since the County is asking a lot of our membership, YCEA is insisting that the County agree that they will immediately implement the 7% CalPERS employer pick-up for our members if it is implemented for the management or elected officials and/or make equivalent adjustments to our members salaries should any salary adjustment be reinstated for any other Yuba County bargaining unit. YCEA has also scrutinized all management positions and we will be issuing a list to the County Administration and the Board of Supervisors of those positions we expect the County to eliminate first if any additional cost savings are necessary. In addition, YCEA has identified several departments where the management hierarchy needs to be objectively evaluated now and reorganized as appropriate. Finally, YCEA will insist that all discretionary spending be immediately evaluated to ensure that only projects and programs deemed absolutely necessary or contractually obligated be continued through this period of sacrifice.

Thank you for your anticipated support. We will be holding a series of meetings to answer any questions and to allow our members the opportunity to vote on these important matters. The Ballots will be opened and counted at 5:30 p.m. on Friday, April 10, immediately following the meeting at the Courthouse in Department 7 (Third Floor).

Please plan to attend and cast your vote at one of the meetings listed below:

Wednesday, April 8 @ 5:00 p.m. to 7:00 p.m., Government Center, Conference Rooms 1 & 2
Thursday, April 9 @ 11:30 a.m. to 1:00 p.m., One Stop, Beckwourth Room
Thursday, April 9 @ 5:00 p.m. to 7:00 p.m., Packard Building, Yuba River/Peach Tree Room
Friday, April 10 @ 4:00 p.m. to 5:30 p.m., Yuba Courthouse, Department 7 (Third Floor)

On behalf of your Board of Directors,



Ryan McNally
President, Yuba County Employees Association