

"Federation Corner" column
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Unions, paper tigers and toilet paper

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Three complete electoral failures in less than six months. That's the current track record of the mighty unions who count on their perceived influence at the polls to intimidate candidates and elected officials in Montgomery County to do their bidding when it comes to approving employee contracts and operating budgets. The first failure occurred last November 7th during the City of Gaithersburg's elections. Three of the city councilmember seats were up for grabs as all three incumbents decided not to run for reelection. Several weeks before the election, glossy campaign literature began to appear in mailboxes, courtesy of One Gaithersburg, a new political action committee (PAC) that included two county employee unions and a group run by unions. They endorsed three candidates. Union members worked at the polls in support of their slate. There were two other candidates who had been campaigning door-to-door for months. Both won, with one receiving 2431 votes and the other getting 2256. The third winner, while endorsed by One Gaithersburg, was, more importantly, endorsed by the longtime Mayor. He received 2012 votes, while his two slate mates each received about 1000 votes. The only thing the PAC won was accusations of violating city campaign finance laws.

The second failure occurred during the presidential primary this past February 12th when a candidate for the Board of Education (BOE), despite the endorsement of three unions, including the Montgomery County Education Association (MCEA), creator of the Apple Ballot, along with 12 elected officials, came in a distant third. The two top vote getters of this primary advanced to the general election in November. One received 55,575 votes and the other got 41,101. The unions' choice received 29,822 votes, only about 600 more than the fourth place finisher's 29,204 votes, who had the last name of Apple.

The third failure just happened on April 15th when the current president of the BOE, Nancy Navarro, ran as a candidate for the District 4 County Council Democratic special election primary. Despite the endorsement of 12 unions, including the Apple Ballot, 21 current and former elected officials, and 7 political and business groups and raising well over \$40,000 to pay for daily mailings of literature in the final days of the campaign, she lost. The winner, Don Praisner, raised about \$17,000 and received 3288 votes to her 2940. While this race was very close, if two other challengers had not also run, there is no doubt that the vast majority of their 1200 votes would have gone to Praisner, and we would instead be talking about his having received 60% of the vote as compared to her 40%, despite having been massively outspent and outendorsed by Navarro.

This shows that the unions have become paper tigers. We need not fear them. I found this note at an election poll this month: "It is best if you can be the first person voters reach. Because many voters take the Apple Ballot but not other literature, it is better to reach them before they start saying 'no' to everyone else. When passing out the Apple Ballots, what you say and do matters. Be friendly, smile, and simply inform voters that teachers support Nancy Navarro. You will find that many voters reject other candidates' materials but look for the Apple Ballot." While it has been declared that the Apple Ballot is all-important to candidates and to voters, recent elections held without the variables and distractions of many other races show that this apple is either wormy or perhaps even poison to those who accept it.

This brings us to Gino Renne, the seemingly all-powerful president of MCGEO, largest of the county government employee unions. MCGEO is the United Food & Commerical Workers Local 1994 Municipal & County Government Employees Organization, or UFCW 1994 MCGEO. Mr. Renne has already declared one of his union's political intentions: "As for Navarro's future, unions do not see her loss as a defeat, said Gino Renne. 'We help elect many more candidates than we lose', Renne said. 'We view it

as the beginning of the strategy to get Nancy elected in 2010 [and] feel comfortable that we have helped posture her as a candidate,' he said. Renne said tough economic times and the demographics of the district, which contains many retirees on fixed incomes, may not have helped. More time to campaign and a better economy could help their candidate in 2010, he said."

The tough economic times were definitely on his mind when he wrote a 4/16/08 memo to the County Council: "Limit the inmates to 2-3 rolls of toilet paper and 2 bars of soap a week. Inmates regularly use toilet paper to flood their toilets, and limiting the amount of toilet paper given would not only reduce the amount of money spent on that supply, but reduce plumbing expenditures." In looking through the union contracts, what seems to be a comparable issue is the \$30,000 per year requirement for the County, through "Prevailing Rights" for "Bottled water provided at each station". This is under the contract with the International Association of Fire Fighters, Local 1664. If a union leader can ask that inmates have their toilet paper rationed, can he also ask that our paid firefighters ration their use of bottled water by drinking from the faucet?

What we cannot afford this year, or for years to come, are the gold-plated union contracts for county employees that Mr. Renne and his union colleagues expect to be honored, no matter what the impact on county taxpayers. Some County elected officials are prepared to give the unions everything that they say is their due. Here's what happened the last time the County faced a similar financial crisis in the early '90s:

"FY 92 [7/1/91-6/30/92], Mr. Potter: This budget represents most demanding effort in recent memory to protect basic services and to maintain fiscal integrity. Based on revenue forecasts, had to cut \$185 million (including abolishing 545 jobs, 227 of which were filled, in County Government) eliminating COLAs [cost-of-living adjustments] to save \$64 million." This was the fiscal year that the County local income tax was raised from 50% to 60% of the state tax. County employees were furloughed (not paid) from their jobs for four days between Christmas and New Year's in 1991. 5/15/92 - Councilmember Bruce Adams: "The Council has not increased the property tax beyond the rate of inflation but has increased the local income tax rate. Although this is a more progressive way to tax, it still represents a significant tax burden. The funding for the (COLAs) for County employees has been denied to employees for the second year; sacrifices have been made by the taxpayers, County agencies, and the County employees. The goal is to achieve a leaner, more citizen-oriented government, and he believes the County is moving toward that goal."

What we have is a proposal to increase property taxes by \$138 million over the charter limit so that some County union employees can receive annual raises as high as 10%. These combinations of COLAs, step increases in job classes, and higher county contributions to retirement plans should be frozen as long as our property values are going down, our wages are stagnant, and what we pay for food and gas continue to go through the roof. This crisis may also last for three years, as did the severe recession of 1991-1993. For every 1% of salary increase that is frozen today, \$23 million would be saved. Freezing up to 6% of salary increases would keep the property tax at the charter limit. This seems to be very fair, because we are still paying the 60% local income tax that was considered to be "a significant tax burden" in 1992.

Let's consider another generous union benefit. MCGEO now wants its members to receive a guaranteed investment return of 7.25% per year on one retirement plan, meaning if the investments ever do poorly in bad times like these, the county will have to come up with the money to meet the 7.25% requirement. Wouldn't it be great if we could all get such a deal for our retirement?

Mr. Renne's 4/16/08 memo also contained 40 suggestions for how to save money by abolishing various positions in three departments along with other cuts or fee increases elsewhere. While some of these suggestions looked like political payback against management or a contract negotiating ploy, there are still recommendations with the kind of important specificity that only an employee of a particular department could know about. If an objective third party could verify such claims, then Mr. Renne's memo could become the starting point for a wide ranging effort across all government agencies to identify nonunion managers and

union employees whose jobs could be abolished, transferred, or consolidated. It's recently been claimed that County department heads are now better paid than their counterparts in other jurisdictions. If that is the case, then we may also want their salaries to be frozen until such time that other areas catch up with us on pay.

Mr. Renne wrote: "Please keep in mind that these recommendations have been submitted by our members, the front line service providers who know best where efficiencies and savings truly exist... For the past two decades Local 1994 has been unsuccessful in securing the collaboration of the Executive Branch in developing a more efficient organizational structure that prioritizes the delivery of services rather than perpetuating an outdated bureaucracy, which we can no longer afford." I'd like us to start working with the unions on that just as soon as we have required them to make the same sacrifices as the rest of us are making.