

PMCA & UA Local 290 Contract Negotiations
March 26, 2011
10:46a.m.-10:55p.m., approximately
Prepared by Cheryl Hettervig

Frank presented PMCA responses on remaining items.

Section 5.7 (page 2) – Frank read the proposal. This covers everything state law says now or may say in the future.

Section 9.1(c)9 (Page 3) – Frank said we have a tentative agreement on this.

Section 9.1(c)10 (page 4) – Frank said we have a tentative agreement on this.

Section 9.1(c)11 (page 5) – Frank read the proposal. This is more of a positive affirmation statement.

Section 9.5 (page 6) – Frank said we have a tentative agreement on this.

Section 10.1(c) (page 7) – Frank said we want to keep existing language on the breaks. On the break, we propose “When a personal thermos is not allowed in the work area the work break location shall be established in the pre-job.” We heard you say that pre-jobs are important and we can use them for this issue.

Section 10.3(a) (page 8) – Frank said we want to keep existing language.

Section 10.3(b) (page 9) – Frank said we want to keep existing language.

Section 11.6(a) (page 10) – Frank said we want to remove commercial only from all areas, including Bend. We want it open for us to get any jobs we can. This will help our market share.

Section 11.6(d) (page 11) – Frank said we will discuss this as part of an economic proposal.

Section 12.1 (page 12) – Frank read the proposal. If we can identify a local bank we will issue checks from that bank.

Section 12.1(a)2 (page 13) – Frank said we understand and agree with your intent. We cleaned up the language to try to make it clearer. Frank read the proposal. This gives the employee the choice.

Section 14.1 (page 14) – Frank said we want to keep existing language. We feel we need to not take each other's rights away.

Section 18.2 (page 15) – Frank said we want to keep existing language.

Hiring Hall Language, Section 1.7(g) (page 16) – Frank said we want to thank Mike Mehrens for his comments last time. We didn't know that abuse was happening and we don't support it. We think we should play by the rules. We think we have a solution. Frank read the proposal. If we include the 90-day call back into this section that should solve the problem. We want to stop the abuse of this.

PMCA Proposal #3, Drug & Alcohol Policy (page 17) – Frank said we are staying with our proposal. Haven't we always been able to change limits under the Hiring Hall Rules? Mike Anderson said yes. Frank said the drugs that are the issue in the construction industry are what the JLMC focused on. That's why the proposal doesn't look like the federal guidelines.

PMCA Proposal #4, Section 9.1(b)8 (page 18) – Frank said we propose to add a 20-pound weight restriction to our proposal. We are trying to be practical with this.

PMCA Proposal #7, Section 10.3(a & c) (page 19) – Frank said we are staying with our proposal on this.

PMCA Proposal #9, Section 23.4 (page 20) – Frank read the proposal. John said, and this would preclude us from taking any action for 60 days. Frank said yes and us too. Frank read an email from management at Intel expressing concerns about a potential strike. Frank said I also got a call from Utah yesterday from someone who heard we were going on strike. We are trying to protect our jobs. If we do some harm we may end up with dual gates at Intel with non-Union workers there. 60 days is a small amount of time. Our customers are different these days and they want security.

Travel Pay (page 21) – Frank said we want to keep existing language on this. It is still new language and is working okay. Your proposal puts us at a competitive disadvantage.

Section 10.3 (page 22) – Frank said we want to keep existing language. We are not willing to pay overtime on the total package.

Caucus 11:15-1:30

John gave the Union's responses.

Section 5.7 (page 2) – John said we are withdrawing our proposal on this. Keep existing language.

Section 9.1(c)11 (page 5) – John we said we have tentative agreement on this issue.

Section 10.1(c) (page 7) – John said we are staying with our proposal on 15-minute breaks.

Section 10.3(a) (page 8) – John said we are staying with our proposal on this. Herman said on a 4-10 job there is sporadic overtime and they never go back to 5-8s. It is unfair. Frank said when you have jobs where that is happening why don't you just not allow them to work 4-10s? Herman said we are trying to work with the employers, but I will probably be less willing in the future. John said we are looking for fairness, and this is being abused.

Section 10.3(b) (page 9) – John said we are withdrawing our proposal on this. Keep existing language.

Section 11.6(a) (page 10) – John said this is helpful for us to man jobs. We are proposing to have "commercial only" in Coos Bay, Eureka and Bend.

Section 12.1 (page 12) – John said we have a tentative agreement on this.

Section 12.1(a)2 (page 13) – John said we have a tentative agreement on this.

Section 14.1 (page 14) – John said we are withdrawing our proposal on this. Keep existing language.

Section 18.2 (page 15) – John said we are staying with our proposal on the safety boots. This is safety equipment that is out of the norm.

Hiring Hall Rules, Section 1.7(g) (page 16) – John said we appreciate your efforts with this and what you are trying to accomplish, but we have some confusion. How would we administer and monitor this? We want to make sure we both have the same understanding. Mason asked what is confusing. Mike said if you call out 12, hire more off the list, then layoff some of the original 12, are they eligible for rehire or not? Frank said not if you are over your limit of 12. Mason said no more than 12 total by name call. John said it needs to make sense and prevent gaming. Frank said if we reduce it to 7 it can still be abused. Mike said maybe we can give an either/or option. You can either use 1.7 or 90-day recall. John said we'll write something up. We don't think 12 is good; we are staying with our proposal for 7.

PMCA Proposal #3, Drug & Alcohol Policy (page 17) – John said we want to keep existing language. This is a big issue for our members.

PMCA Proposal #4, Section 9.1(b)8 (page 18) – John said no. Keep existing language.

PMCA Proposal #7, Section 10.3(a & c) (page 19) – John said we want to keep existing language. We think the language in 10.3(b) on page 9 would conflict with this. Frank said we will take a look at that.

PMCA Proposal #9, Section 23.4 (page 20) – John said it is our responsibility to get to an agreement before the contract expires. We have no desire to extend our contract.

Travel Pay (page 21) – John said we are staying with our proposal.

Section 10.3 (page 22) – John said we are staying with our proposal.

Addendums – John said we recognize it is difficult for you to get the Water Heater people involved at this time, but we have people here to discuss most of the others. There haven't been changes to these in years. Frank asked are you withdrawing your proposal on Addendum C regarding the non-solicitation language since you withdrew it from 5.7? John said we will discuss that.

Caucus 2:00-3:10

Frank gave the PMCA responses.

Section 10.1(c) (page 7) – Frank said we want to keep existing language on breaks. We are okay with the other language change.

Section 10.3(a) (page 8) – Frank said we want to keep existing language on this. It puts us at a competitive disadvantage.

Section 11.6(a) (page 10) – Frank said we want to keep existing language on this.

Section 18.2 (page 15) – Frank said we want to keep existing language on this.

PMCA Proposal #3, Drug & Alcohol Policy (page 17) – Frank said we want to keep our proposal on this.

PMCA #4, Section 9.1(b)8 (page 18) – Frank said we are withdrawing our proposal on this.

PMCA Proposal #7, Section 10.3(a & c) (page 19) – Frank said we are withdrawing our proposal on this.

PMCA Proposal #9, Section 23.4 (page 20) – Frank said we are withdrawing our proposal on this.

Travel Pay (page 21) – Frank said we want to keep existing language on this.

Section 10.3 (page 22) – Frank said we do not agree to your proposal.

Addendums – Mark Wright said we have a history of negotiating these after the MLA. We commit to having these resolved in 60 days with a committee of 3 Union and 3 Management representatives. Frank said we are fine with signing a LOU on this.

Hiring Hall Rules, Section 1.7(g) (page 16) – Frank asked what the Union’s position is on this. Mike Anderson said we are still at 7 with this. We think if we say that contractors who use this provision are excluded from the 90-day call back, that will solve the problem. We ran through several scenarios and it seems to work. If a shop grew to a larger size then they would have the ability to switch provisions by request to the Hiring Hall Committee.

Caucus 3:20-5:00

John gave the Union’s responses.

Section 10.1(c) (page 7) – John said we are staying with our 15-minute breaks.

Section 10.3(a) (page 8) – John said we spent most of our time on this in caucus. If a 4-10 schedule goes into overtime you have to go back to a 5-8 schedule. In an effort to move things along we are withdrawing our proposal on this, but we are staying with 15-minute breaks.

Section 11.6(a) (page 10) – John said we are withdrawing our proposal on this. “Commercial only” will continue to apply in Bend.

Section 18.2 (page 15) – John said we are reducing our proposal on boots to \$100. This is already happening in some cases. Employees will get a \$100 voucher for boots when it’s a required safety item. Mason asked for additional detail on how this works. John said if it’s a requirement then the employer is picking up the cost. Mason asked if there are any guidelines regarding submission of receipts or duration. John said receipts would be fine but there is no duration. When it comes up it comes up. Mason said what if the receipt the employee presents is 30 days old. Does it matter when they bought the shoes?

Hiring Hall Rules, Section 1.7(g) (page 16) – John asked what the PMCA’s response is on this. Frank said we are okay with the language but are staying with 12. This is a really big deal for

Red Bailey. He has been an important part of these negotiations, and has driven back and forth from Medford. We need to keep this at 12 for him. I called and asked him what is the lowest number he could do and he said 12.

PMCA Proposal #3, Drug & Alcohol Policy (page 17) – John said we heard loud and clear from our members on this issue. We are staying with current language.

Travel Pay (page 21) – John said we are staying with our proposal on this.

Section 10.3 (page 22) – John said we had a lot of discussion on overtime benefits. Overtime takes time away from family and we believe that members should get benefits on overtime too. We proposed this the last negotiations as well, so it should be obvious that this is an important issue for us. We also recognize that this is a very costly proposal. In the spirit of progress we are withdrawing our proposal on this.

Addendums – John said we would propose to change your 60-day time frame to 30. That would be 30 days from acceptance of the contract. We have to make sure these are updated to show that health and welfare benefits are equal to the MLA. What we agree upon would be retroactive to April 1. This includes Addendums E, F, I, K & M. Frank asked are you okay with a committee of 3 from the Union and 3 from Management? John said we still need to talk about that.

Addendum C (page 24) – Mike Anderson said we are deleting our proposal on this regarding adding in Section 5.7 proposed language. The language would be the same as what is in the MLA.

Caucus 5:17-5:47

Frank gave the PMCA responses.

Section 10.1(c) (page 7) – Frank said we talked a lot about the value of 4-10s and we feel that there is not enough benefit to these schedules to increase the cost for having them. We do not agree with your proposal.

Section 18.2 (page 15) – Frank said boot reimbursement works well when there is a consistent workforce. But there is too much opportunity for abuse. Keep existing language.

Hiring Hall Rules, Section 1.7(g) (page 16) – Frank asked what the Union's position is on this. John said we will go along with 12. We did that for Red.

PMCA Proposal #3, Drug & Alcohol Policy (page 17) – Frank said we are staying with our proposal on this.

Addendums – Frank said we will agree to 30 days, retroactive to April 1 and with the national health & welfare sliding over to the Addendums.

Caucus 5:53-6:43

John gave the Union's responses.

Section 10.1(c) (page 7) – John said we believe there is a savings to you on 4-10s. You have one less day of setting up and taking down, one less day of breaks. We are staying with our proposal on this.

Section 18.2 (page 15) – John said we are withdrawing our proposal on this.

PMCA Proposal #3, Drug & Alcohol Policy (page 17) – John said our members have been clear with us on this. They take tests all the time and have no problem with this.

Mason asked John to explain again the Union's position on this. Are you tying this to wages? John said you expressed to us that this is an economic issue. Mason said you are leaving it on the table and tying it to money? John said we are just agreeing to disagree for now.

Mason asked if the Union is tying the drug & alcohol policy to money? John said we have to take a whole package to our members. If the offer on wages is good enough it might make the drug and alcohol policy more palatable. Mason asked why the membership is so adamantly against this. John said the random testing is an issue. We also don't like that the levels are above DOT guidelines. No one has ever told me that they had been precluded from bidding a job because of our current policy. Frank said that is not our main issue. It is a safety and a moral issue for us. We want you to go home to your families uninjured. Mason said the JLMC was a joint committee of labor and management and 3rd parties. Other trades have random testing. Why aren't we willing to do this when the recommendation came from a joint committee? Mike Anderson said he has talked to a lot of members about this and I think the main issue is that they don't understand this. The third party evaluation has them freaked out. There needs to be some education done. I think this is a deal breaker at this time. Frank said I originally wanted to do some education over a period of 6 months but that request fell on deaf ears. Would you be willing to do education for 6 months and then hold a vote? John said we told our members that we would not hold items over this time. Frank said then this would never see the light of day. John said we would agree to do education so that the next negotiations this would be better understood.

Mason said we are talking about illegal drugs here. John said that our medical and safety rates show that we don't have an issue. We have safe workers. How much is Big Brother going to make us jump through hoops to go to work? There are getting to be so many requirements just to be able to go to work. We have TWIX cards now, OSHA 30, certificates and licenses. Frank said random testing is done in every industry but ours. Mason said who are you referring to as Big Brother? Us or the government? John said you are the ones asking us to test, not the government. Frank said this is a tool for us to have a safe environment. This helps us detect problems early so that we can address it. Mark Wright said there is a 10% failure rate in the apprenticeship program. John said and they were on caught under our current testing program. Mason said what is the actual usage? How many people weren't caught because our current policy isn't up to standards? John said I am not aware of those statistics. Mark said explain what is so scary about this. SMACNA has this as does the IBEW. John said we are not opposed to testing. We do it every day. Our failure rate isn't any higher. Frank said it only takes 1 person to cost someone their life. We should both be willing to make this commitment. The expense is on us but it is worth it to guarantee a safe work place. Mason said beyond any financial concerns, this is a safety and moral issue.

John said show us where we are not working safely. This is not going to fly with our membership. We'll take your offer to them but we need to be prepared to figure out where we go from there. Mark said we can accept that this might be a deal breaker but I don't understand

why we can't agree to an education effort with a vote in 6 months. Mason said we did what we said we were going to do last time in committee and look where we are. We don't want to let this die. Lou said we had open discussions in committee that the hiring hall language was going to be an issue. We knew that. Frank said we did that so that we wouldn't knowingly dispatch people who had failed tests to go work for someone else without addressing the issue. We think that the majority of members, if they ever actually got an opportunity to vote, would not have an issue with this. There is a small minority of people who have campaigned against this.

Caucus 7:08-7:50

Frank presented the PMCA's responses.

Frank said the last 2 negotiations there have been over 100 proposals between the parties, most of them from the Union. The last negotiations, the only items that the contractors got out of negotiations was a LOU on the drug & alcohol policy to continue to talk about it and a committee on the Addendum C. This time, our party is down to two proposals. We have a LOU on the Standards for Excellence, and we are talking about the drug and alcohol policy. Both of these items came from the UA. We feel like we're arguing for your side. Most of the UA locals have an updated drug & alcohol policy. The JLMC looked at several other UA local policies to see what they had in common. From there, we discussed whether or not we agreed on the provision and if the membership would agree to it. We drafted the policy based on those discussions. We always chose the least onerous approach to the members when there was concern. That constituted 6 months of work. Frank asked those on the committee if they agreed with his assessment of the process. Lou said he agrees with the process, but that things broke down on the hiring hall language.

Mason asked if the policy was a joint recommendation. Mike Anderson said yes. Lou said it was brought to the negotiating committee but they did not feel it would pass. Mason asked if it was endorsed by the JLMC. John said yes, but not by the full negotiating committee. Frank asked why people voted no on it. John said we had Jana Wolfgang come and meet with us 3 or 4 times. It isn't as though we didn't make an effort on this. The levels were an issue, exclusion from the hiring hall list was an issue, and random testing was an issue. Frank said we are trying to understand the disconnect from the JLMC and the negotiating committee. How will the negotiating committee's view change in 3 years? John said education needs to be done, and we may need to tweak some things with the hiring hall language. We can't prevent someone from working. Frank said that would only happen if they failed a test, and why would we want them to go back to work unless they have addressed the problem. Lou said if someone fails a drug test for one employer, why shouldn't they be able to go to work for someone who doesn't do testing? Frank said that is a very liberal approach and no one else does that. The Union in good conscience should not dispatch someone who has failed a drug test unless the issue has been addressed. There is tremendous liability for that. Why would you want someone on a job site like that? John said some of it was the timeframe and how long they were held off the list. John said we also didn't like the opt in approach. We think all contractors should be in or don't do it. Frank said that is fine with us. All PMCA contractors would be paying into the program. We are struggling with your objections. Does anyone think drugs are okay on the job? Do you not believe in a drug-free work place? John said absolutely. Frank said do you not agree with the UA policy like all of the other locals? John said I haven't taken a poll and don't know if it is an accurate statement that all of the other locals have this. I am concerned with our jurisdiction not everyone else's.

Mason asked, for those of you who worked on the committee, how would you sell this? Mike Anderson said the education piece is important. The hiring hall language and the third party piece have some positive things to it. If I fail today, I go for an evaluation and comply with treatment, and then I get to go back to work while I am finishing the program. A lot of people don't know that this is the way it's done now. You will never get some of the people to agree to random testing. Frank asked, has this been an issue in the past when you have tried to pass other similar revisions to the policy? Mike said we almost had agreement on a similar policy some years back. We got hung up on paying members to take the test. It didn't go to the full committee or to a vote. Frank asked what assurance do we have that this will go anywhere in the future? John said rolling it out in smaller pieces would be a good approach. We don't think we should throw away the work that has already been done, but we might need to tweak some things. Frank said you aren't willing to vote on this this time? John said no. Frank said then we will continue to have an outdated policy for 3 more years.

Mason said the contractors have nothing to show for in these negotiations. You're telling us that this has no chance in hell of passing this time. Frank said we are proposing a LOU that we will engage in a joint education process on the JLMC policy. There will be a mail vote on October 1, 2011. If at that time the membership says no then it's a no. Mike said if the policy needs to change a little then is that possible? Frank said yes. Mason said we don't want this to lock up in the committee for a redraft though. John said we agree on that point.

Lou said the other issue was that the members felt the cost for this would come out of what was available to be put on their check. Frank said that was never the case and I don't know how more clear I could have been on that. This time that shouldn't be an issue of confusion because we are keeping it separate from MLA negotiations. Lou said how does the education piece work. Frank said we could hold meetings in the training center, ask Jana to be there to answer questions, and bring the members in. We could put something together for mail, use safety committees to get the word out. We would need to discuss more, but it would be a joint effort. John said the UA has to approve mail ballots. Frank said he got a call from Maples today. Their people want to vote on the MLA, but it takes 9 hours for them to get here. There are 30-35 people who want to attend. Folks in Medford and Klamath Falls feel disenfranchised from the process. They don't get a chance to speak. John said we'll discuss this some more. Mike said we could try to do this the same way as nominations for conventions as a back-up.

Mason asked who would be on the new committee. Frank said he is comfortable with the committee we had. Mason said there should be a date on the revision. Maybe we should agree that the revision process should be done by June 1. Frank said we already know what the issues are so the revision process should be pretty targeted. Mike said maybe we should just make an intent statement on that so that if the revision is done early there aren't still people thinking that we have to do more. John said we have told our members that there would not be any loose ends this time. This will illicit a lot of conversation.

Caucus 8:40-9:05

John said we understand your position on this issue. We feel our members would uproar if we had a LOU on this. We will commit to an education process in the future and not let this die. But it is either in or out at this time. We want to hear your proposal that you want us to vote on tomorrow.

Caucus 9:07-9:50

Frank gave the PMCA responses.

Section 10.1(c) (page 7) – Frank said we want to keep existing language on this.

PMCA Proposal #3, Drug & Alcohol Policy (page 17) – Frank said we are staying with our proposal on the JLMC policy.

Mason referred to a couple of graphs regarding total package increases from previous contracts, including current proposals. These charts show our historical highs, lows and averages as well as our recent proposals. Our lowest increase was in 2006 at \$0.90. Our highest was in 2002 at \$2.13. The 5-year average is \$1.34, the 10-year average is \$1.52, and the 15-year average is \$1.63.

I congratulate the people in this room from both negotiating teams. We have had 7 formal meetings lasting over 38 hours, not including prep time, to review 64 proposals. Our team has conducted surveys, reviewed historical data, commissioned market studies and evaluated industry best practices. All of this information is available for review on our website. Collectively, this data shows that our market has several major challenges. The state unemployment rate is over 10%. Our state government has a budget deficit of over \$3 billion. Several major and important PMCA members did not survive our last contract and others are not likely to survive this contract. Our non-Union competition has completed more, larger, and increasingly complex projects with top-tier GCs. These non-Union contractors control 60% of the market share. PMCA members are losing more prevailing wage work than ever in our history. 2010 was the 2nd lowest man-hour total in this past 15 years. Our peers in the industry, such as Local 48 electricians, just sealed their contract wages at an increase of \$0.80 or 1.5%. There must be a relationship between man-hours and the total package. This will result in difficult choices regarding wages and benefits.

The PMCA represents all of the contractors in our association from Eureka to Astoria. As an association, our members strongly endorse the drug and alcohol policy as presented and recommended by the JLMC. Our economic offer is based on the data compiled and presented, on the current economy, the competitive environment, and the needs of our customers. Our offer is as follows:

- Increase of \$0.75 in 2011
- Increase of \$1.00 in 2012
- Increase of \$1.25 in 2013

For the benefit of our industry, the PMCA urges that UA Local 290 vote and pass this offer.

Caucus 10:00-10:45

John said we appreciate Mason's comments. We want to talk about what we do to work with you and to help us gain market share. We spent more than \$200,000 in grant funding. We spend a lot of money on lobbying in order to help our position in the market. We spent \$7 million in training and have one of the finest training centers. We don't feel we have priced ourselves out of work. We are still doing a lot of hospital work and are keeping the non-Union out. Our members spend their own time to polish their skills in order to be better employees for you. We recognize that we need each other. In 2004 we didn't keep up with the CPI. The same was true in 2005 and 2006. In 2007 and 2008 we didn't even come close. There has been a real spin on the problems in the economy and that it's because of the blue collar wages.

No one is even looking at Wall Street anymore. Pasco, Seattle and Tacoma are all making more than we are and we need to catch up. Pasco is going to be \$12.00 more than us after their next wage increase, and Tacoma is \$2.24 higher than us. How can we attract travelers down here when our economic package is so low? We think we are going to be adding a lot of man-hours in the near future. We have been taking it on the chin for along time. Mason's company took a job away from Greenbury because they couldn't get the job done. TIC has also moved out of our area. This shows that we are keeping the non-Union away.

We are keeping our proposal on the 15 minute breaks for 4-10 schedules and on travel pay. We propose wages of \$4.50 in year 1 and \$5.00 in year 2. We are saying no on your drug and alcohol policy proposal.

Frank said we have given you the proposal we want you to take to vote tomorrow.

Meeting adjourned.