

...Talks stall over City's push to end outsourcing protections

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City proposals during ongoing negotiations.

But union leaders say they know why the City wants to gut Article 6: The City lost two disputes over it that went to arbitration. Now managers want to neutralize the clause they got caught violating. Details of those two cases suggest that much worse is in store for workers, and the public — if Article 6 protections against outsourcing are eliminated.

A LOW-ROAD EMPLOYER, AND AN OPENING TO CORRUPTION

One case stems from identical language in a collective bargaining agreement between Laborers Local 483 and the City's Parks and Recreation Department. A union grievance said the City violated that agreement when work done by bargaining unit members was outsourced to minority-owned Brooks Staffing. At the height of the arrangement, up to 140 workers employed by Brooks Staffing worked side by side with City employees at the Mt. Scott and Southwest community centers — staffing the front desk, teaching classes, and serving as lifeguards and personal trainers. But the Brooks workers receive no benefits and earn wages averaging \$11.91, under a contract that gives their private-sector employer a 26 percent "mark-up." Eleven days before the dispute was scheduled to go before an arbitrator, the City settled voluntarily, agreeing to terminate the Brooks contract when it expires March 22, 2014, pay \$5,000 for Local 483's legal bills, and not to contract out the work again for three years.

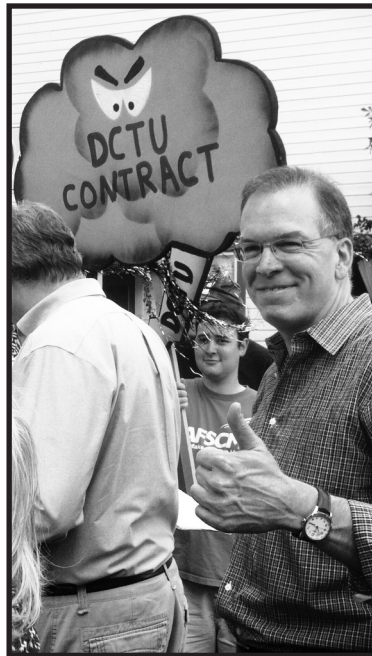
The other case — detailed in an arbitrator's report and in investigations by the Portland Tribune and the Oregonian — bolsters DCTU's claim that Article 6 curbs corruption by City managers. It began in 2006 when City Parking Operations Division manager

Ellis McCoy moved to contract out work on parking pay stations that had been historically performed by the City's own technicians, who are members of Laborers Local 483. The union filed a grievance challenging the violation.

The three-year \$1.3 million contract went to Precise ParkLink of Toronto, Canada — the only bidder — after McCoy reportedly tweaked the company's bid documents before they were submitted. Precise ParkLink then subcontracted the work to minority contractor FeatherLite, on McCoy's specific recommendation.

FeatherLite was supposed to remove meters, switch out components, and re-install the meters. But problems began right away. Re-installed machines were improperly anchored, missing parts, put back together wrong, and weren't returned to the same locations they were removed from, causing confusion for customers: Meter stickers said "one-hour parking" where street signs said there was three-hour parking. Then \$3,400 disappeared out of meters while they were in FeatherLite's possession. McCoy learned of the missing money, and alerted company owner Bruce Feathers — before police were informed, eliminating their ability to catch the suspects unaware.

Meanwhile, McCoy had begun negotiating a plan for the City to sell all its meters to a Precise ParkLink investor for \$9.4 million, then lease the meters back over five years for \$12 million, while paying Precise ParkLink \$3 million to maintain them. And McCoy angled for FeatherLite to hire him, sending Feathers a résumé and a business plan in which he proposed they try to replicate the sale-and-lease-back idea in Seattle. But Portland City Council turned down the deal. Now McCoy had Precise ParkLink cancel the contract with FeatherLite, not because of the problems — Feathers alleged in a



Portland City Commissioner Nick Fish, thumbs up, found that a cloud followed him everywhere he went at the Sept. 3 Labor Day picnic.

threatened lawsuit — but because Feathers had declined to hire him.

In December 2009, arbitrator Norman Brand ruled on the union grievance: "Not only [did the City fail] to notify the Union that it was considering contracting out work, it affirmatively misled the Union," and contracted out members' work to "an unknown company, with no experience and no employees." Brand found the City had violated Article 6 five different ways, including contracting out without showing it would result in reduced cost. Brand ordered the City to cease and desist and pay \$169,800 damages.

In spite of all this, McCoy remained in charge at Parking. Then the FBI raided his home and office in August 2011. He retired voluntarily the following month. A year later, he pled guilty to federal bribery charges. Federal prose-

cutors said he steered multimillion-dollar city contracts to two parking meter companies in return for expensive vacations and \$131,792 in cash and checks written to his consulting company.

Local 483 caught McCoy breaking Article 6. Now City leaders — who failed to rein McCoy in — want to eviscerate the article. City of Portland Human Resources Director Anna Kanwit proposed in March 2013 to eliminate Article 6 entirely and replace its two pages of protections with five sentences. Basically if contracting out caused layoff of a union-represented employee, the City would notify the union before it was done. If the union demanded to bargain over it within two weeks, the City would bargain (just as it's bargaining now, presumably.)

Kanwit heard from the DCTU bargaining team that such a proposal was unacceptable, so in July she offered a new page-long proposal. That amounts to a data dump: The City would provide to the unions "copies of project transmittal forms" for all kinds of construction and goods and services projects. Unions could sift through the pile to see if any of it is work done by their members. They'd have 10 calendar days to "request" to "discuss" those projects, after which they would have waived that right. The City would also post solicitations for goods and services contracts on a web site for 14 days. And if the City should fail to do these things ... well, that notification requirement "shall not be subject to the grievance procedure." If contracting out results in layoffs of members, the City would be obliged to let the appropriate union know "before the plan is actually executed," whereupon the union would have two weeks to bargain. But neither City obligation — to notify or to discuss — would apply to projects that are chosen for a City program intended to increase the number of minority and women contractors.

All this is alarming local labor lead-

ers — who backed City Council candidates after being assured that they were not in favor of greater privatization.

In an Aug. 28 letter, the Northwest Oregon Labor Council (NOLC) called on City Council to take a more active role in the negotiations, saying that Council's "hands-off approach" up until now isn't helping the two sides reach a fair contract.

"This Labor Council has seen the wholesale privatization of public services in other cities, and we are very concerned that Portland may be following that trend," wrote NOLC Executive Secretary-treasurer Bob Tackett.

It's traditional for Democratic politicians to attend NOLC's Labor Day picnic, and declare what friends they are to the union movement. This year was no different, as City Commissioners Amanda Fritz, Nick Fish, and Dan Saltzman — plus the mayors wife — showed up to hobnob Sept. 2.

But with the City pushing to get rid of its workers' job security protection against outsourcing, DCTU unions planned an eye-grabbing action, trailing City Council members with large signs painted like storm clouds.

This appeared to upset Fritz, who often tells labor audiences of her union membership in the Oregon Nurses Association. Local 483 member Will Tucker, a pump station millwright and member of the DCTU bargaining team, said Fritz told him his storm cloud sign was "tacky," and not likely to make her more sympathetic. Storm clouds hovering nearby, Fritz told this reporter that she and her City Council colleagues aren't interested in more outsourcing or further layoffs, so she doesn't get labor's objection.

Fritz brought a written response to NOLC's letter to the picnic. "I have no interest in 'wholesale privatization' or even partial privatization," Fritz wrote. "There are times, however, when it makes sense for the City to have work done by third parties."

City Council has not been hands-off, Fritz wrote: Kanwit gives Council members weekly updates, and they give feedback.

"The City has offered to modify the original proposal to address some of the concerns of the DCTU bargaining team," Fritz wrote. "We cannot go further than the latest modification to the language."

The clouds mostly missed Commissioner Dan Saltzman, who announced his run for re-election at NOLC's Labor Day picnic.

Commissioner Nick Fish, for his part, handed his camera to a union member so he could get his picture taken with the storm clouds.

"I'm not going to bargain in the media," he said, when the Labor Press asked why the City wants to gut Article 6. Fish said City Council has no intent to reduce positions or do an end run around bargaining unit work.

The next mediation session was scheduled for Sept. 3, after this issue went to press.

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