

Tentative Deal Averts Strike by Doormen

By STEVEN GREENHOUSE

The union representing 28,000 doormen and other apartment-building workers in New York City reached a tentative four-year contract with building owners and managers early this morning, averting a strike threatened against 3,500 residential buildings.



Michael Fishman, president of Local 32BJ of the Service Employees International Union, spoke yesterday hours before the tentative deal.

The deal calls for a raise of 8.5 percent over the four years for doormen, elevator operators, porters, handymen and superintendents at buildings in Manhattan, Queens and Brooklyn.

Officials from the two sides said management's negotiators had budged on their demand for a one-year wage freeze. But in a nod to management, the union agreed that the workers would not receive a raise until the second half of the contract's first year.

"We've achieved what we want to achieve in this agreement, though not everything we wanted," said Michael Fishman, president of the doormen's union, Local 32BJ of the Service Employees International Union. "We made compromises, but we feel it's a good agreement for all of us."

The settlement, announced at 1:10 a.m. at the Sheraton New York hotel, where the negotiations took place, will prevent a walkout — and innumerable hassles — for more than one million apartment building residents. The strike deadline had been set for 12:01 a.m. today.

Over the past week, apartment dwellers threatened by a strike scrambled to make emergency preparations. Many hired security guards to watch the front door if their doormen walked out. In many buildings, volunteers signed up to lug garbage to the curb.

Under the deal, management would not require the workers to begin paying premiums for their health insurance, as it had first sought. But to help the industry control its fast-rising outlays for health insurance, the union, these officials said, had agreed to set caps on the building owners' health outlays in the contract's third year and possibly the fourth year as well.

"This agreement will serve both the employers and the employees and provide us with four years of stability," said James F. Berg, president of the Realty Advisory Board on Labor Relations the industry's chief negotiator. "The industry was looking for an agreement that made sense."

Late yesterday afternoon, the two sides were showing little optimism, saying they were still far apart. But by 9 p.m., one industry official said definite progress was being made, with the two sides haggling over numbers.

Mr. Fishman expressed pride this morning that the union's pension plan would not change. The building owners had originally called for switching the workers' traditional pension plans to 401(k) plans.

The deal is subject to ratification by the board of directors of the Realty Advisory Board, which is scheduled to meet this morning. In addition, the union's members are to vote on the agreement over the next three weeks through a mail ballot.

For decades, the two sides have had three-year contracts. A four-year deal would give the industry more stability and would allow the union's two halves — office-building workers and residential-building workers — to coordinate their bargaining more efficiently on issues like health coverage because their contracts will expire 8 months apart, instead of 20 months apart, as they long have.

As late as yesterday afternoon, the two sides remained at loggerheads over the two issues that had dominated the negotiations: wages and health insurance.

Management's negotiators were insisting on a one-year wage freeze, but union leaders rejected that demand, saying the building-service workers could not accept that when they faced higher rents and food and fuel costs.

"You can't live in this city and not have a wage increase," Mr. Fishman said during a news conference yesterday afternoon.

But Mr. Berg asserted that a wage freeze was justified because building owners had spent \$175 million 18 months ago to rescue the union's health fund.

Moreover, the industry argued that the apartment-building workers should accept a wage freeze because the other half of their union, the 25,000 work-

ers at Manhattan office buildings, accepted a one-year pay freeze in their contract talks 18 months ago. Those workers accepted their wage freeze in exchange for the bailout of the health fund.

Early this morning, each side claimed victory on the wage freeze issue. Management said it obtained a six-month wage freeze, while union officials asserted that the six-month delay in receiving a raise did not constitute a wage freeze.

"We got a calendar wage increase every year, and that was our goal," Mr. Fishman said.

The deal calls for wage increases average \$15.25 a week in each of the deal's four years. With the workers averaging \$717.60 a week, the raises translate to 2.1 percent a year.

Those raises are below the inflation rate, but the deal's total increase in wages and benefits exceeds 4 percent a year, well above the inflation rate.

Mr. Fishman said the union agreed to accept wages lower than inflation because "It's important to fund good health benefits and pensions. Those are just as important as wages. If you don't have good health care, that's money out of your pocket."

With the building owners paying \$9,700 per year for health insurance for each worker, the industry at first demanded that the workers start paying part of their insurance premiums.

"Almost all workers today — including ones who are paid much less — contribute something toward their health-insurance premiums," Mr. Berg said.

Specifically, the industry called for Local 32BJ's members to pay for 15 percent of their health insurance premiums.

But the union said that would amount to a 4 percent pay cut and that the workers could not possibly afford it.

The two sides said this round of negotiations was especially tough and contentious. Building owners said they needed a wage freeze because their profits were being squeezed by spiraling fuel prices, taxes and health costs.

But the union said it needed raises at least equaling inflation, convinced that the industry could afford them because of the city's real estate market was booming.

Furthering tensions, each side was convinced that the other side had it good. The industry kept noting that the city's building-service workers, who earn \$37,300 a year on average, are the highest-paid in the nation. But many union members said their earnings were so modest that they felt like part of the working poor.

Union officials often asserted that the real estate owners were rolling in money because of rising rental and sales prices. But the industry kept insisting that it faced unusually hard time because so many of its costs were soaring.

The industry's negotiators said they were especially pleased that the contract provided for cost certainty, pointing to what they said were caps on increases in the industry's health outlays in the agreement's third and fourth years.

In a news release, Mr. Berg said, "By achieving the goal of cost certainty, residential building owners were able to compromise with regard to a zero increase in the first year of the contract by freezing the wage increase until halfway into the year."

Under the deal, union officials said, building owners' health outlays will rise from \$9,700 per worker this year to \$12,700 per worker in 2009.

Mr. Fishman denied that there was a cap in the deal's fourth year, saying that there was a trigger that allows management to reopen negotiations if health insurance costs rise above a certain level in the fourth year.

Eric Rudin, co-chairman of the building owners' bargaining committee, praised provisions in the deal that call for the two sides to continue their efforts to rein in health-care costs. Since 2004, the two sides' efforts have held down health costs by nearly \$90 million.

In a news release, Mr. Fishman boasted about the contract, saying, "This \$7.3 billion contract provides real gains for building-service workers when most working people in this country are seeing their living standards decline."