

NEWS RELEASE

From: **Realty Advisory Board on Labor Relations**
292 Madison Avenue
New York, NY 10017

Rubenstein Associates, Inc.
Public Relations (212) 843-8085
Contact: Jim Grossman

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Contract With Residential Building Workers Expires April 20th As the Realty Advisory Board Gears Up for Negotiations

Experienced Doorman Now Costs a Building More than \$68,500 a Year in Salary and Benefits

Negotiations for a new contract with service employees in apartment buildings throughout most of New York City begin Tuesday, March 9th, as their current agreement with owners and operators of residential buildings expires at midnight on April 20th.

The Realty Advisory Board on Labor Relations, Inc. (RAB) represents owners and managers, and Local 32BJ of the Service Employees International Union represents more than 30,000 doormen, handymen, porters and some of the superintendents in nearly 3,000 rental and co-op/condominium apartment buildings. Most of the buildings are in Manhattan, Brooklyn and Queens, with some in Staten Island, Nassau and Suffolk. Bronx buildings are not involved in this round of talks.

“We don’t know yet exactly what all the issues will be during this round of negotiations, but obviously we will be focused on controlling costs,” said Howard Rothschild, president of the RAB. “I can tell you that the past few years have been difficult economically for residential property owners and that it does not appear that better times are close at hand. The 2006 agreement did not anticipate these difficult times and these negotiations will have to account for the economic realities in the industry and city.”

Rothschild noted that a significant number of RAB member-buildings are middle-income co-operatives whose residents have been hit hard by the economy, including sharp decreases in the value of their properties combined with large tax increases. Similarly, monthly rents in rental buildings have dropped sharply.

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There has not been a strike in the residential sector since 1991. That strike lasted 12 days. In 1994, 1997, 2003 and 2006, contract negotiations led to successful settlements without a strike.

“Although the RAB will, of course, be working hard to secure a mutually satisfactory agreement before the April 20 deadline, a strike always remains a possibility,” Rothschild said. “That, unfortunately, is the nature of labor relations.”

“The RAB has generally had a cordial and constructive relationship with Local 32BJ under the leadership of its president, Mike Fishman, and New York City building industry service workers have thrived,” according to Paul Salvatore, of Proskauer Rose, who is general counsel to the RAB.

“New York building service employees represented by Local 32BJ and employed by RAB members are the best paid in the country and enjoy substantial benefits, such as fully employer-paid comprehensive family health benefits, a defined benefit pension plan, an annuity / 401K plan, liberal sickness and vacation allowances and many other fringe benefits,” Salvatore noted, pointing out that an experienced doorman costs a residential building more than \$68,500 a year.

The RAB and Local 32BJ

The RAB was formed over 75 years ago as an organization through which employers in the building service industry could bargain with unions. It is a membership corporation, operated by a Board of Directors, which is sub-divided into a residential division and a commercial division. There are at present over 4,000 members of the RAB.

The Residential Negotiating Committee is co-chaired by Eric Rudin, of Rudin Management Co., Inc., and Andrew Hoffman, of Stonehenge Partners Inc., and includes Jeffrey Brodsky of Related Management, Rita Chu, a Director of 130 East 67th Street, Charles Dorego, of Glenwood Management Corp., James O'Connor, of Douglas Elliman Property Management, and Mary Ann Rothman, of the Council of New York Cooperatives & Condominiums. This committee will be responsible for negotiating a new collective bargaining agreement and preparing owners for the possibility of a strike. They serve in this capacity without compensation, and are assisted by the RAB staff, counsel and appointed advisors.

Local 32BJ represents building service workers in both residential and commercial buildings in New York City, Nassau and Suffolk Counties, New Jersey, Connecticut, Philadelphia, Maryland, Virginia and Washington D.C. It has over 120,000 members nationwide and is operated by a group of officers who are elected periodically by the membership. Fishman, has been the president of Local 32BJ for approximately 9 years.