

Realty Advisory Board on Labor Relations

292 Madison Avenue New York, NY 10017 Ph: 212-889-4100 www.rabolr.org

April 16, 2010

Memo To: Co-Op and Condo Owners

Subject: Labor negotiations

As many of you know by now, the Realty Advisory Board, which represents your building, is in the midst of new contract negotiations with Local 32BJ, the union representing your doormen and other building service workers. The collective bargaining agreement with Local 32BJthe union expires at midnight, Tuesday, April 20th, and union members have authorized a strike if we are unable to come to an agreement.

Right now, one doorman (and other building workers) costs your building **nearly \$70,000 year in wages and benefits**. In addition to their salaries, building employees receive:

- full family health insurance, including medical, dental, optical, and prescription drug coverage paid for by your co-op or condo with no premium contribution from the employees
- a 401K annuity with an employer contribution paid for by your co-op or condo
- 10 paid sick days (with pay for unused days), 11 paid holidays (with 2-/12 times their normal pay, if they have to work on a holiday) and up to 5 weeks vacation

It's a safe guess that most of the residents of your building do not have the same kind of employer-paid benefits

The Union is demanding cost increases in the base pay, health insurance premiums, pension contributions, annuity/401K contributions, sick pay entitlements, service center visits, and the perfect attendance bonus (50% increase). The real estate industry is proud that our building service employees are the most highly compensated apartment building employees in the nation. However, given the economic state of residential real estate in New York, costs must be controlled. The RAB, therefore, is seeking cost containment for current employees and cost curtailment for future employees.

As you are probably painfully aware of, the cost of running your building has gone up dramatically in recent years. Real property taxes have increased 85 percent between 2000 and 2009 and are projected to increase 16 percent in the next 4 years. And the costs of heating fuel, electricity, water and sewer have skyrocketed.

The union and its members have to acknowledge that we are in a period when costs must be contained. The RAB has proposed a modification and slight reduction in the holidays, personal and sick days for current members, and a modest 10% contribution for health insurance premiums from present employees. We have proposed extending the start rate and modifying benefits for newly hired workers. This type of differentiation is widely utilized in both the private and public sectors and would allow the industry to curtail ever-increasing costs without placing economic burdens on the shoulders of employees already on the job. Given the times, we think this is a fair proposal that will benefit both building owners and workers.

We are working hard to a reach a new contract. Your board has been given a manual on how to prepare for a strike and continue to operate should one occur. If that does happen, the most important thing for us is to remain united. Thank you for your support.