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Hotels: HERE Local 2 Members Ratify Five-Year Contract With 11 Major Hotels

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Daily Labor Report
September 27, 1999*

San Francisco - Members of Hotel Employees and Restaurant Employees Local 2 have ratified a five-year contract providing workers at 11 downtown San Francisco hotels with a doubling of pension benefits, backloaded wage increases, and new immigrants' rights language.

In ballots counted late Sept. 23, the contract between the San Francisco Hotels Multiemployer Group and Local 2 was approved by 96.7 percent of members voting, according to the union. Out of 904 ballots cast, 875 members voted for the agreement, Local 2 said. The terms will cover some 4,000 workers at 11 major, or "class A" hotels.

Negotiations now being for another 4,000 workers at nine other Class A hotels in the city who bargain separately with Local 2. Three other hotels -- Miyako, W, and Mark Hopkins -- have "me too" agreements to adopt language in the multiemployer group. Also up for renegotiation are contracts another 25 smaller, Class B hotels and motels in the city.

Local 2 President Mike Casey said one of the major gains is doubling the pension benefit during the life of the agreement, which runs Aug. 14, 1999 through Aug. 13, 2005.

The hotels studied the pension issue a year ago, said Stuart Korshak, attorney for the multiemployer association, "long before negotiations started because we felt on the management side, the pension plan payments were inadequate and we had a aging workforce that did not have an adequate ability to retire when they wanted to."

Another gain for the covered employees, Casey said, was in the area of successorship language. He said the new contract will make a condition of the sale of any covered hotel that the future owner would agree to be bound by the collective bargaining agreement.

If the transfer of the hotel and/or management agreement does not expressly require the purchaser to assume the contract in full, and/or if the purchaser does not do so, the owner of the management company will be liable to pay the employees the difference between the wages, fringe benefits, and other terms and conditions provided in the agreement.

Another union gain involved room cleaners, Casey said. A contentious point in the negotiations was the number of injuries by room cleaners, who under the old contract had to clean 15 rooms a day.

Korshak, Kracoff, Kong & Sugano, L.L.P.

The new contract drops the daily room assignment to 14, and if there are seven guests checking out in the housekeepers' assigned area, the number drops by one. If the cleaner is assigned 10 or more checkouts per day, the number drops by two rooms.

However, the hotels and unions will work on a joint committee to devise a way for workers who wish to do more work to get incentive pay, Korshak said.

Before reaching the agreement, the two sides met for 26 days following a three-month joint study period. The so-called living contract, which the two pioneered in 1994, allows for changes along the way as issues arise that joint study teams and a joint committee study and resolve.

Wages Increases.

Because the pension improvements and the "room drop" were in the first year, "which are costly items, we backloaded the wages," Korshak said.

The package provides an average annual wage increase of 3.78 percent, according to Korshak. Effective Aug. 14, wages increase 2.83 percent; Aug. 14, 2000, raises will rise an average of 3.18 percent; Aug. 14, 2001, up 4.14 percent; Aug. 14, 2002, up 4.42 percent; Aug. 14, 2003, up 4.33 percent.

Nontipped workers, including room cleaners and dishwashers, will get a 40 cent per hour raise Aug. 14, 1999; 45 cents on Aug. 14, 2000; 65 cents on Aug. 14, 2001; and 75 cents each Aug. 14 in 2002 and 2003. Casey said the raise brings these workers from an average wage of \$12 an hour to \$15.

All other nontipped workers, including cashiers, cooks, and PBX operators, will receive hourly raises of 30 cents in the first year, followed by 35 cents, 55 cents, 60 cents and 65 cents an hour in remaining years.

All tipped workers except banquet staff, including bartenders and bell captains, will receive hourly increases of 20 cents an hour in the first year, 25 cents in the second year, 35 cents in each of the last three years. Hiring hall servers will receive a 25 cent an hour raise under the agreement.

Banquet workers also will be getting an increase in the amount of gratuity they receive. Under the agreement, banquet staff will receive an extra 25 percent of the automatic 18 percent gratuity charged to guests, with their cut rising in an amount translates to about an extra \$75 for each server working a banquet.

Room service servers will receive the same percentage of the gratuity, according to the agreement. An automatic gratuity of 15 percent will be assessed on all parties of six or more in the dining room unless the practice is better in a particular hotel.

Health, Pension Provisions.

In the area of health and welfare, the contract maintains benefits for the life of the agreement, with the employer picking up any increases. "It was a big fight," Casey said. "Those costs are going to go up significantly." Korshak estimated that health care premium increase will be about 10 percent a year.

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The agreement also provides for employee-only vision benefits, improvements to the prescription drug fund, and a trust fund for training and education.

Also continued from the previous five-year agreement is child care and eldercare contributions based on cents per hour worked or compensated. Contributions to the fund will increase in the third year by 3 cents an hour, and additional 2 cents per hour per employee in the fifth year.

Beginning September 1999, the hotels will increase contributions to the pension plan from \$86.33 to \$123.33 a month. The increase lasts only for the life of the contract. Covered workers will receive a service credit of \$30 per year of service, so a worker with 25 years service at retirement is eligible for a \$750 a month retirement benefit. Casey and Korshak said this represents twice the current benefit.

The contract allows employees to voluntarily contribute to a personal 401(k) account, which the employer will pay to administer.

Immigrants Rights Provisions.

The contract provides the employer will notify the union right away when the Immigration and Naturalization Service or other government agency questions the employee's work documentation.

"It obviously sensitizes hotels to the problem so as soon as they're aware of the issue they need to contact the union and work with the union on it..." Korshak said.

Deported workers who have their immigration status resolved within 12 months will get their jobs back with no loss of seniority. Workers whose situation takes longer to resolve have an additional 12 months in which they can return to the first available opening.

The immigrants rights provisions appear in HERE Local 11's contract with Los Angeles hotels, which Korshak also negotiated.

Committees, Improvements.

Joint committees will study such issues as banquets and will establish standards for discipline, conduct, health and safety, performance, orientation, and other issues related to the hiring hall. The hotels will pay \$100,000 to help fund the committee, which also will see additional training grants, Korshak said.

A joint committee also will study safety and workers' compensation. Side letters provide for a joint study on improving restaurant revenues, outsourcing cooks, and whether a portage fee for bell staff carrying baggage should be included a condition of sales contracts between the tour and group and hotel.

From management's perspective, Korshak said, the parties agreed the study teams would "come up with solutions that we got that can't be handled well at the bargaining table. Neither collective bargaining nor arbitration is the way to solve the complicated problems facing most companies."

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The contract also:

- provides for expedited arbitration in any individual or discharge case with the arbitrator issuing a decision within 24 hours;
- guarantees the union will receive Occupational Safety and Health Administration injury report logs;
- allows a worker to have a union representative during an investigatory workers' compensation interview;
- provides the hiring hall will continue to dispatch banquet servers, cooks, and bartenders but other crafts will be placed on all hotel lists, which Korshak said gave hotels more flexibility;
- provides that employees on leave will be replaced to avoid short staffing;
- increases the night differential by \$2.50 a shift in the first year and \$2.75 a shift in the second;
- provides that workers can earn triple time for the New Years eve 1999 shift for all hours worked between 7 p.m. and 4 a.m. In 2000-2003, banquet staff differential
- increases to \$20 a shift, unless the rate is higher in particular hotel;
- allows shop stewards to get two paid days off a year for training meetings;
- allows members to voluntarily contribute by payroll deductions to the union's political action funds;
- provides twice the previous vacation days to all bell staff in tipped classifications and to door staff; and
- provides that overtime will be offered first to employees based on seniority and then assigned in the order of lowest seniority to the highest.