



Shaw: Mayor Daley's Labor Legacy Presents Mayor Emanuel With a Generational Moment

Description

BGA President & CEO Andy Shaw offers advice on Chicago's full plate of labor contract negotiations in his bi-weekly column for [Crain's Chicago Business](#).

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One of Chicago Mayor Rahm Emanuel's recent claims—that he's eliminated or significantly cut every one of the bad financial practices inherited from predecessor Richard M. Daley—is Half True, according to a [comprehensive analysis](#) by PolitiFact's exclusive Illinois partner, the Better Government Association.

Emanuel's fiscal reforms are significant but incomplete, according to our assessment, and it occurs to me that if he's interested in a better rating for his anticipated 2019 re-election campaign he can focus on the current round of contract negotiations with the city's public employee unions: Forty-four separate agreements covering salaries, benefits and work rules for 91 percent of the city's workforce, or nearly 31,000 employees.

Daley set the stage for these negotiations in 2007 when he signed generous 10-year agreements with 31 trade unions to, some say, ensure labor peace during the city's ultimately unsuccessful bid for the 2016 Summer Olympics.

The bid failed, but [an audit by the Chicago inspector general's office](#) found that taxpayers were stuck with a bill for contracts that increased wages by nearly 30 percent, or two-and-a-half times the inflation rate of 12 percent.

Recent contracts, including police and fire, have also been worker-friendly, with salary increases of 11.5 percent since 2012, more than three times the rate of inflation.

Those numbers and a host of additional contract benefits add up to hundreds of millions of dollars, so if Emanuel wants to play hardball he can tie future wage increases to the Consumer Price Index, limit contracts to five years or less and build in reopeners if the national economy adversely affects city

finances.

The IG audit also recommends higher employee health contributions to reflect increased medical costs, elimination of “prevailing wage” guarantees, more flexibility in short-term staffing and controls on overtime.

Emanuel can say he’s simply following the IG’s recommendations if he demands those economies and efficiencies, and in the current economic climate he’s likely to have widespread support for a hard-line, taxpayer-friendly negotiating stance.

Historically, contract talks are secretive—closed-door deliberations that freeze out the public and ask the City Council to rubber stamp agreements after they’re completed. Maybe it’s time for a new negotiating model that includes more transparency and accountability without making the two sides bargain in public.

That can be accomplished, [according to an in-depth analysis by the BGA’s policy team](#), by educating citizens and encouraging them to weigh in on collective bargaining issues before negotiations begin, and by publicizing key documents like initial bargaining positions and last-best-offer proposals.

Read The Analysis: [Every Chicago Labor Contract Has Expired: Your Guide To The Negotiations](#)



Aldermen can also exercise their oversight authority by asking the City Council’s new Office of Financial Analysis to review expired contracts and recommend improvements, scheduling public hearings on upcoming negotiations, and making their priorities clear to the mayor’s office before and during negotiations.

Inspector General Joe Ferguson is urging Emanuel to seize this “generational moment to right-size some of the contracts to fiscal reality,” and that sounds good, but aggressive union pushback and unforeseen political pitfalls will tempt the mayor to follow a time-tested stalling maneuver: Let negotiations reach a stalemate, triggering an arbitration process that delays agreements until well after the next election.

That may happen, but Chicago voters still deserve an impartial assessment of labor negotiations and the contracts they produce before casting their ballots—not after—and that would give our hyper-competitive mayor a chance to vie for a better PolitFact grade by finalizing and then crowing about

agreements that are fair to employees and taxpayers.

That would be a fiscal victory Emanuel could legitimately brag about.