



May 21, 2009

County workers asked to take 5% pay cut

Ziegelbauer says expenses need \$1-2M reduction

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MANITOWOC — Manitowoc County Executive Bob Ziegelbauer asked county employees Wednesday to agree to pay cuts, wage freezes and a potential increase in health insurance costs in an attempt to decrease expenses by up to \$2 million.

The county's six bargaining units, which are in the fourth year of a five-year bargaining agreement that calls for annual raises of 3 percent, have until June 16 to either accept or reject his proposal. It includes a 5 percent cut in the general level of wages effective June 28, freezing the general level of wages through Dec. 31, 2010, and capping the employer contribution to health insurance at the 2009 level through Dec. 31, 2010.

If the unions agree to the plan, nonrepresented employees will get the same treatment, and elected officials will be "strongly encouraged" to follow suit. But if any union group rejects Ziegelbauer's proposal, he said the county will move on to a "drastic" plan B that could include layoffs.

Employees piled into Circuit Court Branch 2 and an overflow room at the Manitowoc County Courthouse on Wednesday evening to hear Ziegelbauer's proposal and an explanation of how the recent economic downturn is affecting the county.

He said the county expects to lose \$600,000 a year in jail revenues, up to \$1.5 million in health and human service-related revenues, up to 5 percent in court revenues and 1 percent or more in transportation revenues. He also said he expects shared revenues from the state to be cut by at least 5 percent, which would amount to \$210,000.

The need for a \$1-2 million reduction in expenses, he said, is the direct result of high unemployment and low inflation. But he said he expects that the proposed changes to personnel expenses would be enough to get the county through this slump without slashing jobs.

"My goal is to save jobs," Ziegelbauer said. "I don't want to be laying people off — to be sending people home. I think we can be successful in doing that."

The county has more than 430 full-time employees, said county Comptroller Todd Reckelberg, for which annual payroll amounts to \$33 million, including fringes. Because the proposed wage increase would take place mid-year, Ziegelbauer said it would come to a 0.4 percent wage increase overall for 2009 and a 2.6 percent decrease for 2010.

Though a 5 percent overall cut may be hard to swallow, Ziegelbauer reminded the group of the advantages they've had as county employees over the past several years. He said workers have continuously received wage increases that accumulated higher than the rate of inflation, and individuals and families got a break worth hundreds, if not thousands of dollars in 2007 when the

county changed its health insurance plan.

The county currently pays \$18,500 annually for each family health insurance plan, and employees pay nothing out of pocket. Ziegelbauer's proposal would cap the county's contribution at that amount and require workers to pay the balance of any increased costs next year.

"To remain viable, we need to cut expenses," Ziegelbauer said. "My perspective on this is to get to it as quickly as possible ... make the pain as little as it possibly can be."

If accepted, the plan also calls for no increase in taxes for 2010.

"We need to hold the line on taxes," Ziegelbauer said. "When unemployment is high and inflation is low, we also need to have the support of everybody in the community. This is an opportunity for us to show the rest of the world that we get this."

The bargaining units have 27 days to turn a decision around. Ziegelbauer did not open the meeting to questions, as union members typically speak as a whole through their representatives. The groups are expected to communicate their decisions to Manitowoc County Personnel Director Sharon Cornils throughout the next few weeks.

"This proposal happens only if we agree," Ziegelbauer told the employees. "I can't force you. This only happens if it happens for everybody."
