

## Attachment A

### **Minutes of June 11, 2007, Labor Summit, held at the Labor Temple in Seattle.**

#### **Opening Remarks**

The 2007 Labor Summit was chaired by Julia Patterson, Chair of the Council's Committee of the Whole.

Councilmember Patterson called the meeting to order at about 9:30 a.m., welcomed those in attendance, and emphasized the importance that the Council attaches to the annual Labor Summit. Councilmember Patterson first gave a brief history of the tradition of holding the Labor Summit, beginning with a Council ordinance, introduced in 1998 by then-councilmember Kent Pullen and passed by the full Council, calling for an annual summit between local labor leaders, the leadership of all collective bargaining units representing the County's workforce, and King County elected officials. Councilmember Patterson mentioned the four purposes of the Labor Summit that are spelled out in the 1998 ordinance:

1. "[I]ncrease communication between King County elected officials and the leadership and membership of local labor organizations and of all the county's collective bargaining units";
2. "[I]dentify issues and problems of mutual concern";
3. "[I]dentify solutions to problems affecting the memberships of the county's collective bargaining units"; and
4. "[D]elineate ways in which the county's elected officials may more closely and effectively work with the County's collective bargaining units and local labor organizations to attain mutual goals and to foster a spirit of cooperation in working to serve the public."

Councilmember Patterson then introduced Dave Freiboth, Executive Secretary of the Martin Luther King County Labor Council.

Mr. Freiboth thanked the members of the Council for coming to the Labor Temple for the Labor Summit. He described the Labor Summit as unique and noteworthy and a testament to the relationship that King County has with its employees, in that the County values its employees and their right to be represented.

Councilmember Patterson invited the other councilmembers to introduce themselves, beginning with Council Chair Larry Gossett.

Councilmember Gossett introduced himself, described the area included within Council District Two, which he represents, and pointed out that he was one of the co-sponsors, along with then-councilmember Pullen, of the Council ordinance that originally called for the annual Labor Summit.

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Councilmember Patterson described the area included within Council District Five, which she represents.

Councilmember Bob Ferguson introduced himself and described the area included within Council District One, which he represents. He said he chairs the Council's Operating Budget, Fiscal Management, and Mental Health Committee, and he expressed his appreciation of the opportunity to meet with those attending and to work with them in the future.

Councilmember Larry Phillips introduced himself and described the area included within Council District Four, which he represents and which includes the Labor Temple, which he said he feels honored to have in his district. He said he chairs the Council's Growth Management and Natural Resources Committee and the Regional Water Quality Committee and also serves on the General Government and Labor Relations Committee, which reviews labor contracts that have been negotiated by the King County Executive. Councilmember Phillips thanked everyone for attending and said he looks forward to the Labor Summit each year.

Councilmember Pete von Reichbauer introduced himself and described the area included within Council District Seven, which he represents. He said he is vice-chair of the General Government and Labor Relations Committee. Councilmember von Reichbauer referred to the good dialogue and good legislation that have flowed from the annual Labor Summit meetings. He thanked Dave Freiboth for the willingness of labor leaders to continue the dialogue and for Dave Freiboth's openness on the major issues facing King County. Councilmember von Reichbauer said Dave Freiboth understands that we're all on the same ship together. He also thanked King County Executive Ron Sims for leading so much good legislation through troubled waters.

At the request of Councilmember Patterson, the rest of those attending introduced themselves.

Councilmember Gossett moved approval of the minutes of the June 4, 2007, meeting of the Council's Committee of the Whole. The minutes were approved. There were no additions to the agenda for the afternoon's meeting of the full Council.

Councilmember Patterson introduced King County Executive Ron Sims.

County Executive Sims expressed his appreciation of the Labor Summit and of the outstanding relationship between King County and its employees, over 90 percent of whom, he said, are represented by labor unions, he said. Our labor unions have been wonderful partners in initiatives such as those regarding health and efficiency. While representing employees very effectively, labor unions have been instrumental in allowing our economy to grow. After pointing to the positive changes that are being made in areas such as health, Executive Sims expressed concern about the quality of the last years of our lives. He suggested that changes in the workplace are needed—for example, “giving our employees their lives back” through approaches such as allowing non-traditional work schedules and telecommuting. The Executive intends to work with labor unions and

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the Council on an initiative toward achieving this goal. We need to accommodate the needs of employees, such as those who have recently given birth, so that we can keep them as King County employees. King County has low turnover and wonderful benefits and pays very well, but we do not have a “21st century model.” Other companies are addressing that issue, and like them we will address that issue. Executive Sims said that he wanted the Council to know about that initiative. He said that he appreciated being at the Labor Summit and acknowledged that labor representatives are outspoken on a number of issues, but said “that’s their job.” It’s our job “to listen” and see if we can resolve the issues that labor has, because they speak for our employees.

Councilmember Patterson praised Executive Sims as “a true leader” and described the healthy initiatives program as something unique. She said that it is because of Ron Sims that King County is moving ahead and is a trailblazer for the rest of the country with regard to this issue and so many others, and she expressed her appreciation to the Executive branch for the leadership it has been showing, which has been “incredible.”

Council Chair Larry Gossett said he had attended every Labor Summit that had been held since they began in 1998 and that the sessions have been productive. They have created opportunities for discussing and resolving issues that have come up between our government and our organized work force, and for discussing how government and labor can work together to make changes in the broader community. During the past year, the Council’s General Government and Labor Relations Committee, which he chairs, has recommended to the Committee of the Whole (the Council’s labor policy committee), and the Committee of the Whole has adopted, two new labor policies in cooperation with the King County Labor Coalition. We worked out our differences and came up with a win-win result. The first policy was to have performance evaluations of all staff, which will provide feedback to each employee on how he or she is doing and allow feedback by each employee on how we can be more accountable to them as individual workers. The second policy was to allow productivity initiatives, which are rewards to employees for coming up with innovative ways to save the County money and to be more effective in reaching out to our customers. The policy calls for more precisely defining “productivity” and what the County will be willing to do for employees who devise innovative ways to improve the services provided by King County.

Councilmember Patterson thanked Councilmember Gossett for his leadership on the labor policy initiatives.

Councilmember Constantine introduced himself and described the area included within Council District Eight, which he represents. He said he is the chair of the Council’s Capital Budget Committee. Councilmember Constantine said he considers the Labor Summit one of the highlights of the year for the Council.

### **The State of Labor in the Region**

Dave Freiboth delivered comments on the state of labor in the region. He said that one of the Labor Council’s roles is to empower workers so that they can be heard and can share in the economic largesse that we are experiencing in this region. Mr. Freiboth read an op-

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ed piece that he had written for the Puget Sound Business Journal about the federal Employee Free Choice Act, which the County Council has voted to support. The article was published on May 4, 2007, and was entitled “Restore Labor Rights to Save Middle-Class Economy.” A copy is Attachment 1 to these minutes. Mr. Freiboth thanked the Council for taking the lead on this issue. He noted that Councilmember Phillips contacted him with an offer to support the Employee Free Choice Act and that almost every member of the Council voted in support of a Council motion urging Congress to support the Act. (Those supporting the motion included Councilmembers Constantine, Ferguson, Gossett, Hague, Patterson, Phillips, and von Reichbauer.)

Councilmember Phillips asked Mr. Freiboth what was the current status of the Employee Free Choice Act. Mr. Freiboth responded that “the giant” had awoken, in that employers who oppose the Act have mounted an intense lobbying campaign against the Act in the U.S. Senate. He said that there is some chance of the Act being passed out of the Senate, but that the problem ultimately is in the White House, so labor is focusing on the 2008 election in the hope of having a more sympathetic ear in the White House.

Councilmember Patterson asked whether there is anything else the Council can do locally to support passage of the Employee Free Choice Act. Mr. Freiboth replied that the most important thing is for all of us to educate ourselves on the economics of the issue, in that an economically empowered work force is an economically empowered middle class, which has the potential to be a driving force in our economy. This is being eroded by current labor law.

Councilmember Patterson expressed a concern that the average American is unaware of the growing division between the very, very rich and the poor in this country and how things have eroded over the past 10, 15, or 20 years. She said that we need to help Americans understand why that is happening and that those who are elected, especially to the White House, can make a huge difference in the direction we continue to go. Mr. Freiboth added that there is bipartisan support for the Employee Free Choice Act, so it is a message that resonates “if we can get it out.” He said this is “make it or break it time” for the American middle class.

### **King County Alternative Dispute Resolution Program**

Councilmember Patterson introduced Stephanie Bell, who is Manager of King County’s Office of Alternative Dispute Resolution (ADR), which provides mediation and other forms of dispute resolution services at no cost to members of the King County Inter Local Conflict Resolution Group (ILCRG), which now includes over 60 public entities and 30 unions. Ms. Bell reminded the councilmembers that she had appeared before them six or seven years ago when she was managing the ADR program at the City of Seattle. She has been with the County ADR program for the past four years and became manager of the program after the death of Michael Walsh in July of 2006. Ms. Bell explained that the ILCRG was created in 1998 by King County government and the King County Labor Council with the idea of providing affordable and accessible alternatives to traditional forms of dispute resolution.

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Ms. Bell explained that the ILCRG provides mediation in a wide variety of contexts, but primarily in labor-management mediation, employment disputes, personality conflicts, unfair labor practices, grievances, and civic disputes. There are two unique aspects of the ILCRG mediation services. First, it is a “shared neutrals” program, meaning that, for example, mediators associated with one public entity might mediate a dispute involving parties within another public entity, and mediators associated with the latter public entity might mediate a dispute involving a third public entity, and so on. Fully one third of all the mediators who work in the program are private mediators who volunteer their time for the program. The second unique aspect is that the ILCRG mediation services are “interest-based,” focusing on improving the relationship between the disputing parties. The program would welcome referrals from the Council.

Ms. Bell explained that the King County ADR program, which is the larger, umbrella organization of which the ILCRG mediation program is a part, provides a range of services besides mediation to King County government departments, such as facilitations for groups in conflict (for example, facilitations of labor-management committees and collective bargaining), which is an area in which there is a growing number of requests for services. The nature and duration of the services is tailored to the needs of the group. The ADR program also provides citizen dispute resolution where King County is a party at the table (especially for DDES and Animal Control), a mediation-arbitration solution for classification disputes, and training of individuals as mediators (264 in the past nine years). The program has received anecdotal feedback that supervisors who have gone through the mediation training have become much better supervisors.

Ms. Bell said it is difficult to measure the cost savings resulting from the ADR program; however, there is anecdotal evidence of such savings, and the program is hoping next year to develop some statistics related to cost savings.

Councilmember Constantine asked what areas are yet untapped by the ADR program. Ms. Bell mentioned, as an example, the Sheriff’s department. Councilmember Patterson suggested that the councilmembers might benefit from dispute resolution training. Ms. Bell said she and her staff would be happy to devise a training program to meet the needs of the councilmembers. Councilmember Gossett asked for further explanation of the term “interest-based” mediation. Ms. Bell said that it focuses on the underlying needs of the parties, such as their need for better communication, as opposed to positional bargaining. This approach gives the disputing parties a tool for dealing with disputes in the future, as well the current dispute. Dustin Frederick commented that he had been trained through the ADR program as a mediator and had experienced it also as a user of mediation services. He said he thinks the program could help employees who have been promoted to supervisory positions to adjust to their new roles and the new kinds of interaction that they require with other employees who used to be their peers.

Ms. Bell mentioned that the ADR program tries to maximize diversity within the pool of mediators, including both ethnic diversity and labor-management diversity.

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### Health Incentives Program – The Way Forward

The keynote speaker for the Labor Summit was Dr. Dee W. Edington, Ph.D., who is Director of the University of Michigan Health Management Research Center, a professor in the Division of Kinesiology at the University of Michigan, and a research scientist in the School of Public Health.

Trained in mathematics, kinesiology and biochemistry, Dr. Edington received his B.S. and Ph.D. degrees from Michigan State University and completed his M.S. at Florida State University. He is the author or co-author of over 500 articles and presentations and several books, including *Biology of Physical Activity*, *Biological Awareness*, *Frontiers of Exercise Biology*, *The One Minute Manager Gets Fit*, and *The One Minute Manager Balances Work and Life*.

Dr. Edington's teaching and research focus on the relationship between healthy lifestyles, vitality, and quality of life, as they benefit both individuals and organizations. He is specifically interested in how individual health promotion, worksite wellness activities, and programs within organizations impact health care cost containment, productivity, and human resource development.

Dr. Edington began by commenting that the relationship between labor and management that he has seen here in King County has seemed to him to be better, at least on the surface, than he has seen elsewhere.

Dr. Edington said he wanted to talk about the value of a health worker and a healthy workplace, both of which he considers critically important. In the past, he said, there has been insufficient emphasis on the importance of the healthy workplace. This is one of the findings from the work that he and his colleagues have done during the past five years.

Everyone has the same problem. We've ignored people so much. We have to find a new way to do health management.

Labor and management need to work together on improving workplace health. Otherwise, you may as well invest in real estate. It's a better deal.

We need to get away from focusing only on the cost of health care and look at the broader question of the value of employee health to an organization and to the whole community. We got there with quality and safety. Instead of just replacing defective products, we figured out how to fix the systems that led to the defects. Now we need to figure out how to fix the environmental systems that lead to diseases like diabetes.

You have a good program here in King County, a good start, though it's a little too early to measure results yet. You can only do this with partners, not vendors. Vendors don't work, because they're not aligned with your goals. Health plans are the first partner to look to, because they have the data—for example, about which are the good hospitals and doctors. There are only two things to do with bad hospitals and bad doctors: either put them out of business or help them get better, preferably the latter, but the former if necessary. Because in manufacturing, you never keep a supplier who gives you a bad

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product and keeps raising the price 10 percent every year. You have to do the same thing with the health care system.

Too often we view health as the merely absence of disease. That's not going to get us anyplace. Americans have to learn to value energy and vitality.

You get to "zero trend" only with 90 to 95 percent of people participating. Otherwise, you won't make a difference. You're not going to have a healthy and productive King County work force without everyone getting involved. And you've got to do it without raising taxes. You need to get 70 to 85 percent low risk. It's okay for everyone to have 0, 1, or 2 risk factors. We estimate that King County is probably 2.5 risk factors per person, so you're not quite there yet.

"Keep healthy people healthy." That's our theme. In other words, keep the lowest risk people low risk. Those are your champions. It's a waste of time to search out the high risk people. They don't want to be touched anyway.

Disease happens every day, a little bit at a time. Once you get to the tipping point with a disease like diabetes, it's too late. You can't go back.

I don't ask anyone to lose weight or to exercise. I just ask them, don't get worse. Public health has been telling us that we're failures because we don't lose weight or get enough exercise, but it hasn't worked. Exercise and losing weight may be right, but we're not going to get there until we start to win.

I'm not interested in the individual risk factors, but in the combinations, which is where the dangers are. Up to two risk factors is low risk. Three or four means you're medium risk. Five or more means you're high risk. If you can get to zero, get to zero, but at least get to two.

Sixty-four percent of Americans are low risk. Sixty-five percent of King County is low risk. That's pretty good. It's not the 70 or 75 percent, which I think is what the goal has to be.

The natural flow is for the percentage of low risk individuals to decrease and for the percentage of high risk individuals to increase. If you do nothing, that is what will happen. Aging is part of that, but not as much as you might think. Retired people can be just as low risk as active employees.

One strategy is to get people to age 65 and then let the government take over with Medicare, but where does the government get its money? From businesses and from people.

I talk about cost, but what it's really about is pain and suffering. How can we eliminate as much pain and suffering as possible? How effective are you on the job if you have back pain or migraine headaches? Those kinds of things may result in little direct cost in the way of medical or pharmaceutical expense, but they affect how effective people are on the job.

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Excess costs and excess pain and suffering follow excess risks.

Health plans typically do nothing for the best people (the lowest risk individuals).

What drives health care costs? – Disease.

But what drives disease? – Risk factors.

So let's get out in front of this and focus on the risk factors. Thirty-six percent of costs are being driven by risk factors. Based on our analysis, we think as much as 20 percent of your medical pharmacy costs can be avoided with attention to risk factors.

Which risk factors are likely to drive costs over the next few years? Psychological risk factors: the stress of work, the stress of life. Psychological risk factors tend to travel together and put individuals into the high risk category.

I don't believe in disease management or risk management. I believe in people management.

Too much of the work around health care reform is focusing on who pays. Where's the investment? It's what you're doing. You're a champion county.

Just get people involved. They'll take care of themselves. That's your goal. To create self-leaders: thirty thousand people managing their own health. And health meaning vitality and energy. They can do that. American love to make their own rules. Just say you're in charge, and we'll help you.

We expect zero return in the first year of these programs. The second and third years are where you start to see value. What leads to a zero trend is controlling risk, not controlling disease. But just because you have disease doesn't mean you're done, that you can't control your risk.

Don't ask me what works, because that's a trivial question. Everything works, depending on who you are.

One of the things about benefits is you have to have something for everyone, no matter which risk category they're in.

Most hospitals don't care about reducing risk factors. Why should they care? What's their business model? Managing disease. Administrators tell me that, though not in public. Hospitals are going to have to change their business model, because right now it's almost cheaper to fly to someone to Thailand first class for treatment by an American- or European-trained doctor and let them stay for rehabilitation in a first-class hotel. Pretty soon King County might have your own airplane for flying people to Thailand. By the way, I don't believe that. I say a lot of things I don't believe. You have to figure out what I really believe.



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Next generation health management program:

1. Vision from senior leadership, both union and management, shared with employees;
2. Worksite environment: for example, make your stairwells and your buses pleasant to be in; flexible working hours; healthy choices in vending machines;
3. a. Health risk appraisals: evidence-based, individually tailored; recommendations connected to local resources; coaching;  
b. Individual based programs;
4. Population programs: e.g., pedometers; know your numbers; no weight gain;
5. Incentives: you do something, and you get something; hats & T-shirts work; so does cash.
6. Measurement: percent participation; percent low-risk; estimated program cost; estimated savings.

Key thoughts:

- Keep the healthy people healthy.
- Don't get worse.
- People helping people. That's what unions are all about.

Dustin Frederick asked what is the timeline for evaluating the program. Dr. Edington said his group models zero return on investment in the first year, then breaking even after the second year, and starting to show a return on investment after the third year. By the third and fourth year, he would expect King County to be at a four percent trend [compared with the current 8.5 percent that he mentioned earlier in his talk].

The meeting was adjourned at about 11:30 a.m.

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### Restore labor rights to save middle-class economy

Puget Sound Business Journal (Seattle) - May 4, 2007

by David Freiboth

It is generally believed that employees of American companies have the right to join unions. While that may be what the law says, it isn't the reality.

Loopholes in the federal statute originally intended to give employees protection from employer coercion and intimidation when trying to organize a union have been used by businesses to effectively deny employees their right.

That's why the Employee Free Choice Act, currently in Congress, is so important to America.

Since 2000, about one in five employees identified as actively working to organize a union were fired for their efforts, according to a recent study by the Center for Economic and Policy Research. Another study, by Cornell University Professor Kate Bronfenbrenner, found that 78 percent of private-sector employers, in response to employees expressing their right to join a union, required supervisors to meet one-on-one with employees, effectively coercing them to vote against unionization.

Even after employees risk their livelihoods to certify union representation, all employees involved are usually faced with a very aggressive, professional effort to prevent them from gaining a first collective bargaining agreement. Such employer campaigns against first contracts are successful 30 percent of the time, resulting in a de facto denial of employees' right to join a union.

It wasn't supposed to be this way.

President Franklin D. Roosevelt's New Deal was a response to the uncertainties of the market-driven economy that were largely responsible for the global economic devastation brought on by the Great Depression of the 1930s. The New Deal's three Rs -- Relief, Recovery and Reform -- were the federal government's attempt to tame the great volatility of the unregulated economy. While many of these reforms are very much accepted as the balance necessary to prevent the social damage of heavy depression cycles, at the time the reaction by business to the level of government economic intervention was almost universally negative.

One of Roosevelt's "private sector" solutions to ensure that working people were protected from these devastating economic swings was a federal act that leveled the playing field between workers organizing themselves into labor unions and employers.

The National Labor Relations Act (or Wagner Act) of 1935 protected the right of workers to engage in organized union activities. The Wagner Act was not only intended to protect

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workers but it also sought to channel the effects of labor disputes into an environment that would minimize the sometimes bloody and extremely disruptive conflicts that employers and employees found themselves in prior to 1935.

Roosevelt often used to remark to business naysayers that to not provide for a private sector, market-based method of worker empowerment was to risk the violent social upheavals being witnessed at the time in Europe. It was, in effect, Roosevelt's attempt to find a private-sector solution that would blunt the growing notion that the market-based American economy could not address the gap between the haves and the working class have-nots.

While there are many ways to debate and analyze the transformation of the relatively poor, pre-World War II working class into the economically vital postwar American middle class, it is generally agreed that the rise of a strong labor movement was one of the key components in transforming workers into consumers.

The economic vitality of that important economic factor has been threatened since union membership peaked in the mid-1950s. Recently the economic strength of the American middle class has started to erode. The recovery from our last recession cycle has seen, for the first time in postwar record-keeping, a stagnation of middle class wage growth. Job creation has centered in areas that have accelerated the gap between the haves and the have-nots. It has gotten to the point where fewer than one in four Americans feel the next generation will be better off than the current one, according to a survey by Peter D. Hart Research Associates, of Washington, D.C.

The Employee Free Choice Act, approved in March in a bipartisan effort by the U.S. House of Representatives, is an effort to protect the interests of the middle class by restoring the Wagner Act's original intent: to ensure an employee's right to join a union.

The current reality is that employers who oppose unions have the power to leverage and control the decisions in the union certification process administered by the National Labor Relations Board (NLRB). A truly free and fair NLRB certification election is typically not a realistic option under current conditions. By the time a vote is actually cast (often months after the desire to be represented is filed with the NLRB due to legal employer delaying tactics), the environment has been so poisoned by hired professional specialists skilled at directing barely legal coercion campaigns that many employees who originally expressed support for unionization are intimidated into voting against representation.

It is routine for identified unionization supporters to be fired on trumped-up "for cause" reasons. Penalties for clear violations are painfully weak and very slow to be issued, usually occurring long after unionization efforts have been defeated.

The Employee Free Choice Act would impose penalties when anti-union employers threaten employees' choice to seek union representation. It would bring in an outside mediator to settle first contract disputes when the employer and employees find

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themselves deadlocked after months and months of negotiations. And it would establish “majority sign-up,” which secures union representation at a company if a majority of the employees indicate in writing that they want a union.

A key element of this effort, majority sign-up, is not a new approach. For years, responsible employers such as Cingular Wireless have protected employees’ right to join unions by recognizing that majority sign-up is an effective way to gauge employees’ free choice. Employers who truly believe in their employees’ right to join unions have found that majority sign-up produces less hostility and polarization in the workplace and results in an avoidance of the loss of productivity present in the current failed NLRB process.

Opponents of the Employee Free Choice Act will attempt to undermine the need for such an historic revision to American labor law, not unlike those who attempted to derail New Deal reforms. History tells us, however, that it is in our social and economic best interest to ensure that an employee truly has the right to join unions, and enjoy the prosperity that comes with it.

Labor and its allies will work overtime to gain passage of the Employee Free Choice Act -- an investment in an economically strong American middle class.

*DAVID FREIBOTH is executive secretary/treasurer of the M.L. King County Labor Council.*