From: Mark.Kennedy [mailto:Mark.Kennedy@mcc.edu]
Sent: Monday, October 31, 2005 4:38 PM
To: Kelly Banks
Subject: Follow Up From Union Presidents' Meeting

On behalf of management, I want to thank you and your members for everything you do day in and day out to contribute to the success of Mott College. As you know, we face significant short- and long-term financial challenges. For the long-term (as defined by our seven year forecast), our budget is still in a deficit position of $13 million. The escalating costs of health insurance and retirement will continue to be a threat to our financial stability. In the short-term we still do not know what our state aid will be and natural gas price increases are anticipated to be enormous. For both the short-and long-term, Michigan's auto-oriented economy continues to be problematic, especially in light of the recent news about Delphi and the potentially difficult financial ripple effects that can be anticipated from this disheartening news.

Despite this difficult external environment, our organization has remained both effective and stable. One of our key strategies for maintaining financial stability has been holding positions vacant (this year, we must keep half of vacancies unfilled to ensure the budget is balanced). Needless to say, our collaborative labor relations approach is another reason we have been able to persevere while confronting such difficult external challenges.

This, then, is a follow up to our recent discussion at the union presidents' meeting of October 19, 2005 and is a two part formal offer from management:

1. Subject to Board of Trustee approval, management would like to extend the terms of our current labor agreement to June 30, 2007 with an adjustment to the salary scale of 2.8% on July 1, 2006.

2. Given the positive financial results for FY 04-05, we would like to provide a pool of $68,750 to be distributed to Pro Tech members as a one time lump sum payment to be paid during the first pay in December of 2005. Last year, we called this a fair share rebate. As we have done in similar situations in the past, we would ask that you identify the persons to receive the funds and the amounts to be distributed to each person in your unit.

   We believe that employees who have transferred from one employee group to another during the fiscal year should not be excluded from the fair share rebate as a consequence of the rules for distribution of the gaining and losing units. Therefore, we are including, as part of our fair share rebate offer, the condition that employees who have been continuously employed during FY 04-05 receive a pro-rata payment from the units/employee groups where they were employed if they otherwise meet the eligibility requirements for payment. HR staff will identify any individuals who might fall into this category of employees and we can have those names to you by the end of this week/early next week. If it is necessary for all of the union leaders and management to get together as a group to determine how to administer this arrangement, please contact me.

Thanks, again, for your ongoing leadership efforts and your contribution to our collaborative labor environment and the College's success. I would appreciate hearing from you in the next couple of weeks in response to the above proposals, even if it is just to be informed of the timetable you must follow with your members.