30th January 2015

The Bermuda Trade Union Congress (BTUC) is utterly disappointed with the slander and accusations made by the Honourable Premier, Michael Dunkley JP, MP and the Honourable Minister of Finance, Bob Richards JP, MP on Thursday, January 29, 2015.

The following is the BTUC’s account of the events that took place during the Working Groups meeting Wednesday, January 28, 2015.

The evening began with the Working Group determining the dollar value to be achieved. Mr. Martin Law from the Private Sector Group announced that the amount required was $27 million which meant that the achieved amount was $40 million. Questioned by Bro. Jason Hayward, the Financial Secretary, Mr. Anthony Manders, confirmed that the amount was incorrect and the correct amount was now $22 million. The BTUC calls on the Financial Secretary to confirm or deny this statement.

The Working Group proceeded to examine the Government’s proposal titled Consideration for Additional Savings which we were informed was already agreed to by the Cabinet and equated to approximately $15 million. The Premier referred to the same estimate on “Let’s Talk” Tuesday, January 27, 2015.
The first four (4) items discussed were “caps” on Financial Assistance, Consolidation of Schools, Travel and the Agricultural Exhibition. Recognizing that they were pre-approved items from the Cabinet meeting on Monday, January 26, 2015, the BTUC after some discussion agreed that if these cuts are to be made, it was the Government who must justify its position on these contentious items to the public. The BTUC wondered why the Government needed permission from the BTUC for such cuts. The BTUC realized it was a sad way for the Government to place accountability on the BTUC for their political decisions.

**Cost savings on these items totaled $7.4 million.**

Next, a conversation ensued concerning Overtime. The BTUC recognized that the original cost savings from overtime equated to $2.5 million. After further calculations, it was realized that an additional $2.5 million could be achieved. The proposal consisted of moving double time to time and one-half in addition to the removal of non-essential overtime. The estimated costs were discussed. The BTUC asked the Government team if they felt the proposal was reasonable. **As a result it was agreed that the proposal would amount to an additional $2.5 million in cost savings.**

The next item for discussion was on a hiring freeze for a twelve (12) month period. The BTUC had proposed this item in their original submission.
We looked at the submission in our original proposal of $10 million and felt that the cost savings were understated. This $10 million in savings was understated for two (2) reasons:

1) The original estimate of $10 million was based on not filling sixty (60) percent of the reported three hundred and sixty (360) vacant posts that are funded. This information was presented by Government’s technical officers who were present. We felt that if the hiring freeze was properly implemented, only twenty (20) percent of the vacant posts would be filled. As a result using the following calculation:

\[
\text{(Posts) } \times \text{(Average Salary)} \\
360 \times 66K \times 80\% = 19\text{ Million}
\]

The BTUC realize that this particular estimate would result in savings of an additional $9 million.

The BTUC realized that $66,000 used in the calculation was a low-end estimate as the Financial Secretary confirmed that the average salary in the Public Service is actually $78,000.00. Understanding that the average salary is $78,000.00, the same calculation achieves $15 million additional savings as a result. A total savings range between $9 million and $15 million. The BTUC asked whether our calculations were reasonable; after a brief caucus, the Government team suggested that an amount of $6 million was a more reasonable cost savings.
2) The BTUC realized that there could be additional cost savings when persons leave the Public Service, as those positions would not be filled. However, the Government Officials were not prepared to agree on estimated figures.

The BTUC was confident that an additional $9 million in savings could be achieved through a hiring freeze. However, the BTUC agreed to the $6 million proposed by the Government Technical Officers.

The BTUC discussed that if the Public Service was to be reduced by a hiring freeze and through attrition, naturally, Employee Overhead would be reduced. The Financial Secretary estimated that cost savings would be in the range of $0.5 million.

Dialogue ensued around the Uniformed Services paying fifty (50) percent contributions to GEHI. However it was decided that the Government would have to have that conversation with the Uniformed Services as their Conditions of Service which is legislated would have to be amended.

The BTUC agreed to Government’s proposal that the GEHI contribution that is paid for spouses would increase from fifty (50) percent to seventy-five (75) percent as we recognize that the GEHI is currently underfunded. The cost savings is equivalent to $1.6 million.
The BTUC rejected Government’s proposal of one (1) percent increase in PSSF and it was agreed that this item should be discussed in the Pension and Benefit Working Group meetings under the Public Service Reform initiative, which the Financial Secretary agreed.

At this time the Government group caucused. When they returned to the table, the entire group revisited the proposals line by line. At the end of that exercise, the leader of the Government team, Mr. Gary Phillips, approved the cost savings discussed and indicated that we were successful in realizing our goal. No further proposals were discussed as the Government group was satisfied that the cost saving goals had been achieved.

Acknowledging that the press corps was waiting outside, the Government team was invited to make a joint statement. The Government team indicated that they would prefer to make a statement at 2:00 p.m. Thursday, 29 January 2015. However, the BTUC felt that they were obligated to report the outcome to their Membership immediately. It was at that point, the BTUC 1st Vice President, Bro. Chris Furbert extended an invitation to the Premier to attend this joint press conference through the Government team. The Government team left the room and it was indicated to us that persons would call the Premier. We waited and then received confirmation from the Secretary to the Cabinet, Dr. Derrick Binns that the Premier was not coming. As a result, we proceeded with the press conference.
To be clear, the full proposal to be presented to the Premier and the Minister of Finance included:

- Overtime: $2.5 million
- Hiring Freeze: $6 million
- Cap on Financial Assistance: $5 million
- Schools: $1 million
- Travel: $1 million
- Agriculture Exhibition: $0.4 million
- GEHI Spouse Premium: $1.6 million
- Employee Overhead: $0.5 million

**Total**: $18 Million

These numbers represent a summary of the cost saving initiatives that were discussed.

The BTUC categorically rebuke the falsified allegation and the slanderous remarks made by the Honourable Premier, Michael Dunkley JP, MP and the Honourable Minister of Finance, Minister Bob Richards JP, MP. We call upon the persons who were actually in the room, Dr. Derrick Binns, Mrs. Cherrie Whitter, Mr. Anthony Manders, Mr. Gary Phillips, Mr. Martin Law, Mr. John Harvey and Mrs. Jonelle Christopher to authenticate the accuracy of the above mentioned.

We further call on Mrs. Jonelle Christopher, the Recording Secretary, to release copies of the minutes and the recording to the public.
We once again have come to the table with clean hands, a pure heart and in good faith representing our Members and urge the Government to begin to display a level of respect.

The foregoing has demonstrated that the BTUC met the required cost reductions. Therefore the BTUC reaffirms to its Members that Furlough Days are off the table indefinitely.