

## Contract talks between Chicago hotels, unions "very, very far from settlement"

By Julie Wernau Tribune reporter  
6:26 p.m. CDT, October 23, 2009

The union representing 6,000 hotel workers in downtown [Chicago](#) and 15,000 hospitality workers in the Chicago area said Friday that contract negotiations in this city are "very, very far from settlement."

The contracts for the 31 hotels expired Aug. 31, the first time in a decade that the hotels and the union have failed to reach an agreement near the settlement deadline, a spokeswoman for Unite Here said. The news comes after 3,000 members of that union voted overwhelmingly Thursday to authorize a strike in [San Francisco](#).

"Things have gotten really bad," said Annemarie Strassel, spokeswoman for Unite Here Local 1. "I think that employers see the bad economy as an opportunity to ram through proposals."

Unite Here has focused in on Chicago-based Hyatt after the chain fired 98 non-union Boston hotel workers this September and outsourced the work to lower-paid employees from a company in Georgia. The same month, nearly 195 Unite Here workers and community supporters were arrested at the Chicago Park Hyatt near Michigan Avenue in a protest against hotel cutbacks. Workers in [Long Beach](#), Calif., [San Antonio](#), [Texas](#) and Indianapolis have asked Hyatt neutrality agreement to facilitate organizing efforts, Strassel said.

This year, as in the last contract negotiations in 2006, the union has chosen to negotiate with the large hotel chains separately, rather than as a unified group through the Hotel Employers Labor Relations Association (HELRA). John Schafer, vice president, managing director for Hyatt Regency Chicago, said Hyatt has been diligent in meeting with the union but that negotiations are taking longer because of the arrangement.

Arnie Karr, chief operating officer at HELRA, who has been sitting in on union negotiations with the Hilton, Hyatt and Starwood chains, said a group of smaller hotels is waiting to see how the talks pan out and likely would adopt similar agreements. The main sticking point, he said, is health insurance.

Contracts proposed by the Starwood and Hyatt chains, Strassel said, would render up to 50 percent of workers ineligible for health insurance. Costs for

coverage for the remaining group would increase significantly. "Our folks are housekeepers and dishwashers."

Schafer at Hyatt Regency Chicago, said union employees with salaries starting at \$30,000 for housekeeper have never had to "pay a penny" for health insurance.

"We want our people to have health insurance, we want it to be affordable. With the huge increases in costs over the last 10 years, we're just saying it's time to look at the things a bit differently," he said.

The union is also concerned about overtime. Hyatt laid off approximately 19 percent of its staff at the Hyatt Regency between November 2008 and March 2009. Between December 2008 and April 2009, the same hotel scheduled 46 percent of its staff for overtime, according to the union. Schafer said overtime at the hotel is no higher than it was last year.

The Union lists 19 Chicago hotels at "risk of dispute," and several Chicago-based Hyatt hotels are on the union's list to "boycott."

"The company has made record profits over the last decade," Strassel said of Hyatt. "And of course now that they're going public they're going to be flooded with cash and they're telling workers at the table it's a bad economy."

The Pritzker family; which owns 85 percent of the Hyatt hotel chain; stands to gain \$900 million from a proposed initial public offering of 38 million shares. The chain itself won't receive proceeds from the proposed stock sale, according to the latest prospectus filed with the Securities and Exchange Commission. The company's profits are down materially from last year, but the chain holds very little debt, [SEC](#) filings show.

"If there's work to be done, why aren't we bringing people back to work?" Strassel said. "Of course, it's because the company wants to avoid paying health care benefits."

A vote to strike at Chicago's Starwood hotels is on the table for Monday night and demonstrations are planned. A Starwood spokeswoman did not return a call for comment Friday. A Hilton spokesman was not available to comment on the Chicago negotiations but a statement from Hilton said the chain has a long history of constructive and cooperative relationships with labor unions.

Strassel did not know if the union would strike Hyatt hotels.

"At this point, anything is a possibility. We're very very far from settlement," she said.

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