



GOVERNMENT OF BERMUDA
Budget Reduction Working Group
Meeting 8

Minutes

Date: 28th January 2015
Venue: Bermuda Public Services Union
Time: 7:00 pm

In Attendance: Private Sector Group (PSG)

1. Mr. Gary Phillips
2. Mr. John Harvey
3. Mr. Martin Law

Government of Bermuda

4. Dr. Derrick Binns
5. Ms. Cherie Whitter
6. Mr. Anthony Manders
7. Ms. Jonelle Christopher (Recording Secretary)

Bermuda Trade Union Congress (BTUC)

8. Mr. Chris Furbert
9. Mr. Jason Hayward
10. Mr. Edward Ball Jr.
11. Mr. Shannon James
12. Mr. Michael Charles
13. Ms. Keisha Douglas
14. Mr. Anthony Wolfe
15. Mr. Timothy Seon
16. Mr. Michael Christopher
17. Mr. Atiba Tucker
18. Ms. Molly Burgess
19. Mr. Graham Nesbitt
20. Mr. Louis Somner
21. Ms. Kathy Landy
22. Mr. Glen Simmons
23. Mr. David Bean Sr.
24. Mr. Larry Holder
25. Mr. Carl Neblett
26. Mr. Andrew Harewood
27. Reverend Nicholas Tweed (Observer)

1. Meeting Call to Order

- 1.1. The meeting was called to order at 7:20 p.m. by Mr. Phillips.

2. Preamble

- 2.1. Mr. Phillips started by saying that despite all of the challenges, the group ought to congratulate themselves for where they were. He thanked Mr. Furbert for his confidence in allowing himself and Rev. Tweed to advance the progress of the talks. He appreciated the guidance that was given to structure the earlier presentation to the body outside on the Cabinet grounds. He continued that tonight's exercise was not one to look backwards. He acknowledged that the last time the team was to meet the meeting did not materialize because the Premier and his Cabinet wanted to look at additional savings and has found just that. The Budget Reduction Working Group (BRWG) was meeting to find a solution and was committed to doing so.
- 2.2. Mr. Furbert said that he concurred on behalf of the BTUC (Bermuda Trade Union Congress) and was committed to come to resolution to get the matter resolved. He continued that progress was made when the BRWG last met and he hoped that the group could build on that progress. He said that he was not sure where Mr. Phillips wanted to begin, as he had heard the Premier say that there are about eight options that he wanted the BTUC to consider. Mr. Furbert asserted that at least two needed to stay "over there" because he had heard the Premier say he had an option of six furlough days and one for three furlough days. Mr. Furbert said that he was not sure if there was one option or two and in light of the discussions that had taken place over the last few days, he believed that the BRWG should look at the other options.
- 2.3. Mr. Phillips reiterated that any discussions on furlough would be done as a last resort. Mr. Hayward interjected that the two chairs could drop the diplomacy, and that everyone was at the table respectful of each other, and that there was no reason to be careful with their words. He gave them that freedom to move on. Mr. Phillips asked Mr. Law to share where BRWG was with the dollar amount. Mr. Law said that the target at the start of the working group's assignment was \$67 million in savings and they identified (in round figures) \$35 million in savings. He continued that the \$35 million was made up of two components: \$17 million that was directly attributable to the working group and a further \$18 million that was duplicated in the working group effort and the Department Heads' effort. A further \$5 million was added by the Department Heads which makes a savings bundle of \$40 million from the \$67 million which leaves \$27 million for the BRWG to find now.

3. Review of Considerations for Additional Savings

- 3.1. Mr. Phillips distributed a hand out of the savings that the Cabinet considered called "Considerations for Additional Savings". He read out the items on the list, indicating that the overtime and hiring freeze had already

been discussed. He continued that the Government had decided that it would reduce Financial Assistance from \$50 million down to \$45 million, thus saving \$5 million. He said they had looked at the consolidation of the schools and anticipated a savings of \$1 million. He read that the Government would reduce travel across all ministries by \$1 million. He skipped the next three points on the hand out and read out the last point which was to suspend the Agricultural Exhibition for one year to save \$400,000. He reverted back to the skipped items and read them: the uniform services to pay 50% for GEHI (Government Employee Health Insurance) to present a savings of \$2.9 million; the spouses' premium would move from 50% savings to 75%; and the change in the contributions to the Public Service Superannuation Fund (PSSF) would save \$3.5 million. He said that he did not think that there would be discussion on the financial assistance, schools or travel items and welcomed comments on the uniformed services and the GEHI items.

- 3.2. Ms. Douglas asked if there was any more thought about the consolidation of schools and if he knew what the change would look like. He said that he did not and that the Government intends to work and consult with the BUT (Bermuda Union of Teachers) to effect the changes. He said that discussions on the implementation will be with the BUT. Mr. Hayward asked if the intent was to consolidate both preschools and primary schools. He immediately retracted his question so as not to get labored with the details.
- 3.3. Mr. Manders confirmed that the difference was \$22 million as opposed to \$27 million (that the BRWG would have to find). Mr. Furbert shared that it meant that the BRWG was roughly at \$45 million. Mr. Hayward expressed that the Agricultural Exhibition was "not our fight" and suggested that it be ticked (so as to be no need for discussion). Mr. Phillips suggested that the following be ticked: Financial Assistance, Schools, Travel, and the Agricultural Exhibition. Mr. Furbert calculated that the total found thus far was \$7.4 million.

4. Review of Past Working Group Agreements

- 4.1. Mr. Hayward asked that the BRWG put a hold on the list and revert to the items discussed previously in the working group meetings. He asked for Mr. Manders' feedback to assist with the process.

4.2. Overtime

- 4.2.1. Mr. Hayward said that during the discussion on overtime it was determined that it was a little over \$18 million but because it was budgeted at a little over \$13 million, it was known that it had to be reduced. The BRWG looked at the reduction and said that it would be \$2.5 million but he believed that the reduction could be increased to \$5 million. Mr. Manders asked if the BTUC was considering double time to time and one half and/or time and one half to straight time. Mr. Furbert suggested that the BRWG concentrate on double time to time and one half first and if needed, it could be adjusted later. Mr. Hayward said that the more important focus is the mandatory versus non-mandatory overtime. He suggested putting a freeze on nonessential overtime. Some overtime is mandatory such as holidays and special unit coverage of shifts; however, the civil service overtime is more discretionary except for Tynes Bay and Customs. He suggested adding another \$2.5 million to make it a total savings of \$5 million.
- 4.2.2. Mr. Furbert added that it could be done because in 2013 BIU double overtime was at \$4.9 million; in 2010 it was \$6 million; in 2011 it was \$5.8 million; in 2012 the BIU suggested straight time pay for overtime and the total was \$1.5 million; and in 2013 the double overtime was \$4.9 million. He said that if you analyze the numbers for BPSU the result would be similar. Mr. Hayward added that the BIU was close to \$2.5 million and if the other unions were included, the figure should be doubled. Mr. Furbert said that in 2013 the double time in all departments added to \$11 – 12 million. Mr. Hayward suggested that the ratio be taken from the change in just the BIU number and apply it to all double time to get a figure. Mr. Ball Jr. stressed to Mr. Manders, the importance in arriving at figures so that a resolution can be found. Mr. Manders answered that the figures can be incorporated in the budget but it must be managed in order for the Government to realize the savings. Mr. Furbert confirmed that the calculated number was \$3.5 million to change double time to time and one half. Mr. Hayward called for stricter management of the overtime budget to achieve a \$5 million cut. Mr. Manders said that it sounds practical but he would prefer to be more detailed. The way around it is to set the budget and the Department Heads will have to manage what they have been allotted. Mr. Phillips added that a realistic number based on past history may be applied.
- 4.2.3. Mr. Hayward said that the problem is that the budget was \$13 million and the actual was \$18 million. Mr. Manders explained that Department Heads do not go over on their total salaries budget and that it is obvious that they are using the money attached to vacant posts to pay for overtime. They budget for vacant posts and use the money to hire people or in the case of shortages, they use it to fund overtime. Mr. Hayward summed up the discussion point by saying that \$2.5 million would be applied to double time at time and one half and that the option stands where it can go from time and one half to straight time or time and one quarter if additional funds are required.

- 4.3. Mr. Hayward confirmed that there was \$12 million left to find.

4.4. Freezing Funds for Vacant Posts

4.4.1. Mr. Hayward said that when the BRWG looked at freezing funds, it was based on 60% of all vacant posts but it was his understanding that the position has changed to 100%. Mr. Manders corrected that 60% still stood. Mr. Furbert asked how many positions the 40% represent. Mr. Manders said that it represented \$10 million. Mr. Furbert asked how many posts that number represented. Ms. Whitter added that there are about 360 vacant posts that are funded. Mr. Furbert said that if there are 360 posts and the persons are making \$60,000 per year, that would equal \$21 million. Mr. Manders said that \$10 million was agreed. Mr. Hayward said that \$60,000 was a low estimate. Mr. Manders agreed that the average civil servant salary was \$78,000. Mr. Hayward said that the figure is \$28 million based on the average salary and add 14, it is an extra \$4 million, but he suggested that the group stay at the "low ball" taking the 60% and a \$2.5 million addition. Mr. Manders said that it makes sense but some posts must be filled, like in the case of teachers, it may be more than 50% of teachers that need to be filled. Mr. Furbert asked the amount of people that Government pays, continuing that if it was 5000 people, is it true that 360 people are unaccounted for. Ms. Whitter said that the 360 posts are vacant and funded. Mr. Hayward said that in a fiscal year the Government will not advertise 40% of the positions, therefore, to be safe, the group should leave the percentage at 60% at the salary of \$66,000 and include an additional \$2.5 million at a low estimate.

4.4.2. He added that there is a hiring freeze on non-mandatory posts which would increase the 60% to 70 - 80% since only 20% should be in that significant post category. Mr. Furbert calculated that at 70% it was \$19 million which was an extra \$9 million. Mr. Furbert said that based on the circumstances it was reasonable to say that 30% would be filled and 70% would be left vacant. Mr. Furbert said that the Premier gave a commitment that the Government would be streamlining the civil service through attrition without filling the posts in the next year or two. If one department needs 5% and another needs 2%, then the remainder is not needed. Mr. Hayward said that they could not allocate money to fill posts when there is a hiring freeze, therefore, the 30% presents an extra \$9.6 million. Mr. Manders expressed concern over cutting the budget by \$19.6 million. Mr. Hayward offered to move to \$16 million giving an additional \$6 million. He asked Mr. Manders to provide the logic if he believed that it was not a reasonable estimate. Mr. Manders said that \$13 million would be reasonable. Mr. Hayward said that this was a serious under-estimate. Mr. Furbert charged the BRWG to take the exercise seriously and to be bold enough to attach numbers to the discussion. Mr. Ball Jr. asked Mr. Manders what percentage he would feel comfortable with. Mr. Manders reminded the group that he had already expressed that 40% was preferable. Mr. Hayward said that the group could say that there is a safe \$6 million and if not he invited Mr. Manders to provide the rationale. Mr. Manders agreed to provide the rationale after further testing of the numbers at the Ministry of Finance.

4.5. Mr. Hayward confirmed that there was \$6 million left to find. Mr. Phillips offered to return to the sheet to discuss the last three items. Mr. Hayward suggested that the BRWG complete the current exercise first.

4.6. Employee Overhead

4.6.1. Mr. Hayward confirmed that in the original figure the employee overhead was to increase because of GEHI. Mr. Furbert asked for the number of people that the \$5 million figure was based on. Mr. Manders said that it did not matter because even if people retire, they still get coverage. Mr. Hayward said that Employee overhead can increase from 72 to 77 based on the 5 million but Employee overhead decreases a bit when staffing levels go down. Mr. Manders said that this does not affect GEHI and explained that employee overhead makes up social insurance contributions, GEHI and the pension. He continued that if \$12 million worth of salaries were removed, it would reduce PSSF by \$800,000 and if the service was reduced by 100 employees, social insurance would decrease by \$153,000 per year. Mr. Hayward surmised that \$1 million could be removed from the \$6 million left to find as a result of the expected decrease in employee overhead. Mr. Manders said that GEHI would not fluctuate but if the service is reduced by every \$10 million worth of salaries, then the PSSF will reduce by \$800,000. He continued that the budget is based on the amount of people that are employed not the amount that will be hired; therefore, the service must be reduced in order for the employee overhead figure to be decreased. Mr. Hayward said that the Government is facing two opportunities: genuine retirees and those that opt for the Voluntary Early Retirement Incentive Plan (VERIP). He continued that if the BRWG attributes 50 people that would retire and 50 that would take advantage of the VERIP, then the 100 persons would be enough to remove the \$1 million from the employee overhead. Mr. Manders said that it would be close to it but maybe it should be \$750,000.

4.6.2. Mr. Neblett asked how a ball park figure can be given for the VERIP when it was a plan offered in 2013. He asked how many people took advantage of it. Mr. Manders answered that the amount was 58 employees. Mr. Hayward said that the plan was offered to people who were 64 but this year it would be offered to 55 year olds which would result in a higher amount of people taking the plan. He said that the BRWG should still take the lower number of 50 people. Mr. Manders calculated that 50 people at \$78,000 would affect

the PSSF by \$400,000 - \$500,000 and the social insurance would be decreased by \$150,000. Mr. Hayward accepted that the change in overhead would be \$500,000.

4.7. Mr. Hayward confirmed that there was \$5.5 million left to find that night.

4.8. Police Allowances

4.8.1. Mr. Hayward asked about the allowances regarding the police officers. Mr. Phillips advised that there was no agreement. Mr. Neblett said that there was no conversation. Mr. Hayward confirmed that the items involving the police were not in play. Mr. Phillips advised that there were meetings and correspondence with the police regarding allowances but no agreement had been reached on those items.

4.9. Savings in Energy

4.9.1. Mr. Hayward said that as a result of the energy survey would it be reasonable to reduce by \$1 million or more than that. Mr. Manders advised that \$2.6 million is already factored in.

4.10. Bermuda Tourism Authority Budget

4.10.1. Mr. Hayward asked if the Bermuda Tourism Authority (BTA)'s figure was reduced already. Mr. Manders said that it was already factored in Grants and Contributions but he did not have the breakdown of the BTA figure. He advised that Grants and Contributions rose as a result of Financial Assistance but if the Financial Assistance figure is removed, the figure decreases by \$2 million.

4.11. Cost Shifting of the GEHI Contributions

4.11.1. Mr. Hayward asked Mr. Manders about the cost shifting of the GEHI contributions. Mr. Manders answered by directing him to the handout and advising that the point on "Cost sharing for PSSF: employee rate increases by 1%" refers to the cost shifting. Mr. Manders explained that the point prior to that on the handout was the GEHI spouse's premium that was being proposed as a result of a recommendation from the GEHI Committee, which the unions of the BTUC have representation on, that it rise from 50% to 75%. Mr. Phillips asked if the point could be ticked. Mr. Hayward said that it was a double bang on one family with the 19% increase on health insurance as well so it would be too much. He said that the \$5.5 million left to find could be gained from somewhere else.

4.12. Review of Considerations for Additional Savings

4.12.1. Mr. Hayward directed the BRWG back to the handout to address the remaining points; the first was \$2.9 million for uniformed services to pay 50% for GEHI. He clarified with Mr. Manders that the proposal was that the uniformed services pay 50% which was the same as civil servants. Mr. Harewood advised that the Conditions of Service Orders (COSO) caused a difficulty in agreeing to the proposal. He continued that it presented the same issue as with the pension issue a few years prior. He said that it cannot be taken to the members outside of Negotiations. Mr. Manders said that COSO could be changed by the Minister of National Security who put forward the proposal. Mr. Neblett said that it was understandable but the legislated document requires that the matter be mute until it is taken to the negotiating table. Mr. Manders advised that the Legislation can be changed. Mr. Neblett said that once that is done the figures must be ascertained which was what the Bermuda Police Association (BPA) was trying to gain from Mr. Phillips. He said that without a ball park figure that the Government is looking for then it was a non-starter. A starting point is required. Mr. Manders said that it would be what everyone else pays. Mr. Neblett said that they did not know what everyone else pays. Mr. Phillips corrected that the figure was shared with the BPA. Mr. Neblett said that he was hearing all types of figures: \$300, \$350, \$400 and asked what the correct figure was. Mr. Manders said that it was currently \$276 but it will rise by \$105 over the course of two years: 19% on April 1, 2015 and 19% on April 2016. Mr. Manders offered to send the information to the BPA to which Mr. Neblett responded to please do so because the BPA had been trying to get the information. Mr. Phillips said that a document was sent to the BPA quoting a \$400 figure per office in item four. Mr. Harewood countered that it was also discussed that the members were working off of a 2002 COSO which had not been signed off of from the 2008 changes. Mr. Neblett added that the BRWG was discussing COSO items at the table but that it was inappropriate to discuss them at the table. He continued that the BPA had not discussed the items with the members and could not make decisions. Mr. Hayward agreed that the items were negotiated items but for everyone else health insurance was increasing by 19% in 2015 and 19% in 2016 which was partly subsidizing what they were getting for free. He continued that he respected the position of the BPA but if equity was discussed around the table, it needed to be looked at considering the struggle and how they came collectively together. Mr. Harewood said that there are bigger issues because the 2008 COSO had not been signed. Mr. Hayward asserted that the Government cannot increase benefits when there are some who are still not paying at all. He said that he mentioned it in Cabinet and that Minister Richards indicated that he understood. Mr. Phillips said that it was why it was on the table. Mr. Hayward asked if it was the right forum for the conversation or whether or not another conversation had to be had. Mr. Phillips said that the police could not consistently hide behind items being negotiated items

because overtime was a negotiated item but yet there has been some agreement on it. He furthered that it was unfair that the BPA could not move on an item on a temporary basis on an issue like what was proposed. Mr. Neblett said that with all due respect, the two police officers at the table could not make a decision around the table without addressing the body.

- 4.12.2. Mr. Phillips asked what the Prisons could do to add to the conversation. Mr. Seon said that at that point they were looking at the overtime but in terms of the benefits, he would have to go back to his membership. He continued that previously with Ernst & Young, the Prisons were the last of the Government departments to get an increase of 1.2, 1.5, then they joined the BTUC to give up the 5% furlough. He stated that if the benefits were taken it would put them in a state equal to the furlough.
- 4.13. Mr. Ball Jr. suggested a caucus with the BTUC. The PSG and the Government team left the room. When the PSG and the Government team returned to the room at the end of the BTUC caucus, Mr. Hayward resumed the discussion.
- 4.14. Mr. Hayward said that people will leave the service naturally and that transitions must have a dollar value. He continued that number 6, Hiring Freeze is recorded without a dollar amount. Mr. Phillips asked if they could realistically budget for that. Mr. Hayward acknowledged that it could not be budget for but the BRWG could return to the unfunded vacant posts and take the \$19.6 million and say that it will be a combination at 70%. He reminded the BRWG that they had agreed to only \$6 million instead of \$9.6 million and charged Mr. Manders to provide the justification if it was unacceptable. Mr. Manders said that they would have to look at every vacant post to decipher the need because some departments have consultants in the vacant posts that are needed like the DPP's Office.
- 4.15. Mr. Hayward added that there are persons on temporary additional relief contracts and asked the effect on the numbers. Mr. Somner said that he saw two on the job that weekend: two Parliamentary Counsels one year contract and one Senior Auditor on a two year contract. Mr. Ball Jr. said that this was correct.
- 4.16. Mr. Hayward maintained that the other items had definite attached costs but they cannot be estimated or put in the budget. He said that what could be done is to combine it with other costs that can be estimated. He suggested that \$3.6 million be taken off of the \$5.6 million which leaves the BRWG with 1.9 million to find. He said that once the hiring freeze is put in place, there will be an instant change in the levels. It has additional costs relating to having less individuals, which cannot be budgeted for such as training and materials and supplies. He said that the average salary is \$78,000 but it was calculated at \$66,000. If it was calculated at \$70,000 at 80%, we are home.
- 4.17. Mr. Furbert suggested that Mr. Phillips take a caucus with his team to find out whether the BRWG was close enough. He said that the Premier mentioned on Monday that if they were \$4 – \$6 million short it would not be an issue. He said that based on the conversation the group was only one million short. Mr. Hayward added that the hiring freeze was a biggie and that it helped the group make the budget. He said that the unions would support the hiring freeze 100% and when there is push back by the Department Heads and others tell them to talk to their union.
- 4.18. Mr. Phillips asked to discuss the PSSF benefit. Mr. Hayward said that they could not move on another benefit because there are persons still not contributing and it was not necessarily needed. In addition, Mr. Hayward said that there is a working group already assigned to it. If the pension fund is in trouble then it does not have to be negotiated but it should be discussed based on actuary studies. If there is a point where members must pay more than the increase should be arranged so that they are actually helping the plan and not just the Government. The shift does not help the plan, it only helps the Government. Mr. Manders agreed that the shift helps the Government to balance the budget but does not help the plan. Mr. Hayward indicated that the BRWG was successful in reaching the target.
- 4.19. Mr. Phillips asked to go through the figures again. Mr. Hayward broke down the figures as follows:
- \$22 million – starting point
 - \$5 million – 5% reduction in Financial Assistance
 - \$0.4 million – Suspension of the Agricultural Exhibition
 - Takes us to \$14.6 million
 - \$2.5 million – Overtime based on history and the management of mandatory versus discretionary overtime
 - Takes us to \$12 million
 - \$500,000 – Employee Overhead
- 4.20. Mr. Hayward added \$9.6 million – Hiring Freeze. Mr. Manders expressed reservation on removing 9.6 million for a hiring freeze. Mr. Hayward asked for the justification behind his angst. Mr. Furbert asked the length of time that the vacant posts had been empty. Mr. Manders said that the numbers were from October/November 2014 and that some posts had been filled since at a level of \$14.5 million. Mr. Hayward recapped that \$6 million was the based but there was a huge amount of funds that could not be accounted for like the temporary additional that would not get renewed contracts, people who will be leaving the service,

costs associated with having less employees. Mr. Manders said that \$20 million is too aggressive. Mr. Hayward suggested \$6 million plus \$2 million for associated costs that could not be budgeted for.

\$6 million – Hiring Freeze

\$2 million – Additional costs associated with each employee that leaves

- 4.21. Mr. Hayward asked Ms. Whitter the number of temporary additional reliefs to which she responded approximately 300. Mr. Hayward said that if the BRWG agrees that 200 temporary additional reliefs are on three month contracts that will not be renewed due to the hiring freeze, the BRWG has finished the exercise and found the savings. Mr. Ball Jr. said to remember that there were things that the Government had to do legislatively.
- 4.22. The PSG and the Government team took a caucus and left the room. When the PSG and the Government team returned to the room at the end of their caucus, Mr. Phillips resumed the discussion.
- 4.23. Mr. Phillips said that, first of all, let me say, we think we are there based on the following. He asked the working group to refer to the document that was handed out while he itemized the savings. He said, "I will itemize the savings that we see as being reasonable for us and I preface that by saying, we're there. But just remember that we have to manage this process." He continued that the first item which was not on the sheet was the \$500,000 that the BRWG identified for employee overhead benefits. On the typed sheet the overtime talked about and agreed that we would look at an additional \$2.5 million that would bring it up to \$5 million in total. We have lumped together the hiring freeze, early retirement and vacant posts. We cannot accept and do not see as workable the \$19 million and have reduced it to \$6 million in addition for a total of 16 million. For early retirement we will need your assistance in selling that to your membership agreed? Agreed. Below the yellow line we have accepted the \$5 million (for Financial Assistance), \$1 million for Schools, \$1 million for travel, \$1.6 million for GEHI spouse's premium, and the \$400,000 (to suspend the Agricultural Exhibition). That is a total of \$18.5 million. All were reminded that all potential savings would have to be stress tested to prove or disprove them.
- 4.24.
- 4.25. Mr. Neblett asked Mr. Phillips about the figure for early retirement. Mr. Phillips reiterated that it was a part of the additional \$6 million of lumped in items.
- 4.26. Mr. Phillips added, "We will work with the uniformed services on the GEHI contributions.
- 4.27. Mr. Phillips said that what was agreed needed to be typed. Mr. Ball offered that an office was ready below, including a printer.
- 4.28. Mr. Harvey questioned Mr. Hayward if he would not make a statement to the press who was outside. Mr. Hayward said that the interest of the press was furlough and there is no furlough. Mr. Phillips declared that he would not be dictated to or controlled by the press. Mr. Ball Jr. announced that everybody in the room was bound to secrecy and we will stick by it. We are not doing this exercise as a show. Correct. They got their interview, they know what are targets were, lets just leave it as that. OK. There was some inaudible discussion. Mr. Hayward said that the details would not be discussed but the media is out there and we have to tell them that there is no furlough.
- 4.29. Mr. Phillips asked if what was agreed needed to be ratified by the BTUC membership on any of the issues. Mr. Furbert indicated that as long as there were savings, and there was no furlough, ratification was not needed.
- 4.30. Dr. Binns said that he would prefer that no discussions be done with the press until his principles were advised on what had been accomplished. Mr. Hayward asked if he could do this before he left. Mr. Martin said that it may have to be done as a face to face. Mr. Hayward retorted that it is complicated because it was promised that the BTUC would not leave the room until the savings were found and there was no furlough. He continued that they could say now that based on the work done, furlough was off the table. He offered that if Dr. Binns talks to his principles and they want to come back to the table to talk about items that would be fine but it would be understood that they would not be talking about furlough. He concluded that anything else would be nickel and diming. Dr. Binns asked why it had to be done right his minute. Ms. Douglas answered because there will be unrest. Mr. Charles added that the BTUC told them that they would do this. Mr. Hayward continued, people stayed on the streets for three days based on a furlough issue and to walk out of the meeting with no comment would be completely unacceptable. He said that there is no furlough, case closed. He continued that even Dr. Binns' principles want to talk further, it was known that we are close enough to where there was no furlough. There was some inaudible discussion. Mr. Hayward declared that, "this was not a working group with terms of reference and we are bound to this and that, I am saying what I have to say when I leave this room, regardless." Mr. Ball Jr. suggested that the PSG and the Government team take a caucus and discuss with their principles. Mr. Phillips replied, "Yes."
- 4.31. The PSG and the Government team went to caucus at 10:33 p.m.

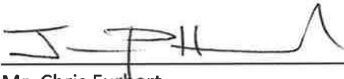
5. Resumption of Meeting After Caucus No. 3

5.1. The PSG and Government teams returned to the meeting room at approximately 11:00 p.m.; however, no one from the BTUC team was present.

Signed,



Mr. Gary Phillips
For the Private Sector Group



Mr. Chris Furbert
For the Bermuda Trade Union Congress

June 2, 2015
PF

GP/CF/jdc