

# 'Retro' Robber Baron: Mayor Tells Unions No Back Pay in Pacts

By RICHARD STEIER | Posted: Monday, May 7, 2012 4:30 pm

Mayor Bloomberg transformed a routine Executive Budget presentation May 3 into yet another challenge to longstanding collective-bargaining practices when he declared that he would not grant pay raises retroactively and believed whoever succeeded him in 2014 would be in no position to do so either.

His remarks came at the start of a question-and-answer session with reporters after laying out a budget proposal not markedly different from his preliminary spending plan early this year, with one notable exception being the intention of hiring 2,600 Teachers to replace those who had left the system during the fiscal year that ends June 30.

## Discounts 'Retro Time Bomb'

A reporter for WNYC-Radio, Bob Hennelly, noting that the budget did not set aside money for retroactive employee pay raises even though Teachers are working under a contract that expired 2½ years ago and the wage pacts for Police Officers and Firefighters ran out 21 months ago, asked whether he was concerned about a "retro" time-bomb that could explode on him or the next Mayor.

Mr. Bloomberg questioned that premise, saying, "I think it's clear down the road that no administration is going to do retro pay," even though, with occasional exceptions during times of fiscal crisis, retroactive pay hikes have been a standard feature of municipal-union pacts, sometimes providing several years of back wages to the affected employees.

"It's true that it's been done in the past," Mr. Bloomberg acknowledged, "but I don't think there's going to be extra money to do that. I think the unions recognize that."

Not necessarily. United Federation of Teachers President Michael Mulgrew, who has given indications he may be willing to wait on a new Mayor rather than negotiate with Mr. Bloomberg despite the fact that his members' last pay raise took effect more than 42 months ago, was somewhat reserved in his reaction, saying in a statement, "We intend to do our collective bargaining at the bargaining table.

"But," he added, "to set the record straight, the issue of retroactive pay has been a feature in law and practice in New York City for decades. As recently as fiscal 2008 the city paid more than \$200 million in retroactive pay to police officers, and even the UFT's first two contracts with Mayor Bloomberg included retroactive pay." (Two subsequent deals the union reached with City Hall, at a time when relations between the two sides were far better, came well in advance of contract deadlines.)

### **'Retro' Crucial to Labor Peace**

There have been occasions where Mayors have negotiated deals well past contract expiration dates that began with wage freezes. They include Mr. Bloomberg's April 2004 pact with District Council 37 that was retroactive to July 1, 2002 and provided a \$1,000 bonus but no wage increase in its first year, and then-Mayor Rudy Giuliani's agreement with DC 37 late in 1995 that was retroactive to that July and began with a two-year pay freeze.

But the expectation that except in extreme circumstances wage increases would apply retroactive to the start of a contract has been an important element of peaceful labor relations between the city and its unions since the beginning of formal collective bargaining more than 45 years ago. In contrast, between 1966 and the present, there have been three transit strikes by Transport Workers Union Local 100—which after the first one bargained with the Metropolitan Transportation Authority rather than the city—when replacement deals could not be reached on or shortly after the expiration date of the old contract. (Since a 2005 strike ended badly for Local 100, it has moved away from its “no contract, no work” policy.)

Communications Workers of America Local 1180 President Arthur Cheliotos said that the Mayor's claim that the city was unable to afford retroactive raises had validity only because “he clings to a tax policy that allows the people at the top to take in most of the income and not pay a lot of taxes. You can't balance the budget [and afford raises] because you're not getting money from the people who have it.”

### **'Changing Rules As We Go'**

Correction Officers Benevolent Association Norman Seabrook also seemed less understanding of the Mayor's position than Mr. Bloomberg had suggested, saying, “He's looking to change the rules of engagement as we go along. It's almost like here we go again with the unions being the bailout package for the city. I'm not going to go along with it.”

In an echo of union leaders representing skilled-trades workers who have sued over Mr. Bloomberg's elimination last month of a 118-year-old process for setting their wages based on private-sector salaries for related jobs, he said he would go into court to ensure that any raises negotiated carried retroactivity, adding, “Past practice is very important.”

Mr. Seabrook, who was one of only two union leaders who endorsed Mr. Bloomberg when he first ran for Mayor in 2001, then added, “If he wants to go out with a bang, he will if he tries s--- like this.”

The early front-runner to succeed Mr. Bloomberg, City Council Speaker Christine Quinn, was more circumspect in her comments. Distinguishing between her government role and her prospective one as a mayoral candidate, she told reporters, “I think I'm gonna stay right in the negotiations on the Executive Budget and take things one step at a time.”

## **Fire-Co., Social-Service Qualms**

She made clear that the Council has reservations about two standard reductions that are once again features of the Mayor's spending plan: the closing of 20 fire companies and reductions in social-service programs, in this instance focused on the elimination of after-school programs and day-care seats.

While applauding the Mayor's decision to include funding to hire 2,600 classroom Teachers to fill vacancies, Ms. Quinn said, "I am deeply concerned about cuts to child-care programs. Two major programs, Early Learn and Out-of-School Time, have suffered unacceptable proposed cuts and if those cuts were implemented, they would create tremendous disruptions for families, communities and providers."

The Mayor had pointed out in the City Hall Blue Room that "we have the lowest number of deaths by fire since we began keeping records" in 1916. "I think there's no question that if you sat down with a map and decided to site firehouses, it would be very different" than what has existed for more than a century.

"The issue is," he continued, "do we believe that we can keep the city safe? That's the job, that's where we want to focus. How we do it is less material."

Ms. Quinn pointed out that in each of the past two budget negotiations the Council had rescued 20 fire companies from the chopping block and that "we have not closed firehouses under my administration," spanning six-plus years as Speaker.

## **Mayor: What Subway Crime Rise?**

The Mayor's spending plan does not provide for additional police hiring beyond attrition replacements even though crime has been increasing in several categories. He dismissed a question about a rise in subway crime and iPhone robberies, insisting, "There is virtually no crime" in the subways. He said auto theft and murder were the most-reliable barometers of a crime problem and there were reductions in both areas so far this year.

Ms. Quinn was less sanguine. She said the Council over the next six weeks before reaching a budget deal would be examining the size of the police force, which has dropped by more than 6,000 uniformed officers since the last year of Mr. Giuliani's administration even though increased anti-terrorism activities have left fewer cops available for anti-crime work. And when asked about several colleagues having recently joined with DC 37 in urging the hiring of more civilian workers at the Police Department to perform duties now handled by uniformed officers, she said that civilianization "has been a budget priority for us. I believe we should do everything we can to get police officers out from behind desks."

## **PBA: Mayor's Head in Sand**

Patrolmen's Benevolent Association President Patrick J. Lynch was particularly displeased with the Mayor's lack of police hiring and his claim that there was no serious crime problem. "Losing a cell phone or an iPad at gun- or knife-point, or even just the threat of violence, is a devastating event for a working person both financially and emotionally," he said in a statement. "There are simply not enough police officers on patrol in our neighborhoods and subways to maintain safety. We need more police officers and we need them now, and anyone who doesn't see that has his head in the sand."

Both during his budget presentation and in response to reporters' questions, Mr. Bloomberg took shots at the state and Federal governments on issues of both fiscal responsibility and policies that had reduced aid to the city.

He noted that the state's having scaled back its share of education funding for the city from 49 percent when he took office a decade ago to 40 percent now has forced his administration to spend an additional \$2 billion annually. As to future aid from Washington, D.C., he remarked, "I don't know that anybody can predict what the Federal Government is going to do other than to kick the can down the road. That's what they like to do. We balance our budget. The Federal Government doesn't do that; the Federal Government prints money."