

Mayor Seeking Union Pension, Seniority Concessions

Mayor's Agenda Puts Unions in Crosshairs On Pensions, Layoffs

■ Threat to Withhold Raises To Gain Reforms Called Illegal by Key Leader

Posted: Monday, January 24, 2011 5:00 pm | Updated: 3:46 pm, Mon Jan 24, 2011.

By DAVID SIMS |

Whatever optimism was contained in Mayor Bloomberg's Jan. 19 State of the City speech pivoted on bad news for public employees, as he proposed solving economic problems by raising the retirement age to 65 for non-uniformed workers, making pension negotiations part of the collective-bargaining process and eliminating the reverse-seniority layoff system in the Department of Education. He vowed not to grant any pay raises that weren't accompanied by measures to reduce city pension costs.

Unions Furious

Public-employee union leaders swiftly condemned these proposals, with United Federation of Teachers President Michael Mulgrew calling the speech "disgusting" and District Council 37 Executive Director Lillian Roberts saying he had "taken the low road...in attacking city workers and the modest \$17,000-per-year pensions they've acquired after making contributions during decades of dedicated service and sacrifice."

"The Mayor's State of the City address usually is one of hope and looking forward to solving some of the city's problems," said Municipal Labor Committee Chairman Harry Nespoli in a statement. "That was not the case today with regard to the city's workforce."

Undaunted by labor's reaction, Mr. Bloomberg the next day said if the city did not get those reforms, it might have to lay off as many as 10,000 employees.

The pledge to make no contract agreement containing a pay raise without the affected union accepting pension concessions was particularly controversial, with State AFL-CIO President Denis Hughes contending that it constituted a violation of the state Taylor Law.

"From a legal sense, it's a clear improper practice. It's called 'failure to bargain,'" he said in a phone interview the day after the speech. "I just don't know how he's gonna get this to happen."

'Poisoned His Own Well'

Asked if he believed Mr. Bloomberg seriously expected to carry out that pledge or was using it as a negotiating strategy, Mr. Hughes replied, "I would hope that it was a tactic to get people to cooperate with him, but I'm just surprised by the way he put it out. I've never seen anybody spoil their own well quite like that."

Most municipal labor contracts expired last year (the UFT's ran out in the fall of 2009) but bargaining has been virtually nonexistent because the Mayor has insisted there is no money for raises unless the unions provide equivalent concessions.

The speech, delivered at the newly renovated St. George Theater in Staten Island, mostly focused on rejuvenation and hope for the city as it emerged from the recession, but Mr. Bloomberg spent a long portion of it discussing the sacrifices city workers would have to make for the sake of the budget.

"I've always believed city workers deserve a safe and secure retirement," he said. "But right now, they receive retirement benefits that are far more generous than those received by most workers in the private sector—and that provide for a much earlier retirement age. It would be great if we could continue to afford such generous benefits, but we can't."

Piggybacking on Cuomo Push

He said he would capitalize on Governor Cuomo's campaign for pension changes in Albany. Most of the Mayor's proposals will require

action by the State Legislature.

“We’ll seek a new tier for employees hired in the future that would raise the retirement age to 65 for non-uniformed workers,” he said. “I want to protect our existing workers, but we just cannot afford for new workers to pay these kinds of benefits.”

He also wants to “overturn the state law that prohibits the city from negotiating pensions as part of the collective-bargaining process,” which would free the city from having to petition Albany for changes in the future. “Pension and health-care benefits are a substantial part of a city employee’s compensation, and so it only makes sense they should be part of the collective-bargaining process.”

He also devoted a portion of his speech to education changes that former Schools Chancellor Joel I. Klein had demanded: eliminating reverse-seniority, also known as “last-in, first-out,” for layoffs, and limiting the amount of time Teachers can spend in the Absent Teacher Reserve, a pool of Teachers whose schools or programs were eliminated and who have not been able to find new work.

Posturing Against Himself?

Mr. Mulgrew said in a phone interview that the Mayor had mischaracterized the issues in his speech. “The idea that the Mayor needs to go to Albany to get released from the ATR pool when it’s something he negotiated in the 2005 contract, I mean, it’s absurd,” he said. “He could do that right now, and he just refuses to do it. I was laughing when he said it.”

He called on the Mayor to designate excessed Teachers for permanent jobs rather than having them work as substitutes, and lambasted the idea that ATR Teachers do no work at all. “These Teachers are all working,” he said.

On reverse-seniority layoffs, Mr. Mulgrew said changing the system to one where higher-paid veteran Teachers could be fired without cause would set a bad precedent. “The biggest crisis we face is losing Teachers,” he said, referring to the fact that 50 percent of city Teachers leave the profession within five years. “Now we’re saying we should be able to get rid of you because you spent your life dedicated to working with children.”

‘Good At Mischaracterizing’

He also dismissed the Mayor’s call to have pension changes be part of collective bargaining, rather than decided by state government. “When we negotiate pensions, we negotiate them with the city, and then we go together to Albany to support the legislation,” he said. “It’s just an outright lie. He’s pretty good at mischaracterizing; he did a lot of that yesterday.”

Ms. Roberts said in a statement, “How can the Mayor speak of slashing vital services, laying off workers, cutting retirees’ pensions and benefits when his administration has squandered billions in taxpayer dollars on outside contracts that pay consultants six-figure salaries—more than most public employees would make in a lifetime?”

“The Mayor needs to start a dialogue with the unions,” she added. “Public pronouncements do not bring about any meaningful change.”

Mr. Nespoli said, “The message instead was one of no contracts unless there are concessions, fewer benefits for new hires, and other changes that diminish the value of the job. Lowering benefits, changing layoff seniority for Teachers, and returning civil service to the Tammany Hall era will not produce one job.”

CWA Leader: Target the Rich

Communications Workers of America Local 1180 President Arthur Cheliotos slammed the Mayor’s focus on civil servants pledging not to raise taxes any higher because “our taxes are already too high.”

“Taxes are too high for the middle class, but they’re not high enough for the rich, the top one percent,” he said in a phone interview. “If you’re earning between \$60,000 and \$70,000 a year, [people in that category account for] 12 percent of all the income, that accounts for 14 percent of all the taxes collected. That’s inequality,” he said.

“You start reducing pensions for people, you start reducing their salaries, and they can’t pay their mortgages, there’s going to be foreclosures all over the city,” he added. “Is that going to raise the property values overall? We need to start thinking a little bit.”

The Governor called the Mayor's speech "an innovative and realistic agenda to position his administration to aggressively address the critical challenges facing New Yorkers," saying "he rightly recognizes that government has to do more with less and that during these difficult times, tough choices and sacrifice are required" and pledging to work with him.

Liu: He Forgot the Consultants

Most city elected officials were less enthused. Comptroller John C. Liu said in a statement, "While there was surprisingly no mention of reining-in the cost of expensive consultants, the Mayor did include an important discussion of containing pension costs. I wholeheartedly agree with the Mayor's sentiments that government must live within its means."

Council Speaker Christine Quinn did not mention the civil-service portion of the speech, saying in a statement, "The Mayor today took a responsible and forward-thinking look at the state of New York City...it was important to me that the Mayor focus on the economy, job growth and the budget. I am pleased to see that he did."

Manhattan Borough President Scott Stringer, a close ally of the UFT, said the speech laid out "a thoughtful agenda" but added, "It is not enough just to ask Albany for a wish list of changes...bold pronouncements absent a collaborative plan of action will result in more of the same."

When asked about the Mayor's pensions proposals, Mr. Stringer responded in a statement, "If we are to make real progress on these and other fiscal challenges, we must all first agree to support a serious, deliberative process that examines all factors of our concern. If we want to achieve results, we must begin by negotiating in good faith with all sides, and bring all parties to the table. We can't bring about change on this issue by making threats and issuing ultimatums. New York's fiscal challenges are too serious for us to go down that path."

