

## Editorial: That 'Retro' Time Bomb

**RICHARD STEIER | Posted: Friday, December 28, 2012 4:15 pm**

The Independent Budget Office last week merely reminded us of an uncomfortable fiscal fact that has been lurking for at least the past eight months: the huge future hit the city faces because of Mayor Bloomberg's refusal to settle a contract with the United Federation of Teachers that would honor the pattern he negotiated with most other municipal unions for a similar time period.

UFT members are working under a pact that expired 39 months ago. That gap is not unprecedented in this administration, which had a longer lag with the Patrolmen's Benevolent Association, but there are two major differences.

One is that the delay has occurred primarily because Mr. Bloomberg has walked away from the pattern he set with other unions covering a period starting in 2008, saying the city no longer can afford to grant the same four-percent wage hikes. Considering his insistence over two PBA arbitration battles that any deviation from established pay patterns that went in the union's favor would deal a crippling blow to the collective-bargaining process, he's shown a remarkable ability to talk out of both sides of his mouth.

The second—and this is at the heart of the problem underscored by the IBO report—has been his insistence, ever since he was asked at a budget press conference in early May about the looming “retro time bomb,” that he would not be attaching retroactivity to any pay raises his administration negotiated because that, too, had become unaffordable.

This argument conveniently ignored the fact that retroactivity had long been the glue stabilizing the city bargaining process, since without it no union would have willingly let a contract deadline pass without exerting whatever pressure it had available to ensure that its members would receive a full raise for each year of a pact regardless of when it was reached. Mr. Bloomberg had evaded that tradition once before, eight years ago under a deal with day-care workers. While the city funded the pay increases, they were actually paid by the private contractors that were the employers.

This was a particularly deplorable move given that he had paid tribute to those employees as vital though underpaid before screwing them over, using the justification that while the retro money had originally been part of the city budget, it was diverted for other purposes by his predecessor, Rudy Giuliani. We questioned at the time the municipal labor movement's willingness to permit this weasel move without raising a stink, and it's come back to bite the unions in the present bargaining slog.

Given his pronouncements, it should be no surprise that the other city unions have not tried to engage in serious contract negotiations with the Mayor, even though in most cases their own deals are at least 29 months out of date. The IBO estimated that the retro tab could go as high as \$5.4 billion by June.

We would expect that all city unions in considering endorsements in the mayoral race will insist that their candidate pledge to honor existing bargaining patterns and the long tradition that pay raises carry retroactivity. As to the incumbent, who has become increasingly concerned about his place in the city's history, he has put himself in the undesirable position of being remembered in the mold of Robert Wagner and John Lindsay, two Mayors who passed along to their successors huge fiscal obligations by failing to address the issues while they were still in office.