

TWU Pact: Modest Raises, But Worthwhile Benefit Gains, No Work-Rule Changes; Stretch Pay Scale for 'Unborn'

By SARAH DORSEY | Posted: Monday, April 21, 2014 5:15 pm

Two years of hard-line rhetoric and plodding negotiations were swept aside April 17 as Governor Cuomo sat at a table with union and Metropolitan Transportation Authority leaders in midtown Manhattan to announce a proposed five-year contract that grants 8-percent raises—without work-rule changes—to 34,000 transit workers.

In exchange, Transport Workers Union Local 100 members, if they ratify the pact, would pay a half-percent more of their base salary toward health-care contributions, and new workers would spend five years, not three, in their titles before earning top pay.

Better Than State Deals

The deal sharply departs from the MTA's steady demands over the last two years for “three net zeroes”—no raises without work-rule changes—which Governor Cuomo in 2011 secured in state-employee contracts under the threat of 10,000 layoffs.

Instead, workers will receive 1-percent raises retroactively for 2012 and 2013, and 2 percent for each of the next three years, which compounds to 8.25 percent. Their health-insurance payments will rise to 2 percent of base salary.

The union's executive board approved the pact in a late-night session Apr. 17 with a vote of 33 to 0, with two abstentions.

“It's a tremendous victory,” Local 100 President John Samuelsen told THE CHIEF-LEADER, calling the contract's new medical and death benefits and parental leave “precedent-setting.”

“They were looking for a combination of three big concessions: one-person train operation, part-time Bus Operators and station privatization,” he said. “We fought off every one of those demands and then delivered wage increases instead of zeroes. We were in a fight that had the ability to actually badly harm this union, and the wage increases aren't the greatest in the world, but the overall economic value of this package is significant, especially considering the state pattern.”

Won't Keep Up With Inflation

Mr. Samuelsen had all along called for raises to at least keep up with increases in the cost of living. According to the Independent Budget Office, it falls short of that goal. Annual inflation

rates in the New York metropolitan area went up 2 percent in 2012, 1.7 percent in 2013 and are expected to rise 2.1 percent this year and 2.9 percent in 2015, as interest rates rise. Raises for that period would total 6 percent

The deal also falls short of the 17-percent raises over six years that a Federal mediation panel recommended late last year for Long Island Rail Road workers. That proposed award, which required those employees to pay 2 percent of their salary toward health-care premiums but did not stretch out the pay scale for new workers, was rejected by the MTA board, with Mr. Samuelson among those vociferously criticizing it for doing so.

Governor's Late Role

The agreement with Local 100 reportedly arrived after weeks of one-on-one conversations between MTA Chairman Thomas Prendergast and Mr. Samuelson followed by a flurry of behind-the-scenes deal-making among the two sides and Governor Cuomo over the final couple of days.

As recently as December, the MTA board stated in its financial materials that failing to achieve the net zeroes would strike a “devastating blow” to its capital plan, boosting deficits by \$1.2 billion over four years and likely triggering new fare or toll increases.

On Thursday, however, Mr. Prendergast said subway, bus and bridge costs would be unaffected. Two scheduled fare increases in 2015 and 2017 will go through at the planned levels.

‘Fair for Employees’

“What we have here is a fair wage settlement for employees,” he said. “Most importantly, no impact on fares, and it’s an agreement that is consistent with our financial plan and outline.” He added that the agency would continue to try to bring back the services cut in 2010 by then-Chairman Jay Walder and to add new ones.

He sounded frustrated when a reporter asked how raising wages without revising work rules fits with his “net-zero” ethos.

“Well, we’re not at three zeroes,” he said. “But we’ve got a deal that lives within the financial plan—and that’s the most important thing.”

The agency bitterly fought an arbitrator’s 2009 ruling giving the union a 3-percent raise in the last year of its previous pact, citing the recession’s toll on dedicated taxes and fees. Since then, revenues have begun to climb, though the MTA often notes that pension and health-care costs are among its biggest new expenses each year. A year ago, when tolls went up and fares were hiked 7.5 percent, MTA Budget Director Douglas Johnson told the City Council Transportation Committee that the new revenues only covered about 71 percent of pension and health-care

increases.

'Cuomo Intervention Vital'

Mr. Samuelsen told this newspaper last week that talks with Mr. Prendergast had begun to gel after March 25, when union officials brought more than 1,000 supporters to Albany to meet with a slew of lawmakers. On April 16, the union leader sent a letter to Mr. Cuomo requesting that he intervene in the talks.

Mr. Samuelsen insisted that the push for the agreement was spurred by himself and Mr. Prendergast, however.

Of Mr. Cuomo's role, he said simply, "And I think the intervention of Gov. Cuomo is a very real thing in ways I'm not even going to go into...I don't want to get into anything that Cuomo did or didn't do, but I will tell you that he intervened in a positive way."

If ratified by the MTA board and the local membership, the deal will include what the union leader called "dramatic increases" in funding for both optical and dental benefits, the latter having long been a sore spot for Local 100 members. Mr. Samuelsen said during the interview that the new, better-funded dental plan means "we're getting out of a clinic atmosphere and into the dentist's office." Many dentists opt not to accept transit workers' insurance because it doesn't reimburse them well, a union spokesman explained.

Parental, 'Death' Gains

The pact would also provide, for the first time, two weeks' paid maternity and paternity leave. Line-of-duty death benefits would increase from \$100,000 to \$250,000; benefits for other deaths would jump to \$25,000 from \$5,000, a sum that Mr. Samuelsen said has been constant since the 1960s. The spouses of retirees who pass away will also see a new benefit: lifetime medical coverage until they reach Medicare age.

"That was an injustice that I was determined to correct," Mr. Samuelsen said. "That's a very costly item to the company."

The deal also gives transit workers a "universal pass" that allows them to ride for free on other MTA subsidiaries such as the LIRR and MetroNorth if they commute from Long Island or Westchester.

Mr. Prendergast declined to give details about how much the raises would swell operating costs each year, but in 2012, the agency demanded \$150 million in savings from the union for each year that wages rose 1 percent.

Mr. Cuomo called the pact "fair on the financial terms," and added that it's "also innovative in

some of the developments for the employees and their families that takes into consideration the challenges that people are facing today.”

‘Better Economy Now’

When asked what had changed since his 2011 deals with the Public Employees Federation and the Civil Service Employees Association, the Governor said, “Well, I think we are at a different time. When you negotiate a contract, you negotiate a contract in that economic circumstance. This state was in a much, much different economic circumstance four years ago. I became Governor, I walked in the door we had a \$10-billion deficit; today, the state has basically a \$2-billion surplus. So that is a much, much different situation, I can tell you that.”

Mr. Prendergast acknowledged that the higher health-care contributions and the stretched-out pay scale won’t cover the entire cost of the raises, and it is unclear how much if any extra money the state will kick in. Director of State Operations Howard Glaser noted that Albany subsidizes \$4.3 billion in MTA costs each year and just added \$85 million in this year’s budget.

Former Local 100 President Sonny Hall declined to comment on the specifics of the pact, but said that to achieve a deal with two years of retroactive raises is in itself “a great accomplishment.”

‘An Excellent Result’

“I think that’s an excellent result...especially under the pressure that any public-employee union has been under for the last four or five years,” he said.

He expressed no surprise that Governor Cuomo had played such a public role in the announcement.

“The MTA is totally under the demand of what the Governor of the State of New York wants and doesn’t want,” he said, later adding, “There is absolutely no doubt in my mind that every word of this agreement, whatever it is...

is approved and put in place by the Governor. They’re following his lead; he’s not following their lead.”

Rider advocate Gene Russianoff of NYPIRG’s Straphangers Campaign congratulated the parties and praised the announcement that further fare hikes weren’t expected, though he reserved judgment until seeing the final contract, explaining, “The devil is always in the details.”