

# DC 37 Pact Would Provide 10% Raise Over 7 Years, Possible Gainsharing

By DAN ROSENBLUM | Posted: Monday, July 7, 2014 5:00 pm

Four years after the contract for the city's second-largest municipal union expired, Mayor de Blasio and District Council 37 announced a "landmark" bargaining agreement July 2 that would give the union's members a 10-percent raise over seven years.

"I don't know what to say, because it's been a long time coming," said DC 37 Executive Director Lillian Roberts.

## Back Pay for 3 Raises

If ratified by the union's more-than 100,000 members, the contract would extend retroactively from March 3, 2010, through July 2, 2017 and would provide a 10.41-percent compounded raise over seven years plus .52 percent in a four-month extension in 2017.

DC 37 members would be given back pay for three 1-percent retroactive raises that take effect each year from Sept. 3, 2011 through 2013 and a one-time \$1,000 ratification bonus. Following those payouts, the contract would give a pay hike of 1.5 percent Sept. 3, followed by increases of 2.5 percent in 2015, 3 percent in 2016 and .52 percent as of March 3, 2017.

The DC 37 agreement follows a pattern set by the United Federation of Teachers in May and similar agreements reached two weeks ago with 1199 SEIU United Healthcare Workers East and the New York State Nurses Association.

Its significant distinction is that it's Mr. de Blasio's first with a union that previously got a pair of 4-percent raises at least four years



## 'LONG OVERDUE'

'LONG OVERDUE': Mayor de Blasio announced a tentative contract with District Council 37 July 3. The seven-year, four-month deal would provide 10.52-percent raises over the period from March 2010 through July 2017. The city's second-largest public-employee union has been working under an expired contract for more than four years. "I don't know what to say, because it's been a long time coming," said DC 37 Executive Director Lillian Roberts (right). She is flanked by her chief negotiator, Evelyn Seinfeld, and city Labor Commissioner Robert W. Linn.

ago, meaning it lacks the primary appeal of his other contracts so far: those raises and the large retroactive payments that accumulated when they were delayed.

Some uniformed unions have said they were unhappy with the pattern minus the raises their members long ago got because the hikes beyond that are unlikely to keep up with inflation. (The sheer size of the UFT's back-pay tab required the city to stagger payments through 2020.)

DC 37 officials were confident their members would ratify the pact although its raises would average less than 1.5 percent annually. Ms. Roberts said the 4.5-percent in raises that would take effect before the summer ends would spur them.

### **'They're Waiting'**

"Our members are waiting for that," she said. "That time has passed."

The contract is projected to cost \$1.75 billion, but health-care savings of \$795 million would lower the net cost to \$955 million. That difference is part of a package of potential cost reductions agreed to by the Municipal Labor Committee that the Mayor's Office estimates will save \$3.4 billion across the city's workforce.

While few of those details have been revealed, Labor Commissioner Robert W. Linn said the MLC agreement would look at verifying eligibility of dependents, audits, capping senior-care and other health-care rates and centralizing some health services.

After then-Mayor Michael Bloomberg broke off discussions with the city's unions in the middle of a bargaining round five years ago, citing financial problems triggered by the Wall Street meltdown, Mr. de Blasio inherited a workforce with all labor contracts at least three years out of date. With the tentative contract for DC 37, which represents roughly one-third of the city's workforce, and the one the UFT ratified in June, more than 60 percent of city workers are now under deals that run six months into the final year of his term or beyond.

### **Respect Pays Dividends**

Contrasting his approach with Mr. Bloomberg's, Mr. de Blasio continued to highlight a collaborative spirit between the city and labor, calling the DC 37 agreement a marker of what "respect and cooperation" can accomplish compared to "confusion and lack of clarity."

"Over those four long years, while people waited, they were treated to a lot of disrespect," he said. "They were treated to a lot of lack of concern and neglect for their workforce that was, again, every day showing up at work and doing their job."

Along with the raises, the contract contains clauses to save money and increase diversity. The DC 37 agreement stipulates a gainsharing plan under which improved efficiency would lead to

workers receiving a portion of the savings, a concept best exemplified by Sanitation Workers receiving sizable bonuses since they began working two to a truck, rather than three, in the early 1980s. Both sides will identify ideas within two years from the contract's ratification.

"The people who often know the best ways to be more productive, to do things more intelligently to save more money, are the people who do the work," Mr. de Blasio said.

### **May Cut Contracting-Out**

Mr. de Blasio and Ms. Roberts have both been critical of privatizing city services and contracting labor to non-city employees. As part of the gainsharing effort, he said he would look to find cost-savings by relying more on city workers.

"I think a lot of times we were promised a rose garden and ended up with inflated costs and a lack of oversight and a lot of other problems," he said of the contracting-out, with the most-memorable boondoggle being the CityTime payroll-timekeeping initiative.

The agreement would create a joint Recruitment and Promotion Study Committee between the city and the union, which would recommend ways to increase the hiring and promotion of women and minorities into jobs where they've been underrepresented. It would draft a group to offer up recommendations in six months.

### **Parks Dept. Pass-Over**

The push for such a panel has its roots in 1999, when the National Association for the Advancement of Colored People sued the Department of Parks and Recreation on behalf of black and Latino workers who accused then-Commissioner Henry Stern of discrimination because he reached out to largely white Ivy League college graduates to fill managerial positions instead of promoting minority workers from within the ranks. The city settled the case in 2008 for more than \$21 million, but Ms. Roberts said the system's flaws remained.

"It's the civil rights for the civil servants," she said of the committee.

The contract also extends due-process protections for provisional employees at the Department of Education, Housing Authority and Health and Hospitals Corporation that other employees have had since the 1980s, entitling them to hearings before they can be fired if they've served at least two years in their position.

About 10 percent of the union is not yet covered by last week's proposed agreement. About 10,000 prevailing-wage workers, whose pay can be determined by the Comptroller based on compensation rates for their titles in the private sector under Section 220 of the State Labor Law, have yet to decide whether accept its terms, according to Mr. Linn.

## **Marathon Paid Off**

The deal was reached the evening before the press conference, with about 40 to 50 officials each from the city and the union, according to DC 37 Associate Director Oliver Gray.

“We had a marathon session, back and forth,” said Mr. Gray.

Ms. Roberts said the bargaining lasted until about 10:30 p.m., with the final sticking points being to even out additions to gross pay across the titles and bargaining units.

“We had to make sure we were all sober and we had the right words, and what have you,” he said.

Now that a deal has been struck, DC 37 is moving quickly to ratify. A Delegate Assembly meeting is scheduled for July 8 and ballots are expected to be sent out to members a week or so later. If approved, Ms. Roberts estimated the three years of retroactive pay and the ratification bonus would be implemented within two to three months.

The union’s previous wage contract—which featured 8.26 percent in wage increases over two years—expired in March 2010, and workers got their last raises in March 2009. In 2008, 98 percent of the roughly 50,000 members who returned ballots voted to ratify the contract.