

THE PBA



NEW YORK'S FINEST

NEWSLETTER

PATRICK J. LYNCH PRESIDENT

EMAIL:NYCPBA.ORG

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Dear Member:

As you know, the PERB arbitration panel has handed down its award for the contract period August 1, 2004 - July 31, 2006.

Before turning to the award itself, I want to recognize your tremendous support throughout negotiations and arbitration. You have stood solidly with the union through a four-year fight for fair wages, a feat that is remarkable in the labor world. City Hall sought to divide this membership during the period in order to get a cheaper settlement. Despite a barrage of news stories and endless editorials from various media outlets over time you were not dissuaded from continuing our rightful pursuit of fair market wages. With the tremendous showing of unity behind us, I hope City Hall now understands that they cannot divide our membership with propaganda: police officers will continue to stand firmly with the PBA leadership in demanding that we be paid as professionals.

We will take that unity into the next round and seek to continue to move us toward market pay.

Fraternally,

A handwritten signature in black ink that reads 'Patrick J. Lynch'. The signature is written in a cursive, flowing style.

Patrick J. Lynch
President

SUMMARY OF HIGHLIGHTS

Turning to the award, while there is absolutely no basis for several components of this award and it entirely disregards what the evidence demanded that we should receive, there are several historic components to it that makes it notable and that makes it one that we can continue to build on.

First and foremost, for the third round running, the PBA has produced the best outcome of any union in this city. The historical parity relationship with firefighters that the City had claimed existed for over a 100 years has now clearly and indisputably been broken. And it doesn't matter that the City may renegotiate with other groups, a PERB arbitrator has disregarded the supposed parity relationships that the City has said governs labor relations in this City. **Pattern Bargaining**¹ and both **Vertical Parity**² with the other uniformed police groups, and **Horizontal Parity**³ with the other groups (corrections, sanitation) have clearly and unequivocally been broken by this award — and significantly.

In the two year contract period alone, our increased award is worth, based on City numbers, between \$80 - \$100 million over and above what other groups have received, not including additional monies received by those hired since January 1, 2006. In retroactive monies for the entire period through June 30, 2008, we will receive over \$200 million as a unit, over and above what the City wanted to give with the 3% and 3.15 % settlement — which is what all the other uniformed unions have accepted. This will amount to an average of over \$9,000 in additional monies to each member at top pay, including overtime, beyond what he or she would have received under the supposed “pattern” of 3% and 3.15%. As we go out in the future, these additional percentages are worth hundreds of millions to our current membership, all of which more than justifies our time, effort and the expense of this arbitration.

¹ **Pattern Bargaining:** is the City's long time practice of settling a contract with one bargaining unit and then attempting to impose it on all other bargaining units that follow in that round of bargaining, whether at the negotiation table or at arbitration. For example, in the 2004-2006 round of bargaining, the period covered by Chairperson Mackenzie's Award, the pattern alleged to have been set by the City was 3% and 3.15% compounded (i.e., a net cost to the City of 6.24%). At the bargaining table and at arbitration, the City insisted, as it always does, that all union settlements, including the PBA's, must adhere to the net cost of the so-called “Pattern”.

² **Vertical Parity:** is the salary relationship each title within a particular uniformed force has with other titles in that force (e.g., police officer and police sergeant or firefighter and fire lieutenant, etc.).

³ **Horizontal Parity:** is the salary relationship between counterpart titles in the various uniformed unions (e.g. police officer to firefighter, police officer to correction officer, police sergeant to fire lieutenant, etc.). According to the City, horizontal parity at basic maximum salary between police officers and firefighters had existed for over 100 years, since 1898.

THE AWARD

The details of the award are as follows: the panel has awarded a 4.5% and a 5% increase – the 4.5 % is effective August 1, 2004 and the 5% is effective August 1, 2005. On a compounded basis, this works out to 9.73% over two years. The panel has also increased the front end of the schedule to \$35,881, retroactive to January 1, 2006, which means the \$25,100 Academy rate imposed by the Schertz award has been eliminated and those members hired since January 1, 2006, will be receiving retroactive monies back to their hiring date.

Now for the parts of the award that are entirely unjustified. The following terms were imposed by the arbitrator over the PBA's dissent:

1. Unborns – ten less vacation days, starting with the class of July 2008. This component does not affect any incumbent police officer.
2. Range Day - on one of the two required range appearances, must use one vacation day.
3. The rescheduling of certain named days will be changed to Detective Rules (New Year's Eve, St. Patrick's Day, Thanksgiving Day, Puerto Rican Day, West Indies Day, and Christopher Street Liberation Day). This component changes the amount of notice that needs to be given on these specific dates and the hours by which the tour can be varied from the officer's regularly scheduled tour.
4. Five additional rescheduling days (15 days increased to 20 days). If you recall, in the arbitration, there was evidence that the Department only uses 2.5 days on average in the unit.

We have included the new salary schedule in this newsletter, which details the new compensation on each of the salary steps.

WHAT HAS BEEN ACHIEVED THUS FAR?

The result of this award, besides those mentioned above, means that this Executive Board of the PBA has increased police officer compensation by approximately 35% over the last 6 years on a compounded basis. Below is a breakdown of those increases.

- Eischen Award (2000-2002) — 5%, 5%,— plus 1.5%
- Schertz Award (2002-2004) — 5%, 5%
- MacKenzie Award (2004-2006) — 4.5%, 5%

As mentioned, these historic awards have altered every salary relationship with other city unions. Two prior PBA administrations were only able to increase members' salaries by approximately 25% on a compounded basis during the decade of the 1990's, versus the approximately 35% compounded compensation increases secured by this administration over just six years.

Now, by way of example, for the period at issue in this award, our top salary step exceeds the first six years of salary of newly promoted Third Grade Detectives. At over 5 years, our basic salary will be \$65,382 to a Detective 3rd Grade's \$65,234 at the 6th Step. This, in our minds, reinforces the value of the police officer and the importance of the police officer to this Department, a goal of our administration from the outset.

As to firefighters, we are now at over \$2,000 more at basic maximum. Firefighter's are at \$63,309 for this period to our \$65,382. Clearly, **Police/Fire Parity**⁴ has been broken.

CITY HALL SPIN

For those who suggest, at the behest of City Hall, that this arbitration fight was somehow not worth it, I thought it would be helpful to run through the history and how we got to this point.

In the 1990's, New York City labor suffered zero wage increases for three and one half years out of ten. Offering zeros had become part of the City's labor strategy for each round. The compromised New York City Board of Collective Bargaining, and its arbitrators, upheld the award of zero wage increases in the absence of any compelling reason to impose such draconian outcomes. Between the zero increases and givebacks in other areas, New York City labor saw what was likely a real decline in wages and benefits in the 1990's.

Beginning with the PBA's fight to get the legislation passed that would allow police and fire groups to have the right to arbitrate at PERB, there has been a sea change in labor outcomes in the City. The PERB legislation was passed at the end of 1998 and was immediately challenged by the City. Notwithstanding the laws' applicability to every police and fire group in the City and its collateral affect on each and every group because of the lockstep relationships advanced by the City in negotiations, the PBA had to go it alone and engage in a grueling litigation up to the Court of Appeals that upheld the constitutionality of the PERB statute. In that round, unions received in excess of 4% raises; uniformed groups received more for a 30-month period. The PBA received two 5% raises and an additional 1.5% over 24-months, breaking pattern by over 2%.

⁴ **Police/Fire Parity**: according to the City, the base pay of Police Officers and Firefighters had been identical for over 100 years.

In the very next round (2002-04), the City tried to impose in bargaining another zero increase and a 3% increase over two years. In arbitration, the PBA was awarded two 5% increases. The City argued for decreased salaries for new hires and the arbitrator awarded what the City sought, but would not decrease the salaries as far as the City wanted — \$23,000.

In this round, the City offered a 3% and a 3.15% increase over two years. The arbitrator awarded a 4.5% and a 5%. As part of this agreement, the arbitrator retroactively increased starting salary to about \$36,000, effectively restoring monies to police officers who received the \$25,000 starting salary sought by the City in the last round.

Since 2000, the increases the PBA got above pattern are worth well above \$500 million for this unit. Because of the City's flawed bargaining based on supposed lock step relationships, the value to all groups based on the PBA's affecting fundamental changes in City labor relations is well into the billions of dollars.

At the writing of this communication, it appears that other groups are looking to reopen their contracts, confirming that despite City Hall's spin to the contrary, the PBA award is far superior to the settlements of other groups. The Staten Island Advance quotes the Uniformed Firefighters Association (UFA) President Steve Cassidy as saying: "We want to get back to being on par with the Patrolmen's Benevolent Association." So much for City Hall spin.

RETROACTIVE MONIES

Next, let me turn to the question that is likely foremost in everyone's mind — retroactive monies. Police officers will be paid retroactive monies as follows:

- ◆ 4.5% on all salary, overtime, NSD and holiday pay earned from August 1, 2004 through July 31, 2005.
- ◆ 9.73% on all salary, NSD, overtime and holiday pay from August 1, 2005 through the issuance of the retroactive checks.

For those at top pay, we have been told that the average retroactive monies, not including overtime, will be around \$21,000. On average, for new hires in the January 2006 class, for a little over 2 years, the retro check absent overtime will be about \$12,000.

We are informed by the City's Office of Labor Relations of the tentative dates for implementation of the rate increases and retroactive payments in connection with the 2004-2006 Interest Arbitration Award, which are as follows:

- ◆ The rate increases (i.e., the 4.5% and the 5%) will be reflected in the **July 25th** paycheck.
- ◆ The **July 25th** paycheck will also include holiday pay. However, the holiday pay will not reflect the new rates.

- ◆ Retroactive increases on base salary and overtime will be paid in the August 8th paycheck for all active police officers, police officers on military deployment, retired police officers who were active during the contract period, and police officers who were active during the contract period and have since been promoted or rolled over to another mayoral agency.
- ◆ Retroactive payments for holiday pay will be on **August 22nd**.
- ◆ The City is in the process of determining dates for retroactive payments for Night Shift Differential (NSD) payments for both non-recurring and recurring NSD.

Keep in mind that these are tentative dates that are subject to change. As we know, the City has not always been reliable with its target dates.

As for interest payments, our Collective Bargaining Agreement states that interest begins to accrue from 120-days following the execution of the agreement or 120-days after the effective date of the increase, whichever is later, to the actual date of payment. As reflected above, it does not appear that interest will be an issue because the salary increases and retroactive payments appear likely to be made well within the 120-day grace period under our Collective Bargaining Agreement.

CLOSING THOUGHTS

Finally, there were many challenges in this round, which required considerable work and attention to manage. The labor world lined up against us to assure that we would be bound by the 3% and 3.15%, and it did not happen. The bottom line is that painstaking preparation and an arbitration case that was superior to the City's case allowed the arbitrator to take the historic steps that she did.

However, the case presented by the PBA should have allowed an arbitrator to render an even more favorable award. As you have seen in the media over the past few weeks, the City exerted tremendous public pressure on the arbitrator even to the point where the Mayor was threatening a tax increase, and to do away with the property tax rebates, if we exceeded pattern. Whether this influenced her or not, we don't know. It reinforces our decision to challenge what we saw as a tainted and inferior list and really points to the need for experienced arbitrators who are not beholden to, or intimidated by, the City.

Again, while we believe there are significant aspects to the award, we have refused to sign this award because we believe Police Officers deserve more. We will file an opinion explaining the basis of our dissent.

In the meantime, we delivered our demand to bargain for the next round and our first bargaining session is scheduled for June 20th. While we remain skeptical, we hope the third rejection of the City's bargaining strategies in as many rounds will provide the impetus for the City to bargain in good faith in this round. We continue to believe that the best way to get a contract is at the bargaining table and will expend our efforts to achieve that goal. However, we must be met half way by the City.

We, as always, will keep you posted of developments as we move into the next round.

New York City Police Officer - Salary Rates

For Police Officers hired prior to January 1, 2006

Year	Base	Longvty	Shift Diff	Holiday Pay	Unifrm Allow	Total Direct Comp
Year 1	44,612	0	795*	1,880	1,000	48,288
End of year 1	46,795	0	1,773	1,972	1,000	51,541
End of year 2	48,439	0	1,916	2,041	1,000	53,396
End of year 3	50,737	0	2,120	2,138	1,000	55,996
End of year 4	52,148	0	2,266	2,198	1,000	57,613
End of year 5 - Basic Max	65,382	3,745	3,643	2,913	1,000	76,684
10th year	65,382	4,745	3,643	2,956	1,000	77,726
15th year	65,382	5,745	3,643	2,998	1,000	78,768
20th year	65,382	6,770	3,643	3,041	1,000	79,836

Source: New York City Police Officer Contract, August 1, 2002 to July 31, 2004, as amended by the arbitration award dated May 19, 2008, covering the Contract period August 1, 2004 - July 31, 2006.

Note: Average night shift differential from New York City Police Department.

* No night shift differential while in the police academy for recruit training. Reflects average NSD for six months after graduation from the Police Academy.

New York City Police Officer - Salary Rates

For Police Officers hired on/after January 1, 2006

Year	Base	Longvty	Shift Diff	Holiday Pay	Unifrm Allow	Total Direct Comp
Academy	35,881	0	0	1,512	1,000	38,393
After 6 months	35,881	0	1,320	1,512	1,000	39,713
After 1.5 years	37,307	0	1,445	1,572	1,000	41,324
After 2.5 years	41,696	0	1,696	1,757	1,000	46,150
After 3.5 years	45,536	0	1,941	1,919	1,000	50,396
After 4.5 years	48,389	0	2,103	2,039	1,000	53,531
After 5 years	48,389	3,745	2,696	2,197	1,000	58,027
After 5.5 years - Basic Max	65,382	3,745	3,643	2,913	1,000	76,683
10th year	65,382	4,745	3,643	2,956	1,000	77,726
15th year	65,382	5,745	3,643	2,998	1,000	78,768
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