

THE PBA



NEW YORK'S FINEST

NEWSLETTER

PATRICK J. LYNCH PRESIDENT

EMAIL:NYCPBA.ORG

AUGUST 2008

Volume 9 Number 2

Dear Member:

TENTATIVE CONTRACT AGREEMENT

As you have undoubtedly heard, the PBA has reached an agreement with City for a new contract covering the period August 1, 2006 through July 31, 2010.

While I have always said that the best way to get a contract is at the bargaining table, up to this round, we had been unable to get the City to move on issues that were important to this union. That environment changed in this round. We can speculate as to why, and I will share with you later my views, but this marks the first time since the 1991-1995 round that the PBA has been able to reach an agreement with the City in bargaining. This agreement has some components which are truly unprecedented in City labor relations and were negotiated to secure the long-term health of the union and the membership. We also have been able to place significant monies into our Health and Welfare Funds, particularly our retiree fund, and have gone a long way toward securing all of our retirement Health and Welfare benefits long into the future.

Since the arbitration award, we have spent virtually every day of this summer working on getting an agreement that is worthy of our consideration and support. We have expended every effort in these negotiations on your behalf and believe that this agreement represents the best that can be achieved at the bargaining table. Key to reaching an agreement was the following factors:

- 4 years of 4% wage increases undiminished by givebacks, which continues the process of moving us towards market;
- The conversion of all existing longevity to the equivalent of wages that will increase and compound with all future wage increases;
- Significant new monies are going into our longevity at all steps;

- The conversion of existing Health & Welfare monies to amounts that will increase and compound with all future wage increases;
- Significant new monies are going to the Health & Welfare Funds;
- Bringing current our contract for the first time this decade;
- Removal of Home Confinement while out sick, except for hours of your regularly scheduled tour;
- Restoring the Range day for the entire unit;
- Three Vacation days for new hires at third year;
- Adding a new provision to the Collective Bargaining agreement allowing the mutual exchange of tours between members;
- The payment of retroactive monies, which on average for those at the top pay, will exceed \$8,000.

With the settlement of this contract, the PBA will have increased police officer's basic maximum salary by over 55% on a compounded basis since this administration's arrival, and added thousands of additional new dollars into longevity, a significant advancement towards restoring our pay structure to market and in making up for a decade — the 1990's — that only brought us just over 20% in increases. We have gone from a top pay of \$49,023 to \$76,488. As the attached table indicates, when you add longevity, holiday pay, night shift differential and uniform allowance, total average compensation at the end of the contract (2010) at top pay will be approximately \$94,000. We have also inserted compensation tables as of 2008.

Let me take you through the items, one at a time.

General Wage Increases

The first component is the general wage increases.

- 4% effective August 1, 2006
- 4% effective August 1, 2007
- 4% effective August 1, 2008
- 4% effective August 1, 2009

The four increases of 4% compounds to 16.98%, or almost 17% over 4 years, or an average of almost 4.25% per year, moving our top basic maximum salary from \$65,382 to \$76,488 by contract's end with no corresponding givebacks. As mentioned, this represents an increase of over 55% on a compounded basis since August 2000.

Compounding Longevity

One of the most significant features of this settlement is the repair of a significant, long-existing shortcoming in our compensation scheme. Longevity, which now represents between 5-10% of base salary at the various salary grades, never automatically increased and compounded with wage increases. The effect of that shortcoming served to lessen the overall compensation increases in every contract or arbitration award since the advent of longevity in our collective bargaining agreement in 1971. To demonstrate this shortcoming, let's take a hypothetical example: if two 5% increases were gained on a base salary of \$50,000, equal to \$5,000 (uncompounded), the increase would be **10% on salary only**. If you include longevity, for example at the old top step of \$6,770, you would need to calculate the \$5,000 increase as a percentage of \$56,770, which is the base salary plus longevity. The effective increase would only be 8.8%, a significant difference from the 10% increase brought about by general wage increases as a percentage of maximum salary.

In each round since the institution of longevity in City contracts decades ago, police officers and all other City uniformed workers were effectively shortchanged. This provision now requires that **all** existing longevity, as well as new longevity from this round, rise with the general wage increases as a percentage of maximum salary. To illustrate how it will work: the longevity at this contract's end in 2010 at the 20th year will be \$8,891. If we received two 4% increases in the next contract, longevity will go up to about \$9,617, a significant jump. Going out in the future, these increases will have a tremendous long-term impact on our compensation.

Equally as significant, it takes away the burden of negotiating longevity in every round and being subject to the City's costing, which seeks to make us pay more for one-time longevity increases than their actual value. It is our opinion that this adjustment could only have been brought about through a collectively bargained settlement. No other City uniformed union currently has this longevity escalator.

Longevity Increases

In addition to this escalator, the contract contains \$1,543 in new longevity at all steps that will compound with future raises. Added to this amount will be the compounding effect of the second two 4% raises, which will add between \$331 and \$578 at the various steps.

Total new longevity at each step by contract's end will be:

- 5 years: \$1,874 (total 7/31/10 \$5,619)
- 10 years: \$1,955 (total 7/31/10 \$6,700)
- 15 years: \$2,037 (total 7/31/10 \$7,782)
- 20 years: \$2,121 (total 7/31/10 \$8,891)

Compounding Health & Welfare Increases

Another significant feature — and we believe the PBA is alone among all City unions in having this provision — is that current contractual Health and Welfare funding will rise with future general wage increases. We believe this is particularly important because the absence of this feature has led other City unions to settle inferior contracts because their Health & Welfare Funds were in dire straights and needed funds. Now, effective July 31, 2008, in each and every round, the Health and Welfare amounts will go up with wage increases, as compounded, providing increased cash flow in each and every round that will not diminish other forms of compensations sought. Provided the funds can be managed within these parameters, the Funds will remain strong long into the future.

Beyond the obvious importance of longevity and Health and Welfare monies compounding with future wage increases, we received terrific value in securing these items.

Health and Welfare Increases

Also for the first time since the 2000 round, the PBA obtained significant new monies into the Health & Welfare Funds. This is particularly important inasmuch as prescription drugs, and all other benefits and expenses continue to rise with inflation and other market forces. Our retirees, a group we will all join at some point, needed significant increases in funding given their current usage of benefits. The \$500 per member in new cash increases, together with monies brought about by compounding (\$170 per member) will go a long way towards restoring the fund to solid footing. As a result those monies alone, the Retiree Health & Welfare Fund will receive well over **\$15 Million**. The Active Fund will receive a needed additional \$170 for each member as a result of the new Health & Welfare inflator.

Retroactive Monies

As a result of this settlement, each police officer will be entitled to retroactive monies, equaling the retroactive increases of 4% 's that go back to August 1, 2006. That will be in excess of \$8,000 on average for those at top pay.

Making the Contract Current

For the first time in many years, our contract will be current. This means that for each of the next two years we will receive our raises on or about August 1st. The City for the first time in a long time will not be holding our money and you will have your wage increases on time, allowing you to plan better your future finances.

Eliminate Home Confinement While on Sick — Pilot Program

After many years of seeking this change, we finally persuaded the City and the Department to adopt a Pilot Program eliminating home confinement while a member is out sick, except for the hours of his or her regularly scheduled tour. Effective on the first day of the first month following ratification of this agreement, the NYPD has agreed to adopt a pilot program that members out sick, except those chronic, on suspension, on modified or on dismissal probation, need only be confined to residence during their work hours. There will be no visitation for members not in one of those programs except during work hours. This allows members to leave their residence at will for any purpose outside their regularly scheduled tours. The pilot program will be assessed monthly and reassessed at 15 months and, provided average sick leave has not increased by more than 10%, the program will continue until the contract's end in 2010, at which time we will discuss with the City making a permanent program. Key to the program's continuation is not increasing our sick leave by over 10%.

Range Day

We have restored the vacation day lost for attendance at the range. Anyone who has lost any vacation days or time will have it restored.

Vacation Day for New Hires

In an effort to restore days to the new hires affected by the last arbitration, we have used the value of some settled litigations and funding movements and restored 3 days in the third year and beyond.

Mutuals

Another item we achieved in this round is the inclusion of the right to change tours with other police officers. Now, as part of our Collective Bargaining Agreement, police officers will be allowed to do mutuals with other police officers.

White Shield Detectives

For eighteen months prior to being made detective, police officers in a detective track command mostly continue to work on a chart designed for police officers. The exception is those performing White Shield detective duties in the various detective squads.

Commencing on February 22, 2010, all police officers on the detective track will work the schedule and chart of detectives working in that unit. The PBA sought this change and took advantage of the opportunity to realize extra monies that can be used for the police officers who stay in our unit by agreeing that police officers who voluntarily choose to leave our unit will be treated as detectives on day one, for better or worse. This change will become effective on a prospective basis only, as of February of 2010, and no one currently in track will be affected. As a result of this change, each police officer will realize additional longevity monies that will compound with future wage increases.

Litigation Settlements

We have settled certain litigations with the City for an amount the City values in excess of \$4.8 million for this membership, a monetary value that far exceeds the potential economic outcomes of those cases, all of which have been vigorously contested by the City and had outcomes that were not assured. **This does not include the FLSA lawsuit.**

Closing Thoughts

For many years, we have attempted to reach an agreement at the table that worked for this union. Unfortunately, we did not have a willing partner in the City. After a constitutionality battle to obtain PERB arbitration, three arbitrations, countless PERB and OCB proceedings, frequent media efforts and advertising campaigns, demonstrations by the membership and numerous other efforts, we stand at the doorstep of voting for our first voluntarily negotiated contract in this administration. It is my belief that your solidarity and steadfast support for this union put us in this place. You withstood being without contracts for years, you fended off a barrage of City delay tactics to test your resolve, you rejected a truly unprecedented media onslaught to discredit this union and its membership, and you stood tall in demanding all that is rightfully yours. There is no precedent in the history of the City labor movement for this type of resolve. I am proud to have led you, to have been honored with your trust, and to have brought us back to a point where we are presented with a contract that is worthy of our consideration.

We urge you to vote promptly and return the enclosed ballot so that we can notify the City of our decision, and if the contract is approved, begin the process of adjusting the bi-weekly paychecks and the payment of all retroactive monies to which you are entitled and instituting the changes in quality of life issues reflected in this contract.

Fraternally yours,



Patrick J. Lynch

New York City Police Officer - Salary Rate (August 1, 2008)

For Police Officers Hired Prior to January 1, 2006

Year	Base Pay	Longvty	Shift* Diff	Holiday Pay	Uniform Allow	Total Direct Comp
Year 1 (6th Grade)	\$50,182	\$0	895**	\$2,115	\$1,000	\$54,192
End of Year 1 (5th Grade)	\$52,639	\$0	\$1,994	\$2,219	\$1,000	\$57,852
End of Year 2 (4th Grade)	\$54,448	\$0	\$2,155	\$2,296	\$1,000	\$59,939
End of Year 3 (3rd Grade)	\$57,072	\$0	\$2,385	\$2,405	\$1,000	\$62,862
End of Year 4 (2nd Grade)	\$58,659	\$0	\$2,549	\$2,472	\$1,000	\$64,680
End of Year 5 (1st Grade or Basic Maximum)	\$73,546	\$4,220	\$4,098	\$3,277	\$1,000	\$86,141
10th Year	\$73,546	\$5,260	\$4,098	\$3,321	\$1,000	\$87,225
15th Year	\$73,546	\$6,300	\$4,098	\$3,365	\$1,000	\$88,309
20th Year	\$73,546	\$7,366	\$4,098	\$3,410	\$1,000	\$89,420

Source: NYC Police Officer Contract, August 1 2006 to July 31, 2008

Note: Effective 7/31/08 Longevity to increase with the general wage increase

*Average night shift differential from the NYC PD.

** 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 Rate (August 1, 2008)

For Police Officers Hired on/after January 1, 2006

Year	Base Pay	Longvty	Shift* Diff	Holiday Pay	Uniform Allow	Total Direct Comp
Academy	\$40,361	\$0	\$0	\$1,701	\$1,000	\$43,062
After 6 months	\$40,361	\$0	\$1,485	\$1,701	\$1,000	\$44,547
After 1.5 years	\$41,965	\$0	\$1,625	\$1,769	\$1,000	\$46,359
After 2.5 years	\$46,903	\$0	\$1,908	\$1,977	\$1,000	\$51,788
After 3.5 years	\$51,221	\$0	\$2,183	\$2,159	\$1,000	\$56,563
After 4.5 years	\$54,432	\$0	\$2,366	\$2,294	\$1,000	\$60,092
After 5 years	\$54,432	\$4,220	\$3,033	\$2,472	\$1,000	\$65,157
After 5.5 years - Basic Maximum	\$73,546	\$4,220	\$4,098	\$3,277	\$1,000	\$86,141
10th Year	\$73,546	\$5,260	\$4,098	\$3,321	\$1,000	\$87,255
15th Year	\$73,546	\$6,300	\$4,098	\$3,365	\$1,000	\$88,309
20th Year	\$73,546	\$7,366	\$4,098	\$3,410	\$1,000	\$89,420

Source: NYC Police Officer Contract, August 1 2006 to July 31, 2008

Note: Effective 7/31/08 Longevity to increase with the general wage increase

Note: Average NSD from NYCPD.

New York City Police Officer - Salary Rate (July 31, 2010)

For Police Officers Hired Prior to January 1, 2006

Year	Base Pay	Longvty	Shift* Diff	Holiday Pay	Uniform Allow	Total Direct Comp
Year 1 (6th Grade)	\$52,189	\$0	931**	\$2,200	\$1,000	\$56,320
End of Year 1 (5th Grade)	\$54,745	\$0	\$2,074	\$2,307	\$1,000	\$60,126
End of Year 2 (4th Grade)	\$56,668	\$0	\$2,241	\$2,388	\$1,000	\$62,297
End of Year 3 (3rd Grade)	\$59,355	\$0	\$2,480	\$2,502	\$1,000	\$65,337
End of Year 4 (2nd Grade)	\$61,005	\$0	\$2,651	\$2,571	\$1,000	\$67,227
End of Year 5 (1st Grade or Basic Maximum)	\$76,488	\$5,619	\$4,262	\$3,460	\$1,000	\$90,829
10th Year	\$76,488	\$6,700	\$4,262	\$3,506	\$1,000	\$91,956
15th Year	\$76,488	\$7,782	\$4,262	\$3,552	\$1,000	\$93,084
20th Year	\$76,488	\$8,891	\$4,262	\$3,598	\$1,000	\$94,239

Source: NYC Police Officer Contract, August 1 2008 to July 31, 2010

Note: Effective 7/31/08 Longevity to increase with the general wage increase

*Average night shift differential from the NYC PD.

** 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 Rate (July 31, 2010)

For Police Officers Hired on/after January 1, 2006

Year	Base Pay	Longvty	Shift* Diff	Holiday Pay	Uniform Allow	Total Direct Comp
Academy	\$41,975	\$0	\$0	\$1,769	\$1,000	\$44,744
After 6 months	\$41,975	\$0	\$1,544	\$1,769	\$1,000	\$46,288
After 1.5 years	\$43,644	\$0	\$1,690	\$1,839	\$1,000	\$48,173
After 2.5 years	\$48,779	\$0	\$1,984	\$2,056	\$1,000	\$53,819
After 3.5 years	\$53,270	\$0	\$2,271	\$2,245	\$1,000	\$58,786
After 4.5 years	\$56,609	\$0	\$2,460	\$2,386	\$1,000	\$62,455
After 5 years	\$56,609	\$5,619	\$3,154	\$2,623	\$1,000	\$69,005
After 5.5 years - Basic Maximum	\$76,488	\$5,619	\$4,262	\$3,460	\$1,000	\$90,829
10th Year	\$76,488	\$6,700	\$4,262	\$3,506	\$1,000	\$91,956
15th Year	\$76,488	\$7,782	\$4,262	\$3,552	\$1,000	\$93,084
20th Year	\$76,488	\$8,891	\$4,262	\$3,598	\$1,000	\$94,239

Source: NYC Police Officer Contract, August 1 2008 to July 31, 2010

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