BOARD OF COLLECTIVE BARGAINING IMPASSE PANEL

REPORT AND RECOMMENDATIONS IN THE CONTRACT
DISPUTES BETWEEN THE CITY OF NEW YORK AND
THE PATROLMEN'S BENEVOLENT ASSOCIATION,
THE UNIFORMED FIREFIGHTERS ASSOCIATION, AND
THE UNIFORMED SANITATIONMEN'S ASSOCIATION

Professor Walter L. Eisenberg Professor Matthew A. Kelly Professor Eric J. Schmertz

March 29, 1971

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STATEMENT BY ARVID ANDERSON, CHAIRMAN BOARD OF COLLECTIVE BARGAINING

OF THE

CITY OF NEW YORK

The Board of Collective Bargaining on March 18, 1971 and on its own motion created a special Impasse Panel for the three interrelated contract disputes between the City of New York, and the organizations representing sanitationmen, patrolmen and firefighters. The Board after conferring with the mediators assigned to each dispute, the Mayor and his staff, and the negotiators representing each of the three groups of employees involved concluded that the talks were deadlocked on major economic issues and that further attempts to settle the disputes by mediation would be futile.

Section 1173-7.0 c(3)(a) of the New York City Collective Bargaining Law empowers the Impasse Panel to make a written report containing findings of fact, conclusions, and recommendations for terms of settlement. The Panel members were directed to prepare a joint report on matters of common interest to all three disputes. Professors Walter L. Eisenberg, Matthew A. Kelly and Eric J. Schmertz, the members of the Impasse Panel, are uniquely qualified to serve in that capacity. All three were initially selected

by the parties to serve as mediators in those talks.

Dr. Walter L. Eisenberg, Professor of Economics and Chairman of the Department of Economics at Hunter College, is a Public Member of the Board of Collective Bargaining, impartial chairman under the contract between the City and Uniformed Sanitationmen's Association and between the City and the Department of Social Services, and a veteran of labor relations disputes in the private and public sectors with 28 years of collective bargaining, mediation and arbitration experience in this field. He has acted as a mediator and panel member in previous contract disputes between the sanitationmen and the City in 1968 and 1969. He's a member of the National Academy of Arbitrators and has held responsible labor relations costs with the federal government and is currently Executive Director of the Public Labor Management Institute of the City University of New York.

Dr. Matthew A. Kelly-is a Professor of Industrial Relations at Cornell University's New York State School of Industrial and Labor Relations. Professor Kelly is based in New York City and teaches both at the ILR School Metropolitan Office as well as on Cornell's Ithaca campus. He is a former member of the Department of Economics of Princeton University from which he received his doctorate and is a member oi the National Academy of Arbitrators. He is a well-known

mediator and arbitrator and has been on the panels of the American Arbitration Association and the Federal Mediation and Conciliation Service since 1940. He has served on many impasse panels for New York State's Public Employment Relations Board and New Jersey's Public Employment Relations Commission as well as the Office of Collective Bargaining.

Eric J. Schmertz is Professor of Law at the Hofstra University Law School. He has been a public member of the Board of Collective Bargaining since its inception. He has been the impartial chairman under the contract between the Uniformed Firefighters Association and the City, and has served as a mediator and panel member in UFA and City contract talks in 1966 and 1968. He also served as the arbitrator in the "work-load manning" case between the City, the UFA and UFOA which led to an agreement in the form of the Memorandum of Understanding of September, 1969. He is also impartial chairman of several private and quasi-public industries in New York City, including the New York City taxicab industry. He has been a professional labor arbitrator, handling hundreds of cases-each year in a wide range of industries since 1962, and is a member of the National Academy of Arbitrators. Earlier he held posts as Executive Director,

New York State Board of Mediation and Assistant Vice President, American Arbitration Association.

> Arvid Anderson Chairman

BACKGROUND

The Undersigned were constituted an Impasse Panel by the Board of Collective Bargaining after repeated efforts by the parties, the undersigned as mediators, the labor and management advisory teams assigned to two of the disputes, and the Board of Collective Bargaining to create both substantive and procedural grounds upon which to conclude separate new contracts between the City and each of the organizations representing the sanitationmen, the patrolmen and the firefighters, viz., the Uniformed Sanitationmen's Association, the Patrolmen's Benevolent Association, and the Uniformed Firefighters Association.

Each of us, after formal designation by the Board of Collective Bargaining (BCB) and with the concurrence of the parties to each dispute, served independently as mediators in the dispute to which he was assigned, from an early date in this series of negotiations up to the time we were designated an Impasse Panel. At the time of the latter designation each of us was fully informed about the facts, arguments, expectations, tensions, conflicting pressures, and problems bearing on the issues in our respective disputes. Throughout the period of our separate involvements as mediators we maintained, by virtue of the closely integrated ("umbrella") structure re-created over the contract talks between the City and these three uniformed services for this round of negotiations, informal

but frequent and close contact among ourselves. We reported the status of the bargaining in each dispute regularly to BCB Chairman Arvid Anderson and, at the several critical junctures in the disputes, to the full tripartite Board of Collective Bargaining.

The thrust of our efforts at every step of the way was to permit the parties ample opportunity to do for themselves what the collective bargaining process envisions their doing, that is, to reach an agreement by direct talks and without the imposition of terms of settlement by neutrals. Despite the fact that a bargained conclusion has not been achieved in any of the three disputes, we remain convinced that the repeated and intense efforts to stimulate directly negotiated settlements were necessary and worthwhile.

The obstacles in these negotiations to successful bargained settlement were unique, well publicized, and of enormous proportions. The P.A.-City "parity" litigation, arising from the predecessor contract, impeded full and meaningful negotiations on the economic issues in all three negotiations for weeks on end. When that dispute was finally adjusted, the serious and adverse financial condition of the City, a factor not present to the same degree in previous negotiations, remained as a realistic block to more traditional give and take on economic issues. As the City found itself unable or unwilling to make more

pronounced movement on economic issues, so too the Unions were unable or unwilling to reduce significantly their money and pension demands, In short, what turned out to be insurmountable elements of an impasse on major items, were present from the outset of the negotiations.

Impasse Panel procedures are an established and required next-step in the existing bargaining structure, not because there is some preconception of the inevitable failure of bargaining built into the applicable law, but rather because experience has taught labor relations specialists that the parties alone unfortunately cannot always produce successful and peaceful bargaining settlements. Further and most important, an Impasse Panel is warranted to help the parties do what they could not do for themselves - to bring about in these three disputes peaceful and responsible settlements so essential to the public interest.

CONTRACT TERMS -- SANITATION, POLICE AND FIRE

No factual basis or persuasive argument has been presented to us by any of the parties which would justify a recommendation for contracts with the uniformed services of shorter or longer duration than the present 27-month contracts.

<u>Contract Term Recommendation</u>: Each of the contracts for the uniformed services shall be of 27 months duration, from January 1, 1971 through March 31, 1973.

SALARY RECOMMENDATIONS: POLICE AND FIRE

The parity settlement between the City and the P.B.A. together with the application of Article VI of the expired contract between the City and the U.F.A. mandates a salary of \$12,150 for first grade patrolman and fireman effective January 1, 1971, the starting date of these new contracts. Specific provision for the lump-sum parity payments are not set forth here since these were consummated separately by the parties and relate to the predecessor contracts. Yet, it must be stated as fact, that the fiscal impact of such parity payments has influenced our determination.

Therefore, we agree with the contention that in these negotiations, increases over the life of the new contracts should be based on prospective CPI increases and an improvement-factor for "productivity". The concept of basing a new contract wage on projected CPI increases so as to protect the employee's real wage against inflationary erosion over the period of the collective bargaining agreement is valid no matter what the starting wage level. We have applied a conservative estimate of a 4-1/2% projected increase in the CPI per year, together with a conservative yet realistic productivity factor of 2%. The latter takes into consideration in the Fire Department the further realization of efficiencies achieved from new fire-fighting techniques introduced under the expired contract and the

anticipated introduction of "concurrent tours"; and, for the Police Department, the improved efficiencies from a Career Development Program and an experimental program on work charts. On this basis, a total increase of \$1,900 over the life of the contracts is reached.

Weighing the prospective impact of the C.P.I., the improvement factor; the impact of parity payments; and the City's difficult fiscal position, and considering the rates of pay for policemen and firemen in other cities, we recommend increasing the salary of first grade patrolman and fireman from \$12,150 to \$14,050 during the life of a 27-month contract with salary increases of \$500 to be effective July 1, 1971, \$700 to be effective April 1, 1972, and \$700 to be effective January 1, 1973. The salary schedule for first-grade patrolman and fireman, together with our suggestions as to how the increases should be apportioned among the lower grades is as follows:

PATROLMEN'S AND FIREMEN'S ANNUAL SALARY SCHEDULE

	1/1/71	7/1/71	4/1/72	1/1/73
First Grade	\$12,150	\$12,650	\$13,350	\$14,050
Second Grade	11,471	*12,050	*12,775	*13,500
Third Grade	10,920	*11,450	*12,200	*12,950
Appointment	10,699	*10,850	*11,000	*11,200

^{*}These recommendations which apply more of the increase to the second and third grade levels than to the appointment level are made by way of suggestion to the parties

to negotiate more realistic appointment rates than would result were general increases applied uniformly at all levels. Should the parties be unable to agree in this regard, we shall make a final recommended wage schedule for patrolmen and firemen at other than first grade level.

SANITATIONMEN'S WAGE ISSUE

In outlining its "inventory of sanitationmen's needs," the sanitationmen's union predicated its request for a "substantial wage increase" on six factors: (1) the rise in the Consumer Price Index (C.P.I.) during the term of the expiring contract, that is between October 1, 1968 and December 31, 1970; (2) a projection of the advance in the C.P.I. during the term of a new contract, beginning with January 1, 19-71; (3) the requirements for a "moderate standard of living" for a family, as defined by the Bureau of Labor Statistics of the United States Department of Labor (B.L.S.); (4) indicated advances in past and projected' employee productivity" as derived by the union from Department of Sanitation statistics; (5) the hazards inherent in the sanitationman's job as reflected in the published statistics of injuries and accidents experienced on the job; and (6) the "substantial" contract settlements concluded in recent contract disputes in the private sector.

The union detailed its argument in terms of these factors in the form of exhibits and further oral presentation. As to past C.P.I. advances which "eroded" the salaries provided in the expiring contract, the union presented data (Union Exhibit No. 1) derived from B.L.S. statistics from September 1968 through November 1970 showing cumulative increase of 14.9% in the Index for the New

York City area. The union asked that the sanitationmen "be made whole" for all of that increase in prices. The union also produced a table (Union Exhibit No. 2) showing its estimates of the "gradual erosion" of the sanitationmen's wage, by reason of the increases in the C.P.I., which "cumulated to a loss of \$1,422.40" for the period from September 1968 through November 1970. The union also pointed out that a further assumed - increase in the C.P.I. for December 1970 would bring this "cumulative loss" to \$1,532.30 as of December 1970. (Union Exhibit No. 3). According to the union it is necessary to add \$1,500 to the wages in the new contract just to cover this factor.

The union seeks a further increase in- wages to cover its projected estimate of further C.P.I. advances of "6% per year" for 1971.

In support of still further wage adjustment in the new contract the union presented B.L.S. family budget data adjusted by the union to November 1970 (Union Exhibit No. 4) showing the income requirement for a "moderate standard of living" for a family of four in New York City in the amount of \$12,134 per year. The union argued that even this budget was inadequate for sanitationmen because its expenditure allowances were "unrealistic" when applied to the needs of workers in an occupation like that of sanitationman.

The union presented data from Department of Sanitation statistical reports (Union Exhibit Nos. 5,6,7, and 8) showing the tonnages of garbage handled, numbers of men, trucks and equipment on hand and in use, streets cleaned and volume of waste disposal for the fiscal periods from 1964 to 1970 and from 1964 to 1969. The tonnage-handled data show an increase in each year over the preceding year ranging from 3% in the beginning of the period to 19% last year. Total tonnage handled in the fiscal period 1969-70 amounted to 3,649,585 tons. In this same period the number of men assigned to the operations involved either increased by 1% per year or decreased by 1% or less per year, until the last year when the number increased by 3%. The total number of men assigned reached 9,345 in the 1969-70 fiscal period. The annual average of tonnage handled per man rose in each of the periods since 1964, ranging in amounts from 2% per year over 1964 to 16% over the previous year at the end of the period. The increases for the fiscal years 1968-69 and 1969-70 were 13% and 16% respectively. In the period since 1964 the number of trucks in the fleet declined from 1,630 to 1,526, while the trucks in use declined even more sharply from 1,205 at the beginning of the period to 928 at the end of the period. The number of mechanical brooms-on hand rose 16% between 1965 and 1970, while the number in actual use rose only 6%. The number of flushers on hand rose 22% in the

same period, while the number in actual use rose only 3%. The number of wreckers on hand declined 2%, while those in use declined 31%. The number of curb miles swept declined 4%, to 873,418, between 1964-65 and 1968-69, at the same time that man-days worked on street cleaning dropped 38%, to 170,490. Curb miles swept per man-day rose by 54% between 1964-65 and 1968-69. Tons per man-day handled at waste disposal facilities rose in that same period by 39%. Based on these data, the union argues that it "feels justified in seeking a further 5% per year increase in wages in recognition of the sanitationman's personal physical contribution to productivity." The union contends that "productivity gains already achieved are not attributable to management and certainly not to the inadequate equipment available to the men." Department projections for the coming 1971-72 fiscal period and thereafter show significant expected increases in workload.

The union presented another series of tables (Union Exhibit Nos. 10, 11, 12, 13, 14 and 15) pertaining to the frequency and severity of injuries experienced by sanitationmen, comparing these with the experience in other employments in the City service and with experience in public and private employment elsewhere. The tables showed a frequency rate of 110.04 in New York City for sanitation; compared with 48.3 for sanitation nationally, 33.29 for all City employees, 24.90 for employees of municipal government in the nation as a whole, and 7.56 for all industry. The severity rates are

1,045 for New York City sanitation; compared with 1,486 for sanitation nationally, 643 for all City employees, 878 for employees of municipal government in the nation as a whole, and 659 for all industry. The union also compared disabling injury data for sanitation, police and fire for the years 1962 and 1969, the latest year available from the New York City Department of Personnel. The number of injuries in the latest year was 3,130 for police, 3,025 for sanitation, and 2,807 for fire. The numbers were up over 100% in police and sanitation and up about 55% in fire. The frequency rates were 110.0 in sanitation, 101.5 in fire, and 42.2 in police. All the frequency rates rose since 1962, with the highest rise, 104.5%, in sanitation. The most recent severity rates were 1,860 in fire, 1,351 in police, and 1,045 in sanitation; with an increase of 24.2% in sanitation since, 1962 and decreases in police and fire. The union, projecting from past experience, predicted that an average of 2 out of every 9 sanitationmen may be injured in the coming year. Using these figures the union characterized sanitation, as well as police and fire, as "the highest hazard" occupations in City service. The union used these data to support a proposal for a further wage increase of 5% per annum for "injury and hazard." It also used these data to support the union's proposed pension revisions.

The several wage proposal components sought by the union were to be embodied in a proposed one-year contract.

The City's last wage offer to sanitation before the parties deadlocked was for a total of \$1,711 in annual maximum base pay increases made up of three separate increases: \$631 on July 1, 1971, \$540 more on January 1, 1972, and another \$540 on January 1, 1973, in a three-year contract. This offer preceded the settlement of the policemen's parity pay lawsuit, with its derivative effect upon the sanitationmen's pay. The City resisted the union's pay demands. It acknowledged that the statistical data presented by the union were "impressive and probably accurate" but that the City was unable to meet the "fantastic" wage demands of the union in the current circumstances. Indeed, when the special tripartite mediation team consisting of Professor Walter L. Eisenberg, impartial member; Rexford E. Tompkins, management member; and Irving Stern, labor member; unanimously recommended to the City and the sanitationmen's union on December 31, 1970 that they extend their contract beyond its expiration on that date to permit further bargaining, Mr. Tompkins and Mr. Stern issued a separate concurring recommendation in which they characterized the technical presentations of the parties in the following terms:

We think you should know that the massive presentation of documents, statistics and analyses of productivity, and injuries is one of the most thorough and outstanding presentations we have ever seen submitted on behalf of any union. That preparation has confirmed to us also the warning given to us by Dr. Eisenberg in our first meeting that the issues in this dispute are unusually complex and, in some instances, extremely technical. It seems to us also, putting it fairly but bluntly, that the City's presentation has not yet responded with the kind of pertinency which would let us form either opinions or recommendations. We recognize that the so-called money issue tends to be para-

mount in any labor negotiation, but we are gravely concerned about other extremely important areas which in our judgment need thorough-going discussion. It is astonishing, for example, that the bargaining record on productivity has to date been made largely by the union. Amazing to us, also, is the fact that the safety of the workers has received so little attention from the City's side. In the face of the City's own injury statistics, concerning these men, the paucity on the safety question is appalling. While making this comment on the state of the negotiations today, we think it must also be said that yesterday Mr. Edward Hamilton, the City's Budget Director, made the first reasonably comprehensive and forthright presentation of the City's acute financial problem. Really, for the first rime, the union was supplied with adequate documentation of the City's oft-repeated statement of its inability to pay.

Indeed, the Budget Director's concise and informative account of the City's economic problems indicated the range Pf the estimated revenue shortfall for the fiscal year ending June 30, 1971 at \$200-million to \$300-million in the \$7.7-billion budget, and the areas of need and difficulty in the budgetary planning for fiscal 1972. Specifically as to salaries for sanitationmen, the City stressed future "cost-of-living" increases and productivity as acceptable grounds for further wage advance. The City used as a basis for projecting "cost-of-living" increases a rather novel application of the Gross National Product (G.N.P.) Price Deflator. This Price Deflator Is a defensible means for-measuring real Advances in the G.N.P. of certain of the public sector and private sector G.N.P. components to which it is applicable. If the Price Deflator could be adapted for highly local application to the large aggregates involved in municipal budget-making, that too would be defensible. However, such a Price Deflator is not appropriately applied to individual salary rates as a measure

of the past or future impact of prices on such rates. The C.P.I. is the appropriate measure of price change as it affects wage-earner income, and we used the latter price index in weighing possible salary adjustments to maintain purchasing power against possible loss through price advances.

After weighing these factors, and in view of the previously established relationships among the pay schedules for the three uniformed-services, we make the following salary recommendation for sanitationmen:

RECOMMENDATION: SALARY FOR SANITATIONMEN

The maximum annual base salary for sanitationmen shall be increased over the \$10,951 salary established by the parties as of January 1, 1971, by an annual total of \$1,710 made up of three successive annual increases of \$450, \$630 and \$630, in accordance with the following schedule:

Effective Dates	Sanitationmen's Maximum <u>Annual Base Salary</u>
July 1, 1971	\$11,401
April 1, 1972	\$12,031
January 1, 1973	\$12,661

Further, the parties shall in accordance with their past practice adjust the appointment rate and the subsequent annual increments to the base salary maximum in a manner that will appropriately reflect the recommended increases in salary maximum.

PENSIONS - POLICE, FIRE AND SANITATION

This issue has been the most difficult and controversial of those before us. The unions contend that the favorable position they historically occupied relative to other municipal employees was based on the acknowledged arduous or hazardous. nature of their work, and that this position has been eroded in recent years. They argue that other City employees engaged in sedentary or safe work" have negotiated a pension plan with the City superior to those enjoyed by the uniformed services. The unions seek to restore what they regard as a deserved advantage by reason of the nature of their work.

The pension demands of the U.F.A. and P.B.A. were similar but not identical. The U.F.A. requested half-pay after 15 years of service and full-pay after 25 years of service; with a service factor of 1/20 for each year subsequent, to the first 15 years of service. The P.B,A. sought 60% retirement after 15 years, full pay after 25 years and a service fraction of 1/25. In addition, each sought other significant improvements in their pension plans including improved disability payments, vesting, medical expenses, death benefits, bonuses, and credit for prior city service and military service. Demands of the Sanitationmen's Union for changes in their retirement plan included: adoption of a pension benefit formula which would apply the same service fraction to all years

of service to the date of retirement; a full-pay pension upon completion of 35 years of service; continuation of the present cost-of-living increase supplement for pensioners by joint City and Union sponsorship of the reenactment of necessary annual state legislation; authorization for the purchase of credit for prior uncredited provisional service as a sanitationman; establishment of a vesting benefit after 10 years of service, the amount of which is to be computed in exactly the same manner as the service retirement benefit, and to become payable when the member would have rendered 20 years of service; and maintenance of all other pension benefits now in effect.

Throughout these negotiations the City's position with reference to the present police, fire and sanitation plans has been consistent. The City rejected all of the pension proposals made by the employee organizations here involved, and expressed strenuous opposition to any pension improvements which would add to the present levels of pension cost. The Employer observed that total pension contributions by the City to all systems in fiscal 1970-71 had risen by 27%, to \$625,000,000, over the previous year, and by 44% in the past two years. The City maintained that only five other systems across the country had a pension benefit providing half-pay after 20 years of service regardless of age, and that "few if any other systems allow calculations of pension benefits based on earnings of the last day of

service as the City does."

The present pension systems in police and fire, though different in certain respects, such as the rate of employee contribution and the rate of the Employer's increased take-home pay (I.T.H.P.) contribution, are basically the same with regard to the level of half-pay retirement and the service fraction thereafter. Both presently provide for retirement after 20 years at one-half annual pay, based on the last day's compensation. Thereafter each provides for accumulation of a retirement allowance at the rate of 1/60 per year, in theory permitting full retirement after 50 year s of service. However, this final level cannot as a practical matter be achieved inasmuch as policemen and firefighters may nor enter the service until age 21, and policemen must retire following their 63rd birthday, firemen following their 65th birthday.

The sanitationmen's system has substantially the same retirement allowance formula for the first 20 years, but for years in excess of 20, 1/100 of the final average salary (5-year average) for all years, with a change for years after 1965, plus an annuity based on contributions and the balance of the I.T.H.P.

Also, in police and fire there are closed systems covering a relatively few employees who were in the departments prior to 1940 and whose pension rights are tied to plans which provide for half-pay retirement after 20 years

of service and full pay after 35 years, but with a 1/60 service fraction after the 20th year of service. In sanitation, a comparable system, now closed and covering a few employees, allows for a full-pay benefit on a discretionary basis.

The present plans of the uniformed services have features which have been in effect as early as 1890, (e.g., the 20-year half-pay provision for firefighters). In their present form they were designed to encourage early retirement. It should be noted that none of the present plans include a minimum age requirement for retirement at half-pay after the 20th year. This concept was based on the obvious need for youth, physical stamina and alertness in those employed in the uniformed services involved. It was not contemplated that significant percentages of the workforce in these Departments would, because of the arduous or hazardous nature of the work involved, be able to remain in active employment much beyond the 20th year of service, particularly since the average entering age until recently had been between 27 and 30 years.

In these series of negotiations one of the most discussed aspects of the disputes over pensions centers on a comparison between the present pension systems of the uniformed services and the recently negotiated "Citywide" New Career Pension Plan (N.C.P.P.).. It is the latter plan which the uniformed services point to as confirmation of the erosion of the historic distinction between non-hazardous and hazardous work. They claim that the new City-wide plan,

applicable to civilian employees is "better" than the plans for police, fire and sanitation. The City on the other hand claims that the plans for the uniformed services remain superior. In fact, in some respects the pension systems for the uniformed services remain better; in others the N.C.P.P. is superior. For example, because the uniformed services do not have an age qualification for retirement, the availability of a half-pay, 20-year retirement benefit is superior to that provided under the N.C.P.P., which requires a minimum age of 50 or 55 for retirement. Also, the disability retirement provisions under the police, fire and sanitation plans remain superior.

However, the service fraction after the 20th year is significantly better under the N.C.P.P. than under the plans applicable to the uniformed services. The former provides for a 2-1/2% service fraction for each year subsequent to the 20th, and so generates a full-pay retirement level after 40 years of service. Compared to the plans in police, fire and sanitation, and taking into consideration the minimum age requirement of 50 or 55, the N.C.P.P. produces the possibility of retirement at full pay at least 10 years earlier than under the plans for the uniformed services. For example, after 35 years of service an eligible employee under the N.C.P.P. can retire at approximately 87-1/2% of final year's salary, whereas a policeman, fireman or sanitationman would receive approximately 81%, 75% and 74% respectively. Also the N.C.P.P.

provides that pensions subsequent to the 20th year be calculated on the basis of the last year's "salary" (i.e., interpreted as "compensation"), whereas the police and fire plans at present are calculated on the basis of a "career average" of the years after the 20th, and the sanitation plan is based on the last day's "salary" for the first 20 years. In short, depending upon the retiree's age, the date selected for retirement, and the circumstances under which he chooses to retire, each of the plans has its relatively superior and inferior aspects.

The long-established fact is that the uniformed services, for sound reasons legislatively affirmed, have deliberately been covered by better pension plans than those applicable to other municipal employees. For years, the special hazards faced by, arduous physical demands upon, and relatively short-lived working careers of employees in the uniformed services have been reflected in pension plans unique to those employees in that they provided earlier retirement and higher retirement benefits than those for the City is civilian employees. In its wisdom the State Legislature not only enacted these preferential plans, but also recognized the unique nature of the work per-

formed by the employees in the uniformed services by passing such special legislation as "heart and lung" bills which distinguished these employees from all others by creating a presumption that heart and lung disabilities among police and firemen were service-connected. In other words, because policemen, firemen, and sanitationmen performed work of a uniquely difficult or unpleasant nature, which affected their health and longevity, they received pensions and other health legislation unique to their status alone. Because they were deemed <u>sui generis</u> many years ago, their special pension plans and special health legislation did not create a spreading precedent for employees engaged in other kinds of work in either the public or private sectors. The situation today is no different in principle. Indeed, the hazards and the onerous characteristics of their work are more pronounced. The uniformed services are still entitled to pension benefits that are at least no less favorable than those enjoyed by civilian municipal employees. And where there is a doubt about the present relative levels of benefits, the benefits of the uniformed services should be improved to the point where no doubt remains. Our recommendations are designed to do just that by retaining most of the substantive advantages of the present police, fire and sanitation plans and by integrating into those plans some of the more favorable aspects of recently

negotiated City pension plans which we find should also apply to the uniformed services. The intent and effect of our recommendations is to improve the police, fire and sanitation pension plans in an historically defensible way, at moderate added cost.

The current annual costs of the existing pension systems applicable to all uniformed employees in each of the three Departments here involved amount to roughly one-fourth of total payroll in each of the Departments, with the figures for each showing 26% of payroll in police, over 24% in fire, and under 23% in sanitation. By way of comparison, the existing City-wide pension system (N.Y.C.E.R.S.) applicable to 121,000 white-collar and blue-collar civilian employees has a current annual cost amounting to, about 21% of the payroll applicable to such employees, a percentage close to the order of magnitude of those applicable to the three uniformed services. The percentage of payroll that will characterize the New Career Pension Plan (N.C.P.P.) recently negotiated by the City with the union representing the civilian employees has not been presented to us. However, it is reported that the added annual costs of the new plan will be about \$30,000,000 greater than present costs, and that the percentage of payroll will also go up.

It is obvious to us that the separate major pension demands originally made by the representatives of the uniformed services would be extraordinarily costly; and even

the union's pension demands for half-pay and full-pay eligibility as modified during the negotiations would be very costly. These proposals are in degree novel to the present City-funded pension systems and their effect is to go significantly beyond certain of the benefits and costs inherent in the 2-1/2% service fraction formula recently negotiated by the Employer for the new City-wide pension plan. The Panel will not treat conclusively in whole or in part with radical pension revisions in a recommendatory impasse procedure where the parties are very far apart in their views, but we have no hesitancy in using applicable elements of previously negotiated pension changes in which the City and a major union of City employees were involved to help to resolve immediately some of the pension problems over which the Employer and its uniformed services are divided. Our pension recommendations will reflect this judgment.

At present the three uniformed service pension plans are contributory, with the following actuarially determined rates upon entry into the service at assumed age 21: sanitationmen 8.70%, policemen 8.05%, and firefighters 5.64%. However, the effective rates of contribution are lower, because they are net of the Employer's 5% contribution for increased-take-home-pay (I.T.H.P.). So that, the effective contribution rates at the assumed entry age of 21 are: sanitationmen 3.70%, policemen 3.05%, and firefighters 0.64%. At present, the firefighters' pension plan is virtually non-contributory. It is noteworthy that as the age of entry into

the service rises, the actuarially determined employee contribution rate goes down, and therefore the effective contribution rate by virtue of the I.T.H.P. offset goes down. At assumed age of entry of 25, an assumption closer to the actual average experience of the uniformed services, the effective rates of employee contribution, net of the I.T.H.P. offset, are: sanitationmen 2.50%, policemen 2.30%, and firefighters 0.36%. We are advised that the administrative costs for management of employee contributions are significant. We note, too, that the recently negotiated N.C.P.P. reduces employee contributions to a flat 1/2 of 1% for white-collar employees, and to a flat 1% for a minority of the covered employees, those in blue-collar (described as "physically taxing") occupations. Important, too, is the proximate existence of other significant de facto or formal precedents, involving the Employer, for minimizing or eliminating employee contributions. Employees of the New York City transit system are on a noncontributory basis. New York City teachers are in many instances effectively on a non-contributory basis because the 5% I.T.H.P. offset is greater than their actuarially determined contribution rate. We note in passing that the State Legislature in 1966 enacted a law making the New York State Employees Retirement System, covering about 250,000 state and local government employees, non-contributory effective April 1, 1960. Further, the New York State Teachers Retirement System, covering about 185,000 teachers throughout the State, was placed on a similar noncontributory basis within the past two years. We are mindful, too, that pension plans in the private sector are predominantly non-contributory, a trend remarked upon in the Bankers Trust Company's 1970 Report on Industrial Retirement Plans.

However justifiable in principle a reduction or elimination of employee contributions may be, the projected cost to the City at this time of such a change is an equally significant factor and we have given it great weight. This is particularly so in view of the substantial wage adjustments already achieved by these three unions in their parity pay settlements with the City, and in further view of the recommended wage settlements for the new contracts covering the uniformed services.

In our efforts to ascertain which pension changes already justified on equitable grounds could also be justified in terms of minimum added cost to the Employer, we relied upon the actuarial cost projections formally presented to the panel by Jack Bigel of Program Planners, Inc., pension actuaries and consultants to the sanitationmen's union; by Thomas Fitzgerald of Martin E. Segal & Co., actuarial consultants to the patrolmen s organization; and by the parties themselves in oral presentations and documents submitted to the Panel, inasmuch as our request for similar estimates from the actuary for the systems was denied by the City's Office of Labor Relations.

If the following changes were assumed for each of the three systems: (1) extension of the present 2.5% service

fraction for service under 20 years to the years after 20; (2) the elimination of the contributory feature of the systems applicable to the three uniformed services; and (3) elimination of the Employer's I.T.H.P. obligation; there would be a markedly different cost impact for each of the systems.

For sanitationmen, if the three changes specified above were made, the added cost to the City would be \$100,000 per year for the 12,700 employees (including officers) covered by the fund, or an additional 0.07% of applicable payroll. The projected average cost per man is \$7.89 per year. In this fund, the employee contribution rate is highest among the three.

For policemen, the added cost to the City of these three changes would be \$6,609,000 per y ear for the 32,200 employees (including officers) covered by the fund, or an additional 1.50% of applicable payroll. The projected cost per man is \$205.00 per year . The total cost to the City of making these changes is highest for this fund.

For firefighters, the added cost to the City of these three changes would be \$3,779,000 per year for the 13,600 employees (including officers) covered by the fund, or an additional 2.06% of applicable payroll. The projected average cost per man is \$278.00 per year. The effective employee contribution rate is about 1/2 of 1% for those covered by this fund, the lowest rate among the three funds.

By comparison, the reported total costs for the new City-wide pension plan for civilian employees would average \$248.00 per covered employee.

These significant differences in Employer cost and employee impact have led us to the conclusion that different recommendations for each of the three groups of uniformed employees would be in the mutual interest of all concerned. Our recommendation will reflect this conclusion.

For reasons made explicit elsewhere in this~report, we are not recommending immediate disposition of the pension issues involving proposed full-pay benefits after 30, or 33, or 35 years of service. But we cannot fail to note that the costs projected by actuaries for the least costly of these full-pay proposals, the 35-year full-pay benefit, show that such a change would by itself add \$309,000 per year to sanitation pension costs, \$1,781,000 per year to police pension costs, and \$441,000 per year to fire pension costs, or a total of \$2,531,000 for all three services. Related to the applicable department payrolls, a 35-year full-pay pension should by itself add 0.21% to sanitation pension costs as a percentage of payroll, 0.40% to the police percentage of payroll, and 0.33% to the fire percentage of payroll. However, the projected added annual costs for such a full-pay benefit, no matter how moderate, for the three uniformed services, is but one of a number of relevant considerations. Therefore,

this and other considerations pertinent to the full-pay pension proposals deserve the most careful expert evaluation and study under auspices and circumstances which are detailed in our recommendations on the pension issues.

Major innovative revisions in the extraordinarily complex and sensitive area of pensions are best left to the parties themselves. In our view impartial impasse panelists with the authority only to recommend solutions, ought to propose only those specific pension adjustments which will aid the parties in correcting at minimum cost clearly inequitable elements in the pension systems applicable to the undisputedly hazardous services. As to the other unresolved pension issues, we are constrained to propose to the parties a procedure which would permit mutual appraisal of their respective positions at a time, under auspices, and under circumstances which will assure thorough evaluation with the aid of pension experts representing each of the parties and the public.

To fulfill these objectives above, we make the following recommendations".

PENSION RECOMMENDATIONS:

1. Retirement Benefit Formula - The Fire Department Fund, Article 1-B; the Police Pension Fund, Article 2; and the sanitation service pension provisions of the New York City Employees Retirement System, shall be amended effective in accordance with the terms of the necessary enabling legis-

lation to provide in each instance for each year of service in excess of the minimum required for retirement, but not to exceed an additional 20 years, a retirement allowance equal to 2.5% of annual compensation on the date of retirement, consisting of an annuity, if any; a pension for applicable I.T.H.P., if any; and a pension for service. The present benefit provided in each system for the minimum period of service shall remain unchanged, namely, 50% of the annual compensation on the date of retirement.

2. <u>Employee and Employer Contributions</u> -

- (a) <u>Firemen</u> Their pension system is virtually non-contributory at present. A change in employee and employer contributions would not generate benefits to either which are significant enough to justify the change. Moreover, there is a current disagreement between the Employer and the U.F.A. over the matter of liability for any existing "deficiency" in contributions to the firemen's pension system. We find these to be compelling grounds to recommend no change in employee contributions or in the I.T.H.P. applicable to firemen. (We are advised by actuaries intimately familiar with this and other public pension systems, that this "deficiency" in contributions in no way affects the actuarial soundness of the firefighters' system.)
- (b) <u>Policemen</u> The employee contributions to this fund are made at rates significantly higher than the rates to be applied in the N.C.C.P. Yet, the cost of eliminating the em-

ployees' contributions to this fund entirely is high enough to warrant only the recommendation that the employee's contribution be reduced to a flat 1%. and that the Employer contributions for I.T.H.P. be discontinued.

- (c) <u>Sanitationmen</u> The actuarial estimate of the total cost for eliminating the contributory feature of this fund is so small, and the benefit to the employee so immediate that we recommend discontinuation of both the employee contribution and the Employer's I. T. H. P. contribution.
- 3. <u>Limitation on Legislation</u> During the period covered by these contracts, neither the affected employee organization nor the City shall sponsor, support, or have introduced legislation to change pension benefits, except as mutually agreed to by the City and the employee organization involved and except as otherwise recommended elsewhere in this report; provided however, that the Employer and the affected employee organization shall undertake to sponsor and support such enabling legislation as may be required to effectuate the pension changes recommended herein and such other pension changes as may subsequently evolve upon completion of the joint study recommended below; and provided further, that Employer and the affected employee organization may sponsor and support such necessary annual legislation as may be required to continue in effect any-present cost-of-living increase supplement for pensioners.

- 4. <u>Funding Formula</u> The unfunded accrued liability resulting from improvements in benefits shall be funded by thirty-five equal annual payments.
- Effective in accordance with the terms of the necessary enabling legislation, members of the Police Pension Fund, Article 2, and the Fire Department Fund, Article 1-B, shall be permitted to purchase credit for previous New York State Service which the member was eligible to, but failed to, transfer pursuant to existing provisions of law. Such member shall have six months in which to request such credit and shall be required to pay into the fund the amount of the reserves that the State would have transferred, plus the amount of his accumulated deductions in the State service, plus interest thereon from the date of termination of his State service. He shall be required to pay such amount within three months of notification of the amount of payment which is due.
- 6. Portability Into the Uniformed Systems Prior City Service An individual who is a member of another City supported retirement system and becomes, on or after the effective date in the necessary enabling legislation, a member of one of the systems covered by these recommendations, may, if he has not withdrawn his contributions, transfer such credit to his new system within six months after becoming a member of his new system. Such transferred service shall be

credited toward eligibility for retirement at half-pay after 20 years of service regardless of age, only if it was membership service in a plan which provided the same benefit.

Any member of one of the systems covered by these recommendations may, on or after the effective date in the necessary enabling legislation, purchase credit for service rendered as a member of another City-supported retirement system, which We has not transferred, at a rate of contribution equal to the normal rate of contribution paid by him at the time of application for purchase of such credit. Such purchased service shall be credited toward eligibility for retirement at half-pay after 20 years of service regardless of age, only if it was membership service in a plan which provided the same benefit.

7. Purchase of Prior Provisional Sanitation Service - Effective in accordance with the terms of enabling legislation, members of the sanitation service pension plan of the New York City Employees Retirement System may purchase credit for prior uncredited provisional service as a sanitationman. The member shall have six months in which to request such credit. He shall purchase it at a rate of contribution paid by him at the time of application for purchase of the credit. Such purchased service shall be credited for all purposes including the minimum service requirement.

- 8. <u>Continuation of Present Cost-of-Living Supplement for Sanitation Pensioners</u> The Employer and the sanitationmen's Union shall undertake join-t-sponsorship and support for the re-enactment of legislation necessary to continue this supplement for sanitation pensioners.
- 9. <u>Tripartite Pension Study Panels</u> Any further pension changes beyond those specified in the Impasse Panel's recommendations, as set forth above, shall be referred by any of the parties here involved to an appropriate three-member tripartite study panel to be established promptly for each of the three uniformed services. Each study panel shall consist of three members expert in the pension field, one designated by the City, one designated by the employee organization involved, and one impartial member designated by the two members named by the parties. Should the two members of a study panel fail within 10 days to agree upon the selection of the impartial member, the matter of selection of the third, impartial, member shall be referred to the Office of Collective Bargaining for designation of such member.

Each expert study panel shall convene within 30 days of the acceptance of the Impasse Panel's recommendations by the Employer and an employee organization here involved and shall be obligated to complete, no later than December 31, 1971, appropriate inquiry into, evaluation of, and recommendations

to the parties upon any pension proposal put before the study panel by the organization involved or by the Employer. The study panels shall be free to maintain liaison with one another throughout the course of their deliberations, and they shall hold such public or private hearings, conferences, and executive sessions as they may deem necessary to perform their assignment effectively. They shall be encouraged to look towards the preparation of a joint report and recommendations covering the work of all three panels, and failing in that they shall be obligated to submit separate reports and recommendations to tile parties before them and to the Office of Collective Bargaining on or before December 31, 1971.

Unresolved pension issues which may be appropriate for presentation to the recommended study panel(s) by any of the parties include, but are not limited, to the following:

- 1. further changes in the retirement benefit formula;
- 2. credit for military service;
- continuation of the variable supplements fund;
- 4. application of longevity increases to pension credit;
- 5. vesting of pension benefits;
- 6. the yield from investment of pension reserves; and
- 7. the effective dates of pension changes.

OTHER ISSUES IN THE PATROLMEN'S CONTRACT NEGOTIATIONS

PARITY

There is to-be no provision in the contract for the establishment or maintenance of a parity relationship with the salaries of any other employee group. The fiscal implications of parity, let alone the discouragement if not impediment to mature, meaningful and constructive collective bargaining where "me-tooism" prevails in the form of parity-provisions, are too well known to reiterate here and are sufficient in themselves to justify deletion of the parity provision from the new contract.

But, within the limits of the essential rights of the Department, among others, to manage the department, direct and assign patrolmen in their jobs and generally administer its grave responsibilities and mission in the well-being of the security and safety of the citizenry, the relationship of the salaries and classification of patrolmen within their bargaining unit to job function, experience, education, performance and the like are, on the contrary, a fitting and proper concern in collective bargaining. And, upon careful analysis of these and other factors related to the duties of a patrolman and his remuneration, a new job title and salary in addition to, and in excess of, that provided first grade patrolmen is warranted for those patrolmen in the bargaining unit who meet the qualifications and merit the consideration.

MASTER PATROLMAN.

The new category of patrolman as discussed by the parties would be Master Patrolman. Achievement of the classification of Master Patrolman would be determined by competitive rating based on considerations which would more than likely include among others such factors as job assignment, performance, experience, industry, loyalty and dedication to the force, bravery and the like.

The details of the new grade and eligibility requirements and selection standards have all yet to be worked out. But the Department and the City have evidenced interest in the establishment of such a category of patrolman and there has been much lengthy and constructive discussion of the matter by the parties in these negotiations. It is re commended that these deliberations be continued with the understanding that should any area, of difference arise in determining the new category of patrolman the parties shall refer the matter to a mediator, or some other mutually accepted neutral, for appropriate action.

CAREER DEVELOPMENT PROGRAM

As indicated in extensive discussions throughout the bargaining sessions, the Department has been considering the establishment of a Career Development Program in the interest of encouraging and rewarding individual patrolmen efforts at self-improvement and advancement in their chosen career.

This, of course is clearly a Departmental operational matter as distinct from a bargainable issue in the narrow sense. But the record of experience in labor-management relations suggests that it may be desirable for the parties to consider and discuss matters which can be advanced through joint efforts at the bargaining table, even where these are "permissive" rather than "mandatory" from a strictly legal point of view.

In the interest of furthering career development in the Department and within patrolmen ranks, it is urged that the parties continue their discussions of a Career Development Program and that such a program be developed with the understanding that should any area of difference arise over the details, they shall be referred to a mediator, or some other mutually acceptable neutral, for appropriate action.

TOURS OF DUTY AND WORK CHARTS

An issue in some ways similar to the item discussed above revolves about the broad question of tours of duty, work charts and related areas. Much of what has been discussed, as with the Career Development Program, is viewed by the City and the Department as consisting of "productivity items" and essentially managerial in nature. The P.B.A., with equal fervor and some justification on the other hand, contends that many of these areas are contractual matters which affect their basic working conditions.

There is much that is correct in the positions of both parties, but this does not necessarily preclude joint efforts in problem-solving to effect fair and equitable re-scheduling of, for example, tours of duty and experimentation in the development and application of work charts for the several Divisions and Commands. And it must be said that while these are complex and sensitive areas for the parties, much progress has been made in these negotiations toward a better understanding of the objectives sought and the problems involved.

No "solution" in the form of a recommendation by "a third party" in matters such as these is truly the equal of that worked out by the parties. Limitations in time at the bargaining table have not permitted the in-depth analysis or concentration on issues warranted by the parties to effect a mutually satisfactory program in these important areas.

In the firm conviction that such joint efforts Constitute mature and constructive collective bargaining by the parties which can be mutually beneficial and that collective bargaining in this sense, unlike treaty-making, is a continuous process it is recommended that these discussions be continued and that the City, Department and P.B.A. develop a program, experimental if you will, in the broad area of work-charts which could include, too, experimentation in vacation selection, vacation charts and vacation work within the Department of a limited and partial amount where such work, as the Department determines, is available

and where men freely and voluntarily seek it.

The final determination in much of these-areas is, within the limits of the contract, in the hands of the Department but the main thrust of this recommendation is that such experimentation as may be conducted in'the several Divisions and Commands with existing tours of duty, work-charts and the like shall be undertaken after discussion and consultation with representatives of the P.B.A. In three areas in which, on the basis of discussion in meditative sessions, it would appear that the parties have seemed close to agreement but "not quite-there", we make a recommendation for a possible solution for their consideration:

Recommendation: In the matter of advance notice-time in other than emergency or unusual circumstances, it is recommended that the Department have the right to-reschedule a patrolman's tour of duty up to two hours before or after his normal starting time without penalty of pre or postshift overtime so long as such advance notice is provided the individual patrolman no later than seven days prior to the date of the schedule change. In the matter of the time-span of hours within which the Special Events Squad and the Tactical Patrol Force could be assigned their eight-hour duty, it is recommended that the hours be within 6:00 AM - 7:00 PM for the SES and 5:00 PM - 6:00 AM for the TPF. In the matter of application of portal-to-portal pay to TPF-and SES patrolmen, it is recommended that portal-to-portal pay for TPF-and SES patrolmen be provided only when TPF and SES patrolmenare temporarily assigned as individuals - not as a unit - to commands other than

TPF and SES.

In general, it is our strong recommendation that in dealing with these important matters affecting the Department's operational efficiency and the man's day-to-day working conditions, the parties endeavor not to be so rigidly bound by past practice or any other limitation as to occasion blind resistance to essential innovation and change. This is especially pertinent in the matter of the one man patrol. The temper of the times today, the seeming growing resentment "of the Establishment" and the disdain for law and order in many quarters suggests increasing concern for the safety and well-being of the patrolman. The Department has expressed its deep concern in this regard and for taking every precaution consistent with its public responsibility for minimizing the hazards to the safety of its men. But it suggests that on an experimental basis and in selected lowcrime areas among others, the use of one-man patrol cars could permit of a double level of patrols which would provide more effective and expeditious dispatch of patrol cars to the scene of crimes and emergencies while providing even greater safety for the operation of the patrol car. Department cites, from its view, the success in the use of a mix of one and two man patrol cars in such major cities as Chicago, Los Angeles, Philadelphia, Detroit, Washington, D. C., Baltimore and St. Louis. P.B.A. responds with unanimity in a strong and clear protest that the risks and hazards to the safety and well-being of a patrolman in the metropolitan area are nowhere duplicated in the nation and that one-man patrol cars under any circumstances-would invite certain

elements in this City to be even bolder in their lawlessness at increasing risk of the safety and life of the patrolman. The P.B.A. suggests experimentation in alternatives that, in its, judgment, would improve efficiency in dealing with crime and emergencies without increasing the risks to the life and safety of the patrolman. Among these suggestions is the greater use of "walkie-talkies" on patrol and between the two patrol car men dispatched to an area operating separately outside the car or with one in and one out.

In an operational matter which is as complex as this and as surrounded with such grave considerations as this is, we feel constrained not to recommending a change in the present two-man patrol car operation but we urge the parties, nonetheless, as in other departmental matters affecting working conditions to keep an open mind and to continue joint discussions to the end of improving operations.

VACATION PICKS

On this issue it is our recommendation that patrolmen be permitted to select individual vacation days at the time vacations are picked with the provisos: 1) that the maximum allowed for such individual vacation days shall be 2% of the force, and 2) that no patrolman may choose more than one of the following holidays as an individual vacation day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and New Year's Day. It is further recommended that in the event a patrolman fails to select such individual vacation days at

the time he makes his regular vacation pick, he be permitted to select such individual vacation days at a later time subject to the operational emergencies of the Department.

HEART BILL

The City shall submit to the State Legislature a "Home Rule Message" in support of the pending Heart Bill;. Senate #4602 (Marchi and Bloom) and Assembly #5839 (Amman and Mercorella).

EXCUSALS

On this issue it is our recommendation that official P.B.A. delegates assigned to work on the day of a regular, scheduled official P.B.A. meeting sh all be assigned to the second platoon for that day. It is further recommended that the P.B.A. transmit a list of its delegates and the scheduled dates of its meetings to the Department semiannually and in the event of any change of delegates or date of a regularly scheduled P.B.A. meeting, it notify the Department in writing promptly thereafter but no less than one week prior to the rescheduled date.

FIGHT DIFFERENTIAL

We recommend that the present night differential be increased to 10% as of April 1, 1971.

COMPUTATION AND PAYMENT OF OVERTIME

We recommend that overtime shall be computed on a monthly basis and shall be paid no later that six weeks after submission of the monthly report.

This procedure for the computation and payment of

overtime shall be followed from the date of acceptance of the Panel's recommendations.

UNIFORM ALLOWANCE

We recommend that the present uniform allowance shall be increased by \$15.00 on July 1, 1971.

DELIVERY OF PAY CHECKS TO COMMANDS

We recommend that from the date of acceptance of the Panel's recommendations, pay checks shall be delivered to Commands by 3:00 PM on Thursday preceding payday for distribution after 3:00 PM on said Thursday.

ACCRUED LEAVE AND BENEFICIARY

We recommend that from the date of acceptance of the Panel's recommendations, should an employee in the bargaining unit die while in the City's employ, his or her beneficiary or other estate shall receive payment in cash for: 1) all unused accrued annual leave to a maximum of 54 days credit, and 2) all entitled unused leave days for personal leave day, Memorial Day, July 4th and Veteran's Day, it being understood that this provision pertains to all unused accrued compensatory time earned subsequent to the effective date of the new contract between the parties, namely, January 1, 1971 and retained pursuant to this contract verifiable by official agency records to a maximum of two hundred hours for any combination or total of leave days and compensatory time in any individual case.

HEALTH AND WELFARE PAYMENTS

We recommend that Health and Welfare Fund payments be increased to.\$250;00 per active employee as of January 1, 1972.

PROMOTIONAL EXAMINATIONS

We recommend that from the date of acceptance of the Panel's recommendations, candidates in any promotional examination shall have the right to retain the questions and answers.

LIFE INSURANCE

We recommend that from the effective date of the contract between the parties, namely January 1, 1971, in the event an employee in the bargaining unit dies because of an injury arising out of and in the course of his employment through no fault of his own, and in the proper performance of his duties, a payment of \$25,000 will be made from funds other than those of the Retirement System in addition to any other payment which may be made as a result of such death. Such payment shall be made to: (a) the employee's widow or widower, if any; or (b) if there be no widow or widower, to the employee's child or children, if any, in equal shares; or (c) if there be no children, to the employee's estate.

INDIVIDUAL RIGHTS

We recommend that there shall be provision made in the contract governing individual rights and areas of representation patterned along lines of the Department's General Order 15. Should any difference arise over the details and nature of such contractual language, the matter shall be referred to a mediator, or some other mutually acceptable neutral.-for-resolution.

LIABILITY INSURANCE FOR CAR USE ON ELECTION DAY

It is recommended that where a patrolman is assigned to using his car on Election Day or any other "authorized day," the City shall assume the cost of car liability insurance for such use, it being understood that: "In accordance with General Municipal Law Section 50(c) the City shall hold harmless from liability a patrolman whose private auto is used for a Police Department purpose during the entire period of such use."

P.B.A. OR CITY PROPOSALS NOT INCLUDED IN RECOMMENDATIONS

It is to be noted that there are certain proposals for the modification and change of the present contract which have been strenuously and intelligently presented, and sought, by one or the other party during these negotiations and in meditative sessions and meetings separately and jointly before the Impasse Panel or before the Panel Chairman for the City P.B.A. contract dispute which have not been included in these recommendations. Without regard to their equity, and certainly without prejudice, each and every such proposal has been carefully evaluated and for numerous and varying reasons have been deemed, in this round of negotiations at least, as not warranting change or adjustment. Thus, whether specifically commented upon or not in this report, each and every such item of proposed modification, change or addition to the present contract by either party shall be deemed to have been given

full consideration by the parties in negotiations and by the mediator and the Panel, except as herein indicated or the parties mutually agree to the contrary.

OTHER ISSUES IN FIRE NEGOTIATIONS

UTILIZATION OF PRESENT MANPOWER

The City's concept of scheduling a portion of the work force during the high activity hours of 9 AM to midnight and 3 PM to midnight (concurrent tours) makes sense. This Department is already working at a high level of "productivity" resulting in part, at least, from the innovative technique established under the Memorandum of Understanding of September 1969 - - namely, the use of "adaptive response", "tactical control units" and more flexible manning during the high incident hours. The proposed utilization of the present manpower on tours during the hours of 9 AM to midnight and 3 PM to midnight should further increase the fire fighting effectiveness of the Department without an increase in total manpower. Whether or not this is a managerial prerogative, we recommend that the parties agree to the full schedule of the concurrent tours (the hours of work; the hours of the work-week; and the "swing time") as proposed by the City in these negotiations. The installation of this program should include the replacement of the present TCU Program; those displaced from the TCUs should be afforded priority in selecting the new tour hours; and the extra men (6 & 7) in the adaptive response companies should work hours that coincide with the concurrent tour hours.

FIRE MARSHALS

In addition to those employees already coveted, those terms and conditions of the new contract applicable to fire marshals shall apply to employees in that classification.

The City shall prepare and deliver to the Union within a reasonable time, the work chart for fire marshals showing the work schedule of the marshals and their days off for a one year period in advance.

HEART BILL

The City shall submit to the State Legislature a "Home Rule Message" in support of the ending Heart Bill Senate #4602 (Marchi and Bloom) and Assembly #5839 (Amman and Mercorella).

DELEGATE STRUCTURE

The introductory paragraph "Document A" should read:

"The Union shall furnish the Department with a list of dates and times for membership and delegates meetings. The Department shall release with pay, all delegates scheduled for duty during such meetings, subject to the following limitations":

Subparagraphs (a) (b) (c) (d) and the concluding sentence of Document A have been agreed upon.

The mediator's notes shall reflect the agreed upon manner for the handling and scheduling of the membership and

delegates meetings.

DELEGATE VACATION PICK

The introduction and paragraphs 1 and 5 and the concluding sentence of Document B should be agreed to. The language of paragraph 2 should be accepted by both sides. Paragraph 4 should be deleted. The mediator notes shall reflect the understanding that the proposed vacation schedule provided by the Union to the Department shall be geographically apportioned on a reasonable basis satisfactory to the Department, but subject to the grievance procedure. The language of paragraph 3 should be accepted without the concluding phrase "subject to paragraph 4 below."

GRIEVANCE PROCEDURE

The present text of Document D should be accepted.

DELEGATES TO CAPTAIN GROUP

Document C should be adjusted to read "The Union may designate a delegate for each company or special unit with ten or more firemen who shall be the representative of the Union. The delegate shall perform his regular duties as a fireman. He shall be assigned to the Captain's Group where practicable in accordance with the P.A.I.D. on that subject."

INDIVIDUAL RIGHTS

The language of Document G should be accepted with the following changes:

- (a) The word "employee' should replace the word "fireman" throughout.
- (b) The phrase. "at Department Headquarters" should be deleted from Paragraph 4. The following phrase shall be inserted after the word "unit" in line 4, page 2: "or other identification of all persons present connected with the interrogation, interview or hearing."
- (c) Item "i" in paragraph 6 (a) shall be deleted.
- (d) The language of paragraph 10 shall conclude with the phrase "and shall have the right to examine his personal record to ascertain compliance in the presence of a department official and after a written request to the department."

The intent and spirit of this contract provision is to insure the traditional concept of "due process" in its administration. The Impartial Chairman will not permit the circumvention of the intent and spirit by indirect acts which are forbidden directly. It is recommended that the Department seek appropriate legislation to enlarge its options and to give it greater flexibility in the handling of disciplinary matters. Specifically, the Department should seek legislation extending its present Power to fine or discharge by including the Lower of suspension.

FIRE DEPARTMENT VEHICLE LICENSE

The language of Document F has been agreed upon.

WRITTEN EXAMINATIONS

The language of Document G has been agreed upon.

VEHICLE REPAIR AND CERTIFICATION

This clause should read:

"When a company receives new equipment, replacement equipment, equipment repaired by the Division of Repair and Transportation, and equipment repaired in quarters by a mechanic, the officer on duty shall inspect such equipment to insure that it is in proper working order. Such officer shall make a signed notation in the company journal regarding the results of such inspection."

OUTSIDE ACTIVITIES

The language of Document I should be accepted except for the following which should be deleted therefrom:

Sub-section 11 of paragraph D.

(We are satisfied that sub-section 10 of paragraph D is covered within sub-section 7).

With regard to sub-section 3 of paragraph D, though

firemen must continue to do this work in the interest of the public safety, efforts should be made by the Department to require others who may be legally responsible to do this work to comply with the law.

CAREER DEVELOPMENT; FILLING OF VACANCIES; TRANSFERS

During negotiations a joint committee made progress towards the resolution of this issue. Without prejudice to the positions of the parties on the mandatory bargainability of this issue, we recommend that the joint committee continue its work for no more than another three weeks. If the issue has not been resolved by that time it may be submitted to arbitration for a binding determination.

FIVE-MAN MANNING

Without diminution in the quantity of 93 companies with higher manning identified and known to the parties (and with the right of the Department to make reasonable substitutions), including those companies covered by the Memorandum of Understanding of September 1969, and until there is a substantial change in firefighting equipment or firefighting technology, all companies, including the Marine Division (except Marine No. 4 with four men and the satellite boats with two men each) are to be manned by no less than 5 men available to respond at the beginning of each tour, under the following guidelines:

1. The Department may equalize manpower among the companies.

- 2. The Department may detail within a battalion to fill a vacancy.
- 3. Remaining vacancies shall be filled an a voluntary rotating seniority basis, under procedures to be worked out by the parties. If they are unable to agree upon those procedures within 3 weeks from this date, the matter shall be submitted to the Impartial Chairman for a binding determination.
- 4. If there are insufficient volunteers the Department may mandatorily assign an employee to the overtime on the basis of inverse seniority. (Procedures to be worked out per No. 3).
- 5. An employee involuntarily ordered to work the overtime shall be permitted to provide a qualified substitution, but there shall be no abuse of that practice by the employees.
- 6. Where there are two pieces of apparatus in the same company, and both respond to an alarm, the five-man manning s hall apply only to the primary piece of equipment. The secondary piece of equipment may be manned by as few as two men.

- 7. Vacancies during a tour due to emergency duty or conditions beyond the Department's control shall be exempt from the foregoing minimum manning requirements.
- 8. The portal-to-portal provision of the contract shall not apply to this manning procedure.
- 9. The administration of this procedure shall not unreasonably interfere with the rights of the employees under P.A.I.D. 6-70 dated January 27, 1971.
- 10. Section VI of the Memorandum of Understanding of September 1969 is no longer applicable between the City and the Uniformed Firefighters-Association.
- 11. The parties disagree on the amount of increased costs which will attach to this program. If the costs prove excessive (i.e. exceeding proper limits as contemplated by the present total roster) the City shall have the right to petition the Impartial Chairman for appropriate relief. The same right shall apply in cases of alleged abuses.
- 12. This Article shall in no way affect a fireman's duty to respond to alarms and perform other normal duties.

It must be recognized that this is a complex and untried procedure. The parties must act reasonably and responsibly in exercising their respective rights hereunder.

PAY CHECKS

The present practice of cashing pay checks shall continue on an authorized basis unless the parties mutually agree to a different procedure. Consistent with security requirements pay checks shall be released on Thursdays at 3:00 PM for all employees who would not normally receive their pay checks during their working hours on Friday.

NIGHT SHIFT-DIFFERENTIAL

The night shift differential shall be increased from 5% to 10% above base-pay effective April 11 1971. Such differential shall be included in the computation of retirement allowances.

PORTAL-TO-PORTAL

The contract shall include a portal-to-portal benefit substantively equivalent to the benefit enjoyed by the Police, but consistent with the structure and needs of the Fire Department. If the parties are unable to agree on contract language within 3 weeks from this date, we recommend they refer it to the Impartial Chairman for binding determination.

SECURITY BENEFIT FUND

Effective January 1, 1972, the present contribution of \$190.00 per man per year to the Security Benefit Fund shall be increased to \$250.00.

LEAVE PROGRAM

Those portions of paragraph 4, Section XIII, page 8 of Document K which are required by the court decision of <u>Lottie Konig v. Thomas F. McCoy</u> should be granted.

Paragraph 6 should be granted to the extent that a fireman who has been placed on light duty following sick leave because of a line of duty injury or illness and who has not yet taken his vacation, shall not be required to take his vacation while on light duty.

RETURN FROM SCHEDULED LEAVE

The parties have agreed on the following contract language:

When a fireman has completed working two 9 hour or two 15 hour tours and is entitled to a 48 or 72-hour leave, he shall complete his full leave before commencing duty with a new group.

TEN-YEAR APPARATUS

The Fire Department shall institute a ten year replacement policy for all first-line (regularly assigned)

firefighting vehicles. By July 1, 1974, the Department shall operate all first-line engine, ladder, squad and rescue companies with vehicles less than eleven years of age. If such a vehicle is unavailable as a result of fire emergencies beyond the Department's control, this provision shall not affect the fireman's duty to respond to fires.

UNIFORM ALLOWANCE

There shall be a \$15.00 increase in the uniform allowance for work uniforms on July 1, 1971.

CLEAN-UP

The present practice (one-half hour) shall continue, and shall also apply from the time of "final tap-in."

PERSONAL CAR

In accordance with General Municipal Law section 50 (c) the City shall hold harmless from liability firemen whose private auto is used for a Fire Department purpose during the entire period of such use.

PROTECTIVE COVER ON APPARATUS

Consistent with its policy, the Department shall assign covered apparatus to all units in areas where personnel protection is a major concern, within its resources. The implementation of this policy is of importance to the firemen, the Union and the Department. Specific action has been taken by the Department, with additional work in progress

and planned in the near future. Though implementation is the right and responsibility of the Department, we recommend, without prejudice to that right and responsibility, a joint labor-management committee be established to work for a feasible implementation of the policy, and to report periodically to the Impartial Chairman for his advisory assistance or binding determination, whichever both sides wish.

INTEREST (SECTION XXVI OF DOCUMENT K)

The impact of the Union's demand under this section goes far beyond these negotiations. The problem appears to be a symptom of the City's present adverse financial condition. However, the City must recognize that unreasonable delays in paying monies due under this or any other collective bargaining agreement is unfair to the employees involved. It engenders understandable anger and even suspicion. Often, an inordinate delay in payment of a contract benefit negates the good will and mutual understanding which the negotiation of that benefit originally achieved. Under the expired contract the City was required to pay monies due within a reasonable time. Some time ago An arbitration award was rendered holding that the City had not met that obligation on a conceded debt. Since that time, with respect to the firemen, the City has made payment more speedily and has cleared up long overdue obligations. We recommend that the positive steps in the

direction of prompt payment of benefits due or earned under the contract be maintained and improved. Citizens who owe the City money beyond a due date are required to make payment with interest. Employees to whom the City owes compensation and other monetary benefits under a collective bargaining agreement, and who receive payment <u>without</u> interest, should not be required to wait for that payment beyond a reasonable time.

WRITTEN CONTRACT

The New York City Collective Bargaining Law requires collective bargaining agreements to be reduced to writing. The parties hereto intend to do so, but there should not be undue delay in doing so. In our view 60 days from the date of acceptance of these recommendations should be sufficient time. Again, matters which the parties are unable to reduce to writing may, in accordance with their acceptance of these recommendations, be submitted to the Impartial Chairman for binding determinations.

Clauses from the expired contract not changed by any of the foregoing shall be included in the new contract as they are presently written or as changed by mutual agreement of the parties.

All other demands are dropped or denied.

OTHER ISSUES IN THE SANITATIONMEN'S CONTRACT NEGOTIATIONS

The current contract dispute between the City of New York and the Uniformed Sanitationmen's Association, Local 831, I.B.T., has been the most protracted of the bargaining episodes in all of the history of the labor relations between these two parties. While the contract issues raised in the current dispute are by no means novel as to either form or substance in the past bargaining between these parties, they were complicated in this bargaining episode by the persistence and intensity with which the Union advanced its "inventory of sanitationmen's needs" and with which the City advanced its account of the "extraordinary fiscal needs and problems" of the The negotiations between the City and this Union were further complicated by issues raised separately in each of the contract disputes between the City and the representatives of the other two uniformed services, the policemen and the firefighters. The relationships among the basic economic benefits in the contracts covering these three uniformed services was structured by the Goldberg Panel in 1968. The City, the sanitationmen's organization, the police organization, and the firemen's organization recommitted themselves firmly to this three department "umbrella" structure from the very beginning of the current series of negotiations. At every stage of these negotiations between the City and the sanitationmen's Union, major

issues raised by the Union and the City reflected not only conditions and circumstances directly relevant to the work of the sanitationmen but also to factors arising out of prior commitments or future expectations of the several parties, which factors were inescapably related to key economic items in the sanitationmen's contract. For example, the lawsuit brought by the Patrolmen's Benevolent Association against the City in the matter of the policemen's claim for additional pay under the expiring contract based on a parity ratio linking the pay of patrolmen to that of sergeants effectively stymied to conclude wage settlements not only in the police and fire contract talks but in the sanitation contract talks as well. bargaining sessions held in the sanitation dispute prior to mediation and those held with the assistance of the mediator assigned to this dispute together with a labor-management advisory team developed an ample record, transcribed verbatim, of the arguments advanced in most of the bargaining sessions by the Union and by the City in support of their respective positions on "money items" and "non-money items". There were intense and earnest joint meetings between the City's and the Union's bargainers on economic issues, and also many constructive joint meetings of the Union and the heads of the Sanitation Department on manpower scheduling, new clean-up programs, projected training activities, vehicle and equipment safety, conditions in

the section stations and garages, and various other problems relating to Department operations and the circumstances under which sanitationmen perform their functions. Indeed, the City, the Department, and the Union were able to reach tentative understandings on a number of essentially non economic issues the Union and the Department developed bases for cooperative efforts to improve departmental operations and services subject to the conclusion of a complete agreement on all economic and non-economic issues involved in the current negotiations.

Bargaining efforts between the Union and the City began in October of 1970. Since that date the parties have failed to reach agreement on any major issue in dispute between them, except possibly in the matter of the City's proposals for increasing productivity.

In addition to the wage, pension, and contract term proposals made by the Union, it advanced a series of proposals for changes in fringe benefits, supplementary allowances, premium pay, and longevity increases, among other proposals. These are described below and made the subject of recommendations where justifiable in the view of the Panel.

SECURITY BENEFITS FUND

Employer contributions to the Security Benefits Fund are currently made at the rate of \$219.00 per employee per year. The Union seeks the following increases

in contributions "to meet the family needs of the sanitationman at current costs":

- 1. an increase of \$84.00 per man per year in the current contribution to "improve substantially" the dental benefits provided under the present program; the current dental program provides for payment of 50% of the costs of services;
- 2. an increase of \$44.00 per man per year in the current contribution to provide for supplementation of the present Blue Cross maternity benefit so as to produce full coverage of in-hospital maternity costs; the present Blue Cross benefit provides for reimbursement of costs up to \$80.00;
- 3. an increase of \$17.00 per man per year in the current contribution for anesthesia, blood and other benefits, so as to permit "updating of those benefits",
- 4. an increase in contribution of \$300.00 per man per year to provide no-fault auto liability insurance for covered employees; and

5. an increase of \$6.00 per man per year in the current contribution "to properly fund" the current experience rated cost of the waiver-of-premium in the present group life insurance program.

The proposed increases for improving or maintaining the benefits provided through the Security Benefits Fund, as specified above, total \$451.00 per man per year and would raise the Employer's contribution to the Fund to \$67 0.00 per man. The aggregate annual cost to the City for all sanitationmen to whom these proposals apply is estimated at approximately \$7,600,000, an increase of about \$5,100,000 over the present annual cost.

The Employer is firmly opposed to these proposals.

UNIFORM ALLOWANCE

The Employer now provides an annual uniform allowance to each sanitationman of \$115.00. The Union proposes increases in this allowance on the grounds that it has not been increased in the past three contracts "despite increases in costs" of components of the required uniforms and on the further basis that "the Department of Sanitation has promulgated new regulations requiring a new type of overcoat and new safety shoes." The Union proposes the following specific increases in the allowance:

- 1. an increase of \$50.00 per man per year to cover the cost of a new overcoat;
- 2. an increase of \$20.00 per man per year to cover the cost of safety shoes; and
- 3. an increase of \$25.00 per man per year to cover increases in the costs of other items of the uniform.

The proposed increases in uniform allowance total \$95.00 per man per year, and would raise the Employer's annual payment to \$210.00 per man. The annual payments to all sanitationmen for this allowance would be increased by about \$1,100,000, raising the total to a level of about \$2,400,000.

The Employer is opposed to the increases in allowance sought by the Union.

ANNUITY FUND

The Union proposes that the Employer's contribution to this Fund at the rate of \$261.0.0 per man per year be changed from the present flat dollar amount to a percentage of salary so as "to be more equitable to the member with additional years of service." The Union maintains that such a change would have no impact after the first three years of service. The Union proposes specifically that the contribution be made "at the rate of 35% of salary", which if applied to the current maximum pay rate would raise the

Employer contribution to \$345.48, an increase of \$84.48 per man per year. The estimated increase in payments for all sanitationmen would, if computed on the current maximum pay rate, be about \$955,000 per year, raising the total of such payments to about \$3,904,000. The cost would be substantially higher at the projected new pay rates*

The Employer opposes any further increase in contributions to this Fund.

PAY PROGRESSION SCHEDULE

The Union proposes revision of the present entrance pay rate and the subsequent steps in the present pay progression "in a manner which will reflect the needs of recently appointed sanitationmen." This proposal is the subject of a Panel recommendation in the section of this report that treats with wages for the three uniformed services.

WORK-WEEK

The Union proposes a Monday through Friday work-week with rearrangement of the present work schedule "to reflect the Department's publicized needs for men during the week." The Union also asks assurance that there will be "no reduction in the number of days and/or hours of work, in spite of the national drive for a four-day work-week."

The Employer is opposed to this proposal.

PAY FOR SATURDAY WORK

The Union, proposes payment for Saturday work at the rate of time and one-half for the balance of six hours which are not currently paid for at such rate under the present premium pay clause in the contract. At the current maximum pay rate, the present contract clause provides about \$190.00 additional pay per man per year. Payment on the same basis and at the current pay rate for six more hours, would yield about \$570.00 per year more pay for each man, making a total per year for such work of \$760.00. This proposal would increase the total present cost of such payments from about \$2,200,000 for all sanitationmen to about \$8,800,000, or an increase in total of about \$6,600,000 at present maximum pay. This cost would be increased substantially as a result of the projected increases in base salary rates.

The Employer is opposed to this proposal.

NIGHT SHIFT DIFFERENTIAL

The present pay differential for night work is 5%. The Union proposes an increase in this pay differential to 10%.

The Employer is opposed to a change in night premium.

LONGEVITY INCREASES

The Union proposes the introduction of a schedule of longevity pay increases for sanitationmen on the grounds "they are in the only title in the uniformed services that does no t receive longevity pay adjustments."

The Union proposes the following longevity pay schedule:

Service Interval	Longevity <u>Adjustment</u>
At the 5th year	\$ 200.00 increase
At the 10th year	200.00 increase
At the 15th year	200.00 increase
At the 20th year	200.00 increase
At the 25th year	200.00 increase

The employer emphatically rejects this Union proposal.

PORTAL-TO-PORTAL PAY ALLOWANCE

The Union proposes payment of "at least one-half hour's travel compensation pay" for sanitationmen on the grounds that they have early starting times, 7:00 AM in the winter months and 6:00 AM in the summer months, with the man reporting to work at 6:30 AM and 5:30 AM respectively; that they do not have "either the transportation privileges or the dormitory accommodations available to other City employees" when sanitationmen are required to put in

excessive hours" in snow emergencies; and that their early starting hours require "practically all" of them to depend on their own cars for transportation.

The Employer is opposed to any such payment.

ADDITIONAL PAID HOLIDAYS

The Union proposes three additional paid holidays "to observe the birthdays of Martin Luther King, John F. Kennedy and John V. Lindsay." The sanitationmen now have 11 paid holidays, the same number as are granted other employees in the City's departments and agencies.

The Employer rejects this Union proposal.

PRODUCTIVITY

The Employer has proposed a series of operational changes in the Department of Sanitation designed to increase productivity. A number of major proposals for improving Department operations and services have been worked out by the parties, and a number of other proposals are still under discussion by Department and Union officials. As the productivity improvements already worked out are implemented, and as these discussions continue between the parties in the same cooperative vein as those held up to this point, further significant improvements in operations and services will undoubtedly be accomplished.

RECOMMENDATIONS ON OTHER ISSUES IN THE SANITATIONMEN'S CONTRACT NEGOTIATIONS

Because the salary and pension adjustments recommended by the Panel represent substantial advances in major economic benefits for sanitationmen we find no valid basis for recommending significant changes in fringe and other benefits, particularly since the cost of many of these is extremely high. However, there are certain benefits which are either justified in part by the data before us or for which the incidence of the benefit is small enough to involve slight added cost to the Employer but meaningful added benefit to the employee. We therefore recommend the following:

- 1. an increase of \$10.00 per man per year in the uniform allowance on July 1, 1971;
- 2. an increase in the night premium to 10%, effective April 1, 1971; and
- 3. an Increase in the City contribution to the Security Benefits Fund to \$250.00 per man per year, effective January 1, 1972.

SANITATION OR CITY PROPOSALS NOT INCLUDED IN RECOMMENDATIONS

As to proposals of the parties for which no specific recommendations are made, no adverse reflection on the skill, imagination, and sincerity with which they were urged upon the Panel is intended. While there may have been merit to part or even all of certain of the proposals presented by the Uniformed Sanitationmen's Association and the City to the mediators, the special tri-partite advisory committee, and the Panel, we have on balance determined that they ought not to be pressed further by the parties in these contract negotiations. Accordingly, all such issues should be regarded as having been given full consideration by the parties and by the Panel and they should be laid aside by the parties, unless they can promptly and jointly reach an accommodation on any such issue without impeding the conclusion of a complete contract settlement between them.

The Undersigned, constituting the duly appointed impasse Panel for the foregoing contract disputes unanimously support and concur in each and all of these findings and recommendations.

Walter L. Eisenberg

Matthew A. Kelley

Eric J. Schmertz

DATED: March 29, 1971

STATE OF NEVI YORK ss.:

COUNTY OF NEW YORK

On this twenty ninth day of March 1971, before me personally came and appeared Walter L. Eisenberg, Matthew A. Kelly and Eric J. Schmertz to me known and known to me to be the individuals described in and who executed the foregoing instrument and they acknowledged to me that they executed the same.

Martin A. Conwisar