

## Mayor Says Rising Pension Costs Mean Mass Layoffs

### Citing Rise in Pension Costs, Mayor Readies For Massive Layoffs

■ Teachers Top Target; Key

Posted: Monday, November 22, 2010 4:00 pm | Updated: 3:53 pm, Mon Nov 22, 2010.

By DAVID SIMS |

Mayor Bloomberg proposed \$1.6 billion in cuts Nov. 18 to reduce the workforce by 2,100 through attrition and layoffs over the next six months, with Deputy Mayor Stephen Goldsmith blaming the reductions on “the almost \$8 billion in pension payments that we have to make out of operating dollars.”

The Mayor’s mid-year budget modification includes 889 layoffs through June 2011, mostly affecting social services and cultural programs. It also eliminates 350 civilian positions in the Police Department, closes 20 fire companies at night, lays off 129 employees at the Department of Finance and plans the loss of 6,166 teaching positions by June 2012.

#### **Bigger Hits Need Council Okay**

In total, 10,300 positions would be lost through attrition and layoffs in the next 18 months under his plan, but the portion covering the fiscal year that begins next July has to be negotiated with the City Council.

At a briefing on the cuts at City Hall, Mr. Goldsmith laid the blame squarely on public-employee pensions, saying, “Everything’s driven by the pension costs. If you think about it, today we’re struggling and scraping to come up with a billion and a half dollars in additional savings and we’re at the same time making \$8 billion in payments for pre-existing obligations that are coming off the back of the existing workforce.”

He said that pension costs grew more than expected since the current budget took effect July 1, along with an increase in Medicaid costs.

“Some of it is a reduction in income off the investments,” he said, “Some of it is an increase in benefits...and obviously the fact that people are living longer, particularly the way the city pensions work as ordered by the state, you can work for 20 years and retire and collect for 40, 50 years more, almost at the same salary as what you retired.”

Municipal Labor Committee Chairman Harry Nespoli responded in a phone interview, “Last year they laid off city workers; they had a surplus of \$3.6 billion and they still laid off city workers. I realize that the Federal Government’s not giving us stimulus money so we’ve got to tighten up, but we’ve still got a surplus here.”

#### **‘We Didn’t Cause the Problem’**

Regarding pensions, he said, “It’s been an attack on city workers for the longest time now. We didn’t cause the problem. We come to work, we do our jobs, for an average of 25 to 30 years. And what we get are our pensions and our health benefits. So what do they want? We just gave \$400 million in health givebacks just last year.”

Mr. Nespoli continued, “When they really needed the money, they got the money. Now what they’re saying is that they want to change our pensions. Well, you know what, sit down with each individual union and talk to them. That’s what they have to do.”

Other union heads reacted with concern to the job cuts being proposed, with District Council 37 Executive Director Lillian Roberts saying, “Layoffs of any city worker will end up costing the city money. Layoffs in the city’s Department of Finance are particularly self-defeating. These are revenue-generating positions. The millions in tax revenue that goes uncollected because the DOF is understaffed amount to tax breaks for the wealthy.”

#### **‘City’s Hiring While Firing’**

Social Service Employees Union Local 371 President Faye Moore, whose union has suffered a heavy proportion of the layoffs since the financial crisis of 2008, said it was hard to know how dire the city's budget situation was.

"As we speak the city is hiring in various positions in various agencies, some the same as are listed" to experience layoffs, she said. "It sends a mixed message as to whether the city is really in a fiscal crisis."

She also noted that Community Coordinators were being hired on a Non-Competitive basis while Competitive Class employees doing similar work had been laid off. "What is the city telling anyone who wants a career in public service?" Ms. Moore asked.

Competitive staffers have one-year probationary periods before gaining tenure and enjoy better sick-leave rights than Non-Competitives, who gain due process rights after five years. Local 371 has negotiated provisions under which they can bring grievances after six months and tenured status after 18 months.

### **UFT: Can Avoid Layoffs Again**

United Federation of Teachers President Michael Mulgrew said that while the predicted 6,166 Teacher cuts was "serious news," layoffs had also been predicted, and later averted, last year.

"Last year we had a similar problem and by working together we solved it without layoffs," he said. "That's what the union, the Mayor and the Chancellor—whoever that person turns out to be—are going to have to do again this year, in cooperation with Washington and Albany."

He added, "Despite no Teacher layoffs last year, in the last two years we lost more than 4,000 Teachers through attrition, and class sizes keep going up. That's bad for kids, for families and for the schools."

The Teacher cuts had been predicted as close to 10,000 last July, but Mr. Goldsmith said, "The Mayor has instructed [Budget Director] Mark Page and myself to mitigate the effect on education that results from the loss of stimulus dollars, and it's a really big number going forward, so the city has used its tax dollars to restrict some of the bleeding and try to reduce some of the Teachers that will be lost."

### **Quinn Hits Child-Protective Cuts**

City Council Speaker Christine Quinn said that it was wise to make mid-year cuts but noted concerns about some of the proposals, especially the child protective-services cuts, which "would strain agency workers who are already overburdened and place children at potential risk," she said.

Regarding the loss of 350 civilian jobs in the Police Department, even though those jobs help free up uniformed officers to work in patrol assignments, she said that while some terrorism-related jobs must be held by cops, "I still do believe there's more civilianization that could be done at the Police Department."

Ms. Roberts also pointed out that civilianization of the Police Department "saves money" for the city. "The Police Department has made progress on the 2004 arbitration decision mandating that civilian employees—as opposed to uniformed forces—perform work meant for civilian titles, and we would not want to see that turned back," she said. "That said, we will take such action as is necessary to protect our members' jobs and secure compliance with the law."

The Council does not have a say on the mid-year budget modifications unless the Mayor seeks to spend additional money as part of them. Ms. Quinn also dismissed the possibility of any tax hikes in the near future.

### **Other Planned Agency Cuts**

Other gap-closing actions under the Mayor's plan include the Department of Sanitation's elimination of 200 supervisor posts, with 100 workers being demoted to collection positions. In the Parks Department, the city is seeking to reduce the work year to 9 months for 1,468 positions, and eliminate 15 percent of all seasonal staff.

The Department of Transportation will lay off 35 managerial, administrative and clerical employees and furlough 641 Street Maintenance and Arterial Resurfacing employees for one week, the first time the city has proposed furloughs since the budget crisis. Some 9,000 fewer potholes will be filled as a result.

The Department of Correction will eliminate 51 Correction Officer jobs, the Department of Homeless Services will cut 15 percent of security guards at family shelters operated by the city, and libraries will see a reduction of \$20 million in subsidies, which will reduce the average days of service per week by one day citywide.

City Comptroller John C. Liu said there were more savings to be found in the city's contracting-out budget. "There must be a concerted effort across city agencies to identify and trim any fat around city contracts," he said in a statement. "Working with the Mayor, we will continue to seek additional savings through audits and contract reviews to improve efficiency in city agencies and ensure that each and every dollar available is maximized."



© Copyright 2010, **The Chief**, New York, NY. Powered by [BLOX Content Management System](#) from [TownNews.com](#).