



CITY OF BOSTON

OFFICE OF LABOR RELATIONS

THOMAS M. MENINO
MAYOR

JOHN D. DUNLAP
DIRECTOR

January 29, 2009

Dear Union President:

Thank you for attending the meeting on Thursday, January 15, 2009, regarding the City's current fiscal situation. Since that time the City's fiscal situation has grown increasingly stark with the announcement that the State will reduce the City's Fiscal Year 2009 local aid by \$22.9 million. The Governor has also released his proposed budget for FY 2010. This budget includes a \$51 million dollar reduction in local aid to the City of Boston. However, the Governor has based his budget on the assumption that his proposal for a meals tax and a hotel tax will become law. In the event that these revenue proposals are not passed by the legislature, the City can expect a FY 2010 reduction in local aid of approximately \$78 million. In addition to this direct reduction in local aid, the Governor's budget includes reductions in other programs and grants that will have a direct impact on the City.

The City successfully completed negotiations with the Boston Police Superior Officers Federation (BPSOF) for a four year contract, beginning July 1, 2006 and ending on June 30, 2010. The BPSOF ratified its contract on Tuesday. This contract includes a FY 2010 wage increase effective June 30, 2010. The effective date of BPSOF's wage increase is consistent with the City's request to your union for a FY 2010 wage delay. The BPSOF raised a specific concern about members who would be retiring during FY 2010. A number of you raised similar concerns at the meeting on January 15, 2009. As part of the agreement with the BPSOF, the City agreed to provide a lump sum payment to members who meet certain eligibility standards and retire after June 30, 2009 and before June 30, 2010. The City is willing to reach the same agreement with any union that agrees to the proposed wage delay. Enclosed you will find an amended summary of the City's proposal to all Unions regarding the wage delay. This amended summary includes specific language on this lump sum payment.

Please remember that there will be another meeting for all unions regarding the City's fiscal situation and the wage delay proposal on **Thursday, February 26, 2009 at 10:00 AM in the Eagle Room**. In the interim period, this Office is attempting to meet at least once with every union. I greatly appreciate the fact that most unions have already accepted dates to have this discussion. Please contact this Office at 617-635-4525 to confirm your attendance at the meeting on February 26, 2009.

Very truly yours,

John D. Dunlap
Director of Labor Relations

enclosure

City of Boston
Summary of Proposal for a Wage Delay

Amended as of January 29, 2009

- I. The City is asking each union to amend its existing collective bargaining agreement by changing the effective date of the wage increase for the upcoming contract year. The City is asking that the effective date of the general wage increase be changed from the first day of that contract year to the last day of that contract year.

Clarification:

- If the CBA currently says a general wage increase will go into effect on July 1, 2009, then the City is proposing a new effective date of June 30, 2010.
- If the CBA currently says a general wage increase will go into effect on October 1, 2009, then the City is proposing a new effective date of September 30, 2010.
- The City is not proposing a change in the duration of the contract. The contract would still expire on the currently agreed-upon date.
- The City will engage in collective bargaining for a successor agreement at the normal time.
- The City is not proposing paying the delayed wage increase retroactively to the original effective date. For example, on June 30, 2010, the member's wage would be increased by the agreed-upon amount. However, the member would not receive a retroactive payment back to July 1, 2009.

- II. The City is asking each union to agree to delay any step increase scheduled to take place in FY 2010 for one year. This delay would impact unions differently based on the number of employees below the maximum pay step in a particular bargaining unit. For this reason, the City will provide further clarification of this proposal after speaking with individual unions.

- III. The City will agree to the following language with any union that agrees to the wage delay outlined above:

The City will provide to employees who qualify for the maximum pension benefit based on age and years of service, and who elect to retire based on superannuation after June 30, 2009 and before June 29, 2010, a one-time lump sum payment of 8 % (less appropriate deductions) of the regular compensation component of their annualized salary as of the date of their retirement. Regular compensation shall be deemed to include those types of earnings that are considered pension eligible under MA retirement law, but shall not be deemed to include amounts paid resulting from vacation buy backs.