



CITY OF BOSTON

OFFICE OF LABOR RELATIONS

THOMAS M. MENINO
MAYOR

JOHN D. DUNLAP
DIRECTOR

February 17, 2009

Dear Union President

I am writing to update you about the status of the City's proposal to reduce the number of layoffs by delaying the Fiscal Year 2010 wage and step increases.

As of this date, the Boston Police Superior Officers Federation; the Boston Police Patrolmen's Association – EMS Division, (which represents the City's Emergency Medical Technicians); and the Boston School Police have all agreed to the City's proposal. Collectively, these unions represent over six hundred employees. The savings generated by these agreements exceed \$1.75 million in the upcoming fiscal year. The City will use the savings to reduce, and where possible, eliminate the need for layoffs in these unions.

The Mayor has taken a number of steps in regard to non-union employees. Effective February 14th, the Mayor reduced his salary and the salary of his cabinet officers by 3%. This reduction will remain in effect until at least June 30, 2010. Additionally, the Mayor has informed all non-union personnel that there will be no wage or step increases in the upcoming Fiscal Year. The Superintendent of Schools has taken similar action in the School Department and Headmasters have voluntarily accepted a wage decrease. The savings generated by these actions will exceed \$2 million in the upcoming fiscal year.

The City is seeking a delay in both wage increases and scheduled step increases. A number of unions have asked for further clarification about the proposed delay of step increases. Enclosed with this letter is an updated version of the City's proposal to all unions. This revised proposal will answer those questions that some unions raised regarding the implementation of the step increase delay. Additionally, the revised proposal further clarifies that the 8% lump sum payment being offered to eligible employees upon retirement will not be part of the employee's pension.

Understandably, some unions have asked for budget information to assist them in fully understanding the current fiscal situation and the impact of the City's proposal on union members. The City has posted financial information and other information relating to the wage freeze at the following location: <http://www.cityofboston.gov/AdministrationFinance/>. During the meeting on Thursday, February 26th the City will provide all union leaders with the most up to date information available about the fiscal situation.

Please contact me if you have any questions. I hope all unions will be able to attend the meeting on Thursday, February 26th, at 10:00 a.m. in the Eagle Room on the 5th floor of Boston City Hall.

Very truly yours,



John Dunlap
Director of Labor Relations

City of Boston
Summary of Proposal for a Wage Delay

Amended as of February 13, 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.

Clarification:

- One year from the day on which the step increase would have taken place an employee will receive the delayed step increase along with the next step increase that he/she would have received on that date. (If the employee has reached the maximum step in the pay grade then he/she will not receive an additional step.) For example, an employee is scheduled to move from step two to step three in November of 2009. Instead, that step will not be implemented until November of 2010. In November of 2010 that same employee, had the delay not taken place, would have moved from step three to step four. That step increase will also take place in November of 2010. Consequently, the employee will receive no step increase in November of 2009 but will move from step two to step four in November of 2010.

- 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.

Clarification:

- This lump sum payment is not included in an employee's pension.
- An employee still receives any annual vacation buyback, if eligible, and any vacation buyout that is due at the time of retirement. However, those amounts are not included in the calculation of the 8% lump sum payment.