

## NYC Budget Director Says Unsettled Union Contracts Don't Have To Be Burden

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Mayor Michael Bloomberg's budget director says that long-unsettled contracts with municipal unions don't have to undermine the financial health of the city.

Mark Page, the director of the city's Office of Management and Budget, told city lawmakers yesterday at a hearing on the 2014 fiscal year budget that any financial burden stemming from contract negotiations would largely be the fault of negotiators.

"You only owe it if you agree to sign a contract that says you owe it," Page said. "The increase is going to be whatever someone agrees to."

Mayor Michael Bloomberg has proposed a \$70 billion budget for fiscal year 2014, which includes the usual cuts to services such as child care and libraries.

While Page fielded several questions about those cuts at yesterday's hearing before the Council's finance committee, city lawmakers also asked him pointed questions about the possibility that the unresolved contracts could become a drag on the budget.

Page echoed numbers put forth in April by the mayor's office, which estimated that the total cost for recession-era raises for all municipal union employees who have been working without contracts could be as much as \$8 billion.

"I would imagine that clearly we need collective bargaining contracts, but I think that we're under no legal obligation to pay retroactive raises," Page said, adding that back pay is not a liability in the budget. "I think the question is what can you afford to pay going forward."

Comptroller John Liu, who testified after Page, previously called the Bloomberg administration's opposition to back pay "last-minute maneuvering."

"I think as a matter of fairness we can't simply say to the workers that you get nothing," Liu said on Wednesday. "The fact of the matter is the last four, five years, municipal contracts had been left unresolved. And they should have been resolved a long time ago."

Mocking the idea of Bloomberg as the "financial guru that we needed," Liu accused the mayor of delaying and failing to settle the labor contracts, some of which have gone unresolved for as many as five years.

Bloomberg, he said, only wants to "give the illusion that the budget will be left in the black" as long as retroactive pay isn't included in negotiations.

When Brooklyn Councilman and Finance Committee Chair Domenic Recchia asked Liu how he proposed to cover the expense of billions of dollars in back pay, Liu deflected and said that the full amount might not actually be possible. Part of that bill, he said, could be paid for by outstanding payments the city is waiting for.

In mid-April, Deputy Mayor Cas Holloway laid out the administration's preconditions for any negotiations, including a hard line against retroactive pay.

"The city is prepared to agree to a new contract with any union that agrees to no retroactive, recession-era pay increases — which we cannot afford — and to meaningful health care benefit reform that improves the quality of care and reduces costs," Holloway said at the time.

Liu, one of at least eleven mainstream candidates to replace Bloomberg, is so far the only candidate to outright defend retroactive pay for city employees, even if he's measured on how much pay workers should expect.

Council Speaker Christine Quinn, Public Advocate Bill de Blasio, and former Comptroller Bill Thompson haven't ruled out back pay, but have mostly come out against negotiating contracts in public. On Wednesday night, former Councilman Sal Albanese has said he is committed to back pay.

Most of the Republican candidates aren't so reserved. Former Metropolitan Transportation Authority chief Joe Lhota and Doe Fund founder George McDonald have come out unequivocally against retroactive pay, and fully in support of employees contributing to their healthcare costs.

Only supermarket magnate John Catsimatidis has stayed mum about back pay, relying on his business acumen to get his point across.

"I've negotiated with unions for 44 years in my companies," Catsimatidis said in a GOP forum last month. "I've never had a strike, and we've always worked it out. Both sides have always been happy."

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