

Good evening.

What I'd like to do in the next couple of minutes is just focus on the terms the Supervisor has already read and put them in context with regard to how they fit in two perspectives, first of all historically, and second of all from the context of comparability because one of the things that the Taylor Law speaks to with regard to the subsequent phases of negotiation, when you reach an impasse, we have been at impasse for years, is how the terms and conditions compare relatively speaking to other communities.

I'll speak in a couple of minutes to the concept of fact finding which would be the next step if we were not to reach an agreement but fact finders are required to follow statutory provisions with regard to making recommendations on settlements.

Let me speak historically for a second, when the recession hit we went to the table with the union and in 2009, we entered in to a one year agreement with no increase. We were I think hopeful as many people were that the recession was going to turn and go in the other direction. That obviously did not happen. We sat down again with the union in 2010 and agreed to another agreement with two more zeroes and some additional givebacks beyond those two zeroes. AT the end of 2011 that contract expired and we began to negotiate this contract, so we've been at that since 2011 and it's been a long path. So in essence what we have here is five years of no increase with regard to the salary schedule in this bargaining unit.

My research indicates that I can't find another scenario with a unionized setting with five years with no increase. So that is the back drop against which this deal needs to be put in context, because you've got 2009-2013 with no increase. I have an offhanded survey that I did, obviously we don't represent everyone in the area but we were able to put together some information – I was only able to find one other municipality in the area that came close to that and that would be Somers with three years, so that gives you a little bit of a context.

There are a number of changes in the contract other than just the salary and the health insurance. Both of those concepts are expanded into other areas. One of the things that we really haven't talked about tonight is that the number of years to get to the top step or to get to the top pay at this point in time with the current expired contract is two years. In the new contract for new employees that would double to four years, so it would take twice as long to get to the job rate which is obviously going to inure to the Town's benefit with regard to new employees going forward since that jump is going to take twice as long to get to the top. In just the context of other municipalities the standard in the area is, it's all over the place, it's two and three years, so our four years is on the high side. I'll give you an example, Harrison has 2, Croton 3, Greenburgh 2, Ossining 2, Somers 2 years, so we're going to be in a position where so when you start to hire new employees, it will take them twice as long as it does now to get to the top job rate.

As far as the health insurance is concerned, obviously anytime you negotiate a contract there are competing interests, competing interests even within specific issues, health insurance is no

exception. One primary competing interest in this particular case, is do you go with the standard that's been used in many municipalities in the area, which is a two tiered system. Many of the municipalities will allow existing employees to keep existing benefits but for new employees provide a lesser realm of benefits. The other approach obviously is that everyone in the bargaining unit will pay and so to the extent that you're going to bargain those two concepts – obviously when everybody pays you're in a much different position than saying only new employees will pay.

In this case, the Town wants to be able to establish the concept of everyone paying and it tiers up over the course of time. I can tell you that a number of municipalities in this area do not have that anymore, Cortlandt, Croton, Somers are just three examples I can give you where they had the tier system, so when you're talking about percentage of contribution, you need to know when somebody came to the Town for that to come into play. In this particular case everyone will be paying something no matter what. The other issue is the percentage of base which is the concept that is before you as opposed to the percentage of premium. There are pluses and minuses but the concept is not uniform where everyplace has a percentage of premium. There are a number of municipalities that still have 100% contribution for some employees – so in this particular context, percentage of base is a concept you'll find in Scarsdale, Ossining and Greenburgh. It's not unheard of by any means. There's a number of jurisdictions, and I'm trying to limit myself to Towns for the most part because villages and cities have a different funding mechanism, but in that particular case those are places you can go to.

One particular piece that I think is important for everyone to keep in mind is that I don't believe there is any particular group whether it be people that are unrepresented and subject to Town Board resolution or collective bargaining agreements, that being PBA and the White Collar unit, where there's contributions for health insurance and retirement. There's a number of municipalities that don't have contributions to health insurance and retirement, there are some that do on a two tiered basis. If you were to approve this you would be in that group going forward that would have employees paying a percentage of premium for the rest of their lives and that is a factor that you have to decide if you want to look at the short term or whether you want to look at the short term and the long term, as well, that's a balancing. Every deal is a balancing of numerous interests pulling in a number of different directions. It's very difficult to sometimes compare deals to other deals because of the nature of the fact that every contract is different, because it's been negotiated at different times, in different contexts, and different places as far as where the Town sits at a particular point in time and where the municipality sits, so that's a little of the background.

I just thought it might be helpful for you to take a look at one other thing. I mentioned fact finding a couple of minutes ago. We have been at an impasse for years with the Teamsters. The first level in the impasse procedure under the New York State Taylor law is what's called mediation. We've met on numerous occasions with the State appointed mediator. We were not able to reach agreement with the help of the mediator. If this were not to be the basis of a deal going forward, the next step we would go to would be fact finding. What that requires is that the State would appoint a third party, that third party would hold a hearing, at which point the Town would present its belief as to what it believes to be fair and reasonable and provide the facts behind that and the union would do likewise. The fact finder would issue a recommendation to

the Town and the union in the theory and the hope that a third party view of what is reasonable would be a basis for settlement for both parties and at that point you still have to negotiate the deal forward and the Town could not impose any new terms and conditions. The only thing that you could do is basically what we did in 2009 and that was impose one year with no change. That's based upon case law and which you're limited with as far as your options.

Francis Corcoran asked the question – Ron, do we have an estimate of the costs of fact finding?

Mr. Longo responded – it depends on the number of issues that both parties take, you can't control that, both parties try and limit the number of issues but I would think that the fees all around were in the neighborhood of \$15,000.00.

I thought it might be helpful – I went to the PERB website, which anyone can go to with regard to fact finding reports. They become public after five to seven days after they're issued. The theory is they provide a basis for the Town and union to discuss whether or not this is a basis for settlement without the public knowing about it, but once they haven't reached a deal within that period of time, it's out there publicly for the public to see what a third party believes is reasonable under the circumstances. The last one I found on the website that would relate to us here in Westchester was the fact finders report that was issued in April with regard to the County of Westchester and CSEA which is obviously a very large bargaining unit. I thought I might give you an idea of what came out of that just to give you an idea as to what market is at this point in time with fact finding reports and obviously I'm not suggesting that it would be the same by any means, obviously we're not the County of Westchester and every contract is very different, but it did provide for no increase in 12 and 13, 2% increases in 14 and 15. It did provide for a retroactive bonus, basically a signing bonus, it provided for increases in longevity for employees and I'm just going to run through this quickly because I know you've got a lot on your plate tonight – it provided for health insurance to be paid based upon the ability to pay for example Grades 1-7 – 6% and grades usually provide for higher salaries, so if you're getting a higher grade you're getting a higher pay, Grades 8-10 – 7%, Grades 11 and above would pay 8%. So that fact finder basically went on the concept of ability to pay. You're in a higher salary grade you would pay more to health insurance – that is a percentage of premium, first year 6-8% and the following year it went from 7 up to 10%, somewhat the context that the base pay is ability to pay too.

In addition to that, new hires went from five steps up to ten steps, they have more steps than we do, double them, and new employees would have to pay into retirement and new employees would have to pay a higher amount than existing employees. So that was the fact finding report that was issued back on April 14.

As I said that just gives you a little bit of an idea of what the fact finders consider in the context of the overall settlement.