

Pay raise had no link to merit performance

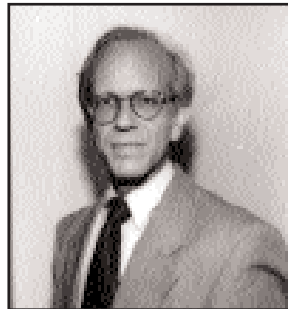
“The amount of the increase granted to individual managers, effective July 1, 1999, had no relationship to merit and performance,” declared Edward Perlmutter, MEA executive director after reviewing the statistical summary of the raises supplied by the city. The mayoral executive order allowing agency heads to give managers increases of 6.35 percent, 4.75 percent or no increase at all specified that “merit and performance” were the criteria to be used in granting the raises. The summary is reproduced on the insert.

As an example, Mr. Perlmutter compared the distribution of increases at the Administration for Children’s Services with two other social service agencies, the Human Resources Administration and the Department of Homeless Services. Eighteen percent of ACS managers were denied increases compared with only seven percent at HRA and DHS. The number of zero raises in mayoral agencies as a whole averaged eight percent before factoring in retirements and leaves of absences.

Mr. Perlmutter also pointed to the Buildings Department where ten managers, 21 percent, received no salary increase. That department was also above the citywide average when its commissioner granted 54 percent of the managers the 6.35 percent increase, as opposed to the citywide average of 49 percent.

“It is not credible that most agencies would have so few managers denied raises and that ACS and the Buildings Department would have so many. Obviously there were no objective standards to determine “merit and performance,” Mr. Perlmutter said.

The subject was discussed with Mayor Rudolph Giuliani’s representatives at the last managerial issues task



**Executive director
Edward Perlmutter**

force meeting in December. “We argued at the meeting that many managers received zero percent increases for no apparent reason,” Mr. Perlmutter reported, “and we reiterated our request for a modification of the executive order to require an increase of at least 4.75 percent for all managers who received at least a satisfactory evaluation.” Such a request initially was made in a letter to the mayor on October 29.

Administration representatives replied that the letter was under advisement. But, in February, James Hanley, commissioner of labor relations, verbally advised the MEA that the salary order would not be modified.

The MEA also sent a critical letter to ACS commissioner Nicholas Scoppetta on February 16. Mr. Perlmutter wrote that the statistics from ACS “provide clear evidence that the agency has violated the letter and spirit of the mayor’s salary order...Most managers whose performances were called into question have had no written evaluations for several years nor were they given a timely opportunity to improve their alleged undeserving performances. Some managers received negative performance evaluations only after the mayor’s order was issued and the ACS decision not to grant a salary increase was made.”

The ACS response, dated February 25, questioned the accuracy of the figures, even though they were supplied by the city. ACS argued that nine managers received “discretionary increases through the normal promotion processes,” and nine others were either demoted, retired, resigned or terminated.

“Specious” was the term Mr. Perlmutter used to characterize ACS’ arguments. “We were assured by city hall that promotions were not a factor for eligibility for salary increases under the executive order. In effect, ACS has given these managers additional responsibilities without additional compensation. Employees may have retired or otherwise left managerial positions, but this does not really change anything. There is no reason to suspect that the percentage of managers leaving managerial positions in ACS is materially different from those leaving in any other agency.

General Membership Meeting

Tuesday, June 27 • 6:00 pm

At the Headquarters of the
Human Resources Administration
180 Water Street
(Entrance on John Street)
12th Floor Conference Room

MEA website is close to reality

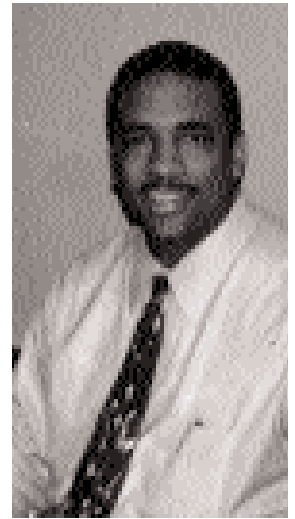
The MEA is aiming to have its new website in operation by July 1.

Housing Authority assistant chapter director Simon Driver is developing the site. "It will initially have five pages and provide information about the MEA, its officers and its activities," Mr. Driver explained. The site will also allow managers to join the organization and answer frequently asked questions.

Executive director Edward Perlmutter said that the MEA would have been able to post the table of salary increases included in this newsletter and could have explained city policy changes affecting managers had the site been online now. "For example," Mr. Perlmutter said, "while we were able to provide information on the MEA hotline about the recent modifications to the time and leave rules for managerial employees, it would have been much better if we

would have been able to post the text of the order, our letter to labor relations commissioner James Hanley and his response. We also could have explained what the change meant."

(The new policy directs that annual leave accrued earliest be used first. Previously, leave earned last was used first. Since managers usually earn more money the longer they work, annual leave accrued later is worth more. In virtually all cases, the new policy will mean a higher payment for unused accrued annual leave when managers leave staff.)



Simon Driver

Fun for all at holiday party marking millennium's end

Over 130 MEA members gathered to celebrate the end of the millennium and the December holidays at Antun's Catering Hall in Queens Village. For the first time, the MEA held its annual party outside of Manhattan in a festive and spacious setting. President William Dworkin extended holiday greetings to all attendees on behalf of the MEA board of directors and the officers. The gathering was addressed by commissioner Jason Turner of the Human Resources Administration. He spoke of the "professional contributions made by the dedicated career managers" and the need for HRA to continue its successful reform program of 'welfare to workfare.'



Above, members of the Department of Environmental Chapter surround Diana Chapin, first deputy commissioner. Below from left, President William Dworkin with deputy comptroller Jack Chartier; Human Resources Administration commissioner Jason Turner and Pamela Silverblatt, senior assistant vice president of the Health and Hospitals Corporation with MEA Executive director Ed Perlmutter.



Approval of pension COLA likely this year

For the first time there is agreement among the most powerful union and public employee retiree organizations that obtaining an automatic and permanent cost of living adjustment (COLA) for pensions from the New York State Legislature is their number one priority. The MEA has long supported such a goal. As it now stands, the Legislature must enact specific bills to grant pension increases to retirees.

At press deadline, Governor Pataki's task force on public employees' pension systems had finally issued its report and recommended this COLA. At a massive rally attended by an estimated 10,000 public employees in Albany on May 9, senate majority leader Joseph Bruno and state comptroller H. Carl McCall predicted passage of the bill. Frederick Ewald, MEA retiree chapter director, said, "I left Albany confident that the legislators will pass this important bill."

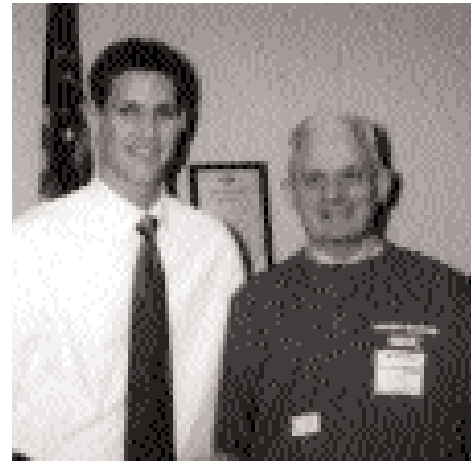
The task force report was vague on significant details including whether there should be a cap on the increases, what amount of a retiree's pension should be used as the base for the COLA and what the formula for the

COLA should be. The city is expected to press for the least costly options.

The Legislature is also expected to ratify the elimination of the three percent contribution that employees in tiers III and IV must make to their pensions as was negotiated in the recent union contracts with state employees and city transit workers. The gain is tantamount to a salary increase. But the legislation may be drafted to eliminate the contribution for all city employees in tiers III and IV. If it is, the city is likely to oppose such inclusion, arguing that it should be negotiated as part of a contractual benefits package and not simply extended by legislative fiat.

A lesser known but no less significant gain was negotiated for employees in tiers I and II in collective bargaining for state workers covered by contracts negotiated by the Civil Service Employees Association and another union.

The covered state tier I and II employees are granted an extra month of pension service credit for every year of service up to 24 years, for a maximum of two years additional pension credit. This gain, not previously contemplated by municipal unions,



Frederick Ewald, director of the retirees' chapter, with state senator Daniel Hevesi in Albany

was negotiated to give the affected employees a benefit equivalent to the elimination of the contribution negotiated for employees in tiers III and IV. It is not clear at press time how this will be extended to city employees in tiers I and II.

Legislation has been introduced to remove the cap on tier II benefits. In effect, this cap limits tier II pensions to about 50 percent of final salary, no matter how many years of service a retiree may have had. This bill is supported by the city employee unions and the MEA.

Sick managers benefit

Joseph DeMarco, deputy commissioner of DCAS, informed the MEA that 18 managers have received sick leave through the salary continuation program in a letter dated February 18.

The program allows managers in mayoral agencies to continue drawing their salaries if they have exhausted all their leave due to catastrophic illness before the disability benefit is effective. The waiting period for the disability benefit is six months.

Managers become eligible for the program by donating at least one day of leave during the annual enrollment period, which is in November and December.



Members learn about financial plan-

Dorothy Ilijic from American Express explains the principles of financial planning to enthusiastic participants at a packed seminar for members held April 29 at the MEA office. Last fall the MEA organized a similar session geared to retirees and those close to retirement. Another session is expected in the fall.

MEA pursues a new pay plan

The MEA has combined the committee attacking inequitable benefits with the one trying to make the public aware of the contributions of career managers. The result is the managerial compensation and professional development committee chaired by HRA chapter director Steve Ferrer.

President William Dworkin explained, "The inequities inherent in the formulation of the recent managerial increase and the mayor's commitment to a merit increase for union employees makes it imperative that an across-the-board increase for managers be made our number one priority. We need a clear analysis of the ways in which career managers have been economically disadvantaged compared with unionized employees and commissioners during the 1990s, as well as an explanation of why managers must be equitably compensated."

"Commissioners and deputy commissioners have gotten an extraordinary salary increase during the current administration, while career managers have not," said Mr. Ferrer. The committee has begun to write a position paper advocating a new pay plan for career managers that includes longevity, shift, weekend and holiday differentials and increased minimums. "The concept of a separate pay plan remains valid," declared Mr. Ferrer, "and we will continue to pursue it."

The committee will explore the question of whether the MEA should ask the city to create an education fund similar to funds won by the unions in collective bargaining and also to make terminal leave payments for managers the same as for unionized employees. A long standing irritant to managers is the inferiority of rules governing terminal leave, most egregiously those applicable to sick leave.

Any suggestions should be phoned or faxed to the MEA office to the committee's attention. Members of the committee, in addition to Mr. Ferrer, are Armando Del Moral, Thomas Hargrove, Deanna Hart and

Katlynn Stewart, all of the Human Resources Administration; Frederick Ewald and Georgia Williams, retirees; Martin Murphy and N. Lael Telfeyan, Administration for Children's Services; Joseph Ramaglia, Department of Environmental Protection; and Edward Yood, Department of Sanitation.



Members of the MEA's managerial compensation and professional development committee at a recent meeting. Shown are chair Steve Ferrer, Georgia Williams and Edward Yood.

Full Medicare reimbursement has broad sponsorship

Legislation (Intro. 580) has been introduced in the City Council to reimburse Medicare eligible city employees and retirees the full \$45.00 monthly cost of Part B, retroactive to January 1, 1999. Part B provides coverage for doctors and other medical services. Currently, the city only reimburses \$31.50 of the monthly costs. The legislation is sponsored by Mary Pinkett, chair of the civil service committee, and has 22 co-sponsors, including speaker Peter Vallone.

On January 31, Ms. Pinkett chaired a hearing on the bill. Among those testifying in support were comptroller Alan Hevesi, Council of Municipal Retiree Organizations chairman Dr. Larry Kaplan, MEA retiree chapter director Frederick Ewald and four additional COMRO members. The Citizen's Budget Commission spoke in opposition.

Medicare is a federal program for persons aged 65 or older and for certain disabled Americans. An individual is covered provided that he, she or a spouse is eligible for Social Security or Railroad Retirement benefits.

Part A of Medicaid provides for inpatient hospital care and certain related expenses. There is no premium for Part A but there is an annual deductible and co-insurance. The monthly premium for Part B is billed quarterly or is deducted from the individual's monthly Social Security check.

Intro. 580 mandates that beginning on January 1, 1999 and on January 1 every year thereafter, the city fully reimburse covered employees an amount equal to the Medicare Part B premium rate for that year.

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Mayoral agency salary increases effective July 1, 1999

AGENCY	Total Number of Managers	Received 4.75%	Percentages of managers	Received 6.35%	Percentages of Managers	Received 0%	Percentages of Managers
Actuary	10	3	30%	6%	60%	1	10%
Adm. Children's Services	353	181	52%	109	31%	63	18%
Aging	33	8	25%	25	76%	0	0%
Buildings	49	13	27%	26	54%	10	21%
Business Services	25	4	16%	12	48%	9	36%
Campaign Finance Board	7	0	0%	7	100%	0	0%
City Clerk	7	0	0%	7	100%	0	0%
City Planning	47	11	24%	34	73%	2	5%
Citywide Admin. Services	137	61	45%	68	50%	8	6%
Civil Service Commission	2	0	0%	1	50%	1	50%
Civilian Complaint Review Board	17	9	53%	5	30%	3	18%
Collective Bargaining	10	0	0%	10	100%	0	0%
Comptroller	237	220	93%	14	6%	3	2%
Conflicts of Interest	7	3	43%	4	58%	0	0%
Consumer Affairs	10	4	40%	5	50%	1	10%
Corrections	3	3	100%	0	0%	0	0%
Correction (Dept. of)	66	29	44%	28	43%	9	14
Cultural Affairs	7	0	0%	7	100%	0	0%
Design & Construction	137	73	54%	51	37%	13	10%
Elections	17	0	0%	15	89%	2	12%
Employment	28	14	50%	12	43%	2	8%
Environmental Protection	265	114	44%	140	53%	11	5%
Equal Employment Practices Comm.	1	0	0%	0	0%	1	100%
Finance	133	69	52%	47	36%	17	13%
Financial Information Services	23	11	48%	11	48%	1	5%
Fire	141	50	36%	84	60%	7	5%
Health	160	106	67%	50	32%	4	3%

AGENCY	Total Number of Managers	Received 4.75%	Percentages of managers	Received 6.35%	Percentages of Managers	Received 0%	Percentages of Managers
Homeless Services (Dept. of)	111	29	27%	75	68%	7	7%
Housing Preserv. & Development	154	65	43%	68	45%	21	14%
Human Resources Administration	502	207	42%	262	53%	33	7%
Human Rights Commission	10	4	40%	5	50%	1	10%
Info. Technology & Telecommunic.	55	26	48%	24	44%	5	10%
Investigation	59	42	72%	15	26%	2	4%
Juvenile Justice	28	9	33%	17	61%	2	8%
Labor Relations	25	5	20%	18	72%	2	8%
Landmarks Preservation	9	6	67%	3	34%	0	0%
Law	142	33	24%	96	68%	13	10%
Management & Budget	73	26	36%	44	61%	3	5%
Mayor	141	33	24%	96	69%	12	9%
Mental Health, Retardation & Alch.	37	23	63%	12	33%	2	6%
Parks & Recreation	82	35	43%	41	50%	6	8%
Payroll Administration	14	4	29%	7	50%	3	22%
Police	148	32	22%	109	74%	7	5%
Probation	62	18	30%	36	59%	8	13%
Records & Information Services	5	4	80%	1	20%	0	0%
Sanitation	178	45	26%	129	73%	4	3%
Tax Commission	12	2	17%	3	25%	7	59%
Taxi & Limousine Commission	22	7	32%	12	55%	3	14%
Transportation	127	68	54%	51	41%	8	7%
Youth & Community Development Services	45	13	29%	28	63%	4	9%
TOTALS	3,973	1,722	43%	1,930	49%	321	8%

Non-mayoral agency salary increases retroactive to July 1, 1999

Board of Education	375	77	21%	273	73%	25	7%
Housing Authority	639	Not Provided		Not Provided		17	3%