

# New York City Mayor Bill de Blasio agrees to contract with city's largest union

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The administration of New York City Mayor Bill de Blasio has reached a tentative deal for a new labor agreement with American Federation of State, County and Municipal Employees (AFSCME) District Council 37, which includes dozens of local units covering 100,000 city workers.

The blue- and white-collar workers falling under the contract, ranging from clerks to hospital workers, librarians and construction workers, will see a paltry 7.4 percent raise in their pay over the course of three years, beginning retroactively from September 2017, when they were last under contract. The deal will set the pattern for another 25,000 DC 37 members covered by separate contracts.

The agreement took place in the shadow of the Supreme Court decision in *Janus v. AFSCME*, which prohibits the deduction of so-called agency fees from public sector workers who opt out of joining a union. During a press conference with the mayor, DC 37 Executive Director Henry Garrido was at pains to highlight the utility of the partnership between the union bureaucracies and employers, touting the agreement as a "clear example of the importance of collective bargaining and what can be achieved when the employers and employees negotiate in good faith."

In more honest remarks, the mayor boasted about the austere nature of the contract, describing it as one that recognized the "needs of our taxpayers" and "the need for fiscal stability."

Most of the funding for the raise, which barely keeps up with the rising cost of living, will be generated through negotiated savings from workers' healthcare plans. The extent of the "pro-labor" mayor's generosity towards city workers apparently goes no further than budgeting funds for what amounts to a freeze if not a cut in real wages. According to the US

Labor Department report released last week, consumer prices in the US rose 2.9 percent in June, the fastest pace in more than six years. New York City is one of the most expensive places to live in the world.

Due to the skyrocketing Wall Street stock market, rising real estate values and growing tax revenue, the city budget has grown by \$17 billion since de Blasio took office in 2014.

The cost-cutting in the labor agreement was accomplished through parallel negotiations in which the Municipal Labor Committee (MLC), a coalition of unions that handles city workers' healthcare benefits, agreed to changes in employee plans that will save the city an estimated \$1.1 billion in city worker healthcare costs over three years.

One of the means by which the city and the MLC agreed to cut expenses is to force workers to visit outpatient clinics as opposed to hospitals for a list of treatments. Another is to cover new employees with the cheaper HIP Health Plan of New York, as opposed to other, more expensive plans, for at least their first year of employment.

After the cuts in healthcare spending are factored in, the cost of the salary increases to the city over the three years amounts to roughly \$300 million, or less than one-third of the package.

The bargaining framework of forcing workers to fund their own pay raises through concessions and increases in productivity is a scheme that has long been pushed by DC 37 and has been used to perpetuate the erosion of workers' living standards and conditions.

At a time when the dues base of the union is threatened by the recent Supreme Court decision, Henry Garrido, who makes \$325,000 a year, and the rest of the DC 37 executives have been desperate to palm the deal off as a major boon and victory to the

membership, describing it as a “pay hike,” with “no givebacks” and with “substantial funding for benefits.”

Indeed, the union has been scrambling to prevent what it fears will be a mass exodus of workers who may well decide to cut their losses and stop making contributions as high as \$40 per paycheck to an organization which is rightly viewed with hostility and contempt.

DC 37 Director Barbara Terrelonge explained in an article that the union’s efforts include a campaign described as “an organizing model of unionism,” which deploys dozens of union employees to workplaces throughout New York City’s five boroughs to confront fee-paying city workers who aren’t members of the union and, through a “philosophy” that seeks to “engage, educate, empower” them to sign up.

In the same article, she goes on to boast of recruiting 10,000 nonunion members in the last three years and conflates this bolstering of the union dues base with a “revival of the labor movement.” Flipping reality on its head, she claims that DC 37 is part of a “resistance movement mobilizing to derail a long-term reprehensible plot of a tiny but politically powerful elite to accumulate wealth as they lower the living standards of workers.”

Many of DC 37’s members, including crossing guards, City University of New York (CUNY) college assistants and maintenance workers, who are paid near poverty wages, could be excused if such radical-sounding rhetoric is lost upon them. Like many of the city’s working poor, it is not uncommon to hear of city workers being forced to live in shelters or sleep in the subways.

A crossing guard making \$13 an hour and forced to contribute hundreds of dollars a year to fund Terrelonge’s six-figure salary has never seen the union wage any kind of struggle benefiting the guards.

The only time DC 37 went on strike was back in 1971, when executive director Victor Gotbaum called a two-day strike, only to completely sell it out in a cynical maneuver meant to head off a general strike. After 1971, Gotbaum went on to use workers’ pension funds to bail out New York and its creditors during the city’s near-bankruptcy in 1975-76.

Since then, the history of DC 37 has been a sordid record of conspiring with successive city administrations against its own membership, combined

with vote rigging and ballot stuffing in union elections, embezzlement and colluding in the imposition of zero wage increases, along with the outright firing of thousands of workers and replacing them with welfare recipients.



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