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**MAYOR DE BLASIO ANNOUNCES TENTATIVE CONTRACT AGREEMENTS WITH SCHOOL CUSTODIANS, FIREMEN, AND STATIONARY ENGINEERS**

*Agreements conform with the established pattern, including restructured payments, 10 percent raises over seven years and unprecedented health care savings*

**NEW YORK**—Mayor Bill de Blasio today announced that the City of New York has reached a tentative contract agreement with Local 891 International Union of Operating Engineers, which represents public school custodians.

Additionally, Local 891 has reached a tentative contract agreement with Local 94 International Union of Operating Engineers, which represents school firemen and stationary engineers who work primarily in the City's public schools but are not employees of the City's; rather, Local 891 serves as their individual employer.

To date, the de Blasio administration has reached contract agreements with over 71 percent of the City workforce that had previously been working under expired contracts.

Local 891's 880 employees have worked without a contract since 2008; Local 94's 1,147 employees have worked without a contract since 2007.

Today's two tentative agreements are consistent with the pattern established by the United Federation of Teachers (UFT) contract earlier this year and require no new funding over previous budgetary projections. The proposed nine-year contract with Local 891 would begin, retroactively, on January 1, 2008 and expire on December 31, 2016. The proposed nine-year contract with Local 94 would begin, retroactively, on October 22, 2007 and expire on October 21, 2016.

The agreements also include the unprecedented health care savings agreed upon with the Municipal Labor Committee, ensuring that these raises are affordable and responsible for the City and its taxpayers.

Both agreements include a Structured Retiree Claims Settlement Fund. Additionally, the agreement with Local 891 includes a provision that will allow the Department of Education, at the Chancellor's discretion, to open school buildings early and/or on Saturday morning without incurring additional costs or going through a cumbersome permitting process. The parties have agreed to reallocate a portion of the current permit budget directly into the school base budgets.

The terms of the agreements must be approved by the unions' full in-service membership.

"One year ago, the entire city workforce was working without a contract—and today, over 71 percent has reached agreement," said **Mayor Bill de Blasio**. "Today's tentative agreements recognize the critical work done

by custodian engineers to keep our schools clean and safe, providing them with the fair wages they deserve while continuing to protect the City’s long-term fiscal health.”

“Custodian engineers are a critical part of our school communities and serve our students by providing the clean safe school environment they need to learn. I have recently seen custodian engineers painting murals to create welcoming environments for students and teachers that helps build critical school spirit and cultivates community,” said **Schools Chancellor Carmen Fariña**. “Today’s agreement recognizes the important work and dedication of our custodians, and represents our shared commitment to ensuring every student has access to a great education. This is good news for our students, families, teachers and principals.”

“I am pleased that the hard working members of Local 891 will receive their well-deserved raise. It is nice to finally have an administration that respects its workforce. Working collectively with Mayor de Blasio, Commissioner Linn and Chancellor Fariña, we were able to negotiate an agreement that is fair to my members and the taxpayers of the City. This agreement allows the administration to move forward with their educational priorities,” said **Robert Troeller, President of Local 891**.

“Although the agreement is not structured exactly as we had hoped, this agreement was a long time coming. We appreciate the efforts by the de Blasio administration to assure that our union, along with many other unions, can at last advance the economic interests of our members. We look forward to working closely with Mayor de Blasio in the future,” said **Kuba Brown, President of Local 94**.

In total, the MLC and the City have agreed to secure \$3.4 billion in health care savings through Fiscal Year 2018, and \$1.3 billion in savings every year thereafter. The City and the municipal unions will work to secure cost-cutting measures, aimed at bending the curve of rising health care costs for the first time. These savings are guaranteed and enforceable by arbitration.

## **Fair Wages**

For the 2008 to 2010 round of bargaining, Local 891 and Local 94 employees will receive restructured payments in lieu of the two 4-percent raises that had been granted by the previous administration to much of the municipal workforce. This follows the established pattern.

The wages these employees did not receive will be restructured and provided in incremental lump sum payments, from 2015 to 2020, reflecting a percentage of the balance as of the payout date—12.5 percent in 2015, 12.5 percent in 2017, and 25 percent each in 2018, 2019, and 2020.

The increases they did not receive will also be restored to their salaries at approximately 2 percent a year, each year, from 2013 through 2016, as follows:

For Local 891 -

July 1, 2013: 2.00%

July 1, 2014: 2.00% (1.96% compounded)

July 1, 2015: 2.00%

July 1, 2016: 2.00% (1.96% compounded)

For Local 94 -

April 22, 2013: 2.00%

April 22, 2014: 1.961%

April 22, 2015: 2.00%

April 22, 2016: 1.9605%

For the 2010 to 2017 round of bargaining, employees will receive increases also based on the established pattern.

For Local 891 -

July 1, 2011: 1.00%

July 1, 2012: 1.00%

July 1, 2013: 1.00%

July 1, 2014: 1.50%

July 1, 2015: 2.50%

July 1, 2016: 3.00%

For Local 94 -

April 22, 2011: 1.00%

April 22, 2012: 1.00%

April 22, 2013: 1.00%

April 22, 2014: 1.50%

April 22, 2015: 2.50%

April 22, 2016: 3.00%

The agreements also include a one-time \$1,000 ratification payment.

### **Affordable Costs**

The total costs of the tentative agreements, including the reforms detailed above, are covered by the pattern settlement established earlier this year and will require no new funding above previous budgetary projections.

The costs of today's two tentative agreements are as follows:

#### Local 891 –

FY2014-2018:

Gross Cost: \$95.7 million

Stabilization Fund & Health Savings: (\$10.8 million)

Net Cost: **\$84.9 million**

FY2019-2021:

Gross Cost of Lump Sum Payments: \$39 million

Health Savings: (\$11 million)

Net Cost: **\$28 million**

#### Local 94 –

FY2014-2018:

Gross Cost: \$82.6 million

Health Savings: (\$8.3 million)

Net Cost: **\$74.4 million**

FY2019-2021:

Gross Cost of Lump Sum Payments: \$31 million

Health Savings: (\$11 million)

Net Cost: **\$20 million**

