



NASSAU COUNTY LEGISLATURE
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Inter-Departmental Memo

To: Hon. Richard Nicoletto, Presiding Officer
Hon. Kevan Abrahams, Minority Leader
All Members of the Nassau County Legislature

From: Maurice Chalmers, Director
Office of Legislative Budget Review

A handwritten signature in blue ink, appearing to be "M. Chalmers", written over the name of the sender.

Date: December 6, 2020

Re: Memorandum of Agreement (MOA) between Nassau County and the Superior Officers Association Inc. (SOA)

The Office of Legislative Budget Review (OLBR) has prepared this report to provide an estimated fiscal cost for Clerk Item (356-20), which is a MOA between the County and the SOA of the County Police Department. This is the second negotiated contract that the County has entered into since the expiration of all the County's union contracts on December 31, 2017. In January 2020, the County approved the MOA between the County and the Detectives' Association (DAI) union. This contract between the County and the SOA has been ratified by the members of the SOA. Although the Administration requested and was granted an emergency and this item already passed at the Full Legislative meeting on November 23, 2020, OLBR was asked to summarize the estimated costs associated with the agreement.

The Nassau Interim Finance Authority (NIFA) will still need to approve this MOA and if approved, it will be incorporated into one consolidated Collective Bargaining Agreement within six months of its final ratification. In addition, as the County continues to negotiate with other unions, there is a clause in the agreement that states it could be reopened in the event the County voluntarily agrees with another bargaining unit representing sworn members of the NCPD to provisions greater than those within this Agreement, provided the overall net value exceeds this Agreement.

The term of this agreement is for the period from January 1, 2018 through June 30, 2026.

The following discussion provides the estimated cost impact of the new agreement as well as highlights of the key provisions of the MOA. For the latter, OLBR engaged the Administration and Labor Relations to ensure that the interpretation of the MOA is as intended.

Wage Increases

The table below reflects the scheduled General Wage Increases (GWI) as proposed in the agreement:

<u>Date</u>	<u>GWI</u>
July, 1 2020	2.00%
July, 1 2021	2.00%
July, 1 2022	2.50%
July, 1 2023	2.50%
July, 1 2024	3.00%
July, 1 2025	3.00%

The MOA includes provisions for a \$500 signing bonus and an additional \$1,000 lump sum payment for the membership. Wages for all SOA active members will be increased annually by GWI on July of each year by the percentage reflected in the above chart. The existing step schedule for the current onboard sworn officers will escalate annually over the term of the contract by the general wage increases. Sergeants will continue to receive the current (\$1,232 supervisory pay,) which will also increase annually with the GWIs and certain Sergeant and Lieutenant detective titles will continue to receive the 6% Detective Duty Differential. The Deputy Inspector stipend (currently at \$4,742) will also continue to rise annually by the applied general wage adjustments.

However, newly promoted Sergeants will be subject to a modified new salary schedule, which will only apply to Sergeants who are still below top pay on the Police Officer pay schedule on the date of promotion. This new modified schedule is expected to result in future out-year savings of the contract since the current agreement places any promoted Sergeants at the Sergeant's first step (\$126,655 current Sergeant step vs the \$122,582 Police Officer top step).

The chart on the next page provides the projected costs and savings of the contract by fiscal year. OLBR estimates the costs associated with the contract (including general wage and step increases) to be approximately \$82.6 million. This also includes, Supervisor Stipends, a lump sum payment for body cameras, among other items. These costs are reduced by anticipated savings of \$21.9 million from concessions in the contract for a net cumulative cost of **\$60.7 million**. The Administration will need to monitor and ensure that the concessions are realized in order to offset the expense.

OLBR's net cumulative cost is \$5.2 million higher than the Administration's figure of \$55.5 million. The majority of the difference is due to different salary inflators that are used to calculate the final costs. To derive at the estimates, both the Administration and OLBR used

inflaters to factor in the salary extras such as holiday, overtime, termination, pension and FICA, etc. OLBR used inflators that were more conservative and slightly higher than the Administration, which were based on the last three-year average (FY 2017 through FY 2019) from the County's W-2 file. However, over the term of the agreement, that \$5.2 million variance represents a different approach and is seen as minimal.

A copy of the Administration's cost sheet is attached as an appendix for the Legislature.

SOA Labor Contract Analysis (millions)

	Retroactive Pay	2020	2021	2022	2023	2024	2025	2026
Projected Cost								
Total GI Wage Increase	0.0	1.0	3.0	5.4	8.1	11.1	14.5	16.2
Lump Sum Payments	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Senior Supervisor Stipend -6 Year	0.0	0.0	1.9	2.0	2.0	2.1	2.1	2.2
Senior Supervisor Stipend -10 Year	0.0	0.0	0.0	0.2	0.2	0.2	0.3	0.3
Body Cameras - Lump Sum Payment	0.0	0.0	0.3	1.3	1.3	1.3	1.3	1.3
PLD / Comp time accessibility	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2
DI Stipend	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2
Subtotal Costs	0.4	1.2	5.6	9.2	12.0	15.1	18.6	20.4
Projected Offsets								
Health Insurance Savings	0.0	0.0	(0.9)	(1.1)	(1.2)	(1.2)	(1.3)	(1.3)
Schedules - Additional Tours	0.0	0.0	(1.2)	(1.2)	(1.1)	(1.1)	(1.2)	(1.2)
Termination Cap / Sick Leave	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Modified Salary Schedule - New Sgts	0.0	0.0	(0.2)	(0.3)	(0.6)	(1.0)	(1.2)	(1.2)
Vacation Cap	0.0	0.0	0.0	0.0	0.0	(1.1)	(1.1)	(1.1)
Subtotal Savings	0.0	0.0	(2.3)	(2.6)	(2.9)	(4.5)	(4.8)	(4.8)
Estimated Contract Cost By Year	0.4	1.2	3.4	6.6	9.1	10.6	13.8	15.5
Net Cumulative Contract Cost By Year	0.4	1.6	5.0	11.6	20.7	31.3	45.1	60.7

The following are highlights of some key provisions of the contract:

Retroactive Wages

A lump sum payment of \$1,000 will be made to each member of the bargaining unit as well as those eligible for retroactivity under the agreement. In addition, every employee in active status on the date of the ratification of this agreement will receive a \$500 signing bonus. These components are estimated to cost roughly \$0.6 million.

Senior Supervisor Stipend- Six Years

Every member of the bargaining unit who has at least six years as a supervisor, as of January 1, 2021 shall receive a Senior Supervisor Stipend of \$8,000. The Senior Supervisor stipend will increase by the general wage increases, effective on July 1, 2021 and thereafter, and will be included in the base salary. The cost associated with this clause over the term of the contract is approximately \$12.2 million for this provision through FY 2026.

Senior Supervisor Performance Pay – 10 Years

Effective December 31, 2021, every member who has attained at least ten years as a supervisor and upon successful completion of a Senior Supervisor program as established by the Police Commissioner, after consultation with the Association, will receive a Performance pay increase to the base salary of \$1,500, which will increase annually with the general wage adjustments. The cost associated with this clause is estimated to be roughly \$1.2 million.

Rules - Body Cameras (Lump Sum Payment)

SOA agrees to work cooperatively in the implementation of the NCPD's body-worn camera program for sworn members. As such, all active members of the bargaining unit will participate in the program and receive an annual lump sum payment of \$3,000, payable in 26 equal installments, commencing on the implementation of the program. It is the intent that each and every active member receives such payment except when such members cannot participate in the program due to extenuating circumstances. The County plans to implement the program no later than September 30, 2021. However, if the program is not implemented by December 31, 2021 this section will be considered nulled and the status quo will prevail. The total cost is estimated to be \$6.9 million for this provision through FY 2026.

The County will assign and maintain four members of the bargaining unit to the body camera program no later than the implementation date of the program.

Rules - Comp Time Accessibility

Sergeants and Lieutenants assigned to Patrol functions, Records Bureau and Court Liaison will be permitted to take up to 24 hours (two tours) of banked compensatory time or personal leave which would otherwise have been denied because of staffing constraints, subject to the needs of the Department. Compensatory time includes all forms of compensatory time, including straight time, admin time etc. The total cost associated with this clause is roughly \$1.3 million.

DI Stipend

Deputy Inspectors and titles higher currently earn an annual DI Stipend of \$4,742. This stipend will continue to rise annually by the applied general wage increases and will now be included in the base for premium pay. The cost associated with the stipend is roughly \$1.0 million over the term of the contract.

Health Insurance Contributions for Employees

Employed SOA members not currently contributing to their health care benefits will be required to contribute a percentage of their base earnings. The savings will be generated from members contributing 2.0% of their base earnings in 2021, 2.25% in 2022 and 2.5% from 2023 through FY 2026. However, the cost of the contributions is not allowed to exceed the equivalent dollar value of 15% of the cost of the health insurance premium for family coverage under the NYSHIP Empire Plan.

In addition, health care contributions imposed under earlier agreements shall continue, including the 15.0% health insurance premium cost contribution that the 2014 MOA required for sworn

officers hired after the 2014 agreement. Unlike the current agreement which requires members to pay the 15.0% contribution into their retirement, the new contribution under this MOA will cease upon retirement. OLBR has estimated that total savings to be roughly \$7.0 million for this provision through FY 2026.

The County and the Union agree to review comprehensive health options which would provide a plan of benefits at less net cost to the County than the NYSHIP Empire Plan, without requiring employee contributions.

Employees who maintain alternative health care coverage will have the option to opt-out of health care coverage with the County. They will be eligible to receive an annual opt-out payment of \$2,000 for waived individual coverage and \$4,000 for waived family coverage. This is an increase from the current maximum of \$500 for individual and \$2,000 for family. Payments will be made at the end of the plan year, with no partial payments. The Administration did not capture any savings from this clause since it's expected to have a minimal impact.

As part of the agreement, the flexible spending program will be made available to the bargaining unit as soon as possible after full and final ratification.

Schedules – Additional Tours

All members of the bargaining unit, except those serving as Deputy Inspector or higher shall be scheduled to work an additional **five** appearances per year. Additional tours will be scheduled evenly through the year to the extent practicable and pro-rated for the first partial year. The additional tours must be scheduled by the department and subject to reasonable accommodation and notice to employees.

Furthermore, any incumbent member of the SOA below the rank of Deputy Inspector may elect to work an extra five appearances per year, beyond the additional appearances, in exchange for an additional 1.7% schedule differential pay. Incumbent members of the bargaining unit serving in the ranks of Deputy Inspector, Inspector, Deputy Chief or Assistant Chief and who are assigned to (five days on, two days off, eight hours per tour) schedule may elect to reduce their non-scheduled hours off (NSHO) time from 160 hours to 104 hours annually in exchange for an additional 1.7% schedule differential.

Finally, all additional tours must be worked. Any scheduled additional tour missed for any reason will be made up. Members will be assigned to tours in the same fashion as overtime tours are currently scheduled.

OLBR has estimated the savings from the additional tours to be roughly \$7.0 million for this provision through FY 2026.

Rules -Termination Cap / Sick Leave

Members with initial NCPD hire dates prior to full and final ratification of this MOA, will continue to be subject to a terminal pay cap equivalent to two times their base salary in the year they retire. This remains unchanged from the current agreement. However, members with initial NCPD hire dates prior to the ratification of this MOA but who are not designated to the rank of

Sergeant until after December 31, 2025, will be subject to an absolute “termination pay” cap equivalent of 1¾ times base salary in the year when he or she retires.

Members with initial hire dates into sworn service with the County after the final ratification will earn sick leave at the rate of 18 days per year and will be subject to an absolute cap on terminal pay of 1½ times their base salary in the year such member retires.

While this clause is expected to generate savings in the future by limiting expenses, the anticipated terminal payouts are not expected to occur until after the expiration of the contract when future members retire and as such, no savings were reflected in this analysis.

Modified Salary Schedule – New Sergeants

Newly promoted Sergeants will be subject to a modified new salary schedule, which will only apply to Sergeants who are still below top pay on the Police Officer pay schedule on the date of promotion. The Sergeant will receive one dollar above the prevailing Police Officer top step until the time they would have been placed on the top step. This new modified schedule is expected to result in future out-year savings of the contract since the current agreement places any promoted Sergeants at the Sergeant’s first step (\$126,655 current Sergeant step vs. the \$122,582 Police Officer top step). The savings from the new modified schedule is estimated to be roughly \$4.5 million over the term of the contract.

Rules -Vacation Cap

The MOA does not allow annual vacation accruals **for FY 2021** to exceed 160 hours. The Administration anticipates savings of \$3.4 million in FY 21 due to this clause. However, due to the possibility of delayed retirement these savings may not materialize until later in the agreement.

Other Provisions

Neither party to this agreement waives or foregoes any rights or arguments or intends to otherwise impact the ongoing litigation regarding longevity. If at any point during the term of this Agreement, NIFA, or its successor exercising the power to freeze any economic benefits, diminishes the benefit of this agreement, then the scheduling of additional tours, health care contributions, and termination pay reductions set forth in this Agreement shall be considered a nullity and the status quo will prevail.

Reopener Clause

This agreement includes a reopener clause in the event the County voluntarily agrees with another bargaining unit representing sworn members of the NCPD to provisions greater than those provided in this agreement. In such an event, the Association must establish that the net value of the other agreement exceeds the net value of this agreement.

Except as modified in this MOA, all other terms and conditions of the parties’ Collective Bargaining Agreement shall continue.

Conclusion

The SOA union and the County Administration believes the negotiated contract provides a best-case scenario in the current fragile financial environment. The MOA was approved by the union members and leadership. In addition, both the Administration and the Police Commissioner testified that the agreement helps labor move forward is seen as a positive development in the administration of Police functions. OLBR's initial assessment of the MOA was adjusted to remove anticipated savings in FY 2020 of roughly \$0.6 million from additional tours and the modified salary schedule, as they are no longer expected to materialize due to the delay in implementing the contract.

cc: Ray Orlando, Deputy County Executive for Finance
Andrew Persich, Budget Director, OMB
Chris Ostuni, Majority Counsel
Bob Conroy, Budget Research Analyst
Peter Clines, Minority Counsel
Michele Darcy, Minority Finance Director
Michael Pulitzer, Clerk of the Legislature
Tatum Fox, Deputy County Executive
Patrick Ryder, Commissioner of Police
Dennis Steiner, Senior Budget Examiner
Christopher Nicolino, Director of Labor Relations

SOA 2018-2026 MOA

\$s in millions

Provision	2018	2019	2020	2021	2022	2023	2024	2025	Full-Year 2026
\$1,000 lump sum - 7/1/19 + \$500	-	0.407	0.203	-	-	-	-	-	-
GWI - 15.96%	-	-	0.948	2.864	5.065	7.562	10.381	13.537	15.139
Senior Supervisor Stipend - 6 yrs \$8,000	-	-	-	2.836	2.900	2.973	3.055	3.146	3.193
Sr Supr Stipend - 10 yrs additional \$1,500	-	-	-	-	0.401	0.411	0.423	0.435	0.442
Body Camera Lump Sum Payment \$3,000	-	-	-	0.305	1.220	1.220	1.220	1.220	1.220
PLD / Comp time accessibility	-	-	-	0.193	0.197	0.202	0.208	0.214	0.217
DI Stipend Premium Pay	-	-	-	0.026	0.027	0.027	0.028	0.029	0.029
Health Contribution	-	-	-	(1.076)	(1.219)	(1.350)	(1.376)	(1.403)	(1.431)
Addtl Tours - 5 for all - Sgt-Capt	-	-	(0.498)	(2.013)	(2.117)	(2.168)	(2.226)	(2.291)	(2.353)
Termination Pay Cap / Sick Leave	-	-	-	-	-	-	-	-	-
Modified Salary Schedule - New Sgts	-	-	(0.011)	(0.093)	(0.211)	(0.419)	(0.760)	(1.066)	(1.185)
Vacation Cap - 160 hours	-	-	-	(3.393)	-	-	-	-	-
SOA Total									
Annual Total - Net	-	0.407	0.643	(0.351)	6.262	8.458	10.952	13.821	15.271
Cumulative Total - Net	-	0.407	1.049	0.698	6.960	15.418	26.370	40.191	55.462