

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 14-486

DECLARING A CONTINUING FISCAL CRISIS IN NASSAU COUNTY AND ORDERING, WITH RESPECT TO EMPLOYEES OF THE COUNTY, THE SUSPENSION OF ALL INCREASES IN SALARY OR WAGES, AND THE SUSPENSION OF INCREASED PAYMENTS FOR HOLIDAY AND VACATION DIFFERENTIALS, SHIFT DIFFERENTIALS, SALARY ADJUSTMENTS ACCORDING TO PLAN, AND STEP-UPS AND INCREMENTS

WHEREAS, on March 24, 2011, March 22, 2012, and March 14, 2013, NIFA adopted resolutions declaring a fiscal crisis and imposing one-year wage freezes on Nassau County employees; and

WHEREAS, on this date, March 10, 2014, NIFA adopted resolution No. 14-485, which finds that a wage freeze, as authorized by NIFA's governing legislation, is essential to the County's adoption and maintenance of the County's adopted Budget and Multi-Year Financial Plan, and to compliance with such legislation; and

WHEREAS, by law NIFA, after enactment of Resolution No. 14-485, may declare a fiscal crisis and, upon making such declaration, shall be empowered to order a wage freeze for one year;

WHEREAS, NIFA and its Staff have analyzed the Multi-Year Financial Plan, Fiscal 2014-2017, adopted by the County Legislature, which was reluctantly approved by NIFA with conditions; and

WHEREAS, the wage freeze will provide substantial savings during the ensuing 12-month period; and

WHEREAS, even assuming such savings from a wage freeze, NIFA determines that the County will be significantly challenged to achieve statutory balance by FY 2015, let alone the end of the Multi-Year Financial Plan, and will require additional borrowing to meet ongoing operating expenses as it endeavors to transition to a GAAP balanced budget;

WHEREAS, over the course of several months, NIFA representatives have engaged in extensive, good faith discussions with leaders of the unions representing County employees and with leaders of the County government;

Whereas, NIFA representatives have participated in numerous meetings with union leaders and County leaders to help facilitate a resolution of the current wage freeze while recognizing NIFA's statutory obligations to address the current fiscal crisis and the imbalance in the County's current and projected revenues and expenditures; and

Whereas, considerable progress has been made toward convincing the NIFA Directors that they may be able to reach a reasoned decision to lift the wage freeze in a manner consistent with their statutory duties and the requirements of the governing NIFA statute;

WHEREAS, these discussions have explored, and NIFA has considered seriously, the impact of the wage freeze on County personnel and their families, the impact of the freeze on employee morale and future hiring, as well as the impact of lifting the freeze on the County's finances and fiscal credibility;

WHEREAS, these discussions have explored potential avenues for lifting the wage freeze, in a manner consistent with the fiscal stability of the County and the requirements of the NIFA Act, by the County generating new revenues and securing savings through new labor agreements;

WHEREAS, through these discussions, NIFA has identified conditions that, if faithfully implemented through County legislation and new labor agreements, would allow NIFA to terminate the wage freeze; and

WHEREAS, NIFA has consistently maintained, and hereby reiterates, its intention that the wage freeze apply fairly to all County personnel, including ordinance employees, and not solely to the unionized workforce;

WHEREAS, County sales tax revenue flows through NIFA for the purpose of paying debt service and NIFA administrative costs;

NOW, THEREFORE, BE IT RESOLVED, that NIFA hereby declares that the fiscal crisis in the County continues; and be it further

RESOLVED, that NIFA intends to lift the wage freeze promptly upon satisfaction of the following conditions:

1. The unions will complete negotiations with the County for new collective bargaining agreements, approved by the County Legislature and NIFA.

a. Negotiations between the PBA and the County, and between the CSEA and the County, have created a framework for new agreements acceptable to NIFA.

b. The PBA model awards wage increases during the period of the agreement, provides for cost of living increases, and restores certain steps lost during the wage freeze.

c. The PBA model offsets these costs through a combination of new targeted County revenue sources (such as proposed new school zone speed cameras), savings through attrition, and labor concessions (e.g., new salary charts for new hires, health care and pension contributions and work rule changes).

2. The County must achieve the dollar figures from new revenue sources, in the amounts projected to NIFA, to offset the net cost (above labor concessions) of each new labor agreement.

a. Subject to applicable law and agreements with holders of obligations or other parties, the County shall commit to dedicate revenues from speed cameras, mortgage recording fees, sales tax, and other revenues received in excess of budgeted amounts to the extent necessary to fund any shortfall in the payment of additional costs attributable to labor agreements entered into in connection with termination of the wage freeze.

b. The County will authorize NIFA in writing to hold back sufficient sales tax revenue to guarantee compliance, if necessary.

3. The unions will preserve their legal claim that NIFA acted illegally by ordering the wage freeze in the period March 2011 through March 2014. The unions will waive legal claims that their members accrued increased wage levels (through steps, COLAs or any other increases) during the period March 2011 through March 2014. However, if the courts reach a final determination, after all appellate rights have been exhausted, that the wage freeze in the period March

2011 through March 2014 was illegally imposed for that entire period in all respects, then the County would pay to the union member the COLAs for 2011 and 2012 in the year subsequent to the conclusion of the litigation.

RESOLVED, that the wage freeze remains necessary pending satisfaction of the conditions referenced above; and be it further

RESOLVED, that NIFA hereby orders that all increases in salary or wages of employees of the County (including ordinance employees), which will take effect after the date of this order pursuant to collective bargaining agreements, other analogous contracts or interest arbitration awards, now in existence or hereafter entered into, requiring such salary increases as of any date thereafter are suspended for one year; and be it further

RESOLVED, that NIFA hereby orders that all increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan, and step-ups and increments for employees of the County (including ordinance employees) which will take effect after the date of this order pursuant to collective bargaining agreements, and other analogous contracts or interest arbitration awards requiring such increased payments as of any date thereafter are, in the same manner, suspended for one year.

Jon Kaiman
Chairperson

March 10, 2014