

**SECURITY SUPERVISORS UNIT – INTEREST ARBITRATION UPDATE –**  
**DECEMBER 10, 2008**

Two additional days of hearing have occurred in the Security Supervisor Unit's interest arbitration. The Union was able to present all witnesses and rest its case in chief.

The Union recalled Christopher Fox as a witness to present further testimony concerning the State's ability to pay. While Mr. Fox noted that the Nation's and New York's fiscal picture has substantially worsened since he gave his prior testimony in August 2008, he did note that New York continues to have options to generate revenue to fund the Union's demands. He continued to maintain the Union's position that the State can make policy decisions such as a temporary sales tax increase, as the State has done in the past, to generate substantial revenue.

Further, and importantly, he noted that the State has increased the reserve set aside to fund labor agreement settlements. He noted that pursuant to the State mid-year fiscal review there is reserve of \$400 million dollars for fiscal year 2008-2009 and \$275 million dollars for the following two fiscal years. He noted that funding the Union's proposals would not make the State's fiscal status worse as the State has built in the cost of funding labor agreements into the budget.

He also gave testimony to the panel that certain Federal measures may also be implemented to ease the economic hardship faced by the states and provide additional revenue to fund the Union's proposals.

Last, Mr. Fox reiterated the Union's calculation of the cost of its proposals to the panel. The total package as demanded is approximately \$17 million dollars. Given the reserve discussed above, Mr. Fox noted that the Union's proposals are a fraction of the funds set aside to fund labor settlements.

The Union also presented the testimony of Lance Santos, Acting President of Local 2951. Mr. Santos testified concerning additional and expanded duties Lieutenants have been performing since the last interest arbitration. He described for the panel the effect that post closings have on other lieutenants (i.e. expanding job duties of other Lieutenants). He further detailed how Lieutenants regularly perform the duties of higher ranking officers along with their job duties as Lieutenants.

Lieutenant Laura Cestaro also testified before the panel. She gave testimony concerning Lieutenants regularly assuming the duties of Captain and Deputy of Security due to lack of staffing. She also gave testimony concerning post closings and how that affects a Lieutenant's job duties (i.e. expanding the duties of other Lieutenants). Lieutenant Cestaro also testified concerning the cost of living in downstate New York.

Lieutenant Michael LaDue also gave testimony to the panel concerning expansion of Lieutenant's job duties. He testified concerning increase administrative functions, the effect of the DAI, Inc. settlement, post closings and the rigors of taking a promotion to Lieutenant.

Lieutenant LaDue also testified concerning the Union's proposals. He detailed the Union's demand for the panel and gave justifications for the proposals.

The next dates for arbitration are as follows:

December 15, 2008

December 18, 2008

January 7, 2009

January 13, 2009

We anticipate that the hearings in this matter will conclude in January. The State will now present its case. Once the State rests the Union will have an opportunity to present rebuttal witnesses, if necessary. The hearing will then be closed. Following the close of the hearing, each party will submit briefs. Once briefs are submitted, the panel will meet in executive session to fashion the terms of the award. We will continue to update you as this matter develops.