

MEMORANDUM OF UNDERSTANDING

AGREEMENT made between the New York City Transit Authority, herein referred to as "New York City Transit" and the Manhattan and Bronx Surface Transit Operating Authority, herein referred to as "MaBSTOA" (both of which herein jointly referred to as the "Authority") and the Transit Supervisors Organization, TWU, Local 106, Operating Supervisory Unit, Coin Retriever Unit, and Queens Supervisory Unit, herein referred to as the "Union".

It is mutually agreed that the collective bargaining agreements between the Authority and the Union shall be amended as follows:

1. Term

This agreement shall commence February 1, 2004 and continue in effect through April 18, 2007.

2. Wages Rates

The wage rates for employees represented by the Union shall be modified as follows:

(a) Effective February 1, 2005, the rates of pay that were in effect on January 31, 2005 shall be increased by three (3) percent.

(b) The wage progression for employees hired or promoted into titles represented by the Union on or after full and final ratification of this agreement shall be as listed below. For the purpose of this schedule, "hired or promoted into a title" shall mean actually reporting and performing the work of the title:

1. Employees in the title Maintenance Supervisor Revenue Level I shall receive during the first three years of employment a percentage of the top rate for the title in accordance with the following schedule:

85% starting salary
100% after three years of service.

2. Employees hired or promoted in to all other supervisory titles represented by the Union (QSA and MaBSTOA) excluding CRT shall receive during the first three years of employment in title a percentage of the top rate for the title in accordance with the following schedule:

80% starting salary
100% after three years of service

(c) Effective the first day after final ratification, the annual wage rates for titles covered by the collective bargaining agreements will be increased to the rates set forth in Appendix D. These rates reflect and already include the \$800 increase which is effective the first day after final ratification and also include the increases negotiated in the departmentals.

(d) Effective February 1, 2006, the rates of pay that were in effect on January 31, 2006 shall be increased by three (3) percent.

(e) Rates of pay below the top rates shall be adjusted in accordance with the appropriate progression schedule.

3. Night/Shift Differential

(a) Effective the first day after final ratification, the annual wage rate utilized for computation of the night/shift differential for all titles covered by the collective bargaining agreement will be increased as set forth in Appendix C.

(b) Effective the first day after final ratification, weekday night differential hours shall be paid for all hours worked between 6 p.m. and 6 a.m. for all titles covered by this agreement.

4. Longevity Payments

Current annual longevity payments shall be increased by \$150. The December 2004 payment shall be prorated for the period covering February 2004-September 2004.

5. Additional Holiday

Martin Luther King Day will be added to the Holiday sections set forth in the parties' respective Operating Unit and Queens Supervisory Unit collective bargaining agreements. On a one-time basis, each member of the bargaining units will be granted one (1) floating holiday in 2007. If not utilized by the end of the calendar year, the day can be cashed-in or saved in the same manner as other holidays.

6. Lump Sum Payment

(a) In recognition of substantial past productivity of the work force since the advent of Metro-Card and the dramatic increase in ridership in the last several years, as soon as practicable following ratification of this agreement, the Authority shall pay a one-time, non-recurring, lump sum payment of \$1000 to each employee who meets the eligibility requirements specified herein.

(b) In order to be eligible to receive the above referenced lump sum payment the employee must be on the payroll on February 1, 2004.

Employees who transferred into the bargaining unit and received the lump sum payment while in another bargaining unit will not be eligible for payment under this Agreement.

7. Health Benefits

(a) The Medicare Part B reimbursement for those employees who retired prior to January 1, 2001 will be \$6.90 per month effective 2007. (This does not include those retirees with HIP/VIP Option II).



(b) Employees who perform hazardous duties requiring eye protection will be eligible for prescription safety glasses at no cost to the employee.

(c) In addition to Dentcare, employees will have the option of participating in the two AMLI dental programs, i.e. American Dental Centers or American Medical & Life Insurance Program currently available to other Authority employees. This option will be made available at the next open enrollment period. If these programs are eliminated they will no longer be available to the supervisory workforce and the parties will meet to discuss alternate plans.

(d) The parties agree to provide an additional PPO choice for those employees and retirees currently eligible for the Metlife dental plan with the following reimbursement schedule:

In-Network

\$1,500 annual limit
\$1,000 orthodontic limit
No lifetime limit

Reimbursement

- Preventive – 80%
- Minor Restorative – 60%
- Major Restorative – 40%

Out-of-Network

The purpose of this improved PPO is to improve in network reimbursement only. Out-of-network reimbursement is minimal.

This option would be made available at the next open enrollment period.

(e) Supervisors promoted from the hourly workforce shall retain the applicable hourly health benefit package until they have worked for three years as a supervisor. An employee who retires during this period will retire with the applicable hourly retiree health benefit package. Upon completion of the third year as a supervisor, the employee will receive the supervisory health benefit package as agreed upon by the parties. This provision will be effective for all new supervisors hired after the date of final ratification of the collective bargaining agreements.

(f) An employee covered under the terms of this agreement who leaves the employ of the Authority with less than ten (10) years of qualifying pension service is not eligible to receive medical benefits from the Authority as a vestee or retiree with the exception of COBRA benefits or if the employee has been granted a disability pension. An employee who has been granted a disability pension will receive the plan of benefits at no cost to them.

If an employee covered under the terms of this agreement leaves the Authority vested with a minimum of ten (10) or more years of qualifying pension service, and is within five (5) years of receiving a pension benefit, the Authority will continue medical benefits without cost to the employee as a vestee and as a retiree.

If an employee covered under the terms of this agreement leaves the Authority vested with a minimum of ten (10) years of qualifying pension service, and is more than five (5) years from receiving a pension, medical benefits shall not be continued unless the employee assumes direct payment to the state health insurance program for the cost of the benefits. If the employee assumes the benefit costs as a vestee until such times as he/she begins to collect a pension, he/she

will then be eligible to receive health benefits as a retiree at no cost. If the employee chooses not to pay for health benefits as a vestee, he/she is not eligible to receive health benefits as a retiree.

8. Sick Leave

A. (i) Effective July 1, 2007, employees with 50% or more of their potential sick leave balances as calculated on May 1, 2007 will be subject to all sick leave rules during the upcoming year with the following exceptions:

- Not be required to “call in” and “call out” from the sick location
- Not be required to medically document any absence if three days or less
- Not be subject to “home visits” or sick leave location investigations
- Not be subject to any requirements of the sick leave control list

(ii) On each subsequent July 1 of this program, employees with 50% or more of their potential sick leave balances as of May 1 will be eligible for the above sick leave rule modifications.

(iii) A fresh start program will be instituted for employees whose sick leave balances are below the 50% threshold as calculated on May 1, 2007. For each year beginning July 1, 2008, and continuing thereafter, those employees will have the percentage of their sick leave balances measured from May 1, 2007, and will be eligible for the above sick leave rule modifications if they meet the 50% threshold.

B. Yearly Sick Leave Cash Out Program

(i) Employees who have no sick leave usage during the period of May 1 of one year through April 30 of the next year may elect to cash out up to two sick days. If an employee has used only one sick day the employee may, at his/her option, cash out one sick day. The cash out will take place in May 2007 and each May thereafter.

(ii) The number of sick leave days an employee elects to cash out will be deducted from the employee's potential and actual available sick leave balance for purposes of the yearly 50% calculation of Section 8A above and for purposes of calculation of the sick leave cash-out upon separation or retirement from active service where the employee is eligible for such cash-out under the terms of the current Agreement or Section 8C below.

C. Sick Leave Cash Out Upon Separation from Service

A fresh start program will be added to the current program for those employees who do not meet the current criteria of the sick leave cash-out upon separation or retirement. Under the fresh start program, an employee who voluntarily leaves the employ of the Authority or retires with ten (10) or more years of service and who does not have at least 50% of his/her potential career accrual in his/her sick leave bank at the time of separation or retirement will have his/her sick leave balance calculated based upon the sick leave accrued and taken subsequent to May 1, 2007. To be eligible under the fresh start program, the employee must have a minimum of 50% of his/her potential sick leave balance accrued subsequent to May 1, 2007. Such employees will receive a lump sum payment equal to 50% of his/her actual sick leave balance based solely on

time credited and not taken subsequent to May 1, 2007. Those employees who have at least 70% of their potential sick leave balance accrued subsequent to May 1, 2007 will receive a lump sum payment equal to 60% of their actual sick leave balance based solely on time credited and not taken subsequent to May 1, 2007.

D. Employees will have three work days to turn in sick forms.

E. Sick Leave Cash-Out provisions and the Sick Leave Control List Program as outlined in the Memorandum of Understanding between the Transit Authority and the TSO Operating and Coin Retrievers Units, TWU Local 106 dated July 19, 2000 shall apply to the Queens Supervisory Unit.

9. Additional Sick Leave

Additional sick leave shall be provided to each employee at seventy-five percent (75%) of what the employee would have been paid if he/she worked in accordance with his/her regular schedule subject to the terms and conditions hereinafter set forth:

Employees with 3 or more years of service in the TWU, Local 106, bargaining unit at the beginning of the sick leave year: 120 work days

The additional sick leave provided herein shall not be accumulated from year to year but shall be available to the covered employee in each year. The additional days shall not be available to an employee unless he/she is absent for illness for nine (9) or more consecutive working days, in which event that employee shall receive pay to the extent provided above from the first day after exhausting his/her regular sick leave bank.

To be eligible to receive the additional days of sick leave on a seventy-five percent (75%) payment basis during any sick leave year, the employee must be eligible for an allowance of twelve (12) days of sick leave pay in said sick leave year.

An employee who has exhausted all of his/her sick leave allowances at full pay, may elect, subject to the approval of his/her department head, to use any current vacation or accrued AVA days to which he/she may be entitled to in their entirety, before being eligible for sick leave at the seventy-five percent (75%) payment basis. If such absence is expected to continue beyond the end of the vacation year, the employee's leave of absence with pay for illness shall be interrupted for a sufficient number of days so that he/she may be paid for any remaining current vacation before the expiration of the vacation year. The employee must provide adequate medical evidence to show that the entire period of absence including a vacation and AVA days used under this paragraph was the result of one continuous absence.

An employee may receive the additional 25% (for a total of 100%) of his/her pay as set forth above if he/she had more than one-half of his/her potential sick leave balance available at the onset of the illness which was the basis of the request for additional sick leave.

Upon exhaustion of the 120-day benefit, an additional 60 work days may be given at the sole discretion of management.

Such payments of additional sick leave cannot be utilized in conjunction with injury-on-duty claims. Such payments shall not be paid to an employee who has been terminated due to a disability pursuant to the Civil Service Law, Sections 72/73.



This provision applies to TWU, Local 106, Units (MaBSTOA, CRT and QSA) noted above and replaces any and all additional sick leave grant program.

10. Discipline

Disciplinary Grievance Procedure/See attached Appendix B.

11. Medical Appeal Grievance Procedure

The parties agree to meet to discuss a medical appeal grievance procedure.

12. Commingling Agreement

See attached Appendix A.

13. AVA/OTO

- (a) The current cap on accruing OTO time will be increased to 72 hours.
- (b) In the event an employee chooses to bank overtime worked as OTO time, any night shift differential associated with the overtime worked will be paid in accord with the current practice.
- (c) The cap on accruing AVA days will be 70 days.

14. Overtime

- (a) The overtime cap will be increased by 150% of any general wage increase.
- (b) An employee who has reached the overtime cap will not be restricted from selecting a position which includes overtime as part of the position's regular schedule.
- (c) Employees who have not reached the cap limit will not be prevented from working overtime.

15. Job Security

The Job Security Clause of the contract shall read as follows:

"The parties will make every effort to avoid involuntary reductions in force. These efforts will include reassignments and other movements of personnel where applicable. If such reductions are nonetheless necessary, the provisions of the contract shall apply.

The Authority will provide 45 days prior written notice by certified mail to the Union of any planned reductions in or reassignment of personnel and agrees to meet with the Union within 15 days after notice is given to discuss such planned reduction or reassignment.

16. Release time

- (a) There shall be no cap on full-time Union paid release time.
- (b) Five (5) paid release days per month will be added to existing paid union release time. Individuals chosen must be an employee in the bargaining unit.

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GAA

(c) The parties agree that Authority paid release time will be utilized exclusively for labor – management activities.

(d) The Authority agrees to continue to pay for the health benefit package (basic and supplemental) for employees who are released full-time without pay to work for the Union. The Union shall be responsible to pay the Authority for any employee contributions for these employees on a quarterly basis.

17. Seniority

Employees who leave the bargaining unit or who are promoted within the bargaining unit for more than one year and then return to a position covered by the bargaining unit will be treated as new to the bargaining unit for all purposes relating to seniority except:

(a) where Civil Service Law governs otherwise

18. Departmentals

The parties' agreements concerning departmental issues are attached hereto.

19. Arbitrators

The parties agree to rotate disciplinary and contract interpretation cases between three (3) arbitrators as follows:

1. Daniel Brent
2. George Nicolau
3. Elliot Shriftman

20. Consolidated Collective Bargaining Agreement

The parties agree to further amend the collective bargaining agreement incorporating subsequent Memorandums of Understanding, the attached Appendices A, B, C, and D and the departmental agreements and this Memorandum of Understanding. As soon as practicable after the ratification of the agreement, the parties agree to meet to discuss consolidated collective bargaining agreements. The Authority agrees to publish and distribute the consolidated agreements.

21. 401K/457

Employees may elect to allocate any retroactive monies received to their 401K or 457 deferred compensation plan within legal mandates.

22. MaBSTOA Pension Board

The Authority agrees to write a letter to the MaBSTOA Pension Board in support of the Union's position that it be allowed to sit in on all matters before the Board impacting upon its members.

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23. Continuation of Terms

Except as otherwise expressly provided in this Agreement, all provisions and Stipulations attached to the previous Collective Bargaining Agreements, as amended, shall continue in effect. All side letters attached to the previous unit Collective Bargaining Agreements shall continue in effect unless modified herein.

24. This agreement is subject to ratification by the MTA board and members of the union.

IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISION OF THIS AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AMENDMENT OF LAW OR PROVIDING ADDITIONAL FUNDS THEREFORE, SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL. IT IS FURTHER AGREED THAT THE PARTIES WILL JOINTLY SEEK SUCH APPROVAL WHERE REQUIRED.

IN WITNESS WHEREOF, the parties have set their hands and seals as of this 25 day of January, 2007.

For : New York City Transit & MaBSTOA

For : Transit Supervisors Union, TWU
Local 106

Lawrence J. Reuter
President

Robert Romaine
Robert Romaine
President

Ralph J. Agritelley 1/25/07
Ralph J. Agritelley
Vice President, Office of Labor Relations

DEPARTMENTAL AGREEMENTS

Division of Security

- Management and the Union will work together to develop a system for RDO swaps.
- The Authority will provide a \$75 voucher for the purchase of winter work boots once every two years. Those supervisors who take the voucher will be required to wear the work boots in the winter months.
- The Authority will provide a \$75 per year allowance for the maintenance of uniforms.
- Pick rights as set forth in Appendix A.
- The parties have agreed to commingling as set forth in Appendix A as attached hereto.
- Effective the first day after final ratification, Property Protection Supervisors, Level I shall have their annual salaries increased by \$1500. This increase is reflected and already included in the wage chart attached as Appendix D.

Division of Revenue Collection

- Pick rights as set forth in Appendix A.
- The parties have agreed to commingling as set forth in Appendix A as attached hereto.
- Effective the first day after final ratification, Revenue Collection Supervisors, Level I shall have their annual salaries increased by \$1500. This increase is reflected and already included in the wage chart attached as Appendix D.

Division of Supply Logistics

- Pick rights as set forth in Appendix A.
- The parties have agreed to commingling as set forth in Appendix A as attached hereto.
- Effective the first day after final ratification, Storeroom Supervisors, Level I shall have their annual salaries increased by \$1500. This increase is reflected and already included in the wage chart attached as Appendix D.

Division of Electronic Maintenance (Revenue Equipment Maintenance-Buses' Support Unit)

- Pick rights as set forth in Appendix A.
- The parties have agreed to commingling as set forth in Appendix A as attached hereto.
- Effective the first day after final ratification, Coin Retriever Technicians, Lead Coin Retriever Technicians, and Revenue Maintenance Supervisors, Level I shall have their annual salaries increased by \$1500. This increase is reflected and already included in the wage chart attached as Appendix D.



Division of Plant and Equipment

- Pick rights as set forth in Appendix A.
- The parties have agreed to commingling as set forth in Appendix A as attached hereto.
- Effective the first day after final ratification, Plant and Equipment Supervisors shall have their annual salaries increased by \$1500. This increase is reflected and already included in the wage chart attached as Appendix D.

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Department of Buses' Departmentals

- Employees will continue to pick by seniority their work assignment (where currently posted on the pick), tour of duty (hours of work), RDO's and location. Where work assignments are currently indicated on the pick they will continue to be indicated on the pick. Relief and/or extra list positions will also be indicated on the pick as is the current practice. These positions will also be picked by seniority.
- A pick in seniority order will take place a minimum of once a year and will be binding upon the Authority with the following exceptions:
 - A) Positions eliminated permanently during a pick period.
 - B) Positions eliminated temporarily due to a service modification during the pick period.
 - C) When the extra list is exhausted and the employee is reassigned within their Division for one or two days and his/her picked position is not backfilled. This provision applies where management is seeking to fill inside positions from the road.
 - D) Those employees who have requested FMLA leave, religious accommodations or ADA accommodations may have their pick selections modified if it will assist the Authority in implementing the FMLA or in making the above accommodations as long as other employees are not displaced.
- The parties agree that extended tours of duty (e.g. nine-hour assignments) in the Buses' Maintenance Division may be placed on the pick.
- The parties agree to establish an extra list in the Maintenance Division that would allow the Authority to move employees with less than seven (7) days notice without the payment of a penalty. The extra list will be administered in the same manner as currently administered in Transportation. The parties agree that the current vacation relief (when not covering weekly vacations) and as assigned jobs may be designated as extra list jobs. The Authority agrees that the number of extra list positions will be approximately 10% of the number of bargaining unit positions in a depot or other maintenance facility.
- All meal allowance payments that may apply shall be eliminated for all titles represented by TWU, Local 106 in the Department of Buses.
- Overtime Offset (OTO) shall be modified for Surface Line Dispatchers or other Dispatcher titles and Line Supervisors/ Maintenance Supervisors, Level I in the Department of Buses as follows:

Utilization of OTO time in the Department of Buses shall be limited to 12 days per calendar year. Employees may request to use additional days with approval being solely at the discretion of management. At an employee's option, he/she may cash-out accrued OTO balances at the end of



the calendar year. The parties will work-out a procedure to implement this provision. Such payments are deemed pensionable.

- The parties have agreed to commingling as set forth in Appendix A attached hereto.
- Effective the first day after final ratification, Surface Line Dispatchers and Maintenance Supervisors, Level I working in the Department of Buses shall have their annual salaries increased by \$1500. This increase is reflected and already included in the wage chart attached as Appendix D.
- As soon as practicable upon ratification of the Agreement, management will provide on a one-time basis winter coats to Supervisors in the Maintenance Division.
- A Labor/Management Committee will be established to discuss the following issues:

Work Loads for Maintenance Supervisors and other issues in Transportation.

- The Department of Buses will establish a voluntary defensive driving course for Surface Line Dispatchers at no cost to the employee.



Appendix A

Commingling Agreement

Upon ratification the parties have agreed to the commingling of work and cross-utilization of personnel among the TWU, Local 106-Queens Division, the TWU, Local 106 MaBSTOA Division and the Subway Surface Supervisors Association supervisory bargaining units as follows:

1. The Authority and the union agree that the below mentioned positions shall be referred to as **Cross Utilization positions**: extra list, as assigned and vacation relief (when not assigned to cover weekly vacations).
2. Employees will continue to pick an extra list, as assigned or vacation relief position in a depot or road control. Employees will first be utilized (in seniority order) to cover the vacancies/absences management is seeking to fill in their picked location. Employees not utilized in their picked location, will then be available for assignment (in seniority order) within their Division to cover vacancies/absences being filled by management. Employees not utilized within their Division will then be available for assignment to another Division in the following manner:
 - An integrated master list of the two TWU, Local 106 bargaining units (as specified above) employees picking extra list, as assigned and vacation relief positions, will be established by TSO seniority at the beginning of each yearly pick and shall be modified throughout as needed.
 - To the extent that the master list is not exhausted (i.e., employees on the list who have not been assigned), the employees can be assigned in inverse seniority order to another Division based upon the needs of service. However, if an employee is being sent to a Division in a non-TSO represented bargaining unit, the extra list, as assigned, and vacation relief positions in that non-TSO represented unit must be exhausted first.
 - Employees picking an extra list, as assigned or vacation relief position can have different reporting locations based upon the above stated criteria for cross-utilization.
3. Supervisors in the three specified bargaining units will perform any in-title supervisory work which is located at their picked or assigned work location, i.e., work will not be separated by bargaining unit at any work location or facility.
4. In commingled facilities such as the Buses' Command Center and the Zerega Avenue maintenance facility, the supervisors from all three bargaining units will be treated as one group of employees for purposes of relief positions/coverage. To the extent that work is not covered through relief positions and overtime is to be utilized, it will be given to the bargaining unit based on the jurisdiction of the position being covered.



The employees will also be treated as one group of employees for purposes of establishing the vacation and OTO quotas. This provision with respect to vacation quotas will not be implemented until such time as the vacation years coincide. Once the quotas are established, slots will be allocated in accord with the ratio of bargaining unit employees at the facility. Those slots allocated in this manner to a bargaining unit will only be available for selection by employees within that bargaining unit. At no time will the Authority be required to grant more slots than those originally established.

The Authority agrees to maintain the current ratios of employees from each bargaining unit at the commingled facilities. Future commingled facilities will include a fair representation of members from both bargaining units.

5. The parties agree that in the units of the support divisions affected by this agreement (Division of Security; Division of Electronic Maintenance – Buses' Support Unit includes Revenue Equipment and Electronic Equipment Maintenance Supervisors; Division of Revenue Collection and Division of Supply Logistics) supervisors will pick by seniority their tour of duty (hours of work), RDO's and location. Where assignments are currently indicated on the preference they will also be picked by seniority. Relief and/or extra list positions will also be indicated on the pick as is the current practice. These positions will also be picked by seniority. The pick will be binding upon the Authority with the following exceptions:
 - Those positions eliminated permanently during a pick period; or
 - Those positions eliminated temporarily due to a service modification during the pick period; or
 - When the extra list is exhausted and the employee is reassigned within the Division for one or two days and his/her picked position is not backfilled. This provision applies where management is seeking to fill inside positions from the road; or
 - Those employees who have requested FMLA leave, religious accommodations, or ADA accommodations may have their pick selections modified if it will assist the Authority in implementing the FMLA or in making the above accommodations as long as other employees are not displaced.
6. In the future when new supervisors are hired into the support divisions/departments, management agrees to retain the current ratio of TWU, Local 106 represented supervisors to SSSA represented supervisors for each covered title absent new service requirements.
7. The parties agree that the purpose of this agreement is not to eliminate any collective bargaining unit.
8. The Authority agrees that it will not utilize this agreement to modify supervisory reporting locations to artificially add to or subtract from the number of supervisors in any bargaining unit.



9. The Authority will not utilize this agreement to disproportionately add or eliminate positions from any bargaining unit.

10. The ratio of TWU Local 106 represented supervisors to SSSA represented supervisors in the Department of Buses will remain approximately the same unless new service requirements arise.

11. This cross-utilization/co-mingling agreement shall not be utilized by management to argue that exclusive bargaining unit work is no longer exclusive. Management recognizes the continued exclusivity over work that heretofore has been exclusively the work of the bargaining unit.

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Appendix B

Disciplinary Grievance Procedure

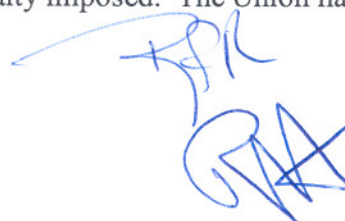
A disciplinary grievance is hereby defined to be a complaint on the part of any covered employee that there has been a violation of the employee's contractual rights with respect to a disciplinary action of a warning, reprimand, fine, suspension, demotion and /or dismissal except that a "disciplinary grievance" shall not include the removal or other discipline of a probationary, provisional, part-time, or temporary employee. This provision shall not be construed to deprive a provisional employee of his/her right to use this procedure prior to suspension or termination from his/her permanent title.

The disciplinary procedure and the rights set forth herein shall be in lieu of any other disciplinary procedure and rights that may have previously applied to an employee covered by this agreement including but not limited to the procedures and rights specified in Sections 75 and 76 of the Civil Service Law and shall apply to all persons who but for this procedure and rights would be subject to Sections 75 and 76 of the Civil Service Law. These procedures and rights shall not apply to probationary, provisional, part-time or temporary employees.

In the Authority, no disciplinary proceeding shall be commenced more than 30 working days after the Employee's Responsibility Center Manager or Immediate Supervisor has knowledge of the alleged violations or misconduct complained of and described in the charges, provided, however, that such limitation shall not apply when the violations or misconduct complained of and described in the charges is the subject of an investigation (by the Authority or other governmental agencies/bodies) or would, if proven in a court of appropriate jurisdiction, constitute a crime. Employee absences and Authority observed holidays should be excluded from the 30 working days.

In the Authority, no warning, reprimand, suspension, demotion, or dismissal shall be entered on an employee's record or otherwise imposed until the completion of the disciplinary procedure. This provision shall not, however, foreclose the pre-disciplinary suspension of an employee for reasons of serious misconduct detrimental to the operation of the Authority including but not limited to the following: violation of the drug and controlled substance policy; violation of the alcohol policy; theft or fraud; allowing subordinates to commit fraud; chronic absenteeism¹; physical violence or threats of physical violence; gross insubordination; serious safety violations; criminal conduct; and violations of the Authority's policies concerning EEO and Sexual harassment.

If an employee fails to appear on two occasions at any step in the disciplinary grievance procedure, the grievance shall be deemed abandoned and the penalty imposed. The Union has the right to grieve the issue of abandonment.



¹ The parties have not agreed on the definition of chronic absenteeism.

Disciplinary grievances as defined herein shall be processed and settled in the following manner:

Step I

An employee or his/her union representative shall be permitted within 5 days from the time of notification of the disciplinary charges to appeal the charges in writing. The Division Head or his/her designee will hear the appeal. Within 15 days after receipt of the written appeal, the matter shall be heard. The employee's union representative may accompany him/her at this informal meeting. The decision on the appeal will be rendered to the employee and his/her union representative within 10 days after the meeting.

When a pre-disciplinary suspension has been imposed, the employee and his/her union representative will be given the opportunity to meet with the Division Head or his/her designee within 48 hours after his/her suspension (or the next weekday workday exclusive of the employee's regular days off, if suspended on a Saturday, Sunday or holiday). The decision of the Division Head or his/her designee will be rendered in writing to the employee and his/her union representative within 48 hours following said meeting.

Step II

In the event the matter is not satisfactorily adjusted at Step I, the employee or his/her union representative may, within 5 days after the receipt of written notification from the notification of the Step I decision, appeal in writing to the designated Sr. Director from the Office of Labor Relations. The Sr. Director or his/her designee will hear the appeal within 30 days after the receipt of the written appeal. The Sr. Director or designee shall within 20 days after the hearing is closed, render his/her decision in writing.

Where a pre-disciplinary suspension has been imposed, the hearing shall be held within 8 days of receipt of the appeal in the Office of Labor Relations. The Sr. Director or designee shall within 48 hours after such hearing is closed, render his/her decision in writing.

Arbitration

In the event the disciplinary grievance is not resolved at Step II, the employee or his/her union representative, may within 5 days after notification of the decision, appeal in writing to the Office of Labor Relations seeking an arbitration hearing.

The Authority shall schedule all arbitrations on a timely basis. There shall be sufficient dates of arbitration to timely process all pending cases.

The impartial arbitrators utilized for the term of this agreement will be selected from a panel of arbitrators agreed to by the parties and assigned on a rotating basis subject to availability.

The Union and the Authority shall be given an opportunity to submit relevant evidence and cross-examine witnesses. No transcript of the hearing shall be required.

All witnesses shall take an appropriate oath or affirmation prior to testifying.

Within 30 days after the closing of the record in the hearing, the decision of the arbitrator shall be issued. Such arbitration awards shall be final and binding.



In cases where the recommended penalty is demotion or dismissal, the appeal will be heard at arbitration by a Tripartite Panel consisting of an impartial arbitrator, a member selected by management, and a member selected by the Union. The decision of the Panel must be by a majority and will be written by the arbitrator as quickly as possible but no later than twenty (20) days after the closing of the record in the hearing. Within 20 days after issuance of the award by the Panel, the Union or Authority Panel member has the right to issue a dissenting opinion. Such arbitration awards shall be final and binding.

The arbitrator or the Panel, in rendering any opinion or determination, shall be strictly limited to the interpretation and application of the provisions of this Agreement, or of any written rule, or policy Instruction of the Authority governing or affecting employees, and it shall be without any power or authority to add to, delete from, or modify any of the provisions of this agreement or of such rules or Policy Instructions. The arbitrator or Panel shall not have the authority to render any opinion or make any recommendations:

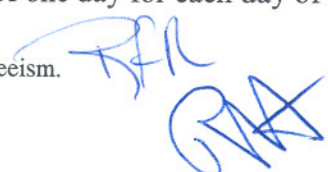
- a. Inconsistent with or contrary to the provisions of the applicable Civil Service Laws and regulations;
- b. Limiting or interfering in any way with the statutory powers, duties, and responsibilities of the Authority in operating, controlling, and directing the maintenance and operation of the transit facilities, or with the Authority's managerial responsibility to run the transit lines safely, efficiently and economically;
- c. With respect to modification of any wage rates provided in the agreement.

If there is presented to the arbitrator or the Panel for decision any charge, which, if proven in Court, would constitute a felony, or any charge involving assault, thefts of Authority property, a violation of the Drug and Controlled Substances or alcohol policies or chronic absenteeism² the question to be determined by the arbitrator or Panel shall be with respect to the fact of such conduct. Where such charge is sustained, the disciplinary penalty recommended by the Authority shall be affirmed except if there is presented to the arbitrator/panel credible evidence that the action by the Authority is clearly excessive in light of the employee's record and past precedent in similar cases. It is understood by the parties that this exception will be used rarely and only to prevent a clear injustice. All expenses of the impartial arbitrator shall be divided equally between the Authority and the Union.

General Provisions

- At each step of the disciplinary grievance procedure, the Authority retains the right to increase, decrease or otherwise modify the decision made at the lower level.
- In computing the time within which any action must be taken under the above procedures, Saturdays, Sundays, and holidays shall not be counted except where other specified.
- In any case where the Authority does not schedule a matter for hearing or render a decision within the prescribed time limits, the grievance may be appealed to the next step of the procedure.
- An employee may work off suspension time, at management's discretion, on his/her regular day off or during his/her vacation period at a rate of one day for each day of suspension.

² The parties have not agreed upon a definition of chronic absenteeism.



- a. Upon mutual agreement of the parties, an employee may choose to work for any period of suspension and pay a fine equal to 30% of his/her regular salary during the period in questions. For purposes of progressive discipline, the only penalty reflected on the employee's record will be the suspension time that was originally accepted or imposed through arbitration. The Authority shall not deduct more than thirty percent (30%) of an employee's weekly salary in any given week.
- b. The provisions set forth in this paragraph shall not be available to employees who are pre-disciplinary suspended.
- At steps I and II of the disciplinary grievance procedure, the employee may represent him/herself, but shall not be allowed to have a representative other than a Union Representative. If an employee chooses to represent him/herself or hires an outside party to represent him/herself at Step III (arbitration), the employee must sign a written waiver provided by the TWU 106 and provide a copy to The Authority.

The provisions of Appendix B are applicable to all disciplinary charges filed after the date of final ratification.



Appendix C

**TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106
OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT
BASE RATES FOR COMPUTATION OF NIGHT DIFFERENTIAL**

Title (code)		2/1/2004	Ratification
Coin Retriever Technician (OA870)			
Appointed Prior to 12/18/1997	Entrance	25,433	25,433
	2nd Year	26,004	26,004
	3rd Year	26,510	26,510
	4th Year	27,593	27,593
Appointed on or After 12/18/1997	Entrance	19,315	19,315
	2nd Year	22,074	22,074
	3rd Year	23,454	23,454
	4th Year	27,593	27,593
Coin Retriever Tech (Leader) (OA869)			
Appointed Prior to 8/10/1995	Entrance	31,003	31,003
	7th Month	31,512	31,512
	2nd Year	32,988	32,988
	3rd Year	34,479	34,479
Appointed On or After 8/10/95 and	Entrance	27,583	27,583
	2nd Year	29,307	29,307
	3rd Year	32,755	32,755
	4th Year	34,479	34,479
Appointed On or After Ratification	Entrance	N/A	27,583
	4th Year	N/A	34,479
Collection Supervisor (Revenue) I (OA257)			
Appointed Prior to 8/10/1995	Entrance	28,098	33,553
	7th Month	28,550	34,161
	2nd Year	30,878	36,945
	3rd Year	33,205	39,730
Appointed On or After 8/10/95 and	Entrance	26,564	31,784
	2nd Year	28,224	33,771
	3rd Year	31,545	37,744
	4th Year	33,205	39,730
Appointed On or After Ratification	Entrance	N/A	31,784
	4th Year	N/A	39,730



Appendix C

TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106 OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT BASE RATES FOR COMPUTATION OF NIGHT DIFFERENTIAL

Title (code)		2/1/2004	Ratification
Dispatcher (Surface Transit) (OA300)			
Appointed Prior to 8/10/1995	Entrance	28,098	33,553
	7th Month	28,550	34,161
	2nd Year	30,878	36,945
	3rd Year	33,205	39,730
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	26,564	31,784
	2nd Year	28,224	33,771
	3rd Year	31,545	37,744
	4th Year	33,205	39,730
Appointed On or After Ratification	Entrance	N/A	31,784
	4th Year	N/A	39,730
Dispatcher I (Surface) (TA619)			
Appointed Prior to 1/27/1995	Entrance	28,042	33,553
	7th Month	28,550	34,161
	2nd Year	30,878	36,945
	3rd Year	33,205	39,730
Appointed On or After 1/27/1995 and Prior to Ratification	Entrance	26,564	31,784
	2nd Year	28,224	33,771
	3rd Year	31,545	37,744
	4th Year	33,205	39,730
Appointed On or After Ratification	Entrance	N/A	31,784
	4th Year	N/A	39,730
Line Supervisor (P&E) (OA394); Line Supervisor (Surface) (OA392)			
Appointed Prior to 8/10/1995	Entrance	31,003	37,095
	7th Month	31,512	37,706
	2nd Year	32,988	39,472
	3rd Year	34,479	41,255
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	27,583	33,004
	2nd Year	29,307	35,067
	3rd Year	32,755	39,192
	4th Year	34,479	41,255
Appointed On or After Ratification	Entrance	N/A	33,004
	4th Year	N/A	41,255

Appendix C

**TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106
OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT
BASE RATES FOR COMPUTATION OF NIGHT DIFFERENTIAL**

Title (code)		2/1/2004	Ratification
Maintenance Supervisor (Revenue) I (OA262)			
Appointed Prior to 8/10/1995	Entrance	31,003	38,022
	7th Month	31,512	38,633
	2nd Year	32,988	40,450
	3rd Year	34,479	42,282
Appointed On or After 8/10/95 and	Entrance	27,583	33,826
	2nd Year	29,307	35,940
	3rd Year	32,755	40,168
	4th Year	34,479	42,282
Appointed On or After Ratification	Entrance	N/A	35,940
	4th Year	N/A	42,282
Mtc. Supv. (Stores) I (OA393); Storeroom Supervisor I (OA114); Supervisor (Stores) (OA814)			
Appointed Prior to 8/10/1995	Entrance	31,003	37,095
	7th Month	31,512	37,706
	2nd Year	32,988	39,472
	3rd Year	34,479	41,255
Appointed On or After 8/10/95 and	Entrance	27,583	33,004
	2nd Year	29,307	35,067
	3rd Year	32,755	39,192
	4th Year	34,479	41,255
Appointed On or After Ratification	Entrance	N/A	33,004
	4th Year	N/A	41,255
Mtc. Supv. (Surface) I (TA589)			
Appointed Prior to 1/27/1995	Entrance	31,003	37,095
	7th Month	31,512	37,706
	2nd Year	32,988	39,472
	3rd Year	34,479	41,255
Appointed On or After 1/27/1995 and	Entrance	27,583	33,004
	2nd Year	29,307	35,067
	3rd Year	32,755	39,192
	4th Year	34,479	41,255
Appointed On or After Ratification	Entrance	N/A	33,004
	4th Year	N/A	41,255

Appendix C

TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106 OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT BASE RATES FOR COMPUTATION OF NIGHT DIFFERENTIAL

Title (code)		2/1/2004	Ratification
Transit Property Protection Supervisor I (OA295)			
Appointed Prior to 8/10/1995	Entrance	25,934	31,033
	7th Month	26,444	31,640
	2nd Year	27,805	33,270
	3rd Year	29,191	34,927
Appointed On or After 8/10/95 and	Entrance	23,353	27,942
	2nd Year	24,812	29,688
	3rd Year	27,731	33,181
	4th Year	29,191	34,927
Appointed On or After Ratification	Entrance	N/A	27,942
	4th Year	N/A	34,927



Appendix D

TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106 OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT ANNUAL RATES OF PAY

Title (code)		2/1/2004	2/1/2005	2/1/2006	Ratifi- cation
Dispatcher (Surface Transit) (OA300)					
Appointed Prior to 8/10/1995	Entrance	51,860	53,416	55,018	57,681
	7th Month	52,797	54,381	56,012	58,683
	2nd Year	57,072	58,784	60,548	63,268
	3rd Year	61,345	63,185	65,081	67,847
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	49,076	50,548	52,065	54,771
	2nd Year	52,143	53,707	55,319	58,040
	3rd Year	58,278	60,026	61,827	64,577
	4th Year	61,345	63,185	65,081	67,847
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	54,771
	4th Year	N/A	N/A	N/A	67,847
Dispatcher I (Surface) (TA619)					
Appointed Prior to 1/27/1995	Entrance	51,860	53,416	55,018	57,681
	7th Month	52,797	54,381	56,012	58,683
	2nd Year	57,072	58,784	60,548	63,268
	3rd Year	61,345	63,185	65,081	67,847
Appointed On or After 1/27/1995 and Prior to Ratification	Entrance	49,076	50,548	52,065	54,771
	2nd Year	52,143	53,707	55,319	58,040
	3rd Year	58,278	60,026	61,827	64,577
	4th Year	61,345	63,185	65,081	67,847
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	54,771
	4th Year	N/A	N/A	N/A	67,847
Line Supervisor (P&E) (OA394); Line Supervisor (Surface) (OA392)					
Appointed Prior to 8/10/1995	Entrance	57,302	59,021	60,792	63,510
	7th Month	58,236	59,983	61,782	64,515
	2nd Year	60,952	62,781	64,664	67,423
	3rd Year	63,689	65,600	67,568	70,359
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	50,951	52,480	54,054	56,781
	2nd Year	54,136	55,760	57,433	60,175
	3rd Year	60,505	62,320	64,190	66,964
	4th Year	63,689	65,600	67,568	70,359
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	56,781
	4th Year	N/A	N/A	N/A	70,359

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**TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106
OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT
ANNUAL RATES OF PAY**

Title (code)		2/1/2004	2/1/2005	2/1/2006	Ratifi- cation
Transit Property Protection Supervisor I (OA295)					
Appointed Prior to 8/10/1995	Entrance	47,989	49,429	50,912	53,412
	7th Month	48,923	50,391	51,903	54,413
	2nd Year	51,424	52,967	54,556	57,096
	3rd Year	53,970	55,589	57,257	59,823
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	43,176	44,471	45,806	48,328
	2nd Year	45,875	47,251	48,668	51,202
	3rd Year	51,272	52,810	54,394	56,949
	4th Year	53,970	55,589	57,257	59,823
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	48,328
	4th Year	N/A	N/A	N/A	59,823

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TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106 OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT ANNUAL RATES OF PAY

Title (code)		2/1/2004	2/1/2005	2/1/2006	Ratifi- cation
Maintenance Supervisor (Revenue) I (OA262)					
Appointed Prior to 8/10/1995	Entrance	58,752	60,515	62,330	64,917
	7th Month	59,681	61,471	63,315	65,921
	2nd Year	62,470	64,344	66,274	68,908
	3rd Year	65,305	67,264	69,282	71,930
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	52,244	53,811	55,426	58,014
	2nd Year	55,509	57,174	58,890	61,492
	3rd Year	62,040	63,901	65,818	68,451
	4th Year	65,305	67,264	69,282	71,930
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	61,492
	4th Year	N/A	N/A	N/A	71,930
Mtc. Supv. (Stores) I (OA393); Storeroom Supervisor I (OA114); Supervisor (Stores) (OA814)					
Appointed Prior to 8/10/1995	Entrance	57,302	59,021	60,792	63,389
	7th Month	58,236	59,983	61,782	64,393
	2nd Year	60,952	62,781	64,664	67,302
	3rd Year	63,689	65,600	67,568	70,237
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	50,951	52,480	54,054	56,660
	2nd Year	54,136	55,760	57,433	60,053
	3rd Year	60,505	62,320	64,190	66,842
	4th Year	63,689	65,600	67,568	70,237
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	56,660
	4th Year	N/A	N/A	N/A	70,237
Mtc. Supv. (Surface) I (TA589)					
Appointed Prior to 1/27/1995	Entrance	57,302	59,021	60,792	63,510
	7th Month	58,236	59,983	61,782	64,515
	2nd Year	60,952	62,781	64,664	67,423
	3rd Year	63,689	65,600	67,568	70,359
Appointed On or After 1/27/1995 and Prior to Ratification	Entrance	50,951	52,480	54,054	56,781
	2nd Year	54,136	55,760	57,433	60,175
	3rd Year	60,505	62,320	64,190	66,964
	4th Year	63,689	65,600	67,568	70,359
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	56,781
	4th Year	N/A	N/A	N/A	70,359

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TRANSIT SUPERVISORS ORGANIZATION, TWU LOCAL 106 OPERATING SUPERVISORY UNIT, QUEENS UNIT, COIN RETREIVER UNIT ANNUAL RATES OF PAY

Title (code)		2/1/2004	2/1/2005	2/1/2006	Ratifi- cation
Coin Retriever Technician (OA870)					
Appointed Prior to 12/18/1997	Entrance	46,759	48,162	49,607	51,907
	2nd Year	47,808	49,242	50,719	53,019
	3rd Year	48,741	50,203	51,709	54,009
	4th Year	50,732	52,254	53,822	56,122
Appointed on or After 12/18/1997	Entrance	35,512	36,578	37,675	39,975
	2nd Year	40,586	41,803	43,058	45,358
	3rd Year	43,122	44,416	45,749	48,049
	4th Year	50,732	52,254	53,822	56,122
Coin Retriever Tech (Leader) (OA869)					
Appointed Prior to 8/10/1995	Entrance	57,302	59,021	60,792	63,092
	7th Month	58,236	59,983	61,782	64,082
	2nd Year	60,952	62,781	64,664	66,964
	3rd Year	63,689	65,600	67,568	69,868
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	50,951	52,480	54,054	56,354
	2nd Year	54,136	55,760	57,433	59,733
	3rd Year	60,505	62,320	64,190	66,490
	4th Year	63,689	65,600	67,568	69,868
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	56,354
	4th Year	N/A	N/A	N/A	69,868
Collection Supervisor (Revenue) I (OA257)					
Appointed Prior to 8/10/1995	Entrance	51,860	53,416	55,018	57,559
	7th Month	52,797	54,381	56,012	58,561
	2nd Year	57,072	58,784	60,548	63,147
	3rd Year	61,345	63,185	65,081	67,725
Appointed On or After 8/10/95 and Prior to Ratification	Entrance	49,076	50,548	52,065	54,649
	2nd Year	52,143	53,707	55,319	57,918
	3rd Year	58,278	60,026	61,827	64,456
	4th Year	61,345	63,185	65,081	67,725
Appointed On or After Ratification	Entrance	N/A	N/A	N/A	54,649
	4th Year	N/A	N/A	N/A	67,725