

MEMORANDUM OF UNDERSTANDING

AGREEMENT made between the New York City Transit Authority (hereinafter referred to as "the Authority") and the Transit Supervisors Organization, Queens Supervisory Unit, TWU Local 106, AFL-CIO (hereinafter referred to as the "Union").

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

1. **TERM**

This agreement shall be effective from April 1, 1998 and continue in effect through November 15, 2003. This agreement is subject to approval by the Metropolitan Transportation Authority ("MTA") Board and ratification by the membership of the Union.

2. **JOB SECURITY/NO LAYOFF**

During the period between full ratification and approval of this agreement and November 15, 2003, the Authority will not layoff or furlough any employee represented by the Union, consistent with the original no layoff agreement reached between New York City and DC 37. Prior to any demotions due to unforeseen fiscal problems, cooperative efforts between the parties regarding redeployment, reassignment, etc. of employees, shall continue where necessary.

3. **GENERAL WAGE INCREASES**

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

- a. Effective April 1, 1999, the rates of pay in effect on March 31, 1999 shall be increased by 3.75 percent.
- b. Effective October 1, 2000, the rates of pay that were in effect on September 30, 2000 shall be increased by five (5) percent.
- c. Effective October 1, 2001, the rates of pay that were in effect on September 30, 2001, shall be increased by three (3) percent.

BR RA

- d. Effective October 1, 2002, the rates of pay that were in effect on September 30, 2002 shall be increased by four (4) percent.
- e. There shall be a one-time increase of 3.75 percent in the night shift differential effective April 1, 1999.
- f. Rates of pay below the top rates shall be adjusted in accordance with the appropriate progression schedules.

4. **LUMP SUM PAYMENT**

Effective upon full ratification and approval of this agreement, the Authority shall pay a one-time lump sum payment, pensionable, of 2 percent (2%) calculated by multiplying 2 percent (2%) times the employee's hourly rate as of November 1, 1997 times two thousand and eighty eight (2088). The payment is to be made to all employees on the payroll on November 1, 1996 and November 1, 1997. Employees in an hourly title on November 1, 1996 who were subsequently promoted and were in a supervisory title on November 1, 1997 are eligible for the lump sum as set forth herein. For employees hired before November 1, 1996 who have retired or have been injured on duty prior to November 1, 1997, so that they are not on the payroll on that date, the lump sum shall be prorated

5. **LONGEVITY PAYMENTS**

A. Effective July 1, 1997, the Authority will make longevity payments according to the following schedule:

- a) An employee with thirty (30) or more years of continuous service shall receive an annual payment of five hundred dollars (\$500.00).
- b) An employee with twenty-five (25) but less than thirty (30) years of continuous service shall receive an annual payment of four hundred dollars (\$400.00).
- c) An employee with twenty (20) but less than twenty-five (25) years of continuous service shall receive an annual payment of three hundred dollars (\$300.00).
- d) An employee with fifteen (15) but less than twenty (20) years of continuous

service shall receive an annual payment of two hundred dollars (\$200.00).

Entitlement for the longevity shall be based upon the anniversary date of the individual who meets the stated criteria. Such payments are pensionable.

- B. Upon full ratification and approval of the agreement, longevity payments due to employees for the retroactive period from July 1, 1997 through December 31, 1999 shall be paid in one lump sum. Thereafter, payments will be made in a lump sum on the last payroll period in December. Employees who resign, die, retire or are promoted to a title that does not receive longevity payments before the payment for longevity is made will be paid a pro-rata share of the longevity payment based on the number of days the employee was in paid status during the eligible year.

6. 25/55 EARLY RETIREMENT PLAN EMPLOYEE HEALTH CONTRIBUTION

Effective upon full ratification and approval of the agreement, the additional one (1) percent employee contribution made by participating members, pursuant to the parties' collective bargaining agreement, will be eliminated and refunded retroactive to January 1, 1997. All 25/55 medical contributions made by participating members prior to January 1, 1997 shall revert to the Authority.

7. PENSION

The MTA and the Authority has supported state legislation which has been signed into law which would reduce all member contributions as follows: those paying contributions of 5.3 percent will pay 2 percent, and those paying 3 percent contribution will pay 2 percent contribution.

8. EARNINGS CAP

The parties agree that the earnings cap for supervisors covered by the agreement shall be \$85,000 over a rolling 12-month period including all monies paid to the employee except for retroactive payments made pursuant to this agreement. It is understood that such an earnings cap will be correspondingly increased by negotiated increases in wages including the 3.75% increase set forth above. This provision replaces the procedure detailed in Exhibit A, Article 2 (2) of the existing integrated agreement. NYC

RLR *RA*

Transit will continue to publish lists indicating which employees have exceeded the earnings cap.

9. COMMERCIAL DRIVER'S LICENSES

Commencing upon full ratification and approval of this agreement, the Authority will reimburse employees required to have Commercial Drivers Licenses.

10. TRANSITCHEK

Effective as soon as practicable following full ratification and approval, the Authority will offer Transitchek benefits to employees who express interest.

11. 401(K)

Effective on the earliest practicable date, but in no event, later than January 1, 2001, the Authority will offer employees the option of opening a 401(k) account on the same terms and conditions as currently in effect, as it may be amended.

12. REGIONAL BUS COMPANY

The parties agree that the artificial distinctions that currently exist between the bus operations at the Transit Authority and the Operating Authority do not well serve the riding public or the members of the union. In furtherance of that mutual recognition, the parties agree to convene a senior level labor/management executive committee. This committee will be charged with developing a plan to consolidate the bus operations at the Transit Authority and the Manhattan and Bronx Surface Transportation Operating Authority into a new subsidiary of the Metropolitan Transportation Authority. The purpose of such consolidated bus company would be providing efficient, cost effective bus service in the metropolitan region transportation district.

The parties agree that the Committee will convene no later than 30 days following full ratification and approval of this agreement. The Committee will identify impediments to the creation and efficient operation of such regional bus authority and recommend solutions to said impediments. If the parties agree that such consolidated bus company is feasible and have resolved outstanding issues then required legislation shall be jointly drafted and supported.

REL RA

13. **ADDITIONAL PROVISIONS**

The parties agree to further amend the collective bargaining agreement consistent with the attached Appendices.

14. **STATE OR NATIONAL CONVENTIONS OF VETERANS' ORGANIZATION**

- (1) *Leave of absence with pay in accordance with the rules and regulations set forth herein will be granted to an employee who is a member of any of the following named veterans' organizations and who has been designated as an official delegate to attend a state or national convention or encampment of such organization customarily held in the summer and fall of each year, commonly referred to as an annual convention.*

The Army and Navy Union of the United States of America, United Spanish War Veterans, Veterans of Foreign Wars of the United States, American Legion, Disabled American Veterans of the World War, Army and Navy Legion of Valor of the United States, Jewish War Veterans of the United States, Military order of the Purple Heart, Catholic War Veterans, Italian War Veterans, Legion of Guardsmen, American Veterans of World War II (AM-VETS). Reserve officers Association of the United States, Military Chaplains Association of the United States, Association of the United States Army, and other organizations composed of veterans of wars in which the United States has participated.

- (2) *Leave of absence with pay will be granted for the period of attendance at such state or national convention or encampment, including normal traveling time by rail to and from same provided the employee obtains and, upon his/her return, files with the Authority, through his/her department head, a certificate by the Secretary or other authorized official of the organization certifying that such employee was duly designated as an official delegate to said convention or encampment and as such delegate, was in*

eff RA

attendance thereat for the specific period of time allowed, and further provided that such leave of absence may be granted without impairing the essential services of the transit system.

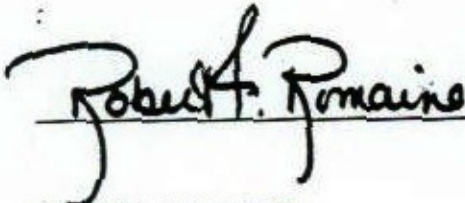
- (3) Leave of absence will not be granted where the employee desires to attend such convention in a capacity other than that of official delegate thereto.
 - (4) An employee who is a member of more than one of said organizations shall be entitled to leave of absence as aforesaid to attend the state or national convention or encampment of only one such organization, to be designated to him/her.
 - (5) Employees engaged in the operation of the New York City Transit System desiring such leave of absence must make application therefor on the proper form at least two (2) weeks in advance of the time when such leave is to take effect.
 - (6) The appropriate Vice-President is authorized to approve applications for leave of absence with pay submitted in compliance with the above rules.
15. This agreement may not be entered into evidence during any interest arbitration procedures to establish a contract to be effective April 1, 1998.

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 BY PROVIDING ADDITIONAL FUNDS THEREFORE, SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAD GIVEN APPROVAL. IT IS FURTHER AGREED THAT THE PARTIES WILL JOINTLY SEEK SUCH APPROVAL WHERE REQUIRED.

RLH RA

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of 19th day of July, 2000.
New York, New York

NEW YORK CITY TRANSIT AUTHORITY



ROBERT ROMAINE
Transit Supervisors Organization
Transport Workers Union, Local 106

7/19/2000

Date

:

DAVID ROSEN, ESQ.
Attorney for TWU, Local 106

Date



LAWRENCE J. REUTER
President,
New York City Transit Authority

7/19/2000

Date



RALPH J. AGNITELLEY
Vice President, Office of Labor Relations
New York City Transit Authority

7/19/2000

Date

APPENDIX A

Whereas, NYC Transit has entered into agreements with the unions representing the hourly workforce concerning productivity/work quality standards in the maintenance, repair and inspection of buses.

Whereas, NYC Transit and the Transit Supervisors Organization agree that Maintenance Supervisors have an important role in overseeing and implementing these productivity/quality standards; and

The parties agree to the following:

1. The Maintenance Supervisor shall assign each maintainer under their supervision to primary maintenance functions for 95% of the productive work time on each shift. Productive work-time includes all work hours absent contractual breaks and the scheduled lunch period. Primary maintenance functions include the following: removing disassembling, cleaning, inspecting, machining, installing and adjusting vehicle parts, components or systems, fabrication, painting and structural work.
2. Such assignments will be based upon the quality/productivity standards agreed upon by the unions representing the hourly workforce, i.e. the flat rate manual times or the times established by the Work Procedure Review Teams for certain core jobs.
3. Time lost due to the lack of parts, unavailable tools or equipment or the unavailability of buses shall not exceed 5% of productive time on any shift.
4. Maintenance Supervisors shall help to monitor the work performance of the hourly workforce and will be responsible for helping to identify, counsel and train

RH PH

maintainers who fail to meet normal productivity/quality standards as agreed upon by the hourly unions with NYC Transit.

5. Daily work assignments will be made to reflect the following two principles:
 - a) To fairly distribute work assignments among all employees to develop the overall skill-level of all maintainers; and
 - b) To achieve maximum productivity with a quality work product recognizing that some employees have different skill levels.
6. Maintenance Supervisors who meet the standards outlined in the above provisions at least 90% of the time in each quarter shall receive a \$600 bonus to be paid within 20 work days from the end of the quarter.

After the first two (2) full quarters, a supervisor must achieve 95% compliance to receive the bonus. Commencing in the second quarter of the year 2002, the bonus will be increased to \$700.
7. In order to receive the bonus, the supervisor must actually work eight (8) weeks in the quarter in which the bonus is to be paid. Paid vacation shall count as time actually worked.
8. Management and the Union will monitor the program on a daily basis. Compliance will be measured and monitored utilizing NYC Transit's work order system.
9. The above-mentioned bonus program will commence when the hourly program commences. In addition, the maintenance supervisors will receive a one time \$300 payment to be paid within 60 days of the full ratification of this agreement.

RRR GA

10. The intent of this program is reward superior performance. However, no punitive or disciplinary action resulting from individual non achievement of this incentive will be taken based upon this agreement.
11. The agreement shall be reviewed every six months by management and the Union to address problems. Any changes amendments, or modifications to this agreement must be agreed to by both parties.

RHK [Signature]

Appendix B

Stipulation and Agreement

Whereas, NYC Transit (hereafter referred to as "the Authority" and the Transit Supervisors Organization, Transport Workers Union, Local 106 (hereafter referred to as "TSO" or the "Union") have reviewed the health benefit package provided to employees and retirees; and

Whereas, the parties have decided to purchase a new and improved benefit package primarily through a larger group plan and to extend the new benefit plan to active employees and future retirees; and

Whereas, the parties recognize that providing an overall improved benefit package to active employees and future retirees is costly and will require some cost sharing.

Therefore, the parties have agreed to the following:

1. The parties agree that as soon as practicable, but not later than January 1, 2001, active employees and future retirees (i.e. those who retire after the date of the implementation of the new plan) shall receive as their health benefit package the NYSHIP plan. The plan offers participants several different choices of health care providers for the contributions set forth herein. In addition, active employees and future retirees will receive the supplemental benefit package applicable to NYC Transit non-represented Level II supervisors active or retired. The supplemental benefit package will be administered through NYC Transit. Current retirees will continue to be provided the GHI, HIP, or other basic benefit plan with appropriate contributions.
2. Once a future retiree or the dependent of the future retiree becomes eligible for Medicare they are obligated to take Medicare Parts A and B. Thereafter, Medicare will be their primary provider and the NYSHIP plan chosen by the retiree will be secondary.

Future Medicare eligible retirees and eligible dependants will be reimbursed for Medicare payments once a year at the rate of \$45.50 per month. This amount is subject to change based upon the rules established by the NYSHIP program.

3. The parties agree that the level of benefits and program elements such as co-payments and deductibles are established by NYSHIP and the supplemental plan and are not subject to negotiation by the parties. NYC Transit agrees to provide written notice to the Union of any changes to the plans.

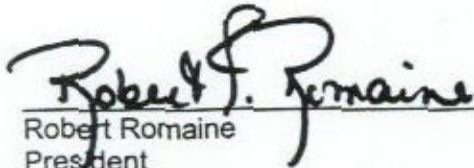
RFR RA

4. Effective the date when the new plans become effective, all contributions to the current plans for active employees and future retirees shall cease. Any surplus monies in the plans shall revert to NYC Transit taking into consideration expenses and claims incurred but not reported. It is agreed that all outstanding claims under the plans must be filed on or before March 31, 2001.
5. Future retirees (provided they have a minimum of 10 years in the pension system or a disability retirement is granted) will receive the plan of benefits at no cost to them. Active employees will make the following payments to NYC Transit through payroll deduction to help defer the cost of the new plan for active employees and future retirees. If an employee has 10 years or more of service with the NYC Transit and dies or a retiree under this plan dies, his/her spouse will continue all benefits under the plan and children (under the age limits of the NYSHIP plan) will continue all benefits until such time as the spouse remarries. Listed below is the cost to active employees

\$6 per two week pay period for an individual plan per active employee
\$23 per two week pay period for a family plan per active employee
6. If for whatever reason the NYSHIP plan were no longer available to NYC Transit employees, the parties shall meet to negotiate a new plan.
7. The parties agree that TSO members i.e., active employees, will be eligible for domestic partner benefits in accordance with the requirements and procedures established by NYC Transit.
8. Wage Progression - 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 follows. It is understood that for the purpose of this schedule "hired or promoted into a title" shall mean actually reporting and performing the work of the title:
 - a. Employees hired or promoted into all other titles represented by the Union on or after full and final ratification of this contract extension shall receive during the first three years of employment in the title a percentage of the top rate for the title in accordance with the following schedule:

80% starting salary
80% during the second year of service
80% during the third year of service
100% after three years of service
9. The parties agree to work together to ensure a smooth transition from the present plans to the new plan.

10. Upon full ratification and approval, the collective bargaining agreement shall be amended to reflect the provisions of this stipulation and agreement.



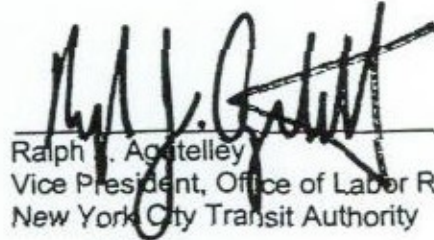
Robert Romaine
President
TSO, TWU, 106

7/19/2000

Date

David Rosen
Attorney for TSO, TWU, Local 106

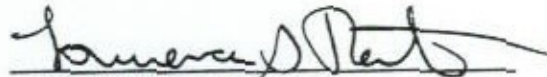
Date



Ralph J. Agostelley
Vice President, Office of Labor Relations
New York City Transit Authority

7/19/2000

Date



Lawrence G. Reuter
President
New York City Transit Authority

7/19/2000

Date



New York City Transit

July 17, 2000

Mr. Robert Romaine
Transit Supervisors Organization
Transport Workers Union, Local 106
5768 Moshulu Avenue
Bronx New York 10471

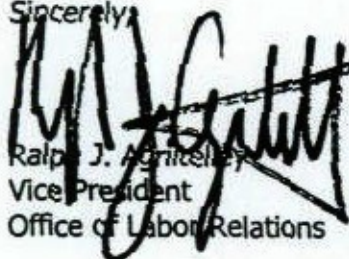
Re: Agreements

Dear Mr. Romaine:

This letter will confirm that the parties have agreed to the following:

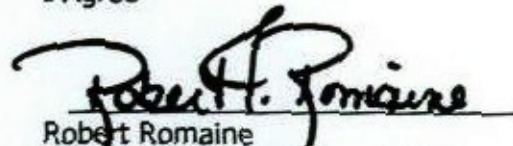
1. The new wage progression will be effective October 1, 2000. Between August 1 and September 31 the parties agree to meet to discuss whether there would be an alternate manner to achieve comparable savings, i.e. approximately .75%, to help fund the new health plan. If no agreement is reached the new wage progression will be effective on October 1, 2000.
2. The parties agreed that NYC Transit will continue to provide major medical coverage to current retirees, i.e. those not covered by NYSHIP, who presently receive this benefit.
3. Contributions by current retirees choosing a basic benefit plan that is not HIP or GHI shall continue to be calculated, as in the past, in accord with the parties collective bargaining agreement.

Sincerely,



Ralph J. Agnietelli
Vice President
Office of Labor Relations

I Agree



Robert Romaine
Transit Supervisors Organization
TWU, Local 106

Stipulation and Agreement

Whereas, NYC Transit and Transit Supervisors Organization, Transport Workers Union, Local 106 agreed in collective bargaining in July 2000 to help fund the new health plan with a new wage progression; and

Whereas, the parties also agreed to meet to discuss whether there would be an alternate manner to achieve comparable savings, i.e., approximately .75%; and

Whereas, the parties have reviewed various costings and are fully aware of the comparison of the hourly salaries in comparison to supervisory salaries during this period; and

Whereas, the parties have reached an agreement that is the furtherance of sound labor-management relations.

The parties agree as follows:

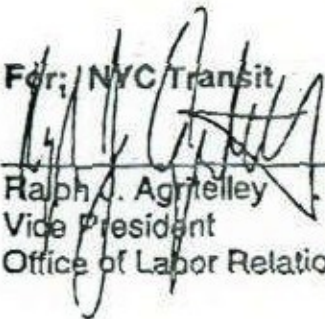
FIRST: The parties agree to retain the following wage progression for all supervisory titles covered by the agreements:

80% of the top rate as the starting salary
85% of the top rate during the second year
95% of the top rate during the third year
100% of the top rate after the third year

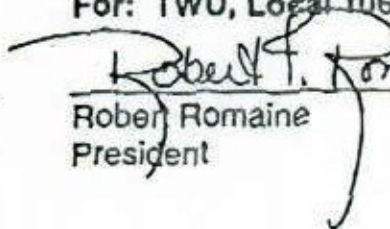
SECOND: The parties agree to extend the contractual periods of each agreement by two and one-half months. Therefore, the final dates of both the Operating and Queens Unit agreements will be extended from November 15, 2003 to January 31, 2004.

THIRD: The parties agree that the instant agreement modifies the terms of the July 2000 Memorandum of Understanding and represents the parties' final agreement concerning the appropriate wage progression and term of the agreement.

For: NYC Transit


Ralph J. Agrifoglio
Vice President
Office of Labor Relations

For: TWU, Local 106


Robert F. Romaine
President