

MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT made between the Manhattan and Bronx Surface Transit Operating Authority (hereinafter referred to as the "Authority" and the Transport Workers Union, Local 106, TSO (**Operating Supervisory Unit and Coin Retriever Technician Unit**) (hereinafter referred to as the "Union").

This agreement is subject to ratification by the MTA Board and the membership of the Union. It is mutually agreed that the collective bargaining agreement between the Authority and the Union shall be amended as follows:

1. **Term**

The term of this agreement shall be June 8, 2013 through August 31, 2018.

2. **Wages**

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

- a) Effective June 8, 2013, the rates of pay that were in effect on June 7, 2013 shall be increased by one percent (1%).
- b) Effective June 8, 2014, the rates of pay that were in effect on June 7, 2014 shall be increased by one percent (1%).
- c) Effective June 8, 2015, the rates of pay that were in effect on June 7, 2015 shall be increased by two percent (2%).
- d) Effective June 8, 2016, the rates of pay that were in effect on June 7, 2016 shall be increased by two percent (2%).
- e) Effective June 8, 2017, the rates of pay that were in effect on June 7, 2017 shall be increased by two percent (2%).
- f) The overtime cap will be increased by 150% of the general wage increases set forth above.

3. **Wage Progression**

Employees promoted or hired on or after full and final ratification of this Agreement shall progress to top rate of pay according to the following schedule:

New promotees and new hires into titles represented by the Union on or after the date of ratification of this agreement whose wage progression in prior agreements was 80%, 80%, 80%, 100% shall progress to top rate of pay as follows:

1 st year	80% of top rate
2 nd year	82% of top rate
3 rd year	84% of top rate
4 th year	86% of top rate
5 th year	88% of top rate
Upon completion of 5 th year	Top rate of 100%

New promotees and new hires into the **Maintenance Supervisor (Revenue) I** title on or after the date of ratification of this agreement whose wage progression in prior agreements was 85%, 85%, 85%, 100% shall progress to top rate of pay as follows:

1 st year	85% of top rate
2 nd year	85% of top rate
3 rd year	85% of top rate
4 th year	88% of top rate
5 th year	90% of top rate
Upon completion of 5 th year	Top rate of 100%

New promotees and new hires into the **Coin Retriever Technician** title on or after the date of ratification of this agreement whose wage progression in prior agreements was 70%, 80%, 85%, 100% shall progress to top rate of pay as follows:

1 st year	70% of top rate
2 nd year	75% of top rate
3 rd year	80% of top rate
4 th year	85% of top rate
5 th year	90% of top rate
Upon completion of 5 th year	Top rate of 100%

The parties acknowledge and agree that employees who are not currently at the top rate of pay will be grandfathered into the terms of the wage progression they were in when they were hired. Employees in the bargaining unit shall not experience a decrease in pay if they accept promotion to another title within the bargaining unit. They shall be slotted into the next highest progression in the new title which grants them a salary increase. Thereafter, they will progress through the progression of the new title.

4. **Health Benefits**

- a) All current supervisors who were promoted or hired on or after February 8, 2008 and employees promoted or hired into represented supervisory titles subsequent to the date of full and final ratification shall receive the applicable hourly medical and prescription drug benefit package for their first five (5) years in a represented supervisory title. An employee who retires during this period will retire with the applicable hourly retiree medical and prescription drug benefit package. On the first day of the sixth continuous year in a represented supervisory title, those supervisors who continue in a represented supervisory title or who retire thereafter will receive the health benefits provided through NYSHIP, or any successor benefit package agreed upon by the parties in the future. Employees who have already completed five (5) years of continuous service in a represented supervisory title as of full and final ratification will receive NYSHIP as soon as practicable following ratification, prospectively. All other existing provisions in the CBA or MOU agreements related to health benefits will continue in effect unless otherwise amended by this agreement.

- b) New promotees and new hires into the collective bargaining unit subsequent to the date of full and final ratification will contribute 2.0% of their gross wages on forty (40) hours per week, on a pre-tax basis, to defray the cost of Health Benefits.
- c) For those employees who retire while receiving the hourly health benefit package, the Authority shall amend the current plan of health benefits to provide that Pre-Medicare surviving spouses of deceased retirees as of May 21, 2014 shall receive the same medical benefits as active members up to the date that such surviving spouses attain Medicare eligibility, at no cost to such surviving spouse. For spouses of retirees who passed away while receiving the hourly health benefit package on or after May 21, 2014 and prior to final ratification, coverage will commence prospectively as of final ratification. This benefit shall not apply in the event the surviving spouse is otherwise entitled to health care insurance.

5. **Dental and Optical Benefits**

All current and future employees will receive the TSO supplemental benefit plans for dental and optical coverage, except that employees who retire with less than five (5) years of continuous service as a supervisor shall continue to not be eligible for retiree dental coverage.

The American Dental Centers (Plan A) and the Dental Shop (Plan B) will remain available to employees under the TSO supplemental benefits package, but the Authority reserves the right to eliminate those plan(s). In the event those plan(s) are eliminated, the Authority will give employees as much notice as possible of the plan(s) elimination and the parties will meet to discuss alternate plans of equal cost per member. If those plan(s) are eliminated, employees enrolled in those plan(s) will have the option of enrolling in the other currently available plan(s), HealthPlex (Dentcare) and Metlife.

Additionally, the parties will continue their discussions regarding amending the dental and optical plans. The parties will make their best efforts to conclude their discussions within ninety (90) days after full and final ratification. It is understood that any amendments must not alter the overall economics of this Memorandum of Understanding.

6. **Vacation**

- a) Effective upon ratification, the vacation schedule for current and future employees shall be as follows:
 - i) Each employee who, at the beginning of a vacation year, shall have been actively in the employ of the Authority for less than one year, will be granted a vacation of one day per month for each full calendar month he/she shall have been in the employ of the Authority prior to the beginning of the vacation year, but not exceeding two (2) weeks.
 - ii) Each employee who, at the beginning of a vacation year, shall have been actively in the employ of the Authority for one (1) year but who at the beginning of that vacation year shall not have been actively employed for more than three (3) years shall be granted a vacation of two (2) weeks during such vacation year.
 - iii) Each employee who, at the beginning of a vacation year, shall have been actively in the employ of the Authority for more than three (3) years shall be granted a vacation of four (4) weeks during such vacation year.
 - iv) Each employee who, at the beginning of a vacation year, shall have been actively in the employ of the Authority for more than fifteen (15) years shall be granted a vacation of five (5) weeks during such vacation year.

- b) Upon retirement, employees shall have the option to cash out all remaining vacations days that have already been credited to the employees' vacation bank prior to retirement. Such cash-out will not be considered pensionable income.

7. **Sick Leave Pro-Rate**

On each May 1, beginning with the sick leave year that commences May 1, 2015, all employees who have been in the employ of the Authorities for at least one year, including all employees in unpaid status, shall have twelve (12) days added to their sick leave banks. On each April 30, beginning April 30, 2016, the sick leave allotment for the year ending that day shall be reduced by one day for each month in the preceding twelve (12) months that the employee was on an unpaid leave of absence for the majority of the month, but no reduction may result in a negative sick leave balance.

8. **Release Time**

The existing five (5) paid release days per month shall be reduced to thirty (30) total days per year to be utilized collectively by represented employees in the Operating Supervisory Unit, Coin Retriever Technician Unit, and Queens Supervisory bargaining units.

9. **Railroad Commutation Pass**

No later than ninety (90) days after full and final ratification of this agreement, employees who reside outside of the five (5) boroughs of New York City, as filed with the Authorities for tax purposes, will be entitled to either the Metro North Railroad or the Long Island Rail Road pass for commutation. In addition, employees will be entitled to use their EPIC Pass on SIRTOA. All existing rules and regulations applicable to commutation passes shall apply. The MTA reserves the exclusive right to revoke the use of such pass, if abuse is established.

10. **Death Benefits**

The Authority shall increase the Line of Duty Death Benefit, currently \$50,000, to \$250,000.

The Authority shall increase the Active service Member Death Benefit, currently \$5,000, to \$25,000, for employees who die while in active service (other than line of-duty).

11. **Maintenance Bonus**

Commencing in 2015, the Maintenance bonus shall be increased from \$320 to \$600 for those maintenance titles currently receiving such bonus. The bonus shall be payable in April of each year.

12. **PIP Payments**

In order to be eligible for the PIP bonus, a supervisor must have completed one full year of continuous service as a supervisor. A supervisor will be first eligible for the PIP bonus in the first quarter following the completion of one year of continuous service as a supervisor in which he/she actually works eight (8) weeks.

13. **AVA/OTO**

- a) The current cap on accruing AVA days will be increased to 90 days.
- b) The current cap on accruing OTO time will be increased to 108 hours.

14. **Death in Family Leave**

Article 9 [Leaves of Absence for Death in Family] of the Collective Bargaining Agreement shall be amended to include step-children within the definition of "Immediate Family."

15. **Discipline and Grievance**

- a) Reprimands and warnings will be removed from a Supervisor's discipline record for discipline imposed prior to January 1, 2015 if there was no subsequent discipline initiated within twenty-four (24) months of the warning or reprimand being imposed.
- b) The parties agree to rotate disciplinary and contract interpretation cases between three (3) arbitrators as follows:
 1. George Nicolau
 2. Howard Edelman
 3. Carol Wittenberg

16. **Long Term Care**

Employees will now be permitted to participate in the New York State Public Employee and Retiree Long Term Care Insurance Plan (NYPERL) on the same basis as managerial employees.

17. **Sick Leave Cash-Out Pilot**

If an employee does not have a minimum of 50% of his/her potential sick leave balance at the time of separation or retirement, then the employee will receive a lump sum payment of 40% of his/her actual sick leave balance provided the employee uses twelve (12) sick days or less over his/her final twenty-four (24) months of service.

The aforementioned provisions are based upon Labor/Management goal to achieve a two (2) day improvement in paid and unpaid sick leave over the sick leave usage in 2014. The continuation of this provision past the term of this agreement must be upon mutual agreement of the parties.

18. **Reduction in Force**

Article 26 shall be amended as follows:

In the event of a reduction of positions or an excess of incumbents within a title covered by this Agreement, excess employees shall be laid-off, furloughed or demoted in inverse seniority order based on length of time in title at the time of the reduction.

19. **Consolidated Collective Bargaining Agreement**

The parties agree, as soon as practicable after the ratification of this agreement, to meet to discuss a consolidated collective bargaining agreement. NYC Transit agrees to publish and distribute the consolidated agreement.

20. **Continuation of Terms**

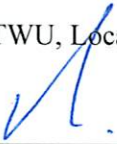
Except as otherwise expressly provided in or modified by this Agreement, all provisions, Stipulations and side letters attached to the previous Collective Bargaining Agreements, as amended, shall continue in effect.

IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISIONS 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 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 the 12th day of December, 2014.

New York, New York

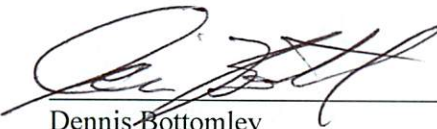
FOR: TWU, Local 106



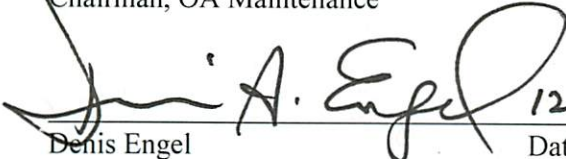
Vincent Modafferi
President
Date 12/12/2014



Thomas Burke
Chairman, OA Transportation
Date 12/12/2014

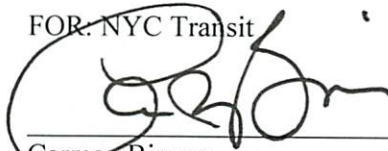


Dennis Bottomley
Chairman, OA Maintenance
Date 12/12/14



Denis Engel
Counsel, TWU Local 106
Date 12/12/14

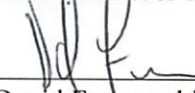
FOR: NYC Transit



Carmen Bianco
President
Date 12.18.14



Christopher J. Johnson
Vice President
Office of Labor Relations
Date 12/12/14



David Franceschini
Sr. Director, Collective Bargaining
Date 12/17/14


SIDE LETTER AGREEMENT

The Transport Workers Union, Local 106, TSO (Operating Supervisory Unit and Coin Retriever Technician Unit) and the Manhattan and Bronx Surface Transit Operating Authority agree as follows:

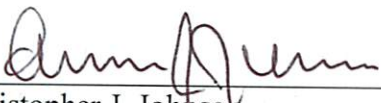
During contract negotiation the parties engaged in discussions concerning outstanding cash amounts available to the Union for the Operating Supervisory Unit, Coin Retriever Technician Unit, and the Queens Supervisory Unit in the amount of \$67,200. After discussions, the parties agree that the money can be spent to fund the release of the Queens Chairman for an additional two (2) days per week. Once the funds set forth above are exhausted, the contractual three (3) days per week of Authority paid release time for the Queens Chairman shall apply.

Please indicate your concurrence by signing below.

December 12, 2014
New York, New York



Vincent Modafferi, President Date
TWU Local 106 12/12/2014



Christopher J. Johnson
Vice President, Labor Relations
NYC Transit Authority



December 12, 2014

Vincent Modafferi
President
Transport Workers Union, Local 106
Transit Supervisors Organization
5768 Mosholu Avenue
Bronx, New York 10471

Re: Productivity Improvement Program (PIP)

Dear Mr. Modafferi:

This letter is to memorialize our discussions during the course of contract negotiations for the 2013 – 2018 successor agreement between New York City Transit and TWU, Local 106 – TSO regarding the Productivity Improvement Program (PIP). The parties have agreed to continue their discussions for a six (6) month period immediately following ratification with the purpose of evaluating the existing PIP program to determine if modifications and improvements may be achieved. Such discussions shall include, but not be limited to, productivity standards and measurements, as well as the possible extension of the PIP program to Plant & Equipment Line Supervisors and Storeroom Supervisors, if feasible. Should the parties fail to reach a mutual agreement at the conclusion of these discussions, the current PIP program shall continue in effect.

Please indicate your concurrence by signing below.

Very truly yours,

A handwritten signature in black ink, appearing to read "Chris Johnson".

Christopher J. Johnson
Vice President
Office of Labor Relations

Concur for TWU, Local 106:

A handwritten signature in blue ink, appearing to read "Vincent Modafferi".

12/12/2014

Vincent Modafferi
President

Date