

2010-2018 NYCHA/LOCAL 237 MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT entered into this 20 day of April 2015, by and between the undersigned International Brotherhood of Teamsters Local 237 ("Local 237" or the "Union") and the New York City Housing Authority.

WHEREAS, the undersigned parties desire to enter into a collective bargaining agreement, including this *2010-2018 LOCAL 237 MOA* and the agreement successor to the one terminating on December 14, 2010 ("*Successor Separate Unit Agreement*") to cover the employees represented by the Union serving in Housing Unique Titles as specified in Appendix "I" of the 2008-2010 MOU between NYCHA and Local 237 ("Employees");

WHEREAS, the undersigned parties intend by this *2010-2018 LOCAL 237 MOA* to cover all economic and non-economic matters and to incorporate the terms of this *2010-2018 LOCAL 237 MOA* into the *Successor Separate Unit Agreement*, covering the period from December 15, 2010 through May 29, 2018;

WHEREAS, the undersigned parties intend by this *2010-2018 LOCAL 237 MOA* to continue all of the same terms and conditions specified in the *Separate Unit Agreement*, including applicable side letters, terminating on December 14, 2010, except as modified or amended below,

NOW, THEREFORE, it is jointly agreed as follows:

1. The term of the Agreement shall be from December 15, 2010 through May 29, 2018.
2. General Wage Increases
 - a.
 - i. Effective June 15, 2012, Employees shall receive a general increase of 1.00%.
 - ii. Effective June 15, 2013, Employees shall receive a general increase of 1.00%.
 - iii. Effective June 15, 2014, Employees shall receive a general increase of 1.00%.
 - iv. Effective June 15, 2015, Employees shall receive a general increase of 1.50%.
 - v. Effective June 15, 2016, Employees shall receive a general increase of 2.50%.
 - vi. Effective June 15, 2017, Employees shall receive a general increase of 3.00%

b. Part-time per annum, per session, hourly paid and part-time per diem Employees (including seasonal appointees) and Employees whose normal work year is less than a full calendar year shall receive the increases provided in Section 2 a. on the basis of computations heretofore utilized by the parties for all such Employees.

c. The general increases provided for in Section 2 a. above shall be based upon the base rates (including salary or incremental salary schedules) of the applicable titles in effect on the day prior to the general increase, e.g. the general increase provided for in Section 2 a.i shall be based on the base rates (including salary or incremental salary schedules) of the applicable titles in effect on June 14, 2012.

d. The general increases shall be applied to the base rates, incremental salary levels and the minimum "hiring rates", minimum "incumbent rates" and maximum rates (including levels) if any, fixed for the applicable titles.

3. Additions to Gross

Effective June 15, 2017, the general increase provided for in Section 2a.vi. above shall be applied to "additions to gross". "Additions to Gross" shall be defined to include all existing provisions for payments supplemental to base wages that are utilized for such purposes as longevity increments; promotional guarantees; assignment, certificate or night shift differentials; transportation and meal allowances; stipends and reimbursements.

4. Ratification Bonus

A lump sum cash payment in the amount of \$1,000, pro-rated for other than full-time employees, shall be payable as soon as practicable upon ratification of the Agreement to those employees who are on payroll as of the date of ratification. The lump sum cash payment shall be pensionable, consistent with applicable law.

- i. Full-time per annum and full-time per diem Employees shall receive a pro-rata lump sum cash payment the computation of which shall be based on service during the period from June 1, 2014 through May 31, 2015.
- ii. Part-time per annum, part-time per diem (including seasonal appointees), per session, hourly paid Employees and Employees whose normal work year is less than a full calendar year shall receive a pro-rata portion of the lump sum cash payment based on their regularly scheduled hours and the hours in a full calendar year.

- iii. The lump sum cash payments shall not become part of the Employee's basic salary rate nor be added to the Employee's basic salary for the calculation of any salary based benefits including the calculation of future collective bargaining increases.
- iv. For circumstances that were not anticipated by the parties, the First Deputy Commissioner of Labor Relations may elect to issue, on a case-by-case basis, interpretations concerning the application of Section 4 of the *2010-2018 LOCAL 237 MOA*. Such case-by-case interpretations shall not be subject to any dispute resolution procedures as per past practice of the parties.

5. Additional Contributions to Local 237 Administrative Trust Fund

- a. As soon as practicable after the Local 237 Administrative Trust Fund is established, the employer welfare fund contributions on behalf of each eligible full-time active employee and retiree shall be increased by \$280 per annum. Contributions for non-full-time employees and retirees shall be increased by the appropriate pro-rata share. Such contributions shall be effective retroactive to July 1, 2014.
- b. Prior to the expiration of this MOA, upon the mutual agreement of the parties, contributions to the Local 237 Administrative Trust Fund set forth in subsection a, above, may be reallocated on a cost-neutral basis.

6. Conditions of Payment

- a. The lump sum cash payment pursuant to Section 4. of this *2010-2018 LOCAL 237 MOA* shall be payable as soon as practicable upon ratification of this *2010-2018 LOCAL 237 MOA*.
- b. The general increases pursuant to Section 2a.i, 2a.ii, and 2a.iii of this *2010-2018 LOCAL 237 MOA* shall be payable as soon as practicable upon execution of this *2010-2018 LOCAL 237 MOA*.
- c. The general increases pursuant to Section 2 a.iv, 2a.v and 2a.vi of this *2010-2018 LOCAL 237 MOA* shall be payable as soon as practicable after the effective date of such increases.

7. **Nothing contained in this current Agreement shall preclude the parties from their continuing discussions to identify, review, recommend and develop initiatives that will generate workplace savings, maximize the potential of the City workforce and ensure the provision of essential services, while at the same time providing increased compensation for the workforce. The parties must conclude all discussions regarding this Section no later than 24 months after the date of ratification of the Agreement unless the parties have mutually agreed to extend the deadline. Any claim that either party has of enforcement of a mutually agreed upon savings proposal shall be submitted to an expedited arbitration panel with the assistance of the Office of Collective Bargaining. The expedited arbitration panel shall not be used to decide the substance, merit or value of either of the parties' specific savings proposals. The final general wage increase in this Agreement as stated in Section 2a.vi shall not be paid unless and until these discussions are completed by the parties or unless the parties mutually agree to extend the deadline.**

8. **Effective December 15, 2017, the titles covered by this Agreement that are currently receiving the \$65 work (safety) shoe reimbursement shall receive a \$10 increase to \$75.**

9. **Local 237 understands the challenges facing NYCHA due to the loss of federal and state funding over the years.**

The Union is committed to working with the Mayor and NYCHA to:

- **seek to increase available funds to build and maintain a solid and vibrant public housing infrastructure in NYC,**
- **improve the cost effectiveness, efficiency and flexibility of operations,**
- **examine insourcing where there are savings or productivity opportunities, and**
- **improve the delivery of services and customer experience for residents.**

The parties will agree to be part of a joint labor/management committee consisting of representatives of the City, NYCHA, Local 237 and the other unions representing NYCHA workers. The City and NYCHA will convene the committee within 30 days of ratification to start addressing these issues.

10. Health Savings and Welfare Fund Contributions

The May 5, 2014 Letter Agreement regarding health savings and welfare fund contributions between the City of New York and the Municipal Labor Committee, will be attached as an Appendix, and is deemed to be part of this 2010-2018 LOCAL 237 MOA.

11. The parties will meet in a joint labor management committee to mutually agree on the terms of a 2010-2018 Local 237 Successor Separate Unit Agreement.

12. This Memorandum of Agreement is subject to union ratification and NYCHA Board approval.

FOR THE NEW YORK CITY
HOUSING AUTHORITY:


Shola Olatoye
Chair and Chief Executive Officer

DATE: 4/30/15

FOR IBT LOCAL 237:


Gregory Floyd
President

DATE: 4/30/15



THE CITY OF NEW YORK
OFFICE OF LABOR RELATIONS
40 Rector Street, New York, NY 10006-1705
<http://nyc.gov/olr>

ROBERT W. LINN
Commissioner

May 5, 2014

Harry Nespoli
Chair, Municipal Labor Committee
125 Barclay Street
New York, NY 10007

Dear Mr. Nespoli:

This is to confirm the parties' mutual understanding concerning the following issues:

1. Unless otherwise agreed to by the parties, the Welfare Fund contribution will remain constant for the length of the successor unit agreements, including the \$65 funded from the Stabilization Fund pursuant to the 2005 Health Benefits Agreement between the City of New York and the Municipal Labor Committee.
2. Effective July 1, 2014, the Stabilization Fund shall convey \$1 Billion to the City of New York to be used to support wage increases and other economic items for the current round of collective bargaining (for the period up to and including fiscal year 2018). Up to an additional total amount of \$150 million will be available over the four year period from the Stabilization Fund for the welfare funds, the allocation of which shall be determined by the parties. Thereafter, \$ 60 million per year will be available from the Stabilization Fund for the welfare funds, the allocation of which shall be determined by the parties.
3. If the parties decide to engage in a centralized purchase of Prescription Drugs, and savings and efficiencies are identified therefrom, there shall not be any reduction in welfare fund contributions.
4. There shall be a joint committee formed that will engage in a process to select an independent healthcare actuary, and any other mutually agreed upon additional outside expertise, to develop an accounting system to measure and calculate savings.

5. The MLC agrees to generate cumulative healthcare savings of \$3.4 billion over the course of Fiscal Years 2015 through 2018, said savings to be exclusive of the monies referenced in Paragraph 2 above and generated in the individual fiscal years as follows: (i) \$400 million in Fiscal Year 2015; (ii) \$700 million in Fiscal Year 2016; (iii) \$1 billion in Fiscal Year 2017; (iv) \$1.3 billion in Fiscal Year 2018; and (v) for every fiscal year thereafter, the savings on a citywide basis in health care costs shall continue on a recurring basis. At the conclusion of Fiscal Year 2018, the parties shall calculate the savings realized during the prior four-year period. In the event that the MLC has generated more than \$3.4 billion in cumulative healthcare savings during the four-year period, as determined by the jointly selected healthcare actuary, up to the first \$365 million of such additional savings shall be credited proportionately to each union as a one-time lump sum pensionable bonus payment for its members. Should the union desire to use these funds for other purposes, the parties shall negotiate in good faith to attempt to agree on an appropriate alternative use. Any additional savings generated for the four-year period beyond the first \$365 million will be shared equally with the City and the MLC for the same purposes and subject to the same procedure as the first \$365 million. Additional savings beyond \$1.3 billion in FY 2018 that carry over into FY 2019 shall be subject to negotiations between the parties.

6. The following initiatives are among those that the MLC and the City could consider in their joint efforts to meet the aforementioned annual and four-year cumulative savings figures: minimum premium, self-insurance, dependent eligibility verification audits, the capping of the HIP HMO rate, the capping of the Senior Care rate, the equalization formula, marketing plans, Medicare Advantage, and the more effective delivery of health care.

7. Dispute Resolution

- a. In the event of any dispute under this agreement, the parties shall meet and confer in an attempt to resolve the dispute. If the parties cannot resolve the dispute, such dispute shall be referred to Arbitrator Martin F. Scheinman for resolution.
- b. Such dispute shall be resolved within 90 days.
- c. The arbitrator shall have the authority to impose interim relief that is consistent with the parties' intent.
- d. The arbitrator shall have the authority to meet with the parties at such times as the arbitrator determines is appropriate to enforce the terms of this agreement.
- e. If the parties are unable to agree on the independent health care actuary described above, the arbitrator shall select the impartial health care actuary to be retained by the parties.
- f. The parties shall share the costs for the arbitrator and the actuary the arbitrator selects.

If the above accords with your understanding and agreement, kindly execute the signature line provided.

Sincerely,



Robert W. Linn
Commissioner

Agreed and Accepted on behalf of the Municipal Labor Committee

BY: 

Harry Nespoli, Chair