



OFFICE OF LABOR RELATIONS

40 Rector Street, New York, N.Y. 10006-1705
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ROBERT W. LINN
Commissioner

RENEE CAMPION
First Deputy Commissioner

CLAIRE LEVITT
*Deputy Commissioner
Health Care Cost Management*

MAYRA E. BELL
General Counsel

CHRIS BERNER
Chief of Staff

GEORGETTE GESTELY
Director, Employee Benefits Program

December 30, 2014

Kuba Brown, President
IUOE, Local 94
331-337 West 44th Street
New York, NY 10036

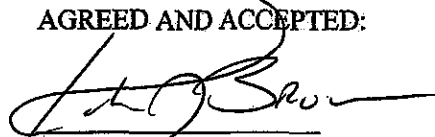
Dear Mr. Brown,

This is to confirm that the parties have agreed to a settlement of the economic terms of the 2007-2016 contract (see attached). The parties agree that they will implement the terms of the economic settlement.

Very Truly Yours,

Robert W. Linn

AGREED AND ACCEPTED:


Kuba Brown

Robert Troeller

David Brodsky

**Memorandum of Economic Agreement
December 30, 2014**

1. Wages

(a) Round 2007 – 2009; salaries and rates of pay as customarily done.

i.	4/22/13	2%
ii.	4/22/14	1.961%
iii.	4/22/15	2%
iv.	4/22/16	1.9605%

(b) General Wage Increases; salaries and rates of pay as customarily done.

i.	4/22/11	1%
ii.	4/22/12	1%
iii.	4/22/13	1%
iv.	4/22/14	1.5%
v.	4/22/15	2.5%
vi.	4/22/16	3%

(c) The increase in the rates of pay as set forth in paragraphs (a) and (b) above shall result in the following increases and minimum rates:

For Firemen:

<u>Effective</u>	<u>% Increase</u>	<u>Increase in Minimum Rate</u>	<u>New Minimum Rate</u>
4/22/11	1%	.210	20.89
4/22/12	1%	.210	21.10
4/22/13	3.02%	.640	21.74
4/22/14	3.49%	.760	22.50
4/22/15	4.55%	1.020	23.52
4/22/16	5.02%	1.180	24.70

For Stationary Engineers, etc.:

<u>Effective</u>	<u>% Increase</u>	<u>Increase in Minimum Rate</u>	<u>New Minimum Rate</u>
4/22/11	1%	.230	23.61
4/22/12	1%	.240	23.85
4/22/13	3.02%	.720	24.57
4/22/14	3.49%	.860	25.43
4/22/15	4.55%	1.160	26.59
4/22/16	5.02%	1.330	27.92

All part-time employees will receive the same minimum rate as full-time employees in their respective job categories.

2. Ratification Bonus

A lump sum cash payment in the amount of \$1,000, prorated for other than full-time employees, shall be payable as soon as practicable upon ratification of this Agreement to those employees of DOE custodians who are on active payroll as of the day of ratification.

3. Structured Retirement Claims Settlement Fund

Upon ratification, a Structured Retiree Claims Settlement Fund shall be established in the total amount of \$1,495,687 to settle all claims by retirees who have retired as employees of DOE custodians between 10/22/07 and the date up to and including 28 days after ratification concerning wage increases arising out of the 2007-09 round of bargaining. The Fund will be distributed based upon an agreed-upon formula.

4. Retirements on or after the 29th day following ratification of this Agreement shall receive lump sum payments based on the same schedule as actives as set forth below in Paragraph 5.

5. **Lump Sum Payments stemming from the 2007 – 2009 round and schedule for actives for those continuously employed by DOE Custodians in the New York City school system as of the day of the payout.**

i.	7/1/15	12.5% (1/8 of the balance due as of this date)
ii.	7/1/17	12.5% (1/7 of the balance due as of this date)
iii.	7/1/18	25% (1/3 of the balance due as of this date)
iv.	7/1/19	25% (1/2 of the balance due as of this date)
v.	7/1/20	25% (representing the remainder of the balance)

6. **Local 94 Pension Fund**

Effective October 22, 2007, the rate of contribution to the Local 94 Pension Fund shall be \$1.932 hourly for all hours worked or paid for. The following increases shall apply and shall be paid for all hours for which the employee is paid.

<u>Effective</u>	<u>% Increase</u>	<u>Increase</u>	<u>New Amount</u>
4/22/11	1%	.0193	\$1.9513
4/22/12	1%	.0195	\$1.9708
4/22/13	3.02%	.0595	\$2.0303
4/22/14	3.49%	.0709	\$2.1012
4/22/15	4.55%	.0956	\$2.1968
4/22/16	5.02%	.1103	\$2.3071

7. **Local 94 Health Fund**

(a) The hourly contribution to the Local 94 Health Fund shall be as follows:

<u>Effective</u>	<u>Hourly Rate (for all hours for which the employee is paid)</u>
7/1/08	4.013
7/1/09	4.359
7/1/10	4.832
7/1/11	5.291
7/1/12	5.726
7/1/13	6.015
7/1/14	6.087

Any retroactive payments due will be decreased by the \$6.35M already paid. The increase in the rate of contribution to the Health Fund effective fiscal years beginning July 1, 2015 and July 1, 2016 shall be calculated based upon the increase in the "HIP" health insurance rate paid by the City of New York, or by the successor HIP rate used for health insurance coverage for those New York City employees heretofore covered by HIP.

(b) The Union agrees to generate cumulative healthcare savings of their pro-rata share of the City-wide health savings target (\$971,162 for FY 15, \$1,699,533 for FY 16, \$2,427,904 for FY 17, \$3,156,276 for FY 18). Such savings shall be achieved by reducing the payment otherwise due to be paid to the Health Fund pursuant to the implementation of the increases set out in subparagraph 7(a), above.

8. Training Fund

Effective October 22, 2007, the rate of contribution to the Local 94 Training and Scholarship Fund shall continue to be \$.060 hourly for all hours for which the employee is paid.

9. Local 94 Schools Annuity Fund

Effective October 22, 2007, the rate of contribution to the Local 94 Pension Fund shall continue to be \$1.937 hourly for all hours for which the employee is paid.

<u>Effective</u>	<u>Increase</u>	<u>New Amount</u>
4/22/11	.002	\$1.9391
4/22/12	.004	\$1.9435
4/22/13	.014	\$1.9578
4/22/14	.020	\$1.9779
4/22/15	.033	\$2.0108
4/22/16	.035	\$2.0453

10. The parties may mutually agree to reallocate the rates of contributions among the benefit funds, provided that the aggregate contribution to all benefit funds remains the same.

11. The Application of Future Increases to Local 94's Annuity and Pension Funds

Future collective bargaining increases applied to wages, after October 21, 2007, shall be applied to \$2.7860 of the dollar amount included in the Pension and Annuity Funds. The \$2.7860 amount may be split between the Pension and Annuity Funds in the future based upon agreement of the parties.

12. Prevailing Rate Application

If legislation, regulation, or administrative action requires employees covered by this Agreement to be paid the section 230 prevailing wage and supplemental benefit rates, or if an agreement is reached to pay such rates, then upon the effective date of such legislation, regulation, administrative action or agreement, employees shall be paid the section 230 prevailing wage rate and the parties shall negotiate modifications to sections 1, 4, 5, 6, 7, 8, 9, and 11 of this Agreement.

14. Duration

This Agreement shall be effective from October 22, 2007 through October 21, 2016.

AGREED AND ACCEPTED:

Robert Linn



Kuba Brown

Robert Troeller

David Brodsky



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Director, Employee Benefits Program

December 30, 2014

Kuba Brown, President
IUOE Local 94
331-337 West 44th Street
New York, NY 10036

Dear Mr. Brown,

This letter is to codify the parties' understandings with respect to Paragraph "5" of the Memorandum of Agreement and the term "continuously employed."

For purposes of paragraph 5, "continuously employed by DOE Custodians in the New York City school system" means employed in the school system in a classification covered by this Agreement, regardless of whether employed by a contractor or a Custodian Engineer, except that periods during which an employee was employed by a private contractor (e.g. Temco) and received the prevailing wage shall be excluded from the calculation of the amount due. For example:

- A fireman or stationary engineer who is not on payroll on any of the payment dates contained in "5" would lose the right to receive that payment and any subsequent payment;
- Occasional workers are not considered to be continuously employed;
- A fireman or stationary engineer who regularly works the summer would be considered to be continuously employed for purposes of this agreement. However, if the fireman or stationary engineer were not to work one summer he/she would no longer be treated as continuously employed;
- A fireman or stationary engineer who worked for a Custodian Engineer and then went to work for a contractor who provides custodial services for the New York Department of Education and who pays a prevailing wage (e.g. Temco) and who subsequently returns to work for a Custodial Engineer within six months and is active on an applicable payment date shall be considered continuously employed except he/she shall not accrue any payments under this agreement during the time he/she worked for the contractor;

- A fireman or stationary engineer who has been laid off for economic reasons by a Custodial Engineer or by a contractor who provides custodial services for the New York Department of Education and is hired within 6 months to work for a Custodial Engineer would be considered continuously employed;
- The parties agree to form a labor/management committee consisting of representatives of Local 94, Local 891, the Department of Education, the Office of Management and Budget, and the Office of Labor Relations to discuss issues related to the implementation of the terms of this agreement.

Very Truly Yours,

Robert W. Linn

AGREED AND ACCEPTED:



Kuba Brown

Robert Troeller

David Brodsky