

2010-2017 Memorandum of Agreement
District Council 37 and the City of New York

1. Term: 7 years and 4 months (88 months)

3/3/10 – 7/2/17

or 88 months from the date of termination of the applicable existing Successor Separate Unit Agreement.

2. 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 July 1, 2013 through June 30, 2014.
- ii. Where the regular and customary work year for a title is less than a twelve-month year, such as a school year, such computations shall be based on service during the period from September 5, 2013 through June 26, 2014 or other applicable dates for other school-based employees.
- iii. 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.
- iv. 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.
- v. 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 2. of the *2010-2017 DC 37*

MEA. Such case-by-case interpretations shall not be subject to any dispute resolution procedures as per past practice of the parties.

3. General Wage Increases

<u>Effective Date</u>	<u>General Wage Increases</u>
i. September 3, 2011	1.00%
ii. September 3, 2012	1.00% compounded
iii. September 3, 2013	1.00% compounded
iv. September 3, 2014	1.50% compounded
v. September 3, 2015	2.50% compounded
vi. September 3, 2016	3.00% compounded
vii. For Separate Successor Unit Agreements with different effective dates, these general wage increases shall be implemented in accordance with the appropriate effective dates.	

4. Additions to Gross

- i. Effective September 3, 2016 or the applicable date of the Successor Separate Unit Agreement, the general increase provided for in subsections 3. (vi) shall be applied to "additions to gross." "Additions to gross" shall be defined to include uniform allowances, equipment allowances, transportation allowances, uniform maintenance allowance, assignment differentials, service increments, longevity differentials, advancement increases, assignment (level) increases, and experience, certification, educational, license, evening, or night shift differentials.
- ii. Section 4 i. does not apply to Recurring Increment Payments (RIPs) that automatically increase with wage increases.
- iii. Section 4 i. does not apply to Service Increments once earned for two years that are rolled into base salary and increased with wage increases.

5. Conditions of Payment

- a. The lump sum cash payment pursuant to Section 2. of this 2010-2017 DC 37 MEA shall be payable as soon as practicable upon ratification of this 2010-2017 DC 37 MEA.

b. The general increases pursuant to Section 3. i., ii. and iii. of this *2010-2017 DC 37 MEA* shall be payable as soon as practicable upon execution of this *2010-2017 DC 37 MEA*.

c. The general increases pursuant to Section 3. iv. and v. of this *2010-2017 DC 37 MEA* shall be payable as soon as practicable after the effective date of such increases of this *2010-2017 DC 37 MEA*.

d. The general increases provided in Section 3. vi. of this *2010-2017 DC 37 MEA* shall be payable as soon as practicable upon the execution of the successor unit agreement.

6. Prohibition of Further Economic Demands

Except as provided for in Sections 7 and 10 of the Agreement, no Party to this agreement shall make additional economic demands during the term of this *2010-2017 DC 37 MEA* or during the negotiations for the applicable *Successor Separate Unit Agreement*.

7. Additional Compensation Funds

Effective 3/3/17 or the applicable date of the Successor Separate Unit Agreement, each bargaining unit shall have available funds not to exceed 0.52% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 3 or the hiring rate for new employees. The funds available shall be based on the December 31, 2011 payroll, including spinoffs and pensions. The final general wage increase in this Agreement as stated in Section 3 (vi) shall not be paid unless and until these negotiations are completed by the parties. A unit may purchase a floating holiday for employees hired on or after 7/1/04 out of the ACF.

8. 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 *2010-2017 DC 37 MEA*.

9. The final general wage increase in this Agreement as specified in Section 3 (vi) shall not be paid unless and until there is a signed separate unit agreement.

10. 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 3 (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.

11. Joint Recruitment and Promotion Study Committee (R&P Committee)

- A. The parties agree to establish the Joint Recruitment and Promotion Study Committee (R&P Committee), which shall consist of four representatives from DC37, and one representative each from the Department of Citywide Administrative Services (DCAS), the Office of Management and Budget (OMB), the Mayor's Office of Operations, and the Office of Labor Relations (OLR).
- B. The R&P Committee shall make recommendations regarding ways of increasing the recruitment, retention, and promotional opportunities for minorities and women in DC37 titles, where such populations have been historically under-represented.
- C. The R&P Committee can, by mutual agreement, consult with other municipal agencies, municipal employers, municipal unions, and such other private sector and public sector subject matter experts as necessary to carry out its mission.
- D. Among the areas to be considered by the R&P Committee are the following:
 - D.1. A review of the City's process of selection for promotions to DC37 titles including the impact of the 1 in 3 selection rule on promotional opportunities for minorities and women in DC 37 titles.
 - D.2. A review of DC37 titles with limited promotional opportunities to make recommendations to DCAS regarding the need for promotional opportunities and/or the establishment of new titles or levels if necessary;
 - D.3. Developing a program to facilitate internal recruitment of DC37 employees for collateral promotion across titles series; such a program could include the establishment of trainee positions or alternate training programs; A review of available city and union funded training programs to make recommendations to DCAS and the DC37 Education Fund concerning the establishment of new training and skills upgrading programs and courses to enhance employees' opportunities for career advancement, if warranted; and

D.4. Opportunities to more efficiently and effectively utilize existing funding sources for training DC37 members.

- E. Wherever possible, the R&P Committee will utilize relevant studies and analyses already prepared by DCAS and the DC37 Education Fund. The R&P Committee shall make prospective recommendations only.
- F. The R&P Committee shall issue a preliminary set of recommendations within six months of ratification of this agreement, and shall determine a date for issuing a final set of recommendations. The parties can mutually agree to extend the six month deadline. The dates for issuing preliminary and final recommendations may be extended by mutual agreement of the parties.
- G. There shall be \$150,000 reserved for the R&P Committee for the term of this Agreement, to, by mutual agreement, assist in this effort. The R&P Committee may also seek additional grant funding to support its work.

12. Immediately after ratification, the City shall make good faith efforts to ensure due process protections for provisionals, similar to the Citywide Agreement due process procedures, for provisional employees in the Department of Education, New York City Housing Authority and the NYC Health and Hospitals Corporation.

13. Except as provided for in Section 14, this Agreement does not apply to DC 37-represented Prevailing Rate Groups, EMS, Fire Protection Inspectors, Urban Park Rangers and also Traffic Enforcement Agents Level III and IV who shall be the subject of subsequent negotiations.

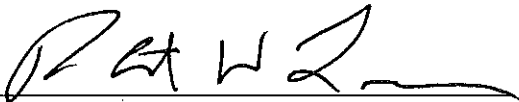
14. Prevailing Rate

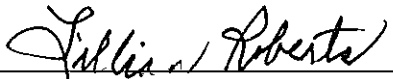
- i. The general wage increases in Section 3 of the 2010-2017 District Council 37 MEA shall be available to prevailing rate groups who have settled the "2008-2010" round of bargaining.
- ii. The effective dates of the general wage increases in Section 14 i., above, shall conform to the corresponding dates for each bargaining unit, as applicable.

15. The Agreement is subject to union ratification

FOR THE CITY OF NEW YORK

**FOR DISTRICT COUNCIL 37,
AFSCME, AFL-CIO**

BY: 
ROBERT W. LINN
Commissioner of Labor Relations

BY: 
LILLIAN ROBERTS
Executive Director

July 1, 2014



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