MARC A. WINTERS
ARBITRATOR

In The Matter of Arbitration

Between

Port Authority of Allegheny County

Employer

And

Amalgamated Transit Union, Local 85

Union

FACT FINDER'S RECOMMENDATIONS

Arbitrator Case Nos.:	PERA-F-16-263-W & PERA-F-16-262-W
Employer Advocate:	Michael A. Palombo, Esquire
Union Advocate:	Joseph J. Pass, Esquire
Subject:	Fact Finding
Date of Hearing:	October 13, 2016
Location of Hearing:	Pittsburgh, Pennsylvania
Record Closed:	October 18, 2016
Opinion and Award Issued:	October 26, 2016

APPEARANCES
For the Union:
Joseph J. Pass, Attorney

Also Present:
Stephen Palonis, Local President
Sam DiNardo, Financial Secretary
Jeff DiPerna, Assistant B.A.
Bryon Shane, Assistant B.A.

For the Employer:
Michael A. Palombo, Attorney

Also Present:
Ellen McLean, CEO

PRELIMINARY STATEMENT
On September 23, 2016, the Pennsylvania Labor Relations Board ("PLRB") designated the undersigned as fact finder in a dispute over the terms and conditions of employment to be applicable to a rank and file bargaining unit as well as a first level supervisors unit employed by the Port Authority of Allegheny County and represented by Local 85 of the Amalgamated Transit Union. This appointment was made as required by the Second Class County Port Authority Act, 55 P.S. 563.2.

Upon receipt of my appointment I notified the parties' Advocates of my available dates for hearing which were October 13th and 19th. The hearing went forward on October 13th where I received numerous exhibits from the Union and the Employer and the testimony of two Union witnesses as well as various arguments from their respective Advocates.

At the conclusion of the evidentiary hearing I attempted to determine if there was an opportunity for the parties to reach an amicable resolution and determined that was not possible. The parties indicated there was no need for any additional hearings and as a result I adjourned the hearing. I advised the parties I would proceed with issuing my recommendations.

Subsequent to the hearing I emailed both the Port Authority's and the Union's Advocates asking if additional information would be submitted. Both responded by email dated October 18, 2016, that no additional information or evidence would be produced.

DISPUTED ISSUES
By way of background, the parties acknowledged that the respective negotiating committees for the Employer and Union executed a tentative agreement which, of course, was subject to ratification by the Employer's Board of Directors and the Union's membership. Although it was not confirmed at the hearing, it is apparent that the Board of the Directors of the Port Authority did not object to the tentative agreement. It was confirmed, however, that the Union membership voted upon the proposed tentative agreement and rejected the same.

Although the Employer and Union had submitted original proposals containing more than 50 different changes in the collective bargaining agreement, at the hearing the parties stipulated and agreed that the only issues which would be considered at the fact finding hearing were those set forth in the parties' tentative agreement. (UX 1). It was the parties' understanding that only issues in the tentative agreement would be subject to modification, confirmation, rejection or changes by the Fact Finder.

The Union proposed to modify and change several issues outlined in the tentative agreement. The Employer proposed to modify and change one issue. For ease of identification, the numbers herein are the numbers attributed to and identified in the tentative agreement signed by the parties. To that end, the Union proposed to modify and change the following issues:

6. **Section 206 – Illness, Sick Leave, Accident and Sickness Insurance**. This issue involves employees' sick days and the entitlement that all employees be given an opportunity to take a day at a time sick days as opposed to the current requirement that at least two days be taken at one time. It also provided possible discipline for certain employees suspected of abuse of sick leave.

7. **Section 210 – Health Insurance Benefits.** The nature of this dispute is centered on how employees contribute to the cost of health insurance. The Union contends that employee payments should remain as a percent of pay as opposed to the tentative agreement which provides for a percent of premium.

   Also embedded in the health insurance proposal is the Union's position that any retiree who retires after January 1, 2017 and is under the age of 65, should not only be guaranteed that they would never pay any additional increase for health insurance, but the plan design they retire under should likewise never change. The tentative agreement provides that those retirees' premiums would never change but that a change in the plan design consistent with what the actives would receive would be applicable to those who retire after January 1, 2017.

9. **Section 310 – Penalties for Sharking.** This issue deals with penalties imposed on employees late for work. Being late has historically been identified as "sharking". The Union contends this provision should be removed from the tentative agreement.

13. **Section 201B.1. – Non-operating Employee Wage Rates.** The essence of this dispute is that a new wage rate was established for the serviceperson's position. The tentative agreement provides that new employees hired after January 1, 2017, receive significantly less than what is currently being paid to employees in this position. The tentative agreement provides that any employee hired before December 31, 2016, who is required to take a serviceperson position because of a bump as a result of a reduction in force would maintain the higher serviceperson's job rate.

    The Union's beef is that once a skilled job is available for which he can qualify outside the serviceperson's position, that employee must take that job and if s/he fails to do so, s/he shall no longer be entitled to the higher grandfathered rate but rather be subject to the new hire rate going into effect on January 1, 2017.

The Employer's Suggested Change to the Tentative Agreement

4. **Wage, Salary and Rates of Job Classifications.** The Employer contends that the savings they were to realize in the health insurance change which was to go into effect on January 1, 2017, will not be realized and as a result they will have to continue to pay approximately $400,000 +/- a month more than had been expected had the new health insurance program gone into effect on January 1. As a result, they are proposing that the wage increases which were scheduled to occur on January 1, 2017, 2018, 2019 and 2020 be reduced by one quarter (.25%) percent in each year resulting in a wage increase of 2.5%, 2.5%, 2.5%, and 2.75% thereby reducing the total wage package contained in the tentative agreement by one (1%) percent.

DISCUSSION

In reaching my conclusions I am very mindful of several significant points. First, both parties must be commended for their work in reaching an agreement on a number of very significant issues. Second, their efforts and ultimate agreement to reduce their disputed issues to a small number is indicative of their ability to cooperate and work together. Finally, and most importantly, I am aware that a tentative agreement is just that. The parties' respective boards of directors and membership have the final say. However, I cannot help but observe that although the issues in dispute are obviously significant, I find the overall agreement to be extremely fair and reasonable.

With that in mind, my decision, contrary to what the Port Authority argued at the fact finding hearing, is not driven by, nor colored by, the fact that the issues in dispute in the tentative agreement were agreed to by the negotiators on these disputed issues and therefore they should be confirmed. My decisions made on the disputed issues are driven by the evidence submitted at the Fact Finding hearing. In the order outlined above, the following are my recommendations for the disputed issues:

1. **Disputed Issue No. 6, Section 206 – Illness, Sick Leave, Accident and Sickness Insurance.** The Union argues that Section 206 confers a benefit of sick leave for which employees may utilize without receiving discipline for the use of that benefit. The Union avers, without contradiction by the Port Authority, that arbitrators have consistently held that sick leave is a benefit for which an employee cannot be disciplined. I would concur in that conclusion. The tentative agreement, however, provides something different. As I read the proposed changes in the tentative agreement, the first paragraph contained in Paragraph 1.A. does not make any substantive change. The change therein simply clarifies what is currently being done. The current language is misleading and inconsistent when examining the tables set forth therein. Therefore, I see no reason to modify that paragraph as was tentatively agreed to.

   The third paragraph in Section 1.A. is a different story. The current agreement provides that in order to receive paid sick days the employee is required to be off at least "two or more consecutive days"; the only exception is if an employee has 25 or more days in their sick bank. Such employees are able to take up to five (5) sick days as "single days of illness" without a doctor's excuse. The tentative agreement amends that by allowing any employee, regardless of the number of sick days, to be entitled to take one day at a time regardless of the number of days in their sick bank.

   In addition, the fifth, sixth and seventh paragraphs under Section 1.A. also make changes in the current language by permitting the Employer who has a "reasonable basis to suspect" that someone may be abusing or misusing sick leave to provide a doctor's excuse. Indisputably, the current language likewise allows the Employer similar latitude for employees who have been off for two days or more. However, the proposed tentative agreement also allows the Authority to notify any employee with five (5) or more years seniority who in two (2) consecutive years beginning with their fifth (5^{th}) year and thereafter reach their anniversary date with fewer than five (5) days accumulated sick leave shall be suspected of improperly using the sick leave benefit. Such an employee may then receive a "written warning" and shall be required to furnish a doctor's certificate for each subsequent use of sick leave for a period of one (1) year. While that paragraph does not seem particularly onerous, it does provide for a "written warning" which is a disciplinary act and therefore arguably inconsistent with the idea of not being disciplined for properly utilizing a contractual benefit.

   I am mindful that there is no requirement that a written warning be issued but nevertheless they may receive a "written warning" as well as being required to furnish a doctor's certificate for each subsequent sick leave for a period of one (1) year. Under the current language the Employer may require a doctor's certificate, but the additional language allows for the possibility of a written warning.

   The dynamics of sick leave are altered. On this issue I agree with the Union.

Also embedded in the sick leave issue is an addendum to the method of administering sick leave. That addendum is commonly referred to as the "Tawnya Moore McGee Letter" (Attachment 2 to the tentative agreement). As the testimony established, that letter provides that employees who have not yet attained ten (10) sick days, i.e., employees with less than five (5) years of service are entitled to ten (10) days of "excused absences" and therefore are immune from discipline so long as the individual "provides documented proof of the illness or injury by a certified physician at the time of the incident". The tentative agreement limits this procedure to the employee's first year of employment.

Although all of these changes in Section 206 can be negated by either party after an experimental period of one (1) year, Mr. Shane, the Union's Assistant Business Agent, argued that these changes should not be a part of the tentative agreement and should be eliminated now. Because these changes could in fact be removed after one (1) year, I see no reason to not eliminate them now in the hopes that this will assist in gaining the membership's approval. Therefore, it is my recommendation that the current agreement, including the Tawnya Moore McGee Letter, with the exception of the modification in the first paragraph of A, be reinstated and remain a part of the current collective bargaining agreement.

2. **Disputed Issue No. 7, Section 210 – Health Insurance Benefit.** As indicated above, the issue here is not so much how much is contributed but how it is contributed. The Union's position is that the contributions for health insurance should be based on a percent of wages. This is the method by which employees have contributed to health insurance coverage since the introduction of contributions by employees.

The Employer contends that the current proposal provides for a percent of premium arguing that approximately 50% of the bargaining unit will receive a reduction in contributions, i.e., singles and couples, while the family will be paying something more. Under the current scheme everyone pays the same. The Authority further contends that by percent of premium everyone has a stake in their health insurance making certain that the cost of health insurance remains in check.

The Union's response is novel and persuasive. Essentially, the Union contends that they would modify the method by which employee contributions are made. Currently all employees pay 3% of salary.

The Union's proposal has a varying schedule where a single employee's contributions are 2.25% of payroll, two persons' contributions range from 2.75% to 3% of payroll, and family coverage is 3.5% of payroll. The Union's exhibit shows that if it was adopted and every employee participated in the Wellness Program, the amount of employee contributions would be more than would be if their contributions were a percent of payroll. If none of the employees enrolled in the Wellness Program, their model would not meet the amount yielded under the proposal in the tentative agreement. The Union's model shoots somewhere in the middle opining that most of the employees will likely go through the Wellness Program.

At the heart of the Union's argument is their concern that sometime in the future, beyond the term of this agreement, if the premiums become out of control and they receive no wage increases they will then be absorbing more than 8% of premium. The 8% of premium is what is proposed in the tentative agreement. Assuming the Union is correct in that premiums will become excessive in the years beyond the term of this agreement that issue will be left to the bargainers at that time. There is no doubt, however, that if premiums did "run wild", the Employer would insist that the "percent of pay" would need to be increased in order to cover the cost. The Employer's concerns are valid in that they do not want to be solely responsible for all increases and having the employees invested up to 8% on a premium is not at all out of line. As the Kaiser Family Foundation reports, the average employee contribution for a family plan in the United States is 21.9% of premiums. Under the current program, a family would be paying approximately 8%.

During the term of this agreement, assuming the employee takes the Wellness Program, it is most likely the employee would never have to pay more than $2,380.00 for family coverage, and if they do not undergo the Wellness Program, their contribution would be a maximum of $2,780.00; significantly less than what is being paid nationwide.

It is also remarkable to note that based on the enrollment more than 50% of the employees, i.e., employee only and two person, who participate in the Wellness Program and select the enhanced PPO will be paying less than what they currently pay throughout the term of the agreement with the possible exception of the last year, when in 2019 the two person would be paying approximately $163.00 more had the individual been paying 3% of his/her wages. Even if an employee in any of the categories elects not to participate in the Wellness Program (a program which is prevalent in the vast majority of health insurance programs), the difference between what they would be paying versus 3% of their current wages or their proposed solution is essentially negligible.

Because I find the insurance program as tentatively agreed to "extremely fair", especially in today's market and because the Union's argument, essentially focusing on what may happen beyond the term of this agreement, is not persuasive and therefore there is no need to change the tentative agreement. Those issues, if they occur, will be dealt with in future bargaining, something over the years the Union has done very effectively. Therefore, I see no reason to change the formula embodied in the tentative agreement.

The health care changes also dealt with employees retiring subsequent to January 1, 2017. (For those employees retiring and Medicare eligible, there are no changes in this agreement.) For those retiring under the age of 65 and entitled to retiree health insurance, the Authority contends, as evidenced by Attachment 7, that employees who retired after January 2009 were subject to both plan design and contribution changes consistent with what actives receive and pay. If correct, anyone who retired after January 1, 2017, would be subject to any additional increase in contributions to their retiree health care benefits, as well as changes in the plan design consistent with whatever the actives were paying and/or receiving. The Union contended just the opposite.

The parties appear to have settled this dispute by agreeing that these retirees would never have any increased contributions, but in the event there is an actives plan design change, those retiring after January 1, 2017 (as opposed to the Authority's position that those retiring after January 2009) would never have any increase in contributions but would be subject to changes in the plan design as applicable to the active employees.

Obviously, those employees retiring after January 2017 and who reach the age of 65 by the end of the contract term would have no changes as the health insurance plan is set for that period. Moreover, they would never have any increases in contributions. This seems to be a very fair resolution of a disputed claim and I am not inclined to alter that.

3. **Disputed Issue No. 9, Section 310 – Penalties for Sharking.** Under the current agreement an employee may be late for work up to 16 times before being subject to discharge. Under the tentative agreement the parties agreed they may be late 11 times before being discharged.

In addition, currently an employee may be late 13 times before a written warning is issued; 14 times before receiving a one-day suspension; and 15 times before receiving a five-day suspension. Under the tentative agreement a one-day suspension can occur when the employee is late five or six times; a three-day suspension if s/he is late seven or eight times; and a five-day suspension if s/he is late nine or ten times, with the possibility of discharge if they are late eleven times.

For a public service industry which depends on timely service, the tentative agreement is more than reasonable. If it were not part of a total package of an otherwise reasonable proposal I am not so certain that I would have been as generous as what the parties agreed.

The real issue, however, as testified to by Bryon Shane, the Union's Assistant Business Agent, is that by agreeing to this he lost a "bargaining chip" in negotiating changes in the 300 Section of the parties' agreement. It is noted that the parties have agreed that management and union committees will discuss possible changes in the 300 and 400 Sections of the agreement. This procedure was previously utilized for changes to the 400 Sections in the last contract and produced changes although it did take about a year and a half. He may be correct that a "bargaining chip" was removed from the Union's arsenal, however, the contract must be taken as a whole, and as a whole it is my opinion the fact that employees can be late as many as eleven times before being terminated is something virtually unheard of.

Moreover, the parties also agreed to change the wage rates of new hires in certain maintenance positions which would have been a bargaining chip for the maintenance employees. There were other changes in both the 300 and 400 Sections by increasing uniform allowance, possibly in exchange for other issues the Employer was seeking including "sharking" and entry level pay for maintenance employees.

As noted previously, the parties appear to have developed a very cooperative working relationship and I feel confident Mr. Shane can capitalize on that. Having heard Mr. Shane's testimony, I am certain he is a skilled enough negotiator to obtain the same type of result in his negotiations over the 300 Sections of the agreement as his counterpart, Mr. DiPerna, did for the maintenance employees in the 400 Sections of the agreement, notwithstanding the fact that the issue involving employee tardiness has been resolved. Therefore, I see no reason to change the language that is set forth in Section 310.

4. **Disputed Issue No. 13, Section 201B.1 – Non-Operating Employee Wage Rates.** Under the tentative agreement the parties agreed to establish a new wage rate of $24.00 an hour for employees in the position of serviceperson. Under the current agreement a serviceperson makes approximately a dollar an hour less than jobs such as auto mechanic, body repairman, painters, machinists, sheet metal workers, welders and woodworkers to name but a few. The parties recognized the disparity between a serviceperson who basically starts as unskilled labor yet receives a wage rate close to a skilled worker. As a result, they agreed to a $24.00 an hour rate for all new hires, while grandfathering all current employees.

The Union agrees with the principle that if an individual hired prior to December 31, 2016, is bumped into the position of serviceperson, that individual would retain the higher rate currently paid the servicepersons. What gives the Union heartburn is if that individual is in the serviceperson position and a skilled job position opens for which he/she is available to take but does not take the job, that person will no longer be entitled to the grandfathered rate.

The Union's position is that if an individual is working at, for example East Liberty, and that person lives in that area and a job opens at a location distant from his home or has different hours or off days, that individual may not want to take that position. The Authority's position is that many of the skilled people that they have trained should be working in skilled jobs. To allow them to continue at the higher rate of a serviceperson defeats the whole purpose of training individuals for the skilled positions. Their argument makes sense.

In addition, as Mr. DiPerna testified, the likelihood of such a situation occurring is remote. As a result, I am not inclined to change the language agreed to in the tentative agreement.

Employer's Suggested Change

Issue No. 4 – Wage, Salary and Rates of Job Classifications. The rates the parties agreed to in their tentative agreement are more than reasonable in today's marketplace. An 11.25% increase over four years is certainly competitive and by the evidence submitted the wage rates would place the rate among the top operators in the United States when adjusted for inflation.

The Authority contends, however, that those wage rates should now be shaved by .25% in each of the next four years thereby reducing the wage package by 1%. The basis for their position is that since they are not receiving the benefit of the health insurance program which was scheduled to begin in January and which cannot begin by January even if the parties agreed to this proposal or any other proposal because it takes at least three or four months to implement the change and the education process, they have lost the benefit of their bargaining. They estimate the cost of this delay is approximately $400,000.00 a month.

As the Union points out, the cost of a 1% wage increase is approximately $1.3 million. The Authority's argument grossly overestimates the amount needed to cover any such delay of implementation. Since I am not aware of when this may or may not be implemented, I believe the only adjustment in any wages should be in the last year, and therefore, rather than receiving a 3% increase in the final year, the employees' increase will be decreased .5% which will result in a 2.5% increase. I believe this is a fair and reasonable method to cover any additional costs resulting in a delay of implementation.

AWARD

I have attached my complete Fact Finding Recommendations.

It is hereby so Ordered this 26th Day of October, 2016.

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Marc A. Winters
Arbitrator
Seven Fields, Pennsylvania

Rank and File Unit

1. Term of Agreement. The Term of the Agreement shall be four (4) years effective July 1, 2016 through June 30, 2020. The terms and provisions of this agreement are prospective except where another date is so indicated.

2. Section 106, Grievances and Arbitration. A new Section G shall be added to provide as follows:

> The Agreement of the parties regarding Mediation/Arbitration is attached hereto as Appendix A.

[NOTE: The Appendix to be attached is attached hereto as Attachment 1.]

3. Section 111, Labor/Management Committee.

The parties shall establish a Committee that will, upon request, meet for the purpose of identifying any subcontractors who are on Port Authority property or performing work for Port Authority and to discuss issues of mutual concern including methods of identification for contractors performing work in accordance with a subcontract on Port Authority Property.

4. Section 201, Wage and Salary Rates and Job Classifications.

- Effective January 1, 2017 a 2.75% across the board increase shall be applied to all wage and salaried rates.
- Effective January 1, 2018 a 2.75% across the board increase shall be applied to all wage and salaried rates.
- Effective January 1, 2019 a 2.75% percent across the board increase shall be applied to all wage and salaried rates.
- Effective January 1, 2020 a 2.5% across the board increase shall be applied to all wage and salaried rates.

Master Mechanic – Port Authority has indicated an intent to create a master mechanic position. The position shall be paid in accordance with B.1 non-operating employee wage rates at Pay Group 7. Management shall have the right to select the most qualified applicant for the position based upon an interview. A Local 85 representative shall be afforded the opportunity to observe the interview.

5. Section 201 F, Electronic Banking.

Employees shall receive paychecks through mandatory direct deposit on or after January 1, 2017.

6. Section 206, Illness, Sick Leave, Accident and Sickness Insurance.

Section A. shall be revised as follows:

A. Hourly-rated employees in the active service of the Authority who have had one (1) or more years of continuous service will be allowed, beginning on the first anniversary date of employment and thereafter on their anniversary date of each year, sick leave ~~at the rate of ten (10) days~~ of eight (8) hours each per year based on the following schedule. Such sick leave shall be cumulative; any unused portion shall accumulate to the credit of the employee.

7. Section 210, Health Insurance Benefits.

- Effective as soon as practicable after ratification of this agreement, employees shall have the option to select either a basic or enhanced PPO from Highmark or UPMC. Employees shall contribute eight percent (8%) of the premium cost monthly. The Plan Options and the cost effective January 1, 2017 are attached hereto as Attachment 2 for illustrative purposes. Employees in the progression shall pay 6% of the premium cost monthly until they reach full rate, at which time they shall pay 8%.

- Port Authority shall have the right to self-insure health insurance benefits at its discretion at any time during the term of this Agreement, so long as the level of benefits and employee cost is unchanged.

- The parties have also agreed to incorporate a wellness incentive. Employees who complete the wellness program requirements are eligible for a credit of $200.00 for employees receiving employee only coverage and $400.00 for employees receiving multi-party coverage. See Attachment 3.

- The parties have agreed that if Port Authority becomes aware that its health care plan cost will subject the Authority to the Affordable Care Act's excise tax currently known as the "Cadillac Tax" the parties, through their Labor Management Committee, will immediately discuss steps to avoid imposition of the tax. The Labor Management Committee shall be empowered to seek bids from health care providers for similar or alternative plans, to make plan design changes or to take other action as may be necessary to avoid imposition of the Cadillac Tax. If the parties are unable to agree upon changes to avoid imposition of the tax, the parties agree that they shall submit this issue to expedited arbitration for the sole purpose of making changes necessary to reduce the cost of health insurance below the Cadillac Tax threshold. The Arbitrator shall have no authority to make any other changes to the Agreement of the parties and shall be limited to making changes necessary to avoid imposition of tax.

8. Part III, Hourly Rated Operating Employees. The parties have discussed revisions to Part III of their Agreement relating to hourly rated operating employees and are committed to continuing those discussions as part of this Tentative Agreement. In the event the parties are able to agree upon changes to the sections of Part III of their Agreement, they shall be implemented in accordance with the Agreement of the Parties. In the absence of an agreement to the contrary, the terms and provisions of Part III of the Agreement, as currently constituted, shall continue in effect.

9. Section 310, Penalties for Sharking. Section 310 shall be revised to provide as follows:

A. An operator is sharked when he/she does not report in person to the Dispatcher on or before scheduled pay time on any part of a day's work. A shark shall not be charged under the following conditions:

1. When an operator is less than one (1) hour late reporting in person to the Dispatcher because the trolley and/or bus on which he/she was traveling to work, and which was scheduled so as to allow arrival time at the division prior to scheduled pay time, was late or was out-of-service.
2. When an operator is sharked through sickness and remains on the sick absence list for seven (7) consecutive days, provided, however , that an operator absent due to illness as described above shall be required to report to the Port Authority medical Director for a physical examination prior to his/her return to duty. If later it is found that such operator was not sick, he/she will serve at the foot of the extra list for each day he/she was absent from duty. Subsequent violations of this provision, however, shall result in other appropriate disciplinary action.
3. When an operator reports absence to the Dispatcher in sufficient time to allow for traveling from his/her residence to the Division and reporting on or before scheduled pay time.

B. PENALTIES FOR SHARKING

1. Operators missing their runs (sharking)four (4) or fewer times in a calendar year shall for each miss serve one (1) day at the foot of the extra list and shall be paid for Time on Report protecting the service, subject to the provisions of Sections C and D below.
2. Operators missing their runs (sharking) 5 or 6 times in a calendar year shall receive a one day suspension without pay.
3. Operators missing their runs (sharking) 7 or 8 times shall receive a three day suspension without pay.
4. Operators missing their runs (sharking) 9 or 10 times shall receive a five day suspension without pay.
5. Operators missing their runs (sharking) 11 or more times shall be subject to additional disciplinary suspension or discharge.

C. An operator who is sharked on an early run, an early – late run, the 1st half of a swing run, or on the a.m. report of extra operators, shall also be charged with a day of absence unless he/she reports to the dispatcher and makes himself/herself available for duty within 4 hours of scheduled pay time, but prior to 2:45 PM, whichever occurs 1st.

An operator who is sharked on a late run, the 2nd half of a swing run, or on the PM report of extra operators, shall also be charged with a day of absence unless he/she reports to the dispatcher and makes himself/herself available for duty before the PM report of extra operators is excused.

The Dispatcher shall attempt to contact the sharked operator by telephone both at the time of the shark and during the four (4) hours next following.

D. An extra operator's failure to complete his/her work assignment on the day of their shark shall serve the next day at the foot of the extra board. After the shark is served, the operator shall be returned to his/her seniority slot on the extra board.

10. Section 311, Uniforms and Supplies. This Section shall be revised to provide as follows:

A. Operators will be permitted to purchase any available uniform items (but only one pair of shoes per year) up to a maximum value of ~~three~~ five hundred dollars ($~~300~~500) per calendar

year. The Authority will pay the entire cost up to ~~three~~ five hundred dollars ($~~300~~500) per calendar year. ~~The ($300) dollars shall be adjusted based on any increases in uniform cost. The formula to make these adjustments will be agreed to between the parties.~~ Operators hired on or after March 1, 1988, will pay the full cost for the first full uniform purchased. This initial uniform must consist of one (1) jacket with liner, three (3) pairs of trousers, six (6) shirts, one (1) pair of shoes and one (1) necktie. Effective ~~January~~ July 1, ~~2006~~2019, the uniform allowance shall increase from $~~300~~ 500 to $~~325~~550.

B. The Authority shall supply each operator with personal day books and patches necessary in the performance of his/her duties and jobs.

(Note: This provision will become effective with the next uniform purchase for operators – January 2017.)

11. Section 402, A.8, Working Conditions. This Section shall be revised to provide as follows:

8. Janitors shall be supplied with rubbers, rubber gloves and respirators as required, also with work clothes to the extent clothing is required, but not to exceed three (3) *sets* of work clothes per year.

Once per year all other non-operating hourly-rates employees shall receive and be provided items of work clothing. Each employee shall select any of the following items each year to a maximum of $~~325~~ 500 dollars. ~~The $325 dollars will be adjusted based on any increases in uniform cost. The formula to make these adjustments will be agreed to between the parties.~~Effective July 1, 2019, the uniform allowance shall increase from $500 to $550.

a. shirt and trousers;
b. coveralls;
c. jacket;
d. safety shoes (one pair per year).

The employees will bear the cost of laundering their work clothes. The quality of the work clothes shall be assured and correct sizes shall be furnished. The necessary safety equipment and clothing shall be available as required.

(Note: This provision will become effective with the next uniform purchase for non-operators - April 2017)

12. Section 402 A.12, Maintenance Apprenticeship Program.

The parties have discussed revisions to the Maintenance Apprenticeship Program and are committed to continuing those discussions as part of this Tentative Agreement. These discussions may include issues involving revised curriculum, preclusion of availability for overtime until fully qualified, lock-in periods and revised pay progressions. In the event the parties are able to agree upon changes to the Maintenance Apprenticeship Program, they shall be implemented in accordance with the agreement of the parties. In the absence of an agreement to the contrary, the terms and provisions of the Maintenance Apprenticeship Program, as currently constituted, shall continue in effect.

The parties may also discuss revisions to be made to automotive maintenance jobs for which MAP has not been implemented. These may include training, lock-ins, and revised progressions. In the event the parties

agree to changes in the agreement, those changes will be implemented in accordance with the agreement of the parties. Otherwise, the agreement will remain unchanged except as otherwise set forth herein.

13. Section 201 B.1. Non-Operating Employee Wage Rates. The parties have agreed to a new service person wage rate. The wage rate for a service person shall be Twenty-Four Dollars ($24.00) per hour (the "new hire rate") and shall become effective on January 1, 2017. Accordingly, any new employee hired into a service person position on or after January 1, 2017 shall be paid this rate subject to the pay progression outlined in Section 201E. The new hire rate of Twenty-Four Dollars ($24.00) per hour shall be effective on January 1, 2017 and shall be subject to the wage increases implemented effective January 1, 2018 and thereafter.

Employees who on December 31, 2016, hold the service person position shall continue to receive the rate they were paid as of December 31, 2016 and that rate shall be subject to the raises negotiated by the parties (the "grandfathered rate") provided however, that if any such employee bids out of the service person position and subsequently bids back into a service person position, he or she shall be subject to the new hire rate established for employees hired on or after January 1, 2017.

In addition, any employee who was employed with Port Authority as of December 31, 2016, and who does not, as of December 31, 2016, hold a service person position, shall have the right to bid into a service person position, if his or her seniority permits, and shall be entitled to receive the grandfathered rate subject to the following conditions: (1) this opportunity will be afforded to an employee only once during the eligible employee's career; and (2) any employee who does receive the grandfathered rate under this provision shall receive that rate for so long as he or she holds the service person position but will forfeit the right to that rate should they bid out of the service person job after exercising their one time opportunity under this provision and shall thus receive the new hire rate should they ever subsequently bid back into the service person position.

Lastly, any employee who was hired on or before December 31, 2016 and who is required by the lack of any other available option to bump into a service person position, as part of a bump held in connection with a reduction in force, shall be eligible to receive the grandfathered rate until such time as the employee has the first opportunity to bid out of the Service Person position. An employee grandfathered as a result of this reduction in force protection shall only be entitled to the protection for the period of time they are in the Service Person position as a result of a reduction in force bump for which the employee had no other alternative but to bump into a service person position and only until such time as the employee has the first opportunity to bid out. An employee who has the opportunity to bid out and elects not to do so at that employee's first opportunity to do so shall no longer be entitled to the grandfathered rate but shall be subject to the new hire rate in effect for those employed in the Service Person position on or after January 1, 2017.

14. Section 1101, Offboard Fare Collectors. Port Authority has indicated its intent to eliminate the Offboard Fare Collector position in connection with implementation of its cashless proof of payment system. Employees holding Offboard Fare Collector positions will, in connection with elimination of those positions, be subject to the following:

a. Those Offboard Fare Collectors who have previously held other positions at Port Authority and have frozen seniority in those positions will be afforded the opportunity to pick a job in the classification they previously held in accordance with their seniority in that classification.

b. Employees who have not previously held another Port Authority position or who, based on their frozen seniority cannot pick an open position in that job classification, will be offered a position that Port Authority intends to create to proactively assist passengers on the platform and shall continue to receive their Offboard fare collector rate and shall be subject to any increases set forth in the agreement. Employees who do not receive such a position or are unable to perform the duties of that position will be

returned to the 207 list or, if ineligible for placement on that list, will be subject to the furlough and recall provisions of the collective bargaining agreement.

15. The parties have agreed to execute the side letters attached hereto as Attachments 4 and 5.

16. The parties have agreed to execute the grievance settlement attached hereto as Attachment 6.

17. Those employees who were on progression or those who had benefit accruals frozen as of July 1, 2016, as part of the status quo shall be reinstated to the progression retroactively and made whole for any amounts and/or benefits that they would have been entitled to had they not been frozen.

First Level Supervisory Unit

1. Term of Agreement. The Term of the Agreement shall be four (4) years effective July 1, 2016 through June 30, 2020. The terms and provisions of this agreement are prospective except where another date is so indicated.

2. Article 9, Grievances and Arbitration. A new Section F shall be added to provide as follows:

> The Agreement of the parties regarding Mediation/Arbitration is attached hereto as Appendix A.
>
> [NOTE: The Appendix to be attached is attached hereto as Attachment 1.]

3. Article 11, Wages.

- Effective January 1, 2017 a 2.75% across the board increase shall be applied to all wage and salary rates.
- Effective January 1, 2018 a 2.75% across the board increase shall be applied to all wage and salary rates.
- Effective January 1, 2019 a 2.75% across the board increase shall be applied to all wage and salary rates.
- Effective January 1, 2020 a 2.5% across the board increase shall be applied to all wage and salary rates.

4. Article 11 Wages, Section D. Section D shall be revised to provide as follows:

> Employees shall receive paychecks through mandatory direct deposit on or after January 1, 2017.

5. Article 25, Uniforms. The uniform allowance shall be increased to the amount of $500 per calendar year. Effective July 1, 2019, the uniform allowance shall increase to $550.

6. Article 24, Seniority. Article 24 N. shall be added to the Agreement and shall provide as follows:

> The parties shall meet prior to a system pick. The system pick will be posted for five (5) business days prior to the beginning of the pick.

7. Article 23, Hours of Work and Overtime. The parties have agreed to discuss the potential use of four (4) ten (10) hour days in road operations. In the event the parties are able to agree upon changes to the Agreement to provide for this schedule, those changes will be implemented in accordance with the agreement of the parties. In the absence of an agreement to the contrary, the terms and provisions of Article 23, as currently constituted, shall continue in effect.

8. New Article. A new Article shall be added to the Agreement titled “Tuition Reimbursement” and shall provide as follows:

> Employees shall be eligible for tuition reimbursement subject to the same terms that the benefit is made available to managerial employees.