MEMORANDUM OF UNDERSTANDING

BETWEEN

MTA METRO-NORTH

And

TRANSPORT WORKERS UNION OF AMERICA

Representing

Carmen, Carmen Helpers and Coach Cleaners

The parties hereby agree to the following amendments and changes to the Collective Bargaining Agreement for the period January 1, 1999, through December 31, 2002.

This Memorandum of Understanding is subject to ratification by the membership of the Transport Workers Union of America and final approval by the Metropolitan Transportation Authority Board of Directors.

THIS AGREEMENT is made this 17th day of October, 2000, by and between the Metro-North Commuter Railroad ("Metro-North") and the employees represented by the Transport Workers Union of America.

## ARTICLE I – GENERAL WAGE INCREASES

### SECTION 1 – FIRST GENERAL WAGE INCREASE

Effective January 1, 1999, all rates of pay irrespective of the method of payment (hourly, daily, etc.), in effect on December 31, 1998 shall be increased by two percent (2%).

### SECTION 2 – SECOND GENERAL WAGE INCREASE

Effective January 1, 2000 all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on December 31, 1999 shall be increased by three percent (3%).

### SECTION 3 – THIRD GENERAL WAGE INCREASE

Effective January 1, 2001, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on December 31, 2000 shall be increased by three percent (3%).

### SECTION 4 – FOURTH GENERAL WAGE INCREASE

Effective January 1, 2002, all rates of pay irrespective of the method of payment (hourly, daily, etc.) in effect on December 31, 2001 shall be increased by three percent (3%).

### SECTION 5 – ELIGIBILITY FOR WAGE INCREASES

The January 1, 1999 retroactive payment shall be granted only to current employees for service performed in 1999 and 2000, and on a prorated basis for employees who, during 1999 or 2000; 1) retired; 2) died: 3) resigned while having a vested right to a pension under the Metro-North Defined Benefit Pension Plan; 4) were dismissed and subsequently reinstated or rehired with seniority restored.

## ARTICLE II – DEFINED CONTRIBUTION PENSION PLAN

Effective January 1, 1999, Metro-North will increase the contribution made to the Defined Contribution Pension Plan for Agreement Employees for employees who have completed nineteen (19) years of service from four percent (4%) to seven percent (7%). The increased contribution will be effective the first full pay period following the employees nineteenth (19th) anniversary date.

## ARTICLE III – DEFINED CONTRIBUTION PENSION PLAN BOARD OF PENSION MANAGERS

As soon as practicable Metro-North agrees to amend the Defined Contribution Pension Plan for Agreement Employees to provide for the appointment of a designee recommended by a Committee comprised of representatives from each of the certified labor organizations at Metro-North as a voting member of the Board of Pension Managers.

## ARTICLE IV – DOMESTIC PARTNERS

Metro-North will offer Domestic Partner coverage in accordance with Metro-North's Policy concerning Domestic Partners, as it may be amended.

## ARTICLE V – LIFE INSURANCE

Effective January 1, 2001, the Group Life Insurance for active employees provided by Metro-North will be increased from $28,000.00 to $100,000.00.

## ARTICLE VI– HEALTH INSURANCE OPT-OUT INCENTIVE PROGRAM

Metro-North will offer participation in the Opt-Out Incentive Program, commencing January 1, 2001, to eligible employees on the same terms and conditions as offered to non-represented employees.

Thereafter, participation in the Opt-Out Incentive program shall be offered on the same terms and conditions as it is provided to non-represented employees, as it may be amended, to active employees covered by this Agreement. The current program provides for full year payments of $1100 for opting out of family coverage and $550 for opting out of individual coverage.

## ARTICLE VII– DENTAL BENEFITS

Effective January 1, 2001, Metro-North shall provide to active members' dental benefits at the same level of benefit as provided to non-represented active Metro-North employees.

Should the active non-represented employee benefit levels or coverage for dental benefits substantially change in the future, either Metro-North or the TWU may re-open negotiations on the impact of that change. If the parties cannot mutually agree to resolve the dispute within ninety (90) days, the issue of the mitigation of the impact of the substantial change will be submitted to binding arbitration.

## ARTICLE VIII – HEARING AIDS

As soon as practicable Metro-North shall provide to all active members' hearing aid coverage in the amount of $1,000.00 every thirty-six (36) months.

## ARTICLE IX – FLEXIBLE SPENDING ACCOUNT

Effective January 1, 2001, employees represented by the TWU will be eligible to participate in the MTA sponsored Flexible Spending Account in accordance with the terms of the plan already established. Future changes to this plan are not subject to collective bargaining.

## ARTICLE X – WORK RULES

### SECTION I – MANDATORY DIRECT DEPOSIT OF PAYCHECK

All employees represented by the TWU must participate in Metro-North's payroll direct deposit program. Exceptions will be made only by agreement between the Local President and the Director – Labor Relations. Employees granted an exception will be not be allowed time during their tour of duty to cash their paycheck.

### SECTION II – FORMAL TRAINING PROGRAMS

In order to provide our workforce with the skills to become more productive and keep up with changes in technology, Metro-North will be increasing the formal training initiatives offered to the workforce. In order to ensure that limited training resources are used in the most efficient manner possible, the following elements have been agreed to:

1. Employees who attend formal training programs (such as welder certification) conducted by Metro-North or by outside concerns will be obligated to bid for and/or remain on a position that requires that newly attained skill for a definitive period of time. The "Lock in" period is on a sliding scale depending on the length of training provided. For each week of training provided, the employee will be obligated to remain on such a position for twelve (12) weeks time, not to exceed one (1) year. Employees can bid during the "Lock in" to another position that also requires the newly utilized skill as a job component.

### SECTION III – LABOR MANAGEMENT COMMITTEE

The parties agree to set up a Labor/Management Committee to study and review various productivity improvement measures. The Committee will consist of Metro-North representatives and TWU representatives and will meet within thirty (30) days from full and final ratification of this agreement.

The first agenda item for this committee is to review the feasibility of a Carmen training program/apprenticeship that Carmen Helpers/Coach Cleaners would be required to compete prior

to bidding for Carmen positions. The committee will study the feasibility of a company training program that will instruct employees on the mechanical and technical skills necessary to qualify as a Carmen.

Within ninety (90) days of the first meeting, the Labor/Management Committee will produce a recommendation regarding the best alternative procedures on promoting qualified employees from Carmen Helper/Coach Cleaner to Carmen. If the Committee fails to make an agreed upon recommendation within ninety (90) days, then Metro-North will establish a training program to instruct employees on the mechanical and technical skills necessary to qualify for a Carmen's position and will establish a pre-award examination for Carmen positions. This training will be given to the senior employee making application and the employees receiving training and testing will be compensated in accordance with the current practices. Carmen Helpers/Coach Cleaners will be required to pass this examination before they can be awarded a Carmen's position.

## ARTICLE XI - MORATORIUM

(1) The Agreement shall be effective January 1, 1999 and shall remain in effect through December 31, 2002 and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.

(2) The parties to this agreement shall not serve nor progress prior to July 3, 2002 (not to become effective before January 1, 2003) any notice or proposal for the purpose of changing agreements.

Unless otherwise specified above, all provisions of this agreement shall become effective immediately after ratification of the Transport Workers Union of America membership and the approval of the Metropolitan Transportation Authority Board.

This Memorandum of Understanding is subject to ratification by the membership of the TWU and final approval by the Metropolitan Transportation Authority Board of Directors.

FOR TRANSPORT WORKERS UNION OF AMERICA

Timothy Grandfield, International Director
Of Organization and President #2055
Transport Workers Union of America

FOR METRO-NORTH

Raymond Burney
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Peter McMahon, President, Local 2001
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