

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT (hereinafter referred to as the "Agreement") entered into this 5th day of August, 2015, by and between the City of New York (the "City"), and the Uniformed Firefighters Association of Greater New York, (the "Union").

WHEREAS, the undersigned parties desire to enter into a collective bargaining agreement, including this Memorandum of Agreement, modifying the collective bargaining agreements that expired on July 31, 2010 and July 27, 2011, to cover employees represented by the Union ("Employees") in the titles Firefighter, Fire Marshal, Wiper (F), Pilot, and Marine Engineer (Uniformed- Fire Department);

WHEREAS, the undersigned parties desire that the economic terms of the Agreement conform to the uniformed settlement pattern;

IN WITNESS THEREOF NOW, THEREFORE, it is mutually agreed as follows:

1. Duration:

The term of the agreement shall be from August 1, 2010 through July 31, 2017 (for Firefighters, Fire Marshals, and Wipers) and August 8, 2011 through July 27, 2018 (for Pilots and Marine Engineers).

2. Continuation of Terms:

The terms of the prior collective bargaining agreements shall continue, except as modified pursuant to this Memorandum of Agreement and side letters.

3. Wages:

a. For Firefighters, Fire Marshals, and Wipers:

i. Effective August 1, 2010, Employees shall receive a general wage increase of one percent (1%).

ii. Effective September 1, 2011, Employees shall receive a general wage increase of one percent (1%).

iii. Effective October 1, 2012, Employees shall receive a general wage increase of one percent (1%).

iv. Effective November 1, 2013, Employees shall receive a general wage increase of one percent (1%).

v. Effective December 1, 2014, Employees shall receive a general wage increase of one and a half percent (1.5%).

vi. Effective December 1, 2015 Employees shall receive a general wage increase of two and a half percent (2.5%).

vii. Effective December 1, 2016, Employees shall receive a general wage increase of three percent (3%).

b. For Pilots and Marine Engineers (Uniformed- Fire Department):

i. Effective August 8, 2011, Employees shall receive a general wage increase of one percent (1%).

ii. Effective August 28, 2012, Employees shall receive a general wage increase of one percent (1%).

iii. Effective September 28, 2013, Employees shall receive a general wage increase of one percent (1%).

iv. Effective October 28, 2014, Employees shall receive a general wage increase of one percent (1%).

v. Effective November 28, 2015, Employees shall receive a general wage increase of one and a half percent (1.5%).

vi. Effective November 28, 2016, Employees shall receive a general wage increase of two and a half percent (2.5%).

vii. Effective November 28, 2017, Employees shall receive a general wage increase of three percent (3%).

c. The increases provided for in Section 3 shall be calculated as follows:

- i. The general increases provided for in Section 3a and 3b 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 3 a.i shall be based on the base rates (including salary or incremental salary schedules) of the applicable titles in effect on July 31, 2010, and the general increase provided for in Section 3 b.i shall be based on the base rates (including salary or incremental salary schedules) of the applicable titles in effect on August 7, 2011.
- ii. The general increases shall apply to the CFR-D and Chauffeur/Tillerman Differentials.

4. Training

Effective September 1, 2015, CFR-D training shall be scheduled in advance by the Department to take place on employees' regular day off and shall be paid at a straight time rate.

As soon as practicable after the execution of this agreement, employees in the titles of Pilot and Marine Engineer (Uniformed- Fire Department) shall be eligible to receive CFR-D training.

In addition, the Department, at its discretion, may schedule 8 hours of training to be paid at a straight time rate.

5. Terminal Leave

The resolution of the Board of Estimate of the City of New York dated June 27, 1957, states the following:

Members of the Force shall be granted terminal leave with pay upon retirement not to exceed one month for every ten years of service, pro-rated for a fractional part thereof, provided, however, that no terminal leave shall be granted to an employee against whom departmental disciplinary charges are pending.

Effective September 1, 2015, the parties agree that such Employees as described in the Resolution above and are entitled to payment shall now be entitled to voluntarily choose the option of a one-time lump sum payment as their terminal leave benefit in lieu of their current terminal leave benefit prior to retirement. Such payments shall be made as soon as practicable after retirement.

In the event that a change in legislation is needed to effectuate this agreement, the parties agree to jointly support the necessary legislation to implement the terms of this Section 5.

6. Roster Staffing

The union agrees to withdraw, with prejudice, the cases docketed as BCB-2928-11, A-13849-11. The union agrees to withdraw the case docketed as A-13910-11 without prejudice to re-filing should a similar circumstance arise in the future.

Effective February 1, 2016, the Department will designate five (5) Engine Companies to be staffed with a fifth firefighter at the outset of each tour; i.e., staffing level of C + 5. Effective February 1, 2017, the Department will designate an additional five (5) Engine Companies to be staffed with a fifth firefighter at the outset of each tour; i.e.,

staffing level of C + 10. Effective February 1, 2018, the Department will designate an additional five (5) Engine Companies to be staffed with a fifth firefighter at the outset of each tour; i.e., staffing level of C + 15. Effective February 1, 2019, the Department will designate an additional five (5) Engine Companies to be staffed with a fifth firefighter at the outset of each tour; i.e., staffing level of C + 20.

The Department will have sole and exclusive discretion to decide which engine companies will be designated for staffing with five (5) firefighters. Subsequent to the designations, the Department may review these designations on a quarterly basis. In the event that the Department in its sole and exclusive discretion decides to change these designations, it will provide notice prior to the implementation of those changes.

The Department, on the first day of each month, will review firefighter availability for the preceding 365 days. In the event that firefighter average medical leave exceeds the "designated absence rate" for the preceding 365 day period, the Department will discontinue the staffing levels described above and ensure only a staffing level of C + 0 effective 09:00 hours the following day (the second day of the month). Such staffing level will remain in effect for the remainder of the month. The following month another review of medical leave for the preceding 365 days will occur. When a monthly review results in a return to a level at or below the "designated absence rate", the Department will resume regular staffing effective 09:00 hours the following day (the second day of the month). For the purposes of this agreement, the parties agree that the average medical leave of 7.50% is the "designated absence rate" and includes both line-of-duty and non-line-of-duty medical leave. Medical leave resulting from a agreed-upon catastrophic event will not be included in the medical leave calculation.

This Agreement includes by reference the commitment from the letter of November 28, 1989 from Robert W. Linn, Director of Labor Relations, to Professor Walter Gellhorn, as it relates specifically to the provision of the 96 hours of roster staffing overtime.

The entering into of this Agreement shall not be construed as an admission by the City or by the FDNY that it violated any provision of the New York City Collective Bargaining Law or the collective bargaining agreement between the City and the UFA.

7. Subsequent Contract Period

In the event that any other uniformed union receives an Award or reaches a negotiated settlement with economic terms greater than those provided in this agreement, the parties agree, pursuant to Section 209.2 of the New York State Public Employees Fair Employment Act, that the Union, following the expiration of this Agreement, will have the right to immediately seek the appointment of an interest arbitration panel for the contract period beginning August 1, 2017.

8. Health Savings and Welfare Fund Contribution

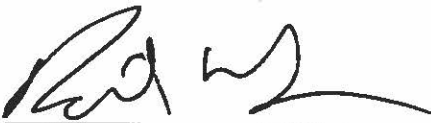
The May 5, 2014 Letter Agreement regarding health savings and welfare fund contributions between the City of New York and the Municipal Labor Committee, will be attached as an Appendix, and is deemed part of this Agreement.

Effective September 1, 2015, the City's welfare fund contribution shall be decreased by \$200 per member per year (active and retiree).

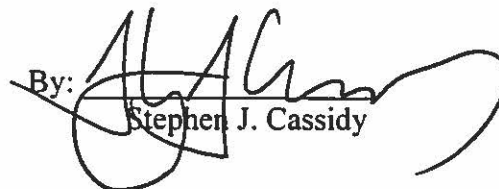
9. The terms of this Memorandum of Agreement are subject to agreement by the Mayor and ratification by the Union.

Agreed to this 5th day of August, 2015:

For the City of New York:

By: 
Robert W. Linn

For the Union:

By: 
Stephen J. Cassidy



OFFICE OF LABOR RELATIONS

40 Rector Street, New York, N.Y. 10006-1705
nyc.gov/olr

ROBERT W. LINN
Commissioner

RENEE CAMPION
First Deputy Commissioner

CLAIRE LEVITT
*Deputy Commissioner
Health Care Cost Management*

MAYRA E. BELL
General Counsel

GEORGETTE GESTELY
Director, Employee Benefits Program

Stephen J. Cassidy
President
Uniformed Firefighters Association
204 East 23rd Street
New York, New York 10010

Dear Mr. Cassidy:

The parties agree to complete and unequivocal support for State legislation to provide for amendment of the disability pension benefit, as indicated in the attached draft, subject only to technical revisions. The parties agree to jointly support a "Home Rule" message in order to enact such legislation.

The parties agree that they will not support or advocate for alternative legislation.

If the above conforms to your understanding, please countersign below.

Very truly yours,

Robert W. Linn
Commissioner

**UNIFORMED FIREFIGHTERS ASSOCIATION
AGREED AND ACCEPTED BY:**

Stephen J. Cassidy



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,

A handwritten signature in black ink, appearing to read "R. W. Linn", written over a horizontal line.

Robert W. Linn
Commissioner

Agreed and Accepted on behalf of the Municipal Labor Committee

BY: 
Harry Nespoli, Chair

AN ACT to amend the retirement and social security law,
 in relation to disability benefits for certain
 members of the New York city fire department
 pension fund

The People of the State of New York, represented in Senate and Assembly, do
enact as follows:

Section one. Section 501 of the retirement and social security law is amended by
adding a new subdivision 27 to read as follows:

27. "New York city enhanced plan member" shall mean (a) a New York city
police/fire revised plan member who becomes subject to the provisions of this article on or after
April first, two thousand sixteen and who is a member of the New York city fire department
pension fund, (b) a police/fire member who became subject to the provisions of this article
before April first, two thousand sixteen, who is a member of the New York city fire department
pension fund, and who makes an election, which shall be duly executed and filed with the
administrative head of such pension fund no later than ninety days after the effective date of this
subdivision and shall be irrevocable, to be subject to the provisions of this article related to New
York city enhanced plan members, or (c) a New York city police/fire revised plan member who
became subject to the provisions of this article before April first, two thousand sixteen, who is a
member of the New York city fire department pension fund, and who makes an election, which
shall be duly executed and filed with the administrative head of such pension fund no later than
one hundred-twenty days after the effective date of this subdivision and shall be irrevocable, to
be subject to the provisions of this article related to New York city enhanced plan members.

§ 2. Subdivisions c and e of section 507 of the retirement and social security law,
subdivision c as amended by chapter 18 of the laws of 2012, and subdivision e as added by
chapter 890 of the laws of 1976, are amended to read as follows:

1 c. 1. In the case of a member of a retirement system other than the New York state
2 and local employees' retirement system, the New York state teachers' retirement system, the New
3 York city employees' retirement system, the New York city board of education retirement system
4 or the New York city teachers' retirement system, or in the case of a member of the New York
5 city employees' retirement system who is a New York city uniformed correction/sanitation
6 revised plan member or an investigator revised plan member, the accidental disability benefit
7 hereunder shall be a pension equal to two percent of final average salary times years of credited
8 service which such member would have attained if employment had continued until such
9 member's full escalation date, not in excess of the maximum years of service creditable for the
10 normal service retirement benefit, less (i) fifty percent of the primary social security disability
11 benefit, if any, as provided in section five hundred eleven of this article, and (ii) one hundred
12 percent of any workers' compensation benefits payable. The provisions of this paragraph shall
13 not apply to New York city enhanced plan members.

14 2. In the case of a member of the New York state and local employees' retirement
15 system, the New York state teachers' retirement system, the New York city employees'
16 retirement system (other than a New York city uniformed correction/sanitation revised plan
17 member or an investigator revised plan member), the New York city board of education
18 retirement system or the New York city teachers' retirement system, the accidental disability
19 benefit hereunder shall be a pension equal to sixty percent of final average salary, less (i) fifty
20 percent of the primary social security disability benefit, if any, as provided in section five
21 hundred eleven of this article, and (ii) one hundred percent of any workers' compensation
22 benefits payable. In the event a disability retiree from any retirement system is not eligible for
23 the primary social security disability benefit and continues to be eligible for disability benefits

1 hereunder, such disability benefit shall be reduced by one-half of such retiree's primary social
2 security retirement benefit, commencing at age sixty-two, in the same manner as provided for
3 service retirement benefits under section five hundred eleven of this article.

4 3. In the case of a New York city enhanced plan member, the accidental disability
5 benefit hereunder shall be a pension equal to seventy-five percent of final average salary, less
6 one hundred percent of any workers' compensation benefits payable.

7 e. A member, except a New York city enhanced plan member, shall not be
8 eligible to apply for disability benefits under section five hundred six or this section unless such
9 member shall, at the time of application, sign a waiver prepared by the retirement system and
10 approved by the administrative head of such system pursuant to which such member agrees to
11 waive the benefits of any statutory presumption relating to the cause of disability or eligibility
12 for disability benefits, and a determination of eligibility for benefits hereunder shall be made
13 without regard to any such statutory provision.

14 § 3. Section 507 of the retirement and social security law is amended by adding a
15 new subdivision j to read as follows:

16 j. Notwithstanding any inconsistent provision of this chapter or any law, any
17 condition of impairment of health caused by diseases of the lung, resulting in disability or death
18 to a member of the New York city fire department pension fund who is a New York city
19 enhanced plan member, who successfully passed a physical examination on entry into service as
20 a firefighter, which examination failed to disclose evidence of any disease or other impairment of
21 the lung, shall be presumptive evidence that it was incurred in the performance and discharge of
22 duty, unless the contrary be proved by competent evidence.

§ 4. Section 510 of the retirement and social security law is amended by adding a new subdivision i to read as follows:

i. Notwithstanding any other provision of this article, the annual escalation provided in this section shall not apply to the accidental disability benefit for New York city enhanced plan members provided for in paragraph three of subdivision c of section five hundred seven of this article. Such members who receive such accidental disability benefit shall have a cost-of-living adjustment for such benefit, which shall be computed in the same manner as provided for by section 13-696 of the administrative code of the city of New York.

§ 5. Section 511 of the retirement and social security law is amended by adding a new subdivision g to read as follows:

g. This section shall not apply to a New York city enhanced plan member who receives the accidental disability benefit provided for in paragraph three of subdivision c of section five hundred seven of this article.

§ 6. Section 512 of the retirement and social security law is amended by adding a new subdivision e to read as follows:

e. Notwithstanding any inconsistent provision of this chapter or any law, a New York city enhanced plan member's final average salary shall be the average wages earned by such a member during any five consecutive years which provide the highest average wage; provided, however, if the wages earned during any year included in the period used to determine final average salary exceeds that of the average of the previous four years by more than ten percent, the amount in excess of ten percent shall be excluded from the computation of final average salary. In determining final average salary pursuant to any provision of this subdivision, where the period used to determine final average salary is the period which immediately

precedes the date of retirement, any month or months (not in excess of twelve) which would otherwise be included in computing final average salary but during which the member was on authorized leave of absence at partial pay or without pay shall be excluded from the computation of final average salary and the month or an equal number of months immediately preceding such period shall be substituted in lieu thereof. For the purposes of this subdivision, "wages" shall mean regular compensation earned by and paid to a member by a public employer, not including (a) lump sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked, (b) any form of termination pay, (c) any additional compensation paid in anticipation of retirement, and (d) in the case of employees who receive wages from three or more employers in a twelve month period, the wages paid by the third and each successive employer. For the purposes of this subdivision, "overtime compensation" shall mean compensation paid under any law or policy under which employees are paid at a rate greater than their standard rate for additional hours worked beyond those required, including compensation paid under section one hundred thirty-four of the civil service law and section ninety of the general municipal law.

§ 7. Section 517 of the retirement and social security law is amended by adding a new subdivision h to read as follows:

h. Notwithstanding any inconsistent provision in subdivision a of this section, New York city enhanced plan members shall, as of the effective date of this subdivision, contribute six percent of annual wages to the pension fund in which they have membership. The amount of any additional contributions relating to the chapter of the laws of 2016 which amended this subdivision that are required to be paid by the city of New York to the New York city fire department pension fund pursuant to section 13-638.2 of the administrative code of the

1 city of New York or section 13-638.3 of such code, as added by chapter 610 of the laws of 1991,
2 shall not be less than two million five hundred thousand dollars (\$2,500,000) in the fiscal year of
3 the city of New York commencing July 1, 2016, four million two hundred fifty thousand dollars
4 (\$4,250,000) in the fiscal year of the city of New York commencing July 1, 2017, five million
5 nine hundred fifty thousand dollars (\$5,950,000) in the fiscal year of the city of New York
6 commencing July 1, 2018, and seven million six hundred fifty thousand dollars (\$7,650,000) in
7 the fiscal year of the city of New York commencing July 1, 2019.

8 § 8. This act shall take effect immediately.