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President-Business Agent

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Recording Secretary



*"Freedom Through Organization"*

LOCAL 85

# AMALGAMATED TRANSIT UNION

1613 PENN AVENUE

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December 2, 2008

## NOTICE RATIFICATION MEETING ALL MEMBERS LOCAL 85 (BOTH UNITS)

The purpose of this meeting is to have the membership vote on the tentative agreement for a new collective bargaining agreement.

**When:** Sunday, December 07, 2008

**Where:** Soldiers and Sailors Memorial Hall  
4141 Fifth Avenue  
Pittsburgh, PA 15213

**Times:** 10:30 AM and 8:00 PM

One hour (1) hour prior to said General Membership meeting(s), members will be required to register outside the meeting hall, and each member will be issued an official voting ballot after showing proper identification or being recognized as a member of Local 85. After a member receives a ballot, the ballot must be shown to enter the meeting hall.

PATRICK J. MC MAHON  
President-Business Agent

SABATINO DI NARDO  
Financial Secretary-Treasurer

STEPHEN M. PALONIS  
Asst. Business Agent, Oper.

JEFFREY S. DI PERNA  
Asst. Business Agent, Maint.

Note: Copies of the tentative agreement to be voted on are available at your locations. Contact your Board Person.

The parties agree to amend their two current agreements as follows:

1. The term of the new agreements shall be four years.  
(Rank-and-file - July 1, 2008 – June 30, 2012)  
(First level supervisors - August 1, 2008 – July 31, 2012)
2. Wages shall be increased as follows:  

January 1, 2009	3%
January 1, 2010	2%
January 1, 2011	3%
January 1, 2012	3%
3. The employees shall pay the following amounts toward their health care coverage:  

January 1, 2009	2% of their wages up to a maximum of 40 hours per week
January 1, 2011	3% of their wages up to a maximum of 40 hours per week

The formula for employee contributions is set forth herein:

Medical Insurance – Premium Contributions. Effective February 1, 2009, first-level supervisors, and effective January 1, 2009, rank-and-file employees who have completed at least forty-eight (48) months of Authority employment, shall contribute two percent (2%) of base wages to the cost of their medical insurance premiums. Rank-and-file employees who have not as of January 1, 2009, completed at least forty-eight (48) months of Authority employment, shall contribute one and one-half percent (1.5%) of base wages until such time in 2009 as they may commence their forty-ninth (49<sup>th</sup>) month of Authority employment. Then, they shall contribute two percent (2%) of base wages. Effective February 1, 2011, and continuing through the contract's term, first-level supervisors, and effective January 1, 2011, rank-and-file employees who have completed at least forty-eight (48) months of Authority

employment, shall contribute three percent (3%) of base wages to the cost of their medical insurance premiums. Rank-and-file employees who have not, as of January 1, 2011, completed at least forty-eight (48) months of Authority employment, shall contribute two and one-half percent (2.5%) of base wages until such time in 2011, or later, as they may commence their forty-ninth (49<sup>th</sup>) month of Authority employment. Then, they shall contribute three percent (3%) of base wages.

4. Post-Retirement Medical Insurance – Eligibility. To be eligible for Authority-provided, post-retirement medical insurance, members of these bargaining units who retire subsequent to January 1, 2009, (February 1, 2009 for first level supervisors) must be entitled to an unreduced pension benefit, i.e., at least sixty-five (65) years of age, with a minimum of ten years of “continuous service” or a minimum of twenty-five years of “continuous service”, or, if hired subsequent to June 30, 2005, at least fifty-five (55) years of age, with a minimum of twenty-five (25) years of service.

5. Any employee age 60 or more having attained 30 or more years of continuous service as described in the parties’ Pension Agreement shall receive Authority-provided single/family medical insurance then offered to active employees at no cost to the retiree both prior and subsequent to Medicare eligibility. The Medicare Program shall be either the Select Blue or Freedom Blue as elected by the retiree, and the Port Authority’s payment shall be for that coverage as well as Medicare Part B premiums.

6. Any employee under the age of 60, but who has attained 30 or more years of continuous service as described in the parties’ Pension Agreement shall receive Authority-provided single/family medical insurance then offered to active employees but shall contribute to the cost of such coverage the same as actives. When the retiree attains Medicare eligibility, the medical payments for the Select Blue or Freedom Blue, as well as the Medicare Part B premiums, shall be paid by the Authority with the retiree contributing 1% of their last year’s wages for such coverage (2,080 hours maximum).

7. Any employee who has less than 30 years, but more than 10 years of service who attains age 65 or more shall be entitled to receive Authority-provided Select Blue or Freedom Blue, as well as the Medicare Part B premiums, with the retiree contributing 1% of their last year’s wages for such coverage (2,080 hours maximum). Any employee with 20 or more years of service who attains age 62 years

or more shall receive Authority-provided single/family medical insurance then offered to active employees but shall pay 50% of the premium for such coverage. Upon attaining age 65 they shall receive Authority-provided Select Blue or Freedom Blue as well as the Medicare Part B premiums with the retiree contributing 1% of their last year's wages for such coverage (2,080 hours maximum).

8. Any employee who attains 25 years of continuous service as defined in the parties' Pension Agreement by June 30, 2012 (First Level Supervisor's Contract July 31, 2012) shall be entitled to receive Authority-provided single/family medical insurance then offered to active employees and shall pay the same amount for such coverage the same as actives. Upon attaining Medicare eligibility, they shall receive Authority-provided Select Blue or Freedom Blue, as well as Medicare Part B premiums with the retiree contributing 1% of their last year's salary (2,080 hours maximum). Any employee reaching 25 years of continuous service as defined in the parties' Pension Agreement during the life of this agreement shall be considered vested for this benefit with the understanding that if the employee continues to work until they are age 60 or older with 30 or more years of service they shall be entitled to the same health care benefit available to all employees who retire at age 60 or more with 30 or more years of service.

9. \$500.00 supplement remains as is.

10. If the Actuarial Valuation Report for any year requires an Authority contribution into the Local 85 Pension Plan in excess of 20 million dollars or more and that payment is made, beginning January 1 of the following year, employee contributions to the pension plan shall be increased 1% to 5.5% of compensation. In any year that the Authority contributions fall below 20 million dollars, then January 1 of the following year, the employee's contribution shall be 4.5 %.

11. Effective January 1, 2009, the plan design as set forth herein shall become a part of the parties' agreement:

Medical Insurance – Plan Design. Effective no sooner than January 1, 2009, and on the condition that the medical insurance available to Port Authority non-represented employees is no more generous, the PPO Plan shall be modified to include a \$250 deductible (single) and \$500 deductible (family), and the prescription drug co-pays shall be \$0 (generic), \$25 (brand formulary) and \$50 (non-brand formulary). The HMO Plan shall be modified so that the co-pay for

doctor visits and physical therapy visits is \$20 and the prescription drug co-pays shall be \$0 (generic), \$20 (brand formulary), and \$45 (non-brand formulary).

12. Ad Hoc increases. The parties shall pursue through a declaratory judgment action a resolution to the legal issues relative to ad Hoc increases. A determination that these payments can legally be made will result in payment of the following ad Hoc increases.

Pensions – “Ad Hoc” Increases. Effective May 1, 2009, retirees who retired prior to January 1, 2008 with an unreduced Port Authority pension shall be entitled to the following increases: If the retiree’s 2008, total, gross, annual income from all sources (including, e.g., the retiree’s Authority pension, any other pension from any other source, a Social Security old age benefit, income from employment) was \$10,400 (the 2008 federal poverty threshold) or less, the retiree shall receive a \$100 a month increase in her/his Port Authority pension. If the retiree’s 2008, total, gross, annual income from all sources was more than \$10,400 but less than \$11,000, the retiree shall receive a \$50 a month increase in her/his Port Authority pension.

13. The Health and Medical Insurance Committee as set forth herein shall be incorporated in the parties’ agreement.

Health and Medical Insurance Committee. Effective no later than January 15, 2009, a six person (three Union, three Authority) committee shall be constituted. It shall have authority to meet, discuss, exchange information and ideas, and make recommendations about a variety of health insurance issues such as self-insurance, claims, audits, joining with other employers in a trust or consortium, different healthcare providers and insurers, achieving a healthier workforce, and any other matter related to the cost of health insurance. The committee’s chair, from January 15, 2009 through October 31, 2009, shall be a Local 85 member, the committee’s chair, from November 1, 2009, through March 31, 2011, shall be an Authority representative, and the committee’s chair, from April 1, 2011, through June 30, 2012, shall be a Local 85 member. The committee shall meet, at the call of the chair, no fewer than two (2) times each chairship.

The parties agree that the Committee shall also be able to discuss and recommend the viability and implementation of a single co-pay for a mail order 90-day supply of drugs.

14. The parties agree that there shall be established a Service System Design committee which shall study and be a part of any and all recommendations as to how the Port Authority's service and design implementation should be accomplished. There shall be an equal number of members from the Union and the Employer on this committee. This Committee shall also include a representative from the County's Executive office.

15. The parties shall establish a committee to discuss and deal with any excessive absenteeism and methods to rectify the same.

16. The parties shall jointly issue a statement with regard to their support for national health care.

17. The Union's proposal relative to the payment and operation of major/minor holidays shall be implemented.

Section 205 – Holidays with Pay:

- Amend the contract to provide that all holidays shall be picked separately. There shall be two categories of holidays. The categories are as follows:

Category 1 (considered major holidays):

New Year's Day  
Memorial Day  
Fourth of July  
Labor Day  
Thanksgiving  
Christmas Day

Category 2 (minor holidays):

Martin Luther King, Jr.'s Birthday

Presidents' Day  
Good Friday  
Veterans' Day

- For all major holidays, employees who work on a major holiday which falls on their regularly scheduled work day shall be paid in addition to the holiday pay a minimum of eight (8) hours as described above at time and one-half for those eight (8) hours and for all hours worked in addition to the eight (8) hours.
- As for minor holidays, the employer shall have the right to set and adjust service (including maintenance employees) to fit the needs of the system for those minor holidays. In the event the service is reduced, they shall have a separate pick for such holidays.

18. Prior to December 25, 2008, the parties shall each appoint a representative and meet to discuss and implement the procedures surrounding a lock-in for the Movement Director position. In the event an agreement is reached between the parties, the same shall be implemented and the Movement Director's wages shall be increased by \$2.00 per hour. The lock-in period shall be for two years.

19. Those employees who were on progression or those who had benefits frozen as of July 1, 2008, 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.

20. Except where otherwise indicated, all changes shall be effective January 1, 2009 (First Level Supervisor's Contract February 1, 2012).

21. Any provisions of the parties' previous agreements (July 1, 2005 through June 30, 2008, and August 1, 2005 through July 30, 2008) not specifically changed herein shall remain as is. Any and all other proposals submitted by either party are withdrawn.

The undersigned parties agree that they shall recommend the above for ratification and acceptance to their respective organizations.