



Date: May 19, 2015

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: **Collective Bargaining Agreement Between the Authority and Local Unions 2032 and 2104 – International Brotherhood of Electrical Workers – Successor Agreement**

SUMMARY

The Trustees are requested to approve the Collective Bargaining Agreement ("Agreement") dated April 1, 2011, between the Authority and Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers ("IBEW"), AFL-CIO. The term of the Agreement, if approved, will have an effective date of April 1, 2011 and will expire on March 31, 2019. It covers employees at the Authority's Blenheim-Gilboa Pumped Storage Project ("B-G"), Frederick R. Clark Energy Center ("Clark"), Niagara Power Project ("Niagara") and St. Lawrence/FDR Power Project ("St. Lawrence").

BACKGROUND

The Authority and the IBEW have been parties to collective bargaining agreements since 1961. This Agreement is the successor general agreement negotiated between the parties following the expiration of the 2006 labor contract.

After three and half years of negotiating without resolution, the Union filed for Impasse in September 2014. With the assistance of the Director of Conciliation from the Public Employment Relations Board, the parties were able to reach an agreement on a successor collective bargaining agreement.

The Authority's negotiating committee that participated in the impasse process and achieved this agreement was chaired by Edward Welz, Chief Operating Officer. The committee also consisted of Carol Geiger-Wank, Director, Labor and Special Projects, Edward Rider, Northern NY Regional Manager, Lori Alesio, Assistant General Counsel, Human Resources and Labor Relations; and Daniel Rizzi, outside counsel. The IBEW had representatives from both locals and from each facility where the IBEW represents employees at the Authority. Johnathan Johnson, the IBEW attorney, chaired the union's negotiating committee.

Agreement on a new contract was reached on March 31, 2015, four-years after the expiration of the 2006-2011 agreement. As a consequence, this new Agreement will become effective retroactive to April 1, 2011, pending Trustee Approval. The Agreement reached by the Authority's and the Union's negotiating committee was ratified by the Union membership on May 8, 2015.

DISCUSSION

The term of the Agreement runs from April 1, 2011 through March 31, 2019.

I. Wage Increases

The Agreement provides for a \$4,000 non-pensionable lump-sum payment to be paid to employees on payroll on the contract ratification date on a pro-rata basis.

The Agreement provides for a general wage increase 3.5% effective April 1, 2014; 2.0% effective April 1, 2015; 2.0% effective April 1, 2016; 2.5% effective April 1, 2017 and 2.5% effective April 1, 2018. There was no negotiated wage increase for the years 2011 through 2013.

II. Medical and Other Benefits

The parties' built upon escalating employee monthly health insurance contribution amounts for benefits beginning in 2015 and continuing throughout the contract term as follows:

<u>Year</u>	<u>Individual / Family</u>
Upon Ratification	\$1,000 / \$1,600
1/1/16	\$1,000 / \$2,500
1/1/17	\$1,300 / \$3,300
1/1/18	\$1,400 / \$3,500

In addition, the parties adopted all benefits that are required to be provided by the Patient Protection and the Affordable Care Act ("PPACA"). Should legislation change the current elements of this law, either party may request to meet and negotiate the cost of those changes.

Other benefit plan changes include escalating co-payments for office visits and services, as well as increases in prescription drug. The parties also agreed to increased coverage levels in annual dental maximum limits, and short- and long-term disability coverage. Domestic partner benefits were extended to cover bereavement leave, and domestic partners will be eligible for retiree medical coverage, under certain conditions.

Combined, these and other negotiated medical plan improvements will generate annual benefits-related costs savings of over \$3.6 million over the contract term.

III. Retiree Medical Coverage

The Agreement also provides significant changes in the area of retiree medical benefits.

Current employees who retire after January 1, 2018 may change their coverage type from individual to family one time during retirement, and pay the difference between the annual family and individual plan contribution.

Effective January 1, 2019, current employees who retire will pay 50% of the difference between the medical contribution for NYPA's main benefit plan and any other Plan. Also,

effective January 1, 2019, current employees who retire shall be subject to the same plan terms as active employees.

In addition, agreement was also achieved for new hires that will now require 15 years of service to be eligible for retiree medical benefits. These individuals will also pay 50% of the same premium contribution as active employees, be subject to the same plan terms as active employees, and may not change their coverage type or add new or different dependents.

While the combined changes to retiree benefits do not generate annual benefits-related costs savings during the contract term, they are expected to generate average annual cost savings of approximately \$3.7 million post contract term due to lower annual required contributions to the Other Postemployment Benefits (“OPEB”) Trust.

IV. Union Release Time

Significant changes were also made to the union officer release time provision of the Agreement. The current arrangement will remain in place until November, 2016. Thereafter, the Union Officers will remain on full release; however, the parties eliminated the Authority’s responsibility relating to premium pay for those positions. In addition, the “upgrading and backfilling” to the leadership positions for short-term absences has been eliminated while adding more prescriptive language for the leadership’s accountability and access to the facility.

V. Apprentices Program

The parties also committed to work together to revitalize the Apprentices Program to maintain a highly skilled craft workforce to operate its business effectively. Increases in tuition reimbursement were also achieved in this contract.

FISCAL INFORMATION

The 2014 retro wage increase and 2015 lump-sum payments amount to \$3.63 million. The general wage increases for the 2015 - 2019 period are consistent with the Authority's long-term financial forecast. The estimated incremental annual costs are:

2015 - \$2.6 million
2016 - \$3.6 million
2017 - \$4.8 million
2018 - \$6.1 million

Payments will be made from the Operating Fund.

RECOMMENDATION

The Chief Operating Officer, the Executive Vice President – Power Generation and the Vice President – Transmission recommend that the Collective Bargaining Agreement reached between the Authority and Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers, AFL-CIO, be approved by the Trustees.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Director, Labor and Special Projects be, and hereby is, authorized on behalf of the Authority to execute a Collective Bargaining Agreement with Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers, AFL-CIO, covering specified operating and maintenance employees of the Blenheim-Gilboa Pumped Storage Project, Frederick R. Clark Energy Center, Niagara Power Project and St. Lawrence/FDR Power Project, with changes to that Agreement as described in the attached memorandum of the President and Chief Executive Officer and attached summary (Exhibit "A"), subject to approval of the form thereof by the Chief Operating Officer and the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

March 31, 2015

MEMORANDUM OF AGREEMENT

BETWEEN

POWER AUTHORITY OF THE STATE OF NEW YORK

And

LOCAL UNIONS 2032 and 2104, INTERNATIONAL

BROTHERHOOD of ELECTRICAL WORKERS,

A.F.L.- C.I.O.

The Negotiating Committees of the Power Authority of the State of New York and Local Unions 2032 and 2104 of the International Brotherhood of Electrical Workers, AFL-CIO, after extensive negotiations and with the assistance of a PERB mediator, have reached agreement, subject to the ratification of the memberships of the Local Unions and the approval of the Power Authority's Trustees and the IBEW International office, on all of the following changed terms which will be incorporated in the successor collective bargaining agreement whose term shall run from April 1, 2011 through March 31, 2019.

TERMS

1) Wage Increases and Lump Sum Payment (Article VII)

Wage rates shall be increased as follows effective on the below-listed dates for employees on the payroll on the contract ratification date and thereafter:

4/1/14	3.50%
4/1/15	2.00%
4/1/16	2.00%
4/1/17	2.50%
4/1/18	2.50%

A non-pensionable lump sum payment in the gross amount of four thousand (\$4,000) dollars shall be paid on a pro-rata basis to employees on the payroll on the contract ratification date.

The lump sum amount an eligible employee shall receive will depend upon the period of time he/she was employed during the 4-year interim period (4/1/11 through 3/31/15). For example, an employee who was on the payroll for the entire 4-year period (48-months) will receive the full \$4000 gross non-pensionable payment (48/48 x \$4000); if he/she was on the payroll for two years, he/she will receive \$2000 (24/48 x \$4000); if he/she was on the payroll for 10 months, he/she will receive \$833.33 (10/48 x \$4000); and so on.

2) Annual employee health insurance contribution amounts shall be changed as follows:

<u>Year</u>	<u>Individual / Family</u>
After ratification	\$1,000 / \$1,600
1/1/16	\$1,000 / \$2,500
1/1/17	\$1,300 / \$3,300
1/1/18	\$1,400 / \$3,500

3) Annual (out of network) health insurance deductible amounts shall be changed as follows:

<u>Year</u>	<u>Individual / Family</u>
After ratification	\$400 / \$1,200 (no deductibles for in network), except \$50 annual home health- HIGH 1-1)
1/1/16	\$500 / \$1,500
1/1/17	\$600 / \$1,800
1/1/18	\$700 / \$2,100

4) Annual (out of network) per person/family out of pocket maximum amounts, shall be changed as follows:

<u>Year</u>	<u>Individual / Family</u>
After ratification	\$800 / \$2,200
1/1/17	\$900 / \$2,400

5) Health Insurance PPO Co-Pays shall be changed as follows:

<u>Year</u>	
After ratification	\$25
1/1/16	\$25
1/1/17	\$25
1/1/18	\$30

6) Health Insurance RX Co-pays shall be changed as follows:

<u>Year</u>	
After ratification	\$8 - \$25 - \$40, 2.5x mail order
1/1/16	\$8 - \$25 - \$45, 2.5x mail order

7) Increase health insurance waiver Opt-Out amount from \$600 to \$1,500.

8) Increase hearing aids maximum amount from \$1,000 every three years to \$1,500 every three years.

9) Eliminate second surgical opinion requirement.

10) Increase maximum dental benefit amount from \$1,500 to \$2,000. Demonstration of student status no longer required.

11) Increase maximum monthly long term disability benefit from \$2,000 to \$3,000.

- 12) Increase the weekly short term disability benefit from 50% of the employee's basic wage up to a maximum weekly benefit of \$500.
- 13) Remove "Working Spouse Rule".
- 14) NYPA will provide all benefits required to be provided by PPACA.
- 15) If NYPA elects to change the third party administrator of the NYPA Plan, NYPA agrees to provide the Union with notice and the opportunity to consult respecting such change.
- 16) Include the following into the Benefits Book:

Med-24:

Services and Supplies not covered:

Remove "Charges for immunizations and medical exams or tests not necessary for the treatment of a covered injury, sickness or pregnancy.

Remove "charges for routine well baby care".

Add "The following services shall be covered consistent with PPACA."

- Bacteria screening, urine, pregnant women 12-16 weeks
- Abdominal Aortic Aneurysm screen -
- Basic metabolism test "general health panel"
- Bone mineral density tests
- Chlamydia screening
- Cholesterol test
- Colonoscopy and Sigmoidoscopy
- Fecal blood testing
- Gonorrhea screening
- Hemoglobin and Hematocrit testing
- HIV screening
- HPV screening
- Immunizations
- Lead screening
- Mammograms
- PAP smear
- Physical exam
- Birth Control
- Prenatal and postpartum visits
- Prostate test "PSA" testing
- Rh screen
- Rubella screening
- Syphilis infection screening
- Type 2 Diabetes screening
- Well child visits -
- Diet counseling
- Obesity screening and counseling
- Osteoporosis screening
- Cervical cancer screening
- Congenital Hypothyroidism screening for newborns
- Routine obstetrical / gynecological exam

- Tobacco screening, counseling, cessation interventions and addiction prescription
- Vision coverage
- Counseling for women with breast cancer
- Phenylketonuria
- Screen for inherited enzyme disease –
- Kids depression
- Sickle Cell testing
- Fluoride, chemoprevention supplement
- Breast feeding instruction

In Network In-Patient Hospital

No Charge – Surgery, Anesthesiology, Radiology, Visit-consultation

In Network Out Patient Services

Surgical Procedures	\$25
Mental Health	\$25
Substance abuse – diagnosis	\$25
Advance Radiology	\$25
Cardiac & Pulmonary Rehab	\$25

Other

Ambulance	\$50
Emergency Room	\$45 – waived if admitted
Urgent Care	\$30
No more mandatory second opinion	

(See Preventative Care – See United Health Care Material)

If the PPACA is repealed, or the foregoing list of preventive care items is changed by law to add to, delete from, or modify such list, upon written request, either party may request to meet and negotiate a change in cost.

17) Increase tuition reimbursement benefit from \$1,500 to \$3,500.

18) Establish Labor Management Committee to discuss how to revitalize and improve the current Apprentice Program.

19) Establish meal allowance at \$23 and eliminate hot meal requirement.

20) Change “Washington’s Birthday” to “Presidents’ Day”.

21) Changes to retiree health insurance are reflected in the attached document.
See Attachment 1.

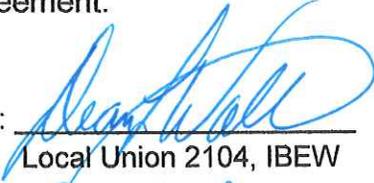
22) The “death in family” benefit of Article VIII, Section 17(a) shall be extended to NYPA qualified domestic partners.

23) Changes to Union Release time clause are reflected in the attached document.
See Attachment 2.

The foregoing reflects the parties' final and complete agreement.

By: 
New York Power Authority




By: 
Local Union 2104, IBEW
By: 
Local Union 2032, IBEW






Retiree Health Insurance

Current Employees

Current employees who retire after 1/1/19 shall pay nothing for the NYPA Plan, but if enrolled in another plan, shall pay 50% of the difference between the NYPA plan and his/her other plan.

Current employees who retire after 1/1/19 shall be subject to the same plan terms (deductibles, co-pays, out-of-pocket expenses, RX co-pays, etc.) as active employees.

Current employees who retire after 1/1/18 may change their coverage type from individual to family coverage or add new or different dependents (e.g., spouse, new spouse, children) a maximum of one (1) time, if the retiree pays the difference between the annual family and individual plan contribution.

If after a life-changing event the retiree moves from family to single plan coverage, the contribution will be adjusted to an individual plan.

After contract ratification, an active employee with a covered domestic partner will have that specific partner continued to be covered during retirement.

Employees Hired After Contract Ratification Date

Employees hired after the contract ratification date, upon retirement, shall pay 50% of the same premium contributions as active employees.

Employees hired after the contract ratification date, upon retirement, shall be subject to the same plan terms (deductibles, co-pays, out-of-pocket expenses, RX co-pays, etc.) as active employees

Employees hired after the contract ratification date, upon retirement, may not change their coverage type (e.g., individual, family), and may not add new or different dependents (e.g., spouse, new spouse, children). *If, after a life changing event, the retiree moves from family to single coverage, the contribution will be adjusted to 50% of the individual plan.*

Employees hired after the contract ratification date shall be eligible for retiree insurance after 15 years of NYPA service.

UNION RELEASE TIME

Recognizing the need to resolve disputes expeditiously and at the lowest level possible, and in order to provide day-to-day open communications between management and labor, the Power Authority authorizes Local 2032 and Local 2104 to designate one official each to act as full-time representative for their local union in dealings with the Authority.

The individual designated will remain on the Power Authority payroll at the rate of pay equal to ten percent (10%) above the highest bargaining unit rate applicable to the current contract. Effective November 1, 2016, or earlier if either of the two current incumbents vacates their position, the Union shall reimburse the Authority pursuant to a periodic invoice for the difference between the designated individual's wage rate and the highest bargaining unit wage rate applicable to the current contract, plus 10%. The individual will continue to receive negotiated salary increases and benefits and will also continue to accrue seniority. Timesheets for this employee should be sent to the project where the individual was assigned when elected to the union office. The designated individuals agree to be available to meet with management upon request, and such requests shall not be unreasonably denied. Payment will be for forty hours only (no overtime.)

Since this representative will devote full time to union-management relations, s/he will be based out of the respective local union office and all expenses associated with this office and the full-time position will be the responsibility of the union. Expenses previously reimbursed by the Authority in connection with the union-management meetings will continue to be reimbursed on the same basis. The full-time union official will be given access to any of the projects upon reasonable notice to the respective Regional Manager or VP Transmission or his/her designee of the need to do so. Such requests shall not be unreasonably denied consistent with business operations.

Normally, there will not be a substitute to fill in for the full-time official when he is on vacation or short term sick leave. In the event of a long term absence, the Power Authority would be willing to discuss the need for a replacement. Additionally, should a serious problem develop during the absence of the full-time official, the Authority may call upon the Union for assistance by providing another official to help resolve the problem.

When an individual no longer holds the union office designated, s/he will be returned to work in his/her classification upon written request.

In consideration of the foregoing, the Union recognizes the Authority's assumption of the cost of this program and agrees to the basic principle prompting this action.