

993

OFFICE CLERICAL EMPLOYEE'S

AGREEMENT

BY AND BETWEEN

WESTERN MONMOUTH UTILITIES AUTHORITY

AND

HIGHWAY AND LOCAL MOTOR FREIGHT DRIVERS,
DOCKMEN AND HELPERS, LOCAL UNION NO. 701

AFFILIATED WITH THE INTERNATIONAL

BROTHERHOOD OF TEAMSTERS

EFFECTIVE FEBRUARY 1, 1999 THROUGH JANUARY 31, 2003

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ARTICLE 1. RECOGNITION OF RIGHTS

A. RECOGNITION OF UNION

1. In accordance with the "Certificate of Representative" of the Public Employment Relations Commission dated September 2, 1992 (Docket NO. RO 91-131), the Authority recognizes the Union as the exclusive collective bargaining agent in matters pertaining to wages, hours of work, and other terms and conditions of employment for all its employees in the Union.

2. The Authority will not negotiate with nor grant rights afforded under terms or provisions of this Agreement to any other employee organization in connection with the employees in the Union.

3. Included: All clerical employees employed by the Western Monmouth Utilities Authority.

Excluded: All managerial executives, confidential employees, supervisors within the meaning of the Act, professional employees, craft employees, all employees in other negotiating units and all other employees employed by the Western Monmouth Utilities Authority.

B. MANAGEMENT'S RIGHTS

1. Except as specifically modified, relinquished or restricted herein, as long as such terms are in conformance with the Constitution and Laws of the State of New Jersey and of the United States, the Authority retains and shall possess and may

exercise all rights, powers, functions, and privileges whether or not exercised, existing to it prior to the recognition of the Union and the execution of this Agreement, and same shall be retained by the Authority and remains exclusively in the discretion of the Authority.

2. Included in such rights, but not limited thereto, is the Authority's right to manage and operate its facility, to introduce new methods of operation and administration, to determine, establish or modify job standards, to introduce or change machinery, equipment and technical apparatus, to direct the working forces, to fix the number of shifts and adjust the same from time to time, to hire, classify, promote, transfer, discharge, suspend, discipline, lay-off, and recall employees, and, generally, to control and direct the Authority in all of its operations and affairs.

3. Nothing contained herein shall be construed to deny or restrict the Authority in its exclusive right to administer the Authority and control the work of its personnel, nor to deny or restrict the Authority in any of its rights, responsibilities, duties, or authority under N.J.S.A.40-14B, the Sewerage Authority Law or any other national, state, county, or local law or ordinance.

ARTICLE 2. POLICY AGREEMENTS

A. NON-DISCRIMINATION

1. The Authority and the Union agree there shall be no discrimination against any employee because of age, sex, marital status, color, religion, national origin, physical handicap, political affiliation, Union membership, or legal Union activity permitted herein.

B. DUES DEDUCTION

1. The Authority agrees to deduct from the wages or salaries of its employees, subject to this Agreement, dues for the Union. The amount of dues will be certified to the Authority by the Secretary-Treasurer of the Union, and such deductions shall be made in compliance with Chapter 310, Public Laws of 1967, N.J.S.A. 52:14-15.9 (e) as amended. Said monies together with records of any corrections shall be forwarded to the Union office in accordance with the monthly bill-paying cycle of the Authority.

2. If, during the life of this Agreement, there should be any change in the rate of membership dues, the Union shall furnish to the Authority written notice prior to the effective date of such change, and shall furnish to the Authority either a new authorization from each of its members showing the authorized deduction for each employee or an official notification on the letterhead of the Union and signed by the Secretary-Treasurer or President of the Union advising of such changed deduction.

3. The Union shall provide the necessary Authorization forms, secure the signature of its members on the forms, and deliver the signed forms to the Executive Director of the Authority. The Union shall indemnify, defend and save the Authority harmless against any and all claims, demands, suits or other forms of liability that should arise out of or by reason of action taken by the Authority in reliance upon wage or salary deduction authorization cards submitted by the Union to the Authority or in reliance upon the official notification on the letterhead of the Union and signed by the President and Secretary-Treasurer of the Union advising of such changed deduction.

4. If a full-time regular employee is not a member of the Union, said employee shall be required to pay a representation fee to the Union. The representation fee, in lieu of dues shall be in an amount equivalent to the regular membership dues, initiation fees, and assessments charged by the Union, less the cost of benefits financed through the dues, fees and assessments and available to or benefitting only its members, but in no event shall such fee exceed eighty-five per cent of the regular membership dues, fees, and assessments.

C. STRIKES-LOCKOUTS

1. It is agreed, subject to the laws of the State of New Jersey applicable thereto, that the Union, its officers and representatives, and the employees covered by this Agreement will

not strike, slow down, picket, or engage in any job action that interferes with the Authority's operation of its facility during the term of this Agreement. Likewise, the Authority agrees there will be no lockout of employees during this Agreement.

2. Should there be a strike, picketing job action or interruption of or interference with the Authority's operations, or violations of this Article in any manner by the Union and/or the employees covered hereunder during the term of this Agreement, the Union by its officers, agents, and shop steward, shall immediately declare in writing the action so taken as illegal and unauthorized and order said employees to immediately cease the said activity and to resume their full job activities. The Union agrees further to cooperate with the Authority, to remedy any such situations by immediately giving written notice to the Authority and the employees involved, declaring the said activity unlawful and directing the employees to return to work.

3. The Authority shall have the right to take such disciplinary action which it deems necessary against any or all of the employees who participate in the aforementioned improper activity and such participation could constitute just cause for discharge.

4. These agreements are not intended to limit the freedom of speech or demonstration of the individual.

ARTICLE 3. AUTHORITY RULES

A. RESPONSIBILITY

1. It shall be the responsibility of the employee to be aware of the contents of this Agreement and any additions necessitated by its provisions.

B. LATENESS

Whenever an employee is delayed in reporting for a scheduled work shift, he/she should attempt to contact his/her supervisor in advance, if possible. An employee is late when he/she is not punched in and ready to work at his/her scheduled starting time.

C. REST AND MEAL BREAKS

1. An unpaid meal break shall be provided to all employees of one (1) hour or one-half ($\frac{1}{2}$) hour, depending on the employee's work schedule.

2. On days when paychecks are distributed, the meal break shall be extended for fifteen minutes for the purpose of conducting any necessary banking transactions. This additional fifteen minutes shall be given without any loss of time or pay.

D. EXISTING RULES AND REGULATIONS

The Union recognizes the existence of all existing Rules and Regulations, terms of employment, and personnel notices issued by the Authority. A Joint Labor Management Committee shall be formed which shall meet to consolidate, formulate and revise all work

rules, employee's guide to conduct, and any other matters, to insure that only one set of rules exists with regard to discipline. Management will issue and distribute to each employee a copy of the work rules and regulations.

E. NEW RULES

1. The Authority may establish such Authority rules as it deems necessary or desirable, provided that such are not in conflict with the terms and provisions of this Agreement and further, provided that any controversy arising out of the establishment or exercise of any such rules is subject to the grievance procedure.

2. The Authority shall provide a list of all management personnel who can respond to grievances or issue rules.

ARTICLE 4. DISCIPLINE AND DISMISSAL

A. DEFINITION

Discipline of an employee shall be imposed only for just cause, and shall be defined as any written warning notice, suspension, demotion, or dismissal.

B. WARNING NOTICE

1. Any written warning notices issued by the Authority shall be given to the employee involved, and a copy of the same shall be given to the Union Steward and the Union.

2. Any warning notice shall not remain in effect for a

period of more than eight (8) months providing the employee does not receive any additional warning notice.

* 3. No warning letter or letter of suspension shall be considered valid unless issued by the Employer within ten (10) days excluding Saturday, Sundays and Holiday's from the date the Employer knew of or reasonably should have become aware of the specific grounds and circumstances upon which it is based.

C. SUSPENSION

An Employee shall not be suspended until the Local Union has been given two day's notice by phone and/or in writing (Saturday, Sunday and holidays shall be excluded in determining the two-day period) unless the circumstances are such that the Authority or the employee would be better served by his/her not being at work.

D. DISMISSAL

The only causes for immediate dismissal prior to a hearing shall be for:

- (a) Theft of money, goods, or merchandise.
- (b) Being under the influence of alcohol while at work.
- (c) Being under the influence of drugs while at work.
- (d) Punching in or out another's time card without express permission by the Authority.
- (e) Possession of drugs, alcohol, or television sets on the premises.

- (f) Falsification of test results. *Bonafide errors will not be deemed to be a falsification of test results.
- (g) Calling or engaging in an unauthorized slowdown, walkout, or strike.
- (h) Assault on an employer or his representative.
- (i) Falsification of Application for Employment.
- (j) Intentional Falsification or modification of time card.
- (k) Sleeping on the job.

ARTICLE 5. UNION RIGHTS AND REPRESENTATIVES

A. ACCESS TO PREMISES

Authorized representatives of the Union shall have access to the Authority's premises at a mutually convenient time for the purpose of adjusting disputes, investigating working conditions, collecting dues and ascertaining that the Agreement is being adhered to providing there is no interruption of the Authority's business therefrom.

B. INSPECTION OF PAYROLL RECORDS

An authorized representative of the Union shall have the right to inspect the Employer's pay records, time cards, welfare and pension fund records and/or other records of the employees at a mutually convenient time.

C. REPRESENTATION LISTS

1. The Union agrees to furnish the Authority with a complete list of Union representatives, including the Shop Steward.

2. The Authority shall provide to the Union a list of all management representatives who will respond to the grievance procedure or other designated functions or issue rules.

D. UNION STEWARD

1. The Authority recognizes the right of the Union to designate a Shop Steward, and to remove said Steward at any time for the good of the Union.

2. Said Steward shall handle such Union business as may from time to time be assigned to him/her by the Union.

3. Said Steward shall have no authority to take any action that will interrupt or interfere with the Authority's business or operation.

4. Said Steward shall have super seniority for lay-off purposes.

* 5. The Shop Steward or his/her designated alternate shall be permitted reasonable time to investigate, present and process grievances on the company property without loss of time or pay. Such time spent in handling grievances during the Shop Steward's or his/her designated alternate's working hours shall be considered working hours in computing daily and/or weekly overtime, provided that this does not interfere with the performance of his/her

regular duties.

ARTICLE 6. GRIEVANCE, PROCEDURE, AND ARBITRATION

A. DEFINITION

The Authority and the Union shall recognize the concept of performing work under protest and filing a grievance after the fact. A grievance is a dispute arising over the interpretation or application of any of the terms and conditions of employment expressed within this Agreement or any policy or administrative decision which affects the terms and conditions of employment expressed within this Agreement

B. PROCEDURE

1. An employee having a grievance should present his/her grievance in writing to the Executive Director within seven working days of the date of occurrence of the matter or matters over which the grievance has arisen. The grievance should contain a definition of the nature of the grievance, the relief sought, and a statement of any previous discussions regarding this matter. The Executive Director shall communicate his or her written answer to the grievance within ten working days from the date of receipt of the written grievance.

2. If the grievance is not resolved at the above step, then the aggrieved employee may, no later than seven working days from the receipt of the Executive Director's answer, request a review of

the decision by the members of the Western Monmouth Utilities Authority. The request for such a review should be submitted in writing through the secretary of the Authority, and attached to said request shall be all papers related to the matter being grieved. The members of the Authority or a designated committee shall review the grievance and shall, if they deem necessary, hold a hearing with the employee, his representatives, and any relevant witnesses. A written answer or decision shall be rendered by the Authority within fifteen working days from the date of receipt of the request for review or within fifteen working days from the date of the hearing, if any is held.

3. If the grievance is still not resolved after the above step, the employee may request a review by a third party. To do so, the aggrieved employee must file a written request for such review within ten working days from receipt of the answer from the Authority to the Union, a copy of which should be sent at the same time to the Executive Director of the Authority.

4. Failure at any step of the procedure to communicate the decision on a grievance within the specified time limits shall permit the employee to proceed to the next step. Failure at any step of this procedure to appeal a grievance to the next step within the specified time limits shall be deemed to be acceptance of the decision rendered at that step.

C. ARBITRATION

1. If the Union determines that a grievance is meritorious and requires a review by a third party, it may file a request for arbitration with the New Jersey Mediation Service within fifteen working days from the date of receipt of the request from the aggrieved employee.

2. Selection of an arbitrator and the conduct of any arbitration shall be in accordance with the established rules and regulations of the American Arbitration Association.

3. In rendering a decision, the arbitrator shall be limited to the issues submitted as well as the definition of arbitration contained herein and shall consider nothing else. The arbitrator cannot add to or subtract from, change or modify, the Agreement between the parties.

4. The decision of the arbitrator shall be final and binding upon the parties for the duration of the Agreement.

5. The arbitrator's fee and his/her reasonable expenses shall be paid by the losing party. All other costs shall be borne by the party incurring such costs.

ARTICLE 7. SENIORITY AND PROBATIONARY EMPLOYEES

A. SENIORITY

1. Seniority shall be defined as the continuous length of employment with the Authority from the employee's date of last

hire. At the expiration of the probationary period, the employee's seniority shall date from the date of his/her last hire.

2. Seniority, skill, and ability to perform the available work shall be considered in the matter of the selection of vacation, promotions, demotions, transfers, and permanent layoffs.

3. An employee shall lose his/her seniority rights for any of the following reasons:

(a) If an employee resigns.

(b) If an employee is discharged.

(c) If an employee does not return to work within seventy-two hours when recalled from layoff, unless excused for illness or other valid reasons.

(d) If an employee is absent for three or more consecutive days or shifts without notifying the Authority, unless the employee can establish that it was impossible to do so.

(e) If an employee is laid off for a least twenty-four months.

4. The Authority shall provide an updated seniority list.

*The Employer shall post in a conspicuous place at the employer's facility, a list of employees arranged according to their seniority.

5. (a) Any employee that has part time service prior to the Certification of Local 701 as the Representative, shall have seniority in accordance with pro-rated service for the time the

employee worked as a part-timer. That pro-rated time shall be added to their full time seniority date. The Employer agrees to use these employees' first day of hire as a part-time employee for the accrual of sick and vacation time.

All employees hired after the Certification date of Local 701 as the Representative shall have their part-time service pro-rated for all entitlements.

(b) If new jobs are created or if ANY vacancies occur after a thirty (30) day duration for a higher rate position, the Authority shall determine the qualifications required for such position. The Authority agrees to post a notice of any new job vacancy on the Union Bulletin board for a period of two (2) working days. Such notice shall contain a description of the job, the rate, hours of work, location, and when the job shall be available. The notice shall also contain qualifications necessary for the job, and preference will be granted on the basis of seniority provided that the employee meets the qualifications.

Employees who are interested, in order to be eligible for such job, must sign the notice. Any employee who fails to sign the notice shall not be eligible for the vacancy or position in question. All employees are eligible to bid. Each employee shall be given a minimum opportunity of two (2) days to sign the notice.

(c) Any employee filling such job shall be granted a training period of thirty (30) calendar days. At the discretion of

management, this period can be extended to a maximum of 90 days. If it shall be determined that the employee is unqualified or unable to perform the duties to management satisfaction to which she/he is promoted, the Authority shall place the employee in his/her former position or a position equivalent thereto with no loss of seniority. If removed from the position, during or at the end of the training period, the employee in question shall then receive the rate of the position to which the employee is assigned following his/her removal. This rate shall not be lower than what the employee was receiving prior to the promotion.

(d) In the event of a layoff, the employees with the most seniority will have preference. However, the employee determined to have the most seniority must also meet the requisite qualifications, skills and have the ability to perform the required work. This determination will be made by management.

(e) i. All permanent employees shall be given at least a twenty (20) working days written notice prior to layoffs.

ii. The Authority, if contemplating layoff of employees covered by this Agreement, should make every effort to determine what employment opportunities are available to its employees within the bargaining unit covered by this Agreement.

(f) Layoffs should not be made until the Authority has exhausted every possibility for transfer, reassignment or demotion of the employees within the bargaining unit covered by this

Agreement. The employee(s) involved should be offered any other employment available within the bargaining unit for which they may be qualified, based on their background and qualifications.

(g) When an employee is recalled from layoff and reinstated, the employee is considered to have continuous service credit for computation of future earned benefits. The calculation of total period of continuous service, however does not included the length of the period of the employee's layoff.

(h) The Authority shall draw up an initial seniority list within thirty (30) days after the signing of this Agreement and such list will be posted on the Union Bulletin board at that time. All employees covered by this Agreement who object to the said list shall inform the Authority of said objections within thirty (30) days after the posting of such list. At the end of the thirty (30) day period, the list shall be binding on all employees.

(i) An employee in one job classification may be used in another job classification provided the employee performing the work of a higher rate of pay receives the higher rate. The employee must work in the out of title position for a minimum of thirty (30) consecutive days.

B. PROBATIONARY EMPLOYEES

1. All newly-hired employees shall be on probation for a period of sixty days following the calendar date of hire. The Authority shall have the right to increase the aforesaid

probationary period for an additional period not to exceed thirty days, subject to Union Agreement. Such agreement is not to be unreasonably withheld by the Union. A leave of absence for any reason, including sickness, will extend the probationary period by the number of days of leave of absence taken.

2. During the probationary period, an employee may be discharged for any reason which need not be stated by the Authority, and, in which event, there is no recourse by the Union or the employee to the grievance procedure or arbitration in this Agreement.

3. Unless specifically provided otherwise in this Agreement, probationary employees will be entitled to receive no paid benefits other than wages. However, they will receive seniority credit toward paid benefits following the probationary period.

4. Vacations shall be treated on a first-come, first-serve basis, except that seniority shall determine who is to get a vacation day or dates if more than one (1) employee submits at the same time.

ARTICLE 8. HOURS OF WORK AND OVERTIME

A. HOURS OF WORK

1. Current hours of work are 35 hours per week. The Authority reserves the right to increase the 35 hour week to a 40 hour week. In that event, the employee will receive an additional

5 hours of pay, calculated at straight time by using the employees present weekly salary and dividing by 35. Overtime will be paid at time and one-half for any time over 40 hours. **THE AUTHORITY WILL PROVIDE THE UNIT MEMBERS WITH THIRTY (30) DAYS NOTICE OF AN INCREASE IN THE HOURS IN A WORK WEEK.**

2. Employees will have the option on a semi-annual basis on April 1 or October 1 of each year to work either 8:30 a.m. to 4:00 p.m. with a one-half ($\frac{1}{2}$) hour lunch or 8:30 a.m. to 4:30 p.m. with one (1) hour for lunch. The practice of summer hours will not be affected by this provision.

B. OVERTIME

1. Time and one-half the employee's regular straight-time rate of pay will be paid to employees for all hours worked in excess of 40 hours per week.

2. Time and one-half the employee's regular straight-time rate of pay will be paid to employees for all work done on Saturday over 40 hours per week. Double time the employee's regular straight-time rate of pay will be paid to employees for all work done on Sunday if it is the seventh consecutive day worked. If it is not the seventh consecutive day worked, only time and one-half will be paid for work over 40 hours.

3. There shall be no pyramiding of overtime or premium rates.

4. Time and one-half the employee's regular straight-time

rate of pay will be paid to employees for all work done on scheduled holidays.

5. Meals allowance shall be *\$5.00 and payable when an employee works four or more hours of unscheduled overtime.

ARTICLE 9. JOB POSTING AND ANNOUNCEMENTS

A. JOB POSTING

* 1. All job openings must be filled thirty (30) days from the date of posting.

B. ANNOUNCEMENTS

1. Announcements describing various work-related, medical, educational, etc., programs shall be prominently posted in order that interested employees may have an opportunity to be informed and apply for such programs.

ARTICLE 10. COMPENSATION PLAN AND PROGRAM

A. *WAGE RATES HOURLY RATES ARE COMPUTED ON A 35 HOUR WORK WEEK.

	<u>2/1/99</u>	<u>2/1/00</u>	<u>2/1/01</u>	<u>2/1/02</u>
Purchase Order				
Clerk	19.7802	20.3802	20.9802	21.5802
<hr/>				
Accountant	19.2984	19.8984	20.4984	21.0984
<hr/>				

	<u>2/1/99</u>	<u>2/1/00</u>	<u>2/1/01</u>	<u>2/1/02</u>
Clerk of the Auth/ Search Clerk.				
	17.3791	17.9791	18.5791	19.1791
<hr/>				
Assistant				
Bookkeeper	16.2786	16.8786	17.4786	18.0786
<hr/>				
Accounts Receivable				
Clerk	15.6577	16.2577	16.8577	17.4577
<hr/>				
Receptionist/Operator				
Clerk	14.9681	15.5681	16.1681	16.7681
<hr/>				
Operation/Maintenance				
Clerk	14.70	15.30	15.90	16.50
<hr/>				
Sr Operation/Maintenance				
Clerk	15.6577	16.2577	16.8577	17.4577

B. PROMOTION INCREASES

1. Promotion increases shall be paid in accordance with Article 7 (c) Seniority. An employee who is promoted to a different title shall receive the current contract rate for that position to which he/she is promoted, if said salary is greater

than the salary earned in the prior title.

C. SALARY RANGES

1. There will be a new salary range for all titles as follows:

\$15,000--\$40,000.

D. NEW HIRES

1. Starting salary ranges are 85% to 100% of the current rate for the position. If a new position is created, the rate shall be negotiated by the Union and the Authority.

ARTICLE 11. HEALTH AND WELFARE

A. PENSION

1. Employees are enrolled as of their date of hire in the State of New Jersey Public Employees Retirement System.

B. HEALTH BENEFITS

1. All employees covered under this Contract shall be provided with Blue Cross/Blue Shield through the State of New Jersey Health Benefits Plan. Coverage shall be provided to the employee and his or her eligible dependents. Should the employee wish to enroll in some other type of medical coverage program, i.e., Health Maintenance Organization (HMO), or Preferred Provider Organization (PPO), the Authority shall pay for the cost of the

alternative program up to the equivalent cost which would be the Authority's responsibility under the New Jersey Health Benefits Program.

* The Authority shall have the right to change Insurance carriers for health benefits provided the benefits are equal to or better than the current plan.

C. BENEFITS CONTINUATION

1. Employees on extended sick leave will continue to receive paid health benefits up to one (1) year, but will be required to pay for dependent coverage after the first three months of that extended sick leave.

D. RETIREE HEALTH BENEFITS (TITLE 88)

1. The Authority shall pay the premium or periodic charges for retiree health benefits in accordance with Chapter 88, P.C. 1974, as set forth in the Authority's August 18, 1994 ordinance which is annexed here to as Exhibit A. The Authority shall also pay the premium or periodic charges for the benefits provided to the surviving spouse of a retired employee and the employee's dependents covered under the program as provided in the Article.

E. DENTAL PLAN

1. Authority shall provide to its employees and their dependents dental care under the provisions of the Delta Dental Plan or coverage that is equal to or better than the current plan. Eligible dependents include the lawful spouse, unmarried children

Mr. Storz offered the following resolution for adoption, seconded by Mr. Hornik

RESOLUTION

RESOLUTION to adopt the provisions of Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981 to permit local public employers to pay the premium charges for certain eligible pensioners and their dependents and to pay Medicare charges for such retirees and their spouses covered by the New Jersey State Health Benefits Program.

BE IT RESOLVED by the Commissioners of the Western Monmouth Utilities Authority as follows:

1. The Western Monmouth Utilities Authority hereby elects to adopt the provisions of Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981 and adhere to the rules and regulations promulgated by the State Health Benefits Commission to implement the provisions of the law.

2. The Western Monmouth Utilities Authority hereby acknowledges that the rules and regulations of the State Health Benefits Commission established that Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981 does:

a. apply to all eligible current and future pensioners of the employer and their dependents.

b. extend to surviving spouses.

c. continue as long as the State is paying the cost of its eligible pensioners and their dependents in accordance with the provision of Chapter 75, P.L. 1972.

d. provide for local employer reimbursement of Federal Medicare premiums for eligible pensioners and/or other spouses as well as the payment of health insurance premium required by the program on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with the provisions of Chapter 75, P.L. 1972.

e. require the local employer to pay the full cost of such premiums up to the cost of Traditional coverage.

3. The Western Monmouth Utilities Authority hereby agrees to pay the premium or periodic charges for the benefits provided to all eligible retired employees and their dependents covered under the program, including surviving spouses, if such employees retired from a State - or locally - administered retirement system on a benefit based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement but including the employees who retired on disability pensions based on fewer years of service credited in such retirement system and also to reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program covering the retired employees and their spouse in accordance with the regulations of the State Health Benefits Commission.

4. This resolution shall become effective not earlier than the first day of the month at least 90 days following the receipt of such resolution by the Health Benefits Bureau in the State Division of Pensions.

5. That a certified copy of this Resolution shall be provided to the Executive Director, Russell Nerlick; the General Manager, Lee Konrad; the Health Benefits Bureau in the State Division of Pensions; Labor Counsel, Arthur Goldzweig, Esq. and a copy to the file.

VOTE:

AYES: Messrs. Hornik, Abate, Storz

NAYS: Mr. Schechter

ABSENT: None

DATED: August 18, 1994

20:1

New Jersey State Health Benefits Program (SHBP)
Employer paid coverage for retirees

NJSA 52:14-17.38, commonly referred to as Chapter 88, P.L. 1974, permits employers to pay for SHBP coverage for eligible retirees.

To be eligible, the retiree must be eligible for SHBP coverage and must be receiving retirement benefits from a State- or locally-administered pension fund based upon 25 or more years of service credited in that pension fund, except those who deferred retirement, or a Disability Retirement.

- o The employer agrees to pay the cost for all eligible retirees, not just a few - such as retired police or management employees;
- o The employer pays the costs to the SHBP, rather than reimburse the retirees;
- o The employer may not rescind the adoption of Chapter 88;
- o The employer must also reimburse eligible retirees for the standard cost for Part B (Medical Insurance) of the Federal Medicare Program for the retiree and/or spouse.

Chapter 88 amended the original law (Chapter 111, P.L. 1973) by eliminating a July 1, 1972 eligibility date. Later amendments allowed employers:

- o to include under Chapter 88 those otherwise eligible retirees who had retired between July 1, 1964 and the date that the employer joined SHBP (Chapter 54, P.L. 1979; Chapter 384, P.L. 1987 eliminated the July 1, 1964 date to allow the employer to include all eligible past retirees, regardless of date of retirement);
- o to pay for the coverage of surviving spouses of eligible retirees (Chapter 436, P.L. 1981);
- o to include otherwise eligible retirees who retired after the employer joined the SHBP and who could have continued coverage into retirement but did not (also Chapter 436, P.L. 1981).

The rules for Chapter 88 are promulgated in NJAC 17:9-5.5.

In a 1964 case, the court ruled that public employers in New Jersey cannot legally pay for health coverage except as specifically allowed by law. In a 1977 case, the court ruled that Chapter 88 was the only relevant statute for employers participating under the SHBP. (see NJSA 52:14-17.25 for a reference to New Jersey State Policemen's Benevolent Association Local # 42 v. N.J. State Health Benefits Commission, 153 N.J. Super. 152, 379 A.2nd 285).

9.3 COVERAGE AT RETIREMENT

The right to continue the Health Benefits Program at the time of retirement is one of the most important features of the State program.

Retired employees will pay the cost of the insurance for themselves and their covered dependents, unless they are eligible to have the payment for the insurance made by their employer. Under the provisions of Chapter 75, P.L. 1972, as amended, the State pays for the health benefits coverage of all enrolled retired State employees (regardless of retirement date) whose pensions are based upon 25 years or more of credited service (except those who elect a deferred retirement) or a disability retirement regardless of years of service. Chapter 88, P.L. 1974, provides for the payment of health insurance and reimbursement of Medicare Part B premiums for certain eligible retired local employees and their dependents, by local employers who elect to do so by adopting a resolution designed to:

- a. apply to all eligible pensioners enrolled under this program and receiving retirement benefits based upon 25 or more years of service credited in the pension fund except those who elected to defer retirement or a Disability Retirement regardless of years of service;
- b. continue as long as the State is paying the cost of its eligible pensioners and/or their spouses, as well as the payment of health insurance premiums required by the program, on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with the provisions of Chapter 75, P.L. 1972, as amended by Chapter 136, P.L. 1977;
- c. require the local employer to pay the full cost of such premiums and Medicare charges; and
- d. provide for an effective date not earlier than the first day of the month at least 90 days following the receipt of the local employer's resolution on forms approved by the Division. Eligible pensioners include those who are retired on or after the stipulated effective dates and who receive a benefit based on 25 years or more of service credited in a State or locally administered retirement system. It also includes those who retire on a disability pension based on fewer years of service credited in such retirement systems, but it does not include those who elect deferred retirement.

If an employer had adopted the provisions of Chapter 88, it may also adopt Chapter 54, P.L. 1979, which provides for payment of eligible retiree's coverage and their surviving spouses as provided by Chapter 436, P.L. 1981 for those retired prior to the date of the employer's participation in the State Health Benefits Program, whether or not the retiree has health insurance coverage. Originally Chapter 54 only applied to those who retired on/or after July 1, 1964. Chapter 384, P.L. 1987, amended Chapter 54 to eliminate the July 1, 1964 date. The employer may now agree to pay for all former employees who retired prior to the employers entrance into the State Health Benefits Program and who otherwise qualify under the provisions of Chapter 88.

The local employers may adopt the provision of Chapter 436, P.L. 1981 to include eligible widows agreeing to pay for the Health Benefits coverage of those former employees who, although otherwise qualifying for the provision of Chapter 88, had elected not to continue coverage at the time of retirement. Effective June 1, 1988 under the provisions of Chapter 384, P.L. 1987, the Teachers' Pension and Annuity Fund will pay for the Health Benefits coverage for any member who receives a Teachers' Pension and Annuity Fund retirement allowance based upon 25 or more years of credited service or a disability retirement regardless of years. Chapter 384 applied to all eligible Teacher's Pension and Annuity Fund retirees regardless of the employer's participation in the program. Chapter 126, P.L. 1992 provides that members of the Public Employees' Retirement System and the Alternate Benefit Program who retired from a school board of education or county college with 25 or more years of credited service in the pension fund or on an approved Disability Retirement are eligible for State-paid health benefits regardless of the employer's participation in the SHBP.

up to the age of 19, or to the age of 23 if enrolled as full-time student in an accredited educational institution. The term "children" includes stepchildren, adopted children and foster children provided such children are dependent upon the employee for their support and maintenance. Effective February 1, 1999, the annual dental benefit is increased to \$1,500.00 per year.

F. DISABILITY

1. Disability insurance is provided through the State of New Jersey Disability Plan to which the employee contributes through payroll taxes.

G. SUPPLEMENTAL DISABILITY

1. The Authority shall provide to employees a Supplemental Disability Plan (annexed hereto as Exhibit B) which provides for a \$750.00 per month benefit, the cost of the premium to be paid by the Authority.

(a) The Supplemental Disability Benefit for employees who have been on extended sick leave/disability for more than three (3) months shall be \$750.00 per month.

(b) For the period of extended sick leave/disability from three (3) months to one (1) year, an employee shall be required to endorse his/her monthly disability check to the Authority. On the same day the check is presented to the Authority, the Authority shall provide the employee with a check payable to the employee in the amount of \$550.00.

(c) For the period of extended sick leave/disability after one (1) year, an employee shall be entitled to the full \$750.00 monthly disability payment and shall not be required to endorse the check to the Authority.

(d) The Supplemental Disability Benefit will cover twenty-four (24) months.

(e) If the State shall declare the "Benefits Continuation" language in Article 11, Paragraph B, regarding the one (1) year continuation of benefits invalid, the Supplemental Disability Benefit of \$750.00 per month shall be retained fully by the employee after the employee has been on extended sick leave/disability in excess of three (3) months and the employee shall not be required to endorse the check to the Authority. After three (3) months on such leave, the employee has the option to continue benefits through COBRA, or to discontinue benefits. If the one (1) year provision is deemed invalid during a month where the employee has endorsed the \$750.00 benefit to the Authority and received only a \$550.00 benefit, the Authority shall reimburse the employee for the \$200.00 difference.

(f) No later than the last day of a three (3) month extended sick leave/disability, an employee shall be required to execute a change of benefits form indicating that he/she will pay the premium for dependent coverage, or that the employee elects not to have dependent coverage. If the employee refuses to execute a

change of benefits form as required by this paragraph by the last day of each month following the third month or refuses to make payment for dependent coverage by the last day of each month following the third month, if applicable, the Authority may terminate the employee's and dependents' coverage. Payment to the Authority for the dependent coverage premium shall not be due until the employee receives his/her first supplemental disability check.

H. UNEMPLOYMENT INSURANCE

1. Unemployment insurance is provided through an employee contributory program.

I. COMPENSATION

* 1. In the event that an employee files for worker's compensation and that employee promptly files his/her claim, the Authority will use its best efforts to insure that the employee promptly receives his/her compensation. Such efforts shall include telephone calls and letters to the Worker's Compensation Carrier.

J. RETIREMENT PLAN

1. Employees shall be entitled to participate in the Authority sponsored ICMA-457 Plan at the employee's expense.

ARTICLE 12. LEAVES OF ABSENCE

A. SICKNESS

1. All employees who have completed twelve months of continuous and uninterrupted service as of the execution of this

Agreement are entitled to *thirteen (13) days annual sick leave every year of this Agreement.

2. All other full-time and new full-time employees shall become eligible for the same sick leave on a proportionate basis to service upon completion of twelve months of continuous and uninterrupted service.

3. Employees in their first year of employment shall acquire one sick day per month to a maximum of twelve per year. In the contract year following the first anniversary of hiring, each employee shall have *thirteen (13) days per year effective at the beginning of the contract year.

* 4. Unused sick leave shall be reimbursed at the rate of one hundred per cent pay at the end of the contract year. Effective February 1, 1993 sick days may be accumulated from one year to the next for a total of one hundred (100) days. The option of being reimbursed or allowing sick days to accumulate shall be that of the employee. The rate of reimbursement shall be at the salary level earned by the respective employee at the end of the contract year.

5. Accumulated Sick Leave

(a) Accumulated sick days may be used for "catastrophic illness" of the employee or a family member, which shall be determined on a case-by-case basis. Normal pregnancy and childbirth (e.g., without complications) shall not be considered a "catastrophic illness."

(b) The Authority, at its expense, may require an employee to be examined by a physician when requesting leave for his/her own illness under this paragraph. The Authority may require an employee to submit a physician's note when requesting leave under this paragraph to care for a "family member".

(c) For the purposes of this section, the term "family member" shall be applied and interpreted in accord with the covered categories set forth in the New Jersey Family Leave Act, N.J.S.A. 34: 11-B-1, et seq., and the Federal Family and Medical Leave Act, 29 U.S.C. 2611, et seq. Unless either statute is amended to broaden the covered categories, "family member" shall include not less than an employee's spouse, father, mother, father-in-law, mother-in-law and child.

(d) Requests to use accumulated sick leave for persons not listed herein shall be reviewed by the Authority and decided at the Authority's discretion.

6. When an employee is out of work because of illness for three (3) consecutive days, he may be required to see a physician at the expense of the Authority.

7. If an employee has reported to work at the beginning of a shift, he/she must report in person to management to report any sick leave.

8. If an employee requires sick leave in excess of what is provided, he/she may not return to work without a doctor's report

for each instance.

9. If an employee wishes to use sick leave for personal use, he/she must request and receive approval for the leave the day before the requested leave. *Except for an emergency, if an employee wishes to use sick leave for personal use, the employee shall give the employer 24 hours notice.

* 10. When employees exhaust their sick/personal benefits and require additional time off due to medical reasons, they must request, in advance, to utilize vacation benefits. At the time of severance, earned but unused sick time shall be compensated at full pay; in case of death of an employee who is eligible for sick time pay, the employee's estate shall be paid.

11. Employees who use sick time in excess of the allotted amount, may be subject to the progressive discipline in the Employee Manual.

B. JURY AND WITNESS

1. An employee shall be granted necessary time off without loss of pay when he/she is summoned and performs jury duty as prescribed by applicable law, or when he/she is summoned to appear as a witness before a court, legislative committee, or judicial body.

2. Employees shall receive full pay for all time on Jury or Witness Duty, plus the Juror Fee.

3. Employees called for jury or witness duty must notify the

Authority at least one week prior to the date they are to report and must furnish a copy of the Summons.

C. BEREAVEMENT

1. When an employee loses time from work because of the death of his spouse, father, mother, sister, brother, child, current father-in-law or mother-in-law, *grandparents or relative living with the employee, he will be paid by the Authority his regular straight-time rate of pay multiplied by the average number of hours in the employee's normal straight-time workday for each day lost up to a maximum of five (5) days, with one of the days being the day of the funeral or memorial service. It is understood that such payment will be made only when the employee attends the funeral service and for days when the employee is scheduled for work and would have worked except for the death of such relative; likewise for the death of a sister-in-law and brother-in-law, except that one day shall be allowed. Vacation time may be used for bereavement leave for deaths other than those listed in the contract.

D. VACATION

1. 0 year to completion of 05 years	10 days
06 years to completion of 09 years	15 days
10 years	16 days
11 years	17 days

12 years	18 days
13 years	19 days
14 years to completion of 19 years	20 days
20 years	21 days
21 years	22 days
22 years	23 days
23 years	24 days
24 years	25 days

For the first five years, employees shall earn this vacation at a rate of 1/10th of the total amount to be received each month for the first ten (10) months. After five years, the vacation will be earned on the anniversary date.

2. In their first year of employment, employees shall receive one vacation day per month of service to a maximum of ten provided that in order to be eligible to take vacation time, an employee must have been employed for at least six months. Vacation can not be taken until earned.

3. At the time of severance, unused vacation time shall be compensated at full pay except in the case of employees terminated for just cause.

4. (a) The amount of vacation allowed for each employee shall be computed as of the employee's hiring date.

(b) An employee who is on disability leave for more than three (3) consecutive months shall have his/her vacation and sick

time prorated for each month of the disability in excess of the three (3) month period.

(c) The prorated sum will be calculated according to a formula based upon 1/12th of the allotted vacation and sick time in excess of the three (3) month period.

(d) The three (3) month grace period shall not commence until after the employee uses all accumulated sick leave and, at the employee's option, any earned vacation.

5. Employees may use vacation time or convert such time to be applied to their sick bank.

ARTICLE 13. HOLIDAYS

A. HOLIDAYS

1. The parties agree to the following thirteen holidays:

- | | |
|--------------------------------|-------------------------------|
| 1. New Year's Day | 8. Columbus Day or Yom Kippur |
| 2. Washington's Birthday | 9. Veteran's Day |
| 3. Martin Luther King Day | 10. Thanksgiving Day |
| 4. Good Friday or Rosh Hashana | 11. Day after Thanksgiving |
| 5. Memorial Day | 12. Christmas Day |
| 6. Independence Day | 13. Floating Holiday * |
| 7. Labor Day | |

* All new employees must work a minimum of six months during their first year of employment to receive the floating holiday.

B. DAYS OFF

1. Employees who are regularly scheduled Monday through Friday shall be off duty on the above holidays. Should the holiday fall on Saturday, it shall be celebrated on the preceding Friday; should the holiday fall on Sunday, it shall be celebrated on the succeeding Monday.

C. PAY

1. If an employee is required to work on a holiday, it shall be worked, and he/she shall receive time and one-half his/her straight rate of pay.

D. FLOATING HOLIDAY

1. An employee shall give the employer twenty-four hours notice when he seeks to use a floating holiday.

ARTICLE 14. SAFETY AND HEALTH

A. PRE-EMPLOYMENT PHYSICAL

1. The Authority shall require and pay the entire cost for a pre-employment physical. The examination will be performed within ten days of the employee's hiring date.

B. PHYSICAL EXAMINATION

1. At anytime the Authority determines it is necessary to insure the maintenance of proper health and sanitary standards at the Authority's premises, the Authority shall have the right, at its expense, to have any employee undergo a physical examination by

a physician of the employee's choice.

C. INOCULATIONS AND BOOSTERS

1. The Authority shall provide and pay for all tetanus and typhoid inoculations and boosters required of its employees.

D. SAFETY COMMITTEE

1. A safety advisory committee, consisting of *one designated from the Union and one designated from the Authority, shall be instituted for the purposes of discussing conditions at the Authority's facility and recommending measures to improve and maintain the health and safety of its employees. This committee should meet at least once a month. *Minutes of Safety Committee shall be posted on Union Bulletin Board in order to keep all employees informed of Committee discussions.

E. DRUG/ALCOHOL POLICY

* 1. The Authority reserves the right to conduct drug and alcohol testing where there is probable cause. The parties acknowledge that the language regarding procedure, methodology, rehab and follow-up testing is set forth in the Personal Manual.

ARTICLE 15. COMPLETE AGREEMENT

1. This Agreement contains the full and complete understanding between the parties hereto and shall be binding upon all of the employees within the bargaining unit. The Authority agrees not to enter into any conflicts with the terms and provisions of this Agreement. The express terms of this Agreement

may not be modified except by a written understanding signed by the Authority and the Union.

ARTICLE 16. TERM OF AGREEMENT

1. This Agreement shall become effective as of February 1, 1999, and shall continue in full force and effect until January 31, 2003, and from year to year thereafter unless notice to terminate the Agreement is sent by either party to the other not less than ninety (90) days prior to the expiration date, by registered mail. Whenever notice to terminate this Agreement is given, the parties mutually agree that at least sixty (60) days prior to this expiration date, they will jointly confer for the purpose of negotiating a successor Agreement.

IN WITNESS WHEREOF, the parties have affixed their signatures this

20 day of July, 2000.

WESTERN MONMOUTH UTILITIES AUTHORITY:

BY: Russell E. Verheest
Name
Executive Director
Title

DATE: 7/20/00

HIGHWAY AND LOCAL MOTOR FREIGHT DRIVERS,
DOCKMEN AND HELPERS, LOCAL UNION NO. 701

BY: Thomas J. Almonds
Name
Sec./Treas.
Title

DATE: 7-20-00