

AGREEMENT

between

THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY

and

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 469

EFFECTIVE
January 1, 2005

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This Agreement made and entered effective the 1st day of January, 2005, by and between THE SOUTHEAST MORRIS COUNTY MUNICIPAL UTILITIES AUTHORITY, a municipal utilities authority of the State of New Jersey, hereinafter referred to as the "Authority", and the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 469, hereinafter referred to as the "Union";

WHEREAS, the parties hereto have carried on collective negotiations for the purpose of developing and concluding a general agreement covering wages, hours of work and other conditions of employment;

NOW, THEREFORE, in consideration of the promises and mutual agreements herein contained, the parties hereto agree with each other with respect to the employees of the Authority recognized as being represented by the Union as follows:

ARTICLE I

RECOGNITION AND SCOPE OF AGREEMENT

Section 1. Representation and Recognition. The Union having been certified as a result of an election conducted by the State of New Jersey Public Employment Relations Commission as the representative for the purposes of collective negotiations is hereby recognized by the Authority as the exclusive representative of all employees in the negotiating unit. The negotiating unit shall consist of all full and part-time white and blue collar employees of the Authority except all managerial executives, supervisors, confidential employees and police within the meaning of the Public Employment Relations Act.

Section 2. As used in Agreement the following terms have the following meanings:

"Full-time Employee" – a regular, full-time active employee of the Authority who is a member of the group represented by the Union.

"Part-time Employee" – a regular, active employee of the Authority who is a member of the group represented by the Union and who is scheduled to work less than twenty-five (25) hours per week.

"Employee" – unless limited specifically or by context, either a full-time or part-time member.

ARTICLE II

DUES CHECK OFF AND AGENCY SHOP FEES

Section 1. The Authority agrees, for each of its employees covered by this Agreement, who in writing authorizes the Authority to do so, that it will deduct from the earnings payable to such employee, the monthly dues and initiation fees, if any, for each such employee membership in the Union. Deductions shall be made from the first payroll in each month and initiation fees shall be deducted in four consecutive payroll periods immediately following the completion of the probationary period. Deductions for part-time employees shall be on a pro-rata basis.

Section 2. The Union dues deducted from an employees pay will be transmitted to the Secretary Treasurer of Local 469 by check within ten (10) working days after the first period in which the deductions are made, and within ten (10) working days after such deductions are made each month thereafter, and said dues deductions will be accompanied by a list showing the names of all employees for whom the deductions were made.

Section 3. The Union agrees to furnish written authorization in accordance with the State Statute (N.J.S.A. 52:14-15.9) from each employee authorizing these deductions. The Union further agrees to be bound by all provisions of said State Statute, as well as all other applicable provisions of law pertaining to dues check off.

Section 4. Any employee who decides not to join the Union after the one hundred and eighty

(180) days probationary period shall as a condition of employment, pay a Representation Fee to the Union by automatic payroll deduction. The Representation Fee shall be in the amount equal to eighty five percent (85%) of the regular Union membership dues, and shall be in accordance with the provisions of N.J.S.A. 34:13A-5.4.

Section 5. The Union agrees that it will indemnify and save harmless the Authority against any claims, actions, demands, losses or expenses in any matter resulting from action taken by the Authority at the request of the Union.

Section 6. No Discrimination or Coercion. Neither the Authority nor the Union shall unlawfully discriminate against or in favor of any employee because of such employee's race, color, religion, sex, national origin or age. The Authority will not discriminate against employees because of lack of membership in the Union.

ARTICLE III

MANAGEMENT RIGHTS

The management of the Authority and the direction of the working forces, including but not restricted to the right to plan and execute operations, the right to hire, the right to determine the qualifications of applicants for employment, as well as the number and class of employees it shall hire, the right to determine the number and class of employees it shall retain in employment at all times, shall vest solely and exclusively with the Authority. The right to assign, reassign, transfer, promote, demote, layoff and release employees for just cause and the right to impose discipline for just cause, shall vest solely and exclusively with the Authority, subject, however, to the terms of this Agreement and the laws of the State of New Jersey governing public employment. Nothing contained in this Agreement shall be construed to deny or restrict the Authority under N.J.S.A. 40:14B-1 et seq. or any other law of the State of New Jersey.

ARTICLE IV

HOURS OF WORK

Section 1. Workweek. The basic workweek will consist of five consecutive workdays commencing on Monday and ending on Friday, except in cases of a seven day schedule of operations where two days other than Saturday and Sunday may be considered regular days off during the regular workweek.

Section 2. Workday. The basic workday for all field employees will consist of eight hours exclusive of a meal period which will not be considered paid time. The basic workday for office employees will consist of seven and one-half hours, exclusive of a meal period which will not be considered paid time. The meal break shall generally commence after four hours of work. All employees at the Authority's headquarters facility must record the lunch period by use of the time clock. Office employees' meal period will be one hour. The normal workday will begin at 8:00AM unless a different start time is mutually agreed to by the Authority and the Union.

When deployed in field operations without a supervisor present, and when assigned to the day shift, employees will be presumed to be on lunch break from 11:30AM to 12:00PM. In certain field situations, and only with the approval of a supervisor, the lunch period can be extended to begin up to five hours after the commencement of work. Field employees required to work beyond five hours before an authorized meal break shall be entitled to one half (1/2) hour of straight time pay. Field employees authorized by a supervisor to work through a lunch period with no bona fide lunch period for the day, shall be entitled to one half (1/2) hour of overtime pay.

The Union and the Authority recognize that staffing requirements for office employees must reflect the needs of customers. Therefore office employees' meal break must be scheduled so that half the employees will be scheduled for the first lunch period and the other half for the second lunch

period. Any office employee required to postpone a meal break beyond five hours shall be eligible to receive one (1) hour pay at straight time.

Section 3. Overtime.

(a) Work performed in excess of the basic workday, on Saturday, if Saturday is not part of the employee's basic five-day workweek, and during a fourth shift worked without interruption immediately after an employee has worked three consecutive full shifts, will be paid at one and one-half times base rate of pay. If Saturday is part of an employee's basic five day workweek, the employee shall be paid one and one-half times base rate for all work performed on the first day off after his basic workweek.

(b) Two times base rate shall be paid for all work performed on Sunday if Sunday is not a part of the employee's basic five day workweek. If Sunday is part of an employee's basic five day workweek, he shall be paid two times base rate for all work performed on the second day off after his basic workweek.

(c) One and one-half times base pay in addition to the holiday pay consisting of pay for a basic workday shall be paid for all work performed on a holiday, except that for work performed on New Year's Day (January 1), Thanksgiving Day and Christmas Day (December 25) two times base rate shall be paid for all work performed in addition to said holiday pay.

(d) Overtime shall be offered where possible on a departmental seniority basis among qualified employees. Authority and job classification seniority lists can be maintained and provided to the Union in accordance with Article VIII entitled "Seniority".

(e) Office employees shall have the option of accruing up to one half hour per day for the purposes of compensating time off up to a maximum of two and one half hours per week. Any work in excess of 8 hours per day or 40 hours per week shall be paid at the prevailing overtime

rate. Compensating time off is subject to a one-hour minimum and supervisory approval in advance. There is no premium in hours accrued between thirty-seven and one-half and forty hours.

Section 4. Meal Allowance. An employee who is required to work four or more hours of overtime past his normal quitting time shall receive a meal allowance of \$7.00 for every four such continuous hours worked. One-half hour mealtime shall be allowed after each four hours of overtime worked. The Authority shall not be required to pay meal expense to an employee who works eight hours or less on a holiday or other rest day for which overtime has been scheduled in advance.

Section 5. Early and Emergency Closings and Delayed Openings. There are times when the best interests of the Authority and the health, safety and welfare of employees are best served by modifying the standard work hours. Management is solely responsible for making such a decision.

In such circumstances, only employees who are scheduled and report to work shall be excused from work with pay for the hours authorized. No employee who scheduled a vacation, personal, sick or other authorized time off shall qualify for paid time off under these circumstances.

Overtime rates shall apply as if the day is a basic workday as defined in Section 3.

ARTICLE V

STANDBY AND CALL OUT

Section 1. Standby. An employee required to be on standby during his basic workweek shall be paid at the rate of two hours at base rate (straight time) for each daily period during which he is on standby and four hours at base rate for each sixth or seventh day of his workweek on which he is required to be on standby.

An employee on standby is subject to immediate recall to work if an emergency makes it necessary and while he need not remain at home, he shall leave a telephone number where he can be

readily reached so that he can report for work no more than 1/2 hour after being telephoned to do so.

Section 2. Call Out. Both parties to this Agreement recognize that their primary function is the rendering of service to the customers of the Authority. In rendering such service, it is often necessary to cope with unexpected and unpredictable emergency situations which require the return to work of some employees outside regular working hours. In order to assure that the minimum number of qualified personnel are readily available when necessary, the standby pay contained in this Article is established. However, a particular emergency may necessitate the call out of persons in addition to those on standby.

In the event that an employee is called out to work outside his regularly scheduled hours, including any pumpman called out to make rounds of the pumphouses, he shall be paid for all hours actually worked at the applicable rate under Article IV ("Hours of Work") of this Agreement and be paid for a minimum of four hours at the applicable rate if less than that number of hours' work is performed on that call out. The call out minimum will not apply separately to each call out after an employee has been called out more than twice on the same calendar day; or to call-outs for snow removal prior to 7:30AM as memorialized in the past. Overtime performed four (4) hours or less immediately before or immediately after a meal recess shall not be subject to any minimum.

In addition, overtime performed which is scheduled by a supervisor shall not be subject to any minimum hours. Scheduled overtime is defined as work performed outside of the regular workweek which is scheduled prior to 3:00PM Friday where an employee is scheduled to work Monday to Friday; or by 3:00PM the workday preceding a holiday.

After 16 hours of continuous overtime work, any further continuous work performed in excess of 16 hours shall be paid at the applicable premium rate.

Both the Authority and the Union are well aware that it is only through the establishment of

an environment which promotes a sense of responsibility and an attitude of cooperation on the part of the Authority's management personnel and those employees represented by Union can it be assured that an adequate number of employees will respond to emergency call outs.

In order to establish such an environment, the parties agree as follows:

(a) The Authority will maintain and furnish the Union with current seniority lists and will instruct supervisors and other Authority personnel to follow such lists on a rotation basis when calling out employees in an emergency, with the qualification that employees called must be capable of performing the work involved. Reasonable attempts will be made to keep call outs to a minimum and to equalize the distribution of call outs equitably and fairly among qualified employees.

(b) The Union will attempt to foster in the employees it represents a recognition of moral responsibility to accept necessary call outs to meet emergency situations.

(c) Either the Authority or the Union may request a meeting between the Union and representatives of the Authority to discuss problems arising as a result of emergency call outs. The purpose of such a meeting would be to attempt to develop a plan of action to solve such problems insofar as the handling of unexpected emergencies is concerned.

ARTICLE VI

HOLIDAYS

Section 1. Observance. All permanent employees are entitled to the following holidays off with regular pay, except for those holidays occurring while in a non-pay status (including but not limited to absence while being paid workmen's compensation, military leave, maternity leave or any other unpaid leave of absence).

New Year's Day

Presidents Day
Good Friday
Memorial Day
Independence Day (July 4th)
Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

In addition to the above listed holidays, employees shall be entitled to two (2) floating holidays during the course of the year. Employees shall request a floating holiday in accordance with the procedures for vacation time.

Section 2. Holiday Pay. Employees shall receive pay for such holidays regardless of the day upon which such holidays fall so that holidays falling on Saturday will be celebrated on the preceding Friday and all holidays falling on Sunday will be celebrated on the following Monday. Overtime shall be paid for work on the day on which any of the above holidays is observed in accordance with that Section of Article IV entitled "Overtime".

ARTICLE VII

TRIAL PERIOD

Section 1. Trial Period for Employees. All persons who hereafter are hired by the Authority prior to becoming permanent employees shall be deemed to be on probation for a period of six months and shall be dischargeable at the sole discretion of the Authority, without regard to the other provisions of this Agreement, subject to the laws of the State of New Jersey for public employees.

Upon written notification by the Authority of successful completion of the probationary

period, an employee shall be eligible to receive compensation as outlined on the wage schedule and job title attached hereto and made a part hereof. The salary adjustment shall be paid the next January or July as appropriate.

ARTICLE VIII

SENIORITY

Section 1. The aggregate of all periods of employment with the Authority shall be known as "service". The provisions of this Article shall apply to full-time permanent employees only and shall not apply to full-time probationary employees who shall not accrue service credit during their probationary period.

Section 2. The length of service in a specific position or classification shall be known as "occupational seniority". The length of service with the Authority shall be known as "Authority seniority."

Section 3. The Authority shall post each January 1 and July 1, revised occupational seniority and service seniority lists and provide the Union with a copy of each.

ARTICLE IX

PROMOTIONS AND TRANSFERS

Section 1. Posting Application for Vacancies and New Positions. When a vacancy in an existing position occurs or a new position is created, the Authority shall post a notice on the bulletin board for a period of five (5) working days, setting forth the duties and requirements of the position including the workweek. Such notice shall also state the salary range (minimum and maximum) for the position posted and the minimum qualifications to be met by the candidates for promotion to such vacancy or new position. At the time of posting, the Authority shall furnish to the Union a copy of the notice. Employees desiring to be considered must, before such date as is specified in the

notice, make application to the Executive Director setting forth their qualifications by letter. If a vacancy in a position is not posted within ten working days after the vacancy occurs, the Executive Director or his designee shall inform the Union why the position has not been posted. If a vacancy is not to be filled, the Authority shall notify the Union.

When the Authority desires to create a new position within the negotiating unit, the Authority, prior to posting, shall furnish the Union with the job classification, salary range (minimum and maximum), duties, qualifications for and requirements of the new position.

The Authority shall not be required to give consideration to the promotion of employees who do not make application within the period of posting of the notice, with the exception that employees who are absent from work for two full workdays during such period and who have at least the minimum qualifications for the positions being filled shall be considered to have filed an application for the position. The Authority will inform the Union of the names of the applicants for the posted position promptly after the posting has been removed.

The Authority may fill a position with a person from outside of the negotiating unit where no qualified employee from within the negotiating unit applies for the position.

Section 2. Filling Vacancies. Vacancies shall be filled based upon the application of relevant and reasonable criteria as detailed in (a) through (f) below which shall be established by the Authority as to each vacancy. In all promotions to classifications within the negotiating unit, full consideration will be given to the following qualifications of each applicant:

- (a) Ability to do the job.
- (b) Experience in types of work related to job being filled.
- (c) Promptness and regularity in reporting for work.
- (d) Observance of Authority rules and regulations.

- (e) Physical fitness for the job being filled.
- (f) Performance record in present and previous jobs.

For all promotions to classifications within the negotiating unit, where the qualifications for two or more candidates are reasonably equal, seniority shall govern. In all promotions to classifications within the negotiating unit which include any supervisory responsibilities, full consideration will also be given to indicate ability to perform supervisory duties. Part-time employees who are qualified as outlined above shall be given priority over new hires for full time positions.

Prior to the formal announcement of the successful candidate for a vacancy or new position the Executive Director shall inform the Union of the successful candidate and the reasons for his selection and the non-selection of the unsuccessful candidates.

Section 3. Trial Period. An employee who is promoted or transferred to a position, not previously held by him, shall receive instructions and training in such position and shall be given a minimum of ninety (90) days trial period in the new position. At the completion of the ninety (90) days trial period, the employee shall be promptly furnished with a written notification advising him of the Authority's decision whether he has qualified in the position, a copy of which shall be furnished to the Union. An employee who fails to meet the job requirements within the trial period shall be reassigned to his former classification or job without loss of seniority at the appropriate rate of pay. The appropriate rate of pay for such employee shall be the rates which would have been earned if he had not left the position from which he was promoted.

Section 4. New Jersey Law. Nothing in this Article or in this entire Agreement shall be construed in any manner which would limit, abrogate or deny the employees of the Authority their rights under the laws of New Jersey.

ARTICLE X

LAYOFF AND RECALL

Any layoff and recall of employees covered by this Agreement shall be governed by seniority. In the event that it becomes necessary to layoff members of the negotiating unit, such layoffs shall be made in reverse order of hiring (those hired last will be laid off first) and the recall of laid off employees shall be made in the reverse order of layoff so that employees with the greater seniority will be recalled first, provided that in order to receive the benefit of seniority provided in this Article such employees who would be retained in the event of a layoff or recalled must be qualified to perform the work available.

ARTICLE XI

VACATION

Section 1. All full time employees are entitled to vacation as scheduled below except for those employees who are in a non-paid status (including but limited to absence for military leave, maternity leave or any other unpaid leave of absence). During an employee's first year of employment, a permanent full time employee shall earn one day of vacation for each month worked. First year employees hired prior to June 1st of the current calendar year shall be entitled to use up to 6 days of vacation when earned. First year employees hired after June 1st of the current year shall not be eligible to use vacation days until the following calendar year.

Following the first calendar year of employment, all permanent employees covered by this Agreement shall receive vacation with pay in accordance with the following schedule:

<u>Years of Service</u>	<u>Vacation</u>
1 through 5	12 days
6 through 10	14 days

11 through 15	16 days
16 through 20	20 days
21 and over	25 days

Section 2. In order not to hamper proper and efficient Authority operations, both parties agree that the scheduling of vacation must be left to the Authority, but the following conditions shall be observed in such scheduling:

(a) The Authority shall not be required to permit an employee to take more than three (3) consecutive weeks of vacation at one time.

(b) Vacation period schedules during June, July, August and September shall be based upon service seniority among the employees.

(c) No employee entitled to two weeks vacation shall be denied a request for two (2) weeks vacation during June, July, August and September provided that operating conditions of the Authority permit the employee to be away from his job.

(d) Each employee annually must state his vacation preference by May 1. Where an employee fails to state his vacation preference or where he changes his stated preference such employee's choice of vacation shall be subject to vacation selections made by employees prior to any selection or change in selection after May 1.

Section 3. An employee's vacation pay shall be the same amount of base pay that he would have received had he worked his regular schedule.

Section 4. Vacation periods for employees shall generally commence on a Monday and end on a Friday. Vacation periods for less than five consecutive days shall be requested in writing at least three days prior to a request for one day and at least five days prior to a request for less than one day. Vacations may not be requested for less than one-half day.

Section 5. Vacation periods for part-time employees shall be on an accrual basis. Part time employees shall earn 5 hours of paid vacation time for each 100 hours worked. Vacation hours will be credited at the end of each calendar month. Vacation must be scheduled in accordance with this section.

Section 6. All vacation shall be used during the calendar year in which earned. In cases where for reasons beyond the control of the employee vacation is not so used, such vacation shall be added to the following year. In cases where an employee desires to accumulate vacation, he shall be allowed to carry over one year's vacation. There shall be no accumulation of vacation other than as set forth herein.

Section 7. Each employee's vacation entitlement shall accrue for the year in which his anniversary occurs; for example, an employee who completes his first year on any day during a specific calendar year shall be entitled to twelve working days for the year during which his first anniversary occurred, and an employee who celebrates his eleventh anniversary shall be entitled to sixteen working days during the year in which his eleventh anniversary occurs.

Section 8. Should an employee be terminated for any reason other than retirement, or his final calendar year of work, he shall be entitled to vacation pay, prorated on a monthly basis, in proportion to that part of the final calendar year worked by the employee based on the current contract schedule.

Section 9. Retirees defined as those employees who retire under the provisions of the Public Employment Retirement System, in their final calendar year will earn and receive pay for a full calendar year's vacation entitlement based upon the current contract schedule.

ARTICLE XII

SICK LEAVE

Full time employees shall be entitled to sick leave with pay as hereinafter set forth except for those employees who are in a non paid status (including but not limited to absence while being on military leave, maternity leave or any other unpaid leave of absence) during periods of disability due to non-work connected illness or injury and recuperation therefrom for periods as hereinafter set forth.

(a) During the first calendar year of employment, each permanent employee shall earn one sick day per month worked.

(b) Except as provided below, during each subsequent calendar year of employment, each permanent full time employee shall be credited with and have the use of 12 sick days unless an employee's accumulated sick leave balance is less than 12 days as of December 31. Sick leave must be taken in ½ hour increments. When an employee has 12 or less sick days accumulated on December 31, the employee shall earn and have the use of one (1) sick day per month worked for the next calendar year. The Authority will notify each employee of his/her accumulated sick leave balance in the last paycheck of December every year.

Part-time employees shall accrue sick leave on an hourly basis at the rate of five hours for each 100 hours worked. Sick leave for part-time employees shall be credited at the end of the calendar month.

(c) Unused sick leave shall accumulate from year to year and each employee in the event of illness or sickness shall be entitled to such accumulated sick leave with pay. The Union and the Authority recognize that from time to time, employees who have exhausted all available sick leave may have a bona fide illness which requires additional time off. Employees may request, in

writing, to use available vacation time or personal time for such illnesses provided however, the use of personal or vacation time must be taken in minimum of one half-day increments and may require medical verification.

(d) An employee upon separation from employment with the Authority shall be entitled to payment of 35% of the monetary value under the Authority's wage schedule of his accumulated sick leave at the time of his employment termination.

Employees upon leaving employment shall be paid for up to a maximum of 200 days of any unused sick leave, except that Authority employees as of December 31, 1985 shall be eligible upon termination for payment up to a maximum of unused sick leave equal to 200 days in addition to the number of sick days accumulated as of December 31, 1985. With the approval of the Authority an employee may elect to receive such payment after retirement over a time period, not to exceed 3 years, in annual lump sum payments. Should an employee be terminated for any reason other than retirement, for his final calendar year of work, he shall be entitled to sick leave pay, prorated on a monthly basis, in proportion to that part of the final calendar year worked by the employee based on the current contract schedule.

Retirees defined as those employees who retire under the provisions of the Public Employment Retirement System, in their final calendar year will earn and receive pay for a full calendar year's sick leave entitlement based upon the current contract schedule.

(e) An employee shall have the option during December of each year to convert up to one-half of his current year's unused sick leave for payment at 50% of its monetary value of the employee's salary rate as of December 1 of the year in which the sick leave was earned, provided no such exchange leaves the employee with less than 15 days of accumulated sick leave. Any unused sick leave will be accrued as provided for in subsection (c) of this Article.

ARTICLE XIII

PERSONAL LEAVE

All full time employees in the negotiating unit shall be entitled to a maximum two days per calendar year as leave without loss of pay in order to attend personal business under the following conditions:

(a) Written notice of intent to take such leave must be submitted to the immediate supervisor of the employee requesting the leave at least 2 days in advance of the proposed leave.

The Authority shall provide forms for employees to submit such written requests.

(b) The proposed leave may be taken only after approval by the Authority and shall be subject to the operating conditions of the Authority permitting the employee's absence.

Approval of such requests for personal leave shall not be unreasonably denied. Approval of requests for personal leave with less notice may be granted as long as operating conditions of the Authority permit the employee's absence. In the event of a genuine emergency which does not permit advance notice by an employee, upon his notifying the Authority by telephone prior to the commencement of his shift or as soon thereafter as reasonably possible of a request for use of personal leave for that shift, the Authority may permit an employee personal leave for all or part of that shift.

ARTICLE XIV

BEREAVEMENT LEAVE

Full time employees covered by this contract shall be permitted bereavement leave with pay not to exceed four calendar days beginning with the date of death of a spouse, child, mother, father, step-parent, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparents and grandchildren of employee or spouse.

ARTICLE XV

WAGES

Section 1. Salary Adjustment. Effective January 1, 2005, the salary rate of unit members who were at the top salary rate in each Job Grade on December 31, 2004 will be increased by 3.5%. All other unit members will receive the incremental (step) increase in January or July as set forth on Schedules A-1 and A-2 which are attached hereto and made a part hereof.

Effective January 1, 2006, the salary rate of unit members who were at or above the 6th year salary rate in each Job Grade on December 31, 2005 set forth on Schedules A-1 and A-2 will be increased by 3.5%. All other unit members will receive the incremental (step) increase in January or July as set forth on Schedules A-1 and A-2.

Effective January 1, 2007, the salary rate of all unit members will be increased by 3.5%. Incremental (step) increases will no longer apply. Salary rates for each Job Grade will fall within the year 2007 ranges indicated on Schedules A-1 and A-2.

Effective January 1, 2008, the salary rate of all unit members will be increased by 3.5%. The lowest and highest salary rate for each Job Grade range will also increase by 3.5%.

All unit members who are promoted to a higher Job Grade in the year 2007 will receive the beginning salary rate in the higher Job Grade or a 7% salary rate increase whichever is greater.

Section 2. Payment of Wages. Wage payments shall be made biweekly on a one-week's lag basis covering all wages earned during the preceding two-week period. The Authority will provide to each employee with his biweekly wages a record of his hours worked, wages earned and, if reasonably practicable, available vacation and sick leave.

Section 3. Schedule A-1 applies to employees who work 37.5-hour workweeks and Schedule A-2

applies to employees who work a 40-hour workweek.

ARTICLE XVI

LONGEVITY

Employees covered by this Agreement and hired prior to January 1, 1982 shall be paid annually on the next regular payday following December 1, a lump sum payment based upon total years of service with the Authority and the Town of Morristown as a longevity payment calculated from each employee's anniversary date of employment in accordance with the following schedule:

<u>Years of Employment</u>	<u>% of base pay</u>
Commencing with the 6th year of continuous service	2.0%
11th	2.5%
16th	3.0%
21st	3.5%
26th	4.0%

The longevity payment for employees shall be calculated by multiplying the appropriate percentage from the preceding schedule times base pay received during the twelve months preceding each December 1. Employees terminating prior to December 1 of any year shall receive longevity calculated upon base pay received during twelve months prior to their termination.

ARTICLE XVII

EMPLOYEE BENEFITS

(a) Health Benefits Plan. The Authority shall, on behalf of eligible full time employees and their families, provide health coverage at a cost equal to, but not greater than, rates published for the New Jersey Health Benefits for any non-traditional (HMO) plan. Employees electing to enroll in an approved plan whose premiums are greater than those of any HMO plan shall

have the difference in premiums between the chosen plan and the highest HMO plan deducted from their paychecks. The Authority will forward its payment and the employees' payment to the State Health Benefits Program as required.

As required by State regulations, all employees of the Authority, including those not covered by this Agreement, shall be required to contribute to the traditional plan (Blue Cross/Blue Shield) should he/she elect traditional coverage.

The Authority is seeking a more cost effective health benefits program to be implemented on or about July 1, 2005. The Authority agrees to maintain the structured level of benefits currently provided by the Authority in the New Jersey Health Benefits Program. If a more cost effective plan with comparable benefits is implemented, there will not be a requirement to contribute to the traditional plan premium as described above.

(b) The Authority will provide a dental plan for employees and their dependents during the period of this Agreement. Employees covered by this Agreement shall contribute \$6.00 monthly to cover the administration cost of the program. In addition all covered family members deductible shall be \$100.00 per year.

(c) All retired employees who (i) have accrued twenty-five years or more of service credited in a State or locally administered retirement system or have retired on a disability pension based on fewer years of service, and (ii) have at least twenty years of full time, continuous service with the Authority, shall receive the same hospital-surgical benefits provided to active employees under this Agreement in conformance with Chapter 88, Public Law 1974 and Chapter 54, Public Law 1979.

(d) The Authority shall continue to provide pension and retirement benefits to permanent employees covered by this Agreement in accordance with its present practice, pursuant to

provisions of the Public Employee Retirement System of the State of New Jersey.

(e) Disputes or differences arising between the Union or its members and insurance carriers or the Public Employee Retirement System as to any claims arising under the policies of insurance provided under this Article shall not be subject to arbitration under this Agreement.

(f) The Authority will reimburse employees for tuition for any course that has been successfully completed, which is job-related and which has received the approval of the Authority.

ARTICLE XVIII

MAINTENANCE OF STANDARDS

Unless a contrary intent is specifically expressed in this Agreement, all benefits, terms and conditions of employment and all practices relating thereto, which are beneficial to the employees covered by this Agreement, shall be maintained at not less than the highest standard in effect at the time of the signing of this Agreement.

ARTICLE XIX

BULLETIN BOARD

The Authority will permit the Union reasonable use of all bulletin boards located in the respective department facilities for posting notices concerning Union business. This permission will be revoked if the Union posts political, derogatory or inflammatory material or any material reflecting on the Authority or any of its employees on the bulletin boards.

ARTICLE XX

GRIEVANCE PROCEDURE

(a) A grievance is any complaint arising with respect to wages, hours of work or

other conditions of employment and any other matter involving the interpretation or application of this contract by either party. In order to provide for the expeditious and mutually satisfactory settlement of grievances, the procedures hereinafter set forth shall be followed.

(b) Complaints by employees may be initiated by an individual employee to the immediate supervisor. If the complaint is not adjusted satisfactorily at this stage and the employee wishes to enter a formal grievance, it shall be presented by the authorized Union representative.

(c) When the Union wishes to present a grievance for itself or for an employee or groups of employees for settlement, such grievance shall be presented as follows:

Step 1. Any employee of the Authority duly authorized and designated by the Local Business Agent of the Union may present and discuss a grievance or grievances orally with the Superintendent or his duly designated representative. Such grievance must be presented orally to the Superintendent or his duly designated representative within ten days of the matter or occurrence or of acquisition of knowledge about the matter or occurrence being grieved. The Superintendent or his duly designated representative shall answer the grievance orally within five days after receipt.

Step 2. If the grievance is not resolved at Step 1 or if no answer has been received by the Union within the time set forth in Step 1, the Union may present the grievance in writing to the Executive Director within seven days of the response in Step 1 or the date by which said response should have been made. This presentation shall set forth the position of the Union and at the request of either party discussions may ensue. This written grievance must be presented within twenty-two days of the occurrence of or the Union's acquisition of knowledge of the matter being grieved. The Executive Director shall answer the grievance in writing setting forth the position of the Authority within ten days after receipt of the grievance.

Step 3. If the grievance is not resolved at Step 2, or no answer has been received by

the Union within the time set forth in Step 2, the grievance may be presented in writing to the Chairman of the Board of Members of the Authority or his designee. The Board of Members may call a meeting with the Union to discuss the grievance. The final decision of the Board shall be given to the Union by the Chairman or his designee in writing within thirty days after the receipt of the Step 3 grievance.

The Personnel Committee of the Board of Members or a special three-member Committee of the Board designated by it, may be substituted for the Board of Members, if the Board so decides, for the purpose of holding a meeting on a grievance.

If the grievance has not been settled by the parties at Step 3 of the grievance procedure, or if no answer in writing by the Chairman of the Authority or his designee has been received by the Union within the time provided in Step 3, the Union may demand arbitration of the grievance in accordance with the Arbitration Article set forth below provided that the grievance shall first be referred to the Review Board of the Union which shall be comprised of the three independent agents of Local No. 469. The Review Board shall hear the matter within ten (10) days from the date of the final Step 3 determination. At this referral, all pertinent data shall be reviewed and investigated impartially in order to ascertain the merits of the grievance to proceed to Arbitration. The Review Board shall consider all testimony given by all parties at prior steps of the grievance procedure and shall render its decision within seven (7) days in writing to both the Grievant and the Authority as to whether the grievance meets the approval of the Board to proceed to Arbitration. If the Review Board approves, the grievance shall proceed to Arbitration in accordance with Article XXI.

(d) Nothing herein is intended to deny an employee any right of appeal that he may have under the laws of the State of New Jersey.

ARTICLE XXI

ARBITRATION

(a) Any grievance or other matter in dispute involving the interpretation or application of the provisions of this Agreement, not settled by the grievance procedure in Article XX, may be referred to an arbitrator as hereinafter provided.

(b) Either party may institute arbitration proceedings when the grievance procedure has been exhausted by written demand upon the other party specifying the nature of the unsettled grievance or any other matter in dispute and the remedy requested. Such demand must be made within thirty days of the Union's receipt of the Authority's Step 3 decision of the grievance procedure or, if no decision is issued, of the last day of the period permitted for issuing such decision. Within fifteen days following the presentation of such demand, the party demanding arbitration shall request the New Jersey Public Employment Relations Commission ("PERC") to provide an arbitrator to hear the arbitration in the manner set forth in the Rules and Regulations of PERC. If such demand is not filed with PERC within forty-five days of the Union's receipt of the Authority's Step 3 decision or, if no decision is issued of the last day of the period permitted for issuing such decision, the grievance shall cease to exist.

(c) The decision of the arbitrator shall be in writing and shall include the reasons for each finding and conclusion. The decision of the arbitrator shall be binding upon the Authority and Union for the duration of this Agreement.

(d) The arbitrator appointed or selected pursuant to this Article may not alter, in any way, the provisions of this Agreement.

(e) In the event an arbitrator shall award retroactive pay to an aggrieved employee (employees), it is agreed that any interim wages or unemployment benefits which the employee

(employees) may have earned elsewhere during the period covered by the award shall be deducted from the same.

(f) In the event of a change in the law governing the New Jersey Public Employment Relations Commission or its rules and regulations which would in any way effect the method of selection of an arbitrator, then, in the alternative, the party demanding the arbitration shall refer the matter to the American Arbitration Association to provide an arbitrator and for arbitration proceedings pursuant to the rules of the American Arbitration Association.

(g) Each party shall bear the expense of its own representatives. The expenses of the neutral arbitrator and any general expenses of the arbitration, if any, shall be borne equally by both parties, except that any party unilaterally causing postponement of a scheduled arbitration shall bear any expense of the arbitrator resulting from the postponement.

(h) Nothing herein shall be construed as restricting the right of any employee or group of employees to present their problems or requests directly to their supervisor or the Executive Director at any time for adjustment as long as the adjustment is not inconsistent with the terms of a collective negotiating contract or agreement then in effect; provided further, that the negotiating representative has been given opportunity to be present at such adjustment.

(i) The Authority may submit complaints to the Union Local Business Agent. If these are not settled they may be submitted to the grievance procedure starting with the second step. The same procedural requirements applicable to the Union in Article XX shall be applicable to the Authority except that Step 1 shall not apply to the Authority.

(j) In the event that an employee or aggrieved party chooses to pursue a federal, state or municipal statutory remedy over a matter where a grievance, arising over the same facts, is pending or has been resolved, the grievance shall be withdrawn from the grievance or arbitration

procedure or where a resolution of the grievance has been made, to the extent it is inconsistent with any statutory remedy obtained, the grievance determination shall have no effect. Nothing herein is intended to deny an employee any right of action or appeal which he may have under the laws of the State of New Jersey.

ARTICLE XXII

SUSPENSION AND DISCHARGE

No permanent employee shall be disciplined without just cause. An employee who has been disciplined or discharged may grieve such action in accordance with the provisions of this Agreement entitled "Grievance Procedure" and "Arbitration". In a situation involving the discharge of an employee covered by this Agreement, an employee may request binding arbitration upon notice of discharge thereby waiving his/her right to a Step II or Step III grievance hearing as prescribed in the contract. This waiver applies to discharge cases only. An employee facing a suspension or discharge investigatory meeting may have a Union representative present and the Authority will notify the employee when any meeting is for an investigatory purpose. If the employee requests such a representative and none is available, the procedure will be postponed until a Union representative is available.

ARTICLE XXIII

MEETINGS BETWEEN AUTHORITY AND UNION

During the period of the Agreement, meetings shall be held upon the request of either party between the Executive Director of the Authority or his designee and a Local Committee, consisting of not more than three employees of the Authority, appointed by the Local Business Agent, which may include the Local Business Agent. Such meetings shall be held during the work hours without loss of pay to participants within whose scheduled work hours a meeting is held, provided such

meetings do not unreasonably interfere with Authority operations.

ARTICLE XXIV

SAFETY COMMITTEE

A safety committee shall be formed consisting of two employees of the Authority selected by the Union and two representatives of the Authority selected by the Authority for the purpose of conferring on the need for safety measures, equipment and apparel for use by members of the unit during working hours. The recommendations of the majority of the committee shall be conveyed to the Executive Director and the implementation of such recommendations shall not be unreasonably denied. The failure of the safety committee to act upon the recommendation of any two of its members shall be subject to the grievance procedure of this Agreement.

ARTICLE XXV

WORK CLOTHING

Work clothing and safety shoes for use during work hours shall be ordered not later than July 1 of each year and furnished by the Authority to those employees whom the Authority requires to wear uniforms. Such employees shall each receive six uniform shirts, three uniform trousers, one winter and one spring jacket, five T-shirts and one pair of safety shoes each year during the period of the Agreement.

ARTICLE XXVI

COMPENSATION FOR NJDEP TREATMENT AND DISTRIBUTION OPERATORS LICENSE

Section 1. Employees who successfully attain NJDEP Treatment and/or Distribution Operators Licenses shall receive a one-time payment of \$600 for each license received. Such payment shall not be included in base pay.

ARTICLE XXVII

MAINTENANCE OF UNINTERRUPTED AND CONTINUOUS SERVICE

Section 1. The Authority agrees that as long as this Agreement is in force there shall be no lockout of employees covered by this Agreement.

Section 2. The Union agrees that as long as this Agreement is in force, it will not call, engage in, participate in, or sanction any strike whatsoever, either work stoppage, slowdown, sit-down, sympathetic, general or any kind.

ARTICLE XXVIII

LEGISLATIVE

Section 1. Partial Invalidation of Agreement by Present or Future Laws. If any law now existing or hereafter enacted, or any proclamation, regulation, or edict of any State or National agency shall invalidate any portion of this Agreement, the entire Agreement shall not be invalidated.

Section 2. Use of Personal Pronouns. Any personal pronouns or other words used throughout the Agreement which designate an employee's sex shall not be construed to indicate preference for either sex.

ARTICLE XXIX

TERM OF AGREEMENT

This Agreement shall continue in effect from January 1, 2005 to and including December 31, 2008.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their representatives duly authorized in all particulars to execute said Agreement, and their seals to be hereto affixed.

ATTEST:

THE SOUTHEAST MORRIS COUNTY
MUNICIPAL UTILITIES AUTHORITY

By: _____

Date:

ATTEST:

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, LOCAL 469

By: _____

Date:

WAGE SCHEDULE AND JOB TITLES - 37.5 HOUR WEEK OFFICE EMPLOYEES - EFFECTIVE JANUARY 1, 2005

		<u>* 1st Yr</u>	<u>** 2nd Yr</u>	<u>3rd Yr</u>	<u>4th Yr</u>	<u>5th Yr</u>	<u>6th Yr</u>
<u>Job Grade O-1</u>							
Clerk Typist/Receptionist	01/01/05 to 12/31/05	\$26,094	\$27,238	\$29,263	\$31,290	\$33,316	\$35,343
	01/01/06 to 12/31/06	\$27,008	\$27,238	\$29,263	\$31,290	\$33,316	\$35,343
	01/01/07 to 12/31/07	\$29,953	JOB GRADE RANGE				\$39,185
	01/01/08 to 12/31/08	\$31,001					\$40,556
<u>Job Grade O-2</u>							
Customer Account Representative	01/01/05 to 12/31/05	\$31,313	\$32,857	\$35,457	\$38,060	\$40,660	\$43,262
Office Assistant (Operations)	01/01/06 to 12/31/06	\$32,409	\$32,857	\$35,457	\$38,060	\$40,660	\$43,262
	01/01/07 to 12/31/07	\$33,543	JOB GRADE RANGE				\$47,965
	01/01/08 to 12/31/08	\$34,717					\$49,644
<u>Job Grade O-3</u>							
Accounts Payable Clerk	01/01/05 to 12/31/05	\$34,297	\$36,045	\$38,952	\$41,862	\$44,768	\$47,676
Senior Account Representative	01/01/06 to 12/31/06	\$35,497	\$36,045	\$38,952	\$41,862	\$44,768	\$47,676
	01/01/07 to 12/31/07	\$36,739	JOB GRADE RANGE				\$52,859
	01/01/08 to 12/31/08	\$38,025					\$54,709
<u>Job Grade O-4</u>							
Senior Account Clerk	01/01/05 to 12/31/05	\$38,769	\$40,371	\$43,282	\$46,194	\$49,105	\$52,017
Administrative Secretary	01/01/06 to 12/31/06	\$40,126	\$40,371	\$43,282	\$46,194	\$49,105	\$52,017
Team Leader	01/01/07 to 12/31/07	\$41,530	JOB GRADE RANGE				\$57,672
Junior Accountant	01/01/08 to 12/31/08	\$42,984					\$59,690
<u>Job Grade O-5</u>							
Administrative Assistant	01/01/05 to 12/31/05	\$42,497	\$43,997	\$46,936	\$49,873	\$52,810	\$55,747
Accountant	01/01/06 to 12/31/06	\$43,984	\$43,997	\$46,936	\$49,873	\$52,810	\$55,747
	01/01/07 to 12/31/07	\$45,524	JOB GRADE RANGE				\$61,808
	01/01/08 to 12/31/08	\$47,117					\$63,971

* After permanent appointment newly hired employees shall be eligible for the stated amount effective next January or July.

** Employees shall be eligible for 2nd year and all subsequent steps in 12 month increments subject to satisfactory performance, ending with the July 2006 increment. Effective the next January or July anniversary date between January 1 and June 30 are eligible on July 1 anniversary date between July 1 and December 31 are eligible on January 1.

WAGE SCHEDULE AND JOB TITLES - 40 HOUR WEEK SKILLED EMPLOYEES - EFFECTIVE JANUARY 1, 2005

		<u>* 1st Yr</u>	<u>** 2nd Yr</u>	<u>3rd Yr</u>	<u>4th Yr</u>	<u>5th Yr</u>	<u>6th Yr</u>
<u>Job Grade S-1</u>							
Laborer	01/01/05 to 12/31/05	\$33,445	\$34,818	\$37,325	\$39,829	\$42,334	\$44,837
	01/01/06 to 12/31/06	\$34,616	\$34,818	\$37,325	\$39,829	\$42,334	\$44,837
	01/01/07 to 12/31/07	\$35,827	JOB GRADE RANGE				\$49,712
	01/01/08 to 12/31/08	\$37,081					\$51,452
<u>Job Grade S-2</u>							
Meter Reader	01/01/05 to 12/31/05	\$36,233	\$37,785	\$40,562	\$43,339	\$46,115	\$48,891
Laborer/Driver	01/01/06 to 12/31/06	\$37,501	\$37,785	\$40,562	\$43,339	\$46,115	\$48,891
Apprentice	01/01/07 to 12/31/07	\$38,814	JOB GRADE RANGE				\$54,206
	01/01/08 to 12/31/08	\$40,172					\$56,103
<u>Job Grade S-3</u>							
Water Repairer	01/01/05 to 12/31/05	\$38,323	\$39,905	\$42,782	\$45,659	\$48,537	\$51,414
Maintenance Repairer	01/01/06 to 12/31/06	\$39,664	\$39,905	\$42,782	\$45,659	\$48,537	\$51,414
CAD Operator/Inspector	01/01/07 to 12/31/07	\$41,052	JOB GRADE RANGE				\$57,604
Mechanic	01/01/08 to 12/31/08	\$42,489					\$59,620
Apprentice Operator							
Equipment Operator							
Apprentice Operator - Water Quality							
<u>Job Grade S-4</u>							
Water Repairer/Equipment Operator	01/01/05 to 12/31/05	\$40,413	\$42,453	\$45,859	\$49,265	\$52,672	\$56,075
Senior Draftsman/Field Inspector	01/01/06 to 12/31/06	\$41,827	\$42,453	\$45,859	\$49,265	\$52,672	\$56,075
Senior Inspector	01/01/07 to 12/31/07	\$43,291	JOB GRADE RANGE				\$62,171
	01/01/08 to 12/31/08	\$44,806					\$64,347
<u>Job Grade S-5</u>							
Pumping Station Repairer	01/01/05 to 12/31/05	\$45,989	\$47,540	\$50,647	\$53,756	\$56,861	\$59,969
Chief Maintenance Repairer	01/01/06 to 12/31/06	\$47,599	\$47,540	\$50,647	\$53,756	\$56,861	\$59,969
Chief Water Repairer	01/01/07 to 12/31/07	\$49,265	JOB GRADE RANGE				\$66,488
	01/01/08 to 12/31/08	\$50,989					\$68,815

* After permanent appointment newly hired employees shall be eligible for the stated amount effective next January or July.

** Employees shall be eligible for 2nd year and all subsequent steps in 12 month increments subject to satisfactory performance, ending with the July 2006 increment. Effective the next January or July anniversary date between January 1 and June 30 are eligible on July 1 anniversary date between July 1 and December 31 are eligible on January 1.