

MEMORANDUM OF AGREEMENT

This Agreement, made by and between the Chicago Transit Authority ("CTA" or the "Authority") and International Union of Operating Engineers, Local 399 (the "Union") this 13 day of June, 2013 as follows:

1. The CTA and the Union hereby extend the terms of the 2007-2012 collective bargaining agreements except as modified herein, for the time period January 1, 2012 through 11:59 p.m. December 31, 2016.

2. The CTA and the Union hereby adopt all tentative agreements resolving all outstanding Coalition issues as follows:

(a) Effective date of Agreement: January 1, 2012.

(b) Wage Rates: Amend Article 2.1 of the Agreement as follows:¹

(i) Delete the current text of Section A.

(ii) (Change the first sentence of Section B as follows) --- Effective January 1, 2012, employees in the classifications of Chief Operating Engineer Foreman and Stationary Engineer shall receive the hourly rate being paid to crafts or job classifications doing similar kinds of work in Cook County pursuant to the formula currently in use by the United States Department of Labor in administering the Davis-Bacon Act.

As of July 1, 2012, the hourly rates for the classifications listed below are as follows:

<u>Chief Engineer</u>	<u>\$46.97</u>
<u>Assistant Chief Engineer</u>	<u>\$44.67</u>
<u>Stationary Engineer</u>	<u>\$41.75</u>

(iii) (Change the first sentence of Section C as follows) – Effective on July 1 of each year of this Agreement beginning in 2012, the wage rate referred to in the immediately preceding section shall be adjusted to reflect the hourly rates effective on such dates being paid to crafts or job classifications doing similar work in Cook County pursuant to the formula specified in Section 2.1B above. In the event the hourly wage rates effective July of each year covered by this Agreement are established at an effective date later than July 1, then such rates, when established, shall be paid as of said effective date. The Chief

¹ References to specific Articles and Sections herein are to the agreement between CTA and International Union of Operating Engineers, Local 399. It is understood and agreed that the Agreement will be amended in whatever manner necessary to conform to this Memorandum of Agreement and any other tentative agreement between CTA and the Union.

Executive officer of the Union shall annually certify to the Chicago Transit Authority the adjustment, if any, to the above referenced hourly wage rates to be made on each July 1 during the term of this Agreement. Upon request, of the Chicago transit authority, the Union shall provide reasonable evidence to support such certification.

(iv) (Change the first sentence of Section D as follows) – The Wage Rate Schedules for all employees covered by this Agreement for the period commencing January 1, 2012, are attached hereto as Attachment D and are incorporated herein by reference.

(v) (Change Section E as follows) – Employees hired into the classification of Engineer Trainee will be paid in accordance with the following schedule and are not subject to Article II, A through D:

New Trainee Hourly Rate Schedule --	
<u>Starting Rate</u>	<u>\$13.00</u>
<u>After 12 months</u>	<u>\$14.00</u>
<u>After 24 months</u>	<u>\$15.00</u>
<u>After 36 months</u>	<u>\$16.00</u>

(c) Holidays: Amend Article 3 as follows:

(i) (Change Section 3.1, Paid Holidays, as follows) –

For all employees covered by this Agreement, New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, the scheduled work day preceding Christmas Day and Christmas Day or days celebrated for such holidays will be paid holidays. Employees who perform work on these holidays shall be paid at double time for all hours worked. Employees who do not work on such holidays will receive eight (8) hours' pay at their regular permanent classified rate, provided they would have been scheduled to work and would have worked had it not been a holiday, and provided that they shall not have been absent from their scheduled duties without good cause or excuse the day preceding and the day following such holidays. If any of the paid holidays fall on Saturday, it shall be celebrated on Friday.

In addition to the foregoing, all employees covered by this Agreement shall receive one (1) paid personal day which shall be treated as a holiday under the terms of this Agreement, and which may be selected on a first-come, first-served basis, provided that forty-eight hours prior notice is given, or twenty-four (24) hours' notice in the case of a bona fide emergency with supporting documentation provided by the employee, except where permission is granted

by the foreman. All work performed by an employee on a scheduled personal day shall be paid at double time.

(ii) Delete Section 3.3 Anniversary of Birth Holiday.

(iii) Delete Section 3.4 Anniversary of Employment Holiday.

(d) Vacations: Amend Article 4 as follows:

(i) (Change Section 4.13 Random Vacation days as follows) -- The following procedure will be utilized regarding Random Vacation Days:

(ii) 1. Those employees who are eligible for two (2) ~~or three (3)~~ or more complete weeks may elect to pick the second ~~one~~ of these weeks on a random day basis.

(iii) 2. Those employees who are eligible for three (3) ~~four (4)~~ or more complete weeks of vacation may elect to pick two of these weeks on a random day basis.

(iii) 4. The option to select one or two weeks of vacation as random vacation days must be declared at the time of the regular vacation pick. Random days may be selected at a later time on a first-come, first-served basis, provided that forty-eight hours three (3) working days prior notice is given, or twenty-four (24) hours' notice in the case of a bona fide emergency with supporting documentation provided by the employee, except where permission is granted by the foreman.

(iv) (Add new Section to Article 4 Voluntary Unpaid Time Off as follows) -- Employees shall have the right on a voluntary basis to take up to five (5) unpaid days off in each year of this Agreement. Such days off shall be selected on a first-come, first-served basis, provided that forty-eight hours prior notice is given, or twenty-four (24) hours' notice in the case of a bona fide emergency with supporting documentation provided by the employee, except where permission is granted by the foreman.

(e) Health Care: (Amend Article 5 Health Care as follows) -- Adopt the Authority's Health Care Proposal as agreed to by and between the ATU and the Coalition (as attached) to be effective at the dates agreed to by those parties during 2013.

(f) Retirement and Disability Allowance: (Amend Article VI as follows) -- In the event that the parties agree that the Authority will continue to provide retirement and disability allowance benefits to employees represented by the Union, the parties will also agree that any modification, revision, adjustment, deletion, addition, increase, decrease and/or any other change in the ATU,

Locals 241 and 308-CTA Retirement and Disability Allowance Article or the Retirement Plan for CTA Employees, resulting from, arising out of and/or related to impending collective bargaining negotiations with the ATU, Locals 241 and 308 whether through a negotiated settlement or an interest arbitrator's award or any order of competent authority, will apply equally and identically to and will automatically revise the Retirement and Disability Allowance Article and/or the Retirement Plan for CTA Employees to employees represented by the Union. Changes to retirement and disability allowance for retirees of the Union will not be implemented until a successor ATU collective bargaining agreement is fully executed.

- (g) Union-Management Committee: (Add the following language to Article 1, Section 1.8 as follows):

The Authority and the Coalition understand and agree that on account of the current economic climate, the parties must increase the efficiency in which their work is performed, so as to reduce costs as much as possible and to preserve the jobs of current employees who are covered by this Agreement. Accordingly, the parties agree to utilize the union-management committee for the purpose of agreeing to reduce redundancies in the performance of work for the Authority and to increase the efficiency of work crews. The committee will meet in order to identify areas where members of one Union periodically may perform certain duties which may historically be performed by members of another Union, and shall implement any such changes as may be mutually agreed to by the Authority and the affected Unions.

- (h) Term of Agreement: (Amend Article 9, Section 9.1 as follows) --

This Agreement and the provisions thereof, when signed by the proper officials of the Authority and the Union shall become operative as of the first day of January, ~~2007~~ 2012 and shall remain in force until and including December 31, ~~2011~~ 2016, and shall continue in full force and effect from year to year thereafter, unless written notice is given by either party hereto to the other on or before sixty (60) days prior to December 31, ~~2011~~ 2016 or sixty (60) days prior to December 31st of any subsequent contract year, requesting that the Agreement be amended or canceled. If amendment is desired, the contents of the amendment shall be submitted by either party to the other not later than sixty (60) days prior to any expiration date, and such amendment shall not become effective until the first day of January following the expiration date, provided changes mutually agreeable to the representatives of both parties may be made at any time.

Notwithstanding the foregoing, the Agreement may be reopened if the amended Authority budget submitted pursuant to Section 2.18a of the Regional Transportation Authority Act is not approved by the Board of the Regional Transportation Authority.

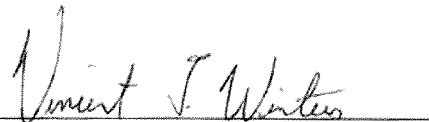
3. This Agreement is subject to ratification by the Union's membership in accordance with their respective rules and by-laws, and by the Chicago Transit Board, and shall become effective upon said ratifications. All changes in contract language, wages and benefits shall take effect on the date of final ratification by both parties unless otherwise provided in the particular tentative agreement. Wage increases shall be retroactive to January 1, 2012 except as otherwise provided by agreement or practice.

In Witness Whereof, the parties have affixed their signatures below by their respective representatives.

CHICAGO TRANSIT AUTHORITY

**INTERNATIONAL UNION
OPERATING ENGINEERS LOCAL
399**

By: 

By: 

Date: 6/13/13

Date: March 20, 2013