

July 29, 2015

SERVICE MASTER LABOR AGREEMENT (SMLA) NEGOTIATIONS

Last and Final Offer

The following **Last and Final Offer** is submitted to District Council 16 (DC 16) by ARCA/MCA for an extension of the current Service Master Labor Agreement, to be effective upon ratification by the Union and Association memberships and is conditioned on a peaceful settlement.

The terms and conditions of the 2012 – 2015 Service Master Labor Agreement shall remain the same with the following changes:

1. The SMLA is to be a four year term (September 1, 2015 – August 31, 2019).
2. The following economic increases are for the Journeyman classification, with the appropriate percentage being applied to the other classifications, and to be allocated by the Union except as noted.
 - September 1, 2015, Journeyman \$2.00 per hour (\$1.00 H&W in LA/OC and SBR to be allocated as defined below *)
 - September 1, 2015, increase the Tradesman minimum hourly wage to \$12.00
 - September 1, 2016, Journeyman \$2.00 per hour (\$.25 to the JJATC in LA/OC**)
 - September 1, 2017, Journeyman \$2.00 per hour
 - September 1, 2018, Journeyman \$2.00 per hour
 - LA/OC “Pension Super Credit” contribution of \$.14 per hour is to be reallocated to the Health and Welfare contribution effective September 1, 2015, and then reallocated as new money to the “Pension Super Credit” contribution rate to be effective with hours worked on and after January 4, 2016 through August 31, 2019.

* September 1, 2015, \$.50 per hour to be allocated to the Health and Welfare contribution in LA/OC and SBR Counties, and \$.50 per hour to be allocated to the Health and Welfare contribution through August 31, 2017, subject to the following provision:

Add a new Section LA 4.01.D to the Los Angeles and Orange Counties Addendum and SBR 3.01.B to the San Bernardino and Riverside Counties Addendum to read as follows:

Effective September 1, 2017, the Union and the Association agree to set aside \$.50 per hour for the express purpose of improving the funding levels of the local Retirement Fund, the Health and Welfare Fund and the JJATC Training Fund as provided in the collective bargaining agreement. Each April, the Union and the Association shall meet for the purpose of deciding where the \$.50 contribution is to be allocated the following September. This allocation is for the express purpose of improving the funding level and not for the purpose of improving benefits.

Each September such allocation shall be for a period of one year. In the event the parties are unable to agree on which benefit fund should receive the \$.50 per hour for that year, such \$.50 per hour shall be contributed to the JJATC Training Fund. Notwithstanding the procedures outlined in this Section, should the local Retirement Fund, Health and Welfare Fund or JJATC Training Fund suffer an unforeseen economic setback, the parties may mutually agree to reallocate the \$.50 for the remainder of that one year allocation period to such fund for the purpose of maintaining existing benefits.

** The \$.25 per hour increase effective with hours worked on and after September 1, 2016, to be allocated to the JJATC for the express purpose of eventually building a new training facility.

3. The Union and the Association agree to increase the Health and Welfare contribution rate as described above conditioned on the Airconditioning and Refrigeration Board of Trustees approving the following modifications to the Airconditioning and Refrigeration Health and Welfare Benefit Trust Fund as soon as feasibly possible, unless otherwise noted, to capture the projected savings:
 - Implement a Post-65 Retiree Exchange. This program is to be implemented January 1, 2017, which allows an adequate time period for the purpose of educating affected participants.
 - Increase Blue Shield PPO Out-of-Pocket limit from \$2,000 to \$3,000 and decrease coinsurance by 10% both in and out-of-network.
 - Add Blue Shield HMO surgery co-pay of \$200/\$500.
 - The arbitration regarding the Dependent Surcharge and Smoking Surcharge to be withdrawn without prejudice.
4. Address the California Paid Sick Days law by modifying Section 11.03 to read as follows, and modify the Collective Bargaining Agreement and the Wage and Benefit Schedules to also reflect this change from "Vacation and Holiday" to "Paid Time Off":

11.03. "Paid Time-Off Fund"

A. In the computation of payments for the Paid Time-Off Fund, the amount provided shall be added to the hourly wage of the employee for every hour worked and all payroll deductions made there from. It is the intent of the parties that the Paid Time-Off Fund be all encompassing, such as but not limited to vacation, holidays, sick time, personal time, jury duty, etc.

B. The hourly rate payable to the Paid Time-Off Fund (PTO) as set forth in the Wage and Benefit Schedule of this Agreement may be decreased by six cents (\$.06) per hour (or such other uniform amount upon notice duly given by the Union) for each employee who has authorized, in writing, an hourly contribution in this amount, to be deducted from the employee's Paid Time-Off Fund contribution and transmitted to a Federal Political Action Committee sponsored by the Union or its parent organization. Each Employer will transmit this deduction with the deduction for the Paid Time-Off Fund. The appropriate Industry Joint Trust Fund shall be responsible for the administration of this program. In no event may the Paid Time-Off Fund deduction and the political

contribution deduction exceed the total amount set forth for the Paid Time-Off Fund (PTO) in the Wage and Benefit Schedule of this Agreement.

5. Add a new Section SD 3.04-B to read as follows:

B. In accordance with Section 11.03 of this Agreement (as proposed above), the Wage and Benefit Schedule Vacation and Holiday will be modified to read Paid Time Off. For administrative purposes, such contributions will be made to the Southern California Pipe Trades Vacation and Holiday Fund.

6. Add a new Section TC 1.02-B to read as follows:

B. In accordance with Section 11.03 of this Agreement (as proposed above), the Wage and Benefit Schedule Vacation and Holiday will be modified to read Paid Time Off. For administrative purposes, such contributions will be made to the Southern California Pipe Trades Vacation and Holiday Fund.

7. Add a new Section BK 1.02-B, conditioned on the Southern California Pipe Trades Benefit Funds Board of Trustees participation approval, and effective with hours worked on and after September 1, 2015, to read as follows:

B. In accordance with Section 11.03 of this Agreement (as proposed above), the Wage and Benefit Schedule will provide for a Paid Time Off contribution. For administrative purposes, such contributions will be made to the Southern California Pipe Trades Vacation and Holiday Fund.

8. The Union may allocate funds in LA/OC from the economic increase made in this Last and Final Offer to increase certification pay, pension and or 401(a) contributions for apprentices, and increase the Health and Welfare contributions for Market Refrigeration, provided however, the full cost of making any of these allocations must be completely paid for without any negative impact on the funding level of a Fund and no additional cost to the Employers. The Union and the Association will meet to determine the actual cost of any allocations. If the Union and the Association cannot agree on the actual full cost, Miller Kaplan and Arase as well as Horizon Actuarial will be consulted to determine such full cost and/or impact.

9. Delete Section LA 4.15; reduce the Health and Welfare contribution by \$.01 and increase the 401-A contribution by \$.01; add a Note on the LA/OC Wage and Benefit Schedules (HVAC and MR) to read as follows:

Note: \$.01 of the 401-A Defined Contribution shall be used to pay the program administrative costs.

10. Add a new Section 11.06 to read as follows:

11.06. "PPNPF" For the Wage and Benefit Schedules attached to this Agreement that require contributions to be made to the Plumbers and Pipefitters National Pension Fund, the Employer agrees to make contributions to the Plumbers and Pipefitters National Pension Fund in accordance with the Standard Form of Participation Agreement dated Revised May 2001.

11. Delete Section BK 1.03 in its entirety.

12. Delete Section TC 1.03 in its entirety.
13. Delete the last sentence from Section SD 3.02.
14. Add a new Section SD 6.02 to read as follows:

SD 6.02. “On Call Pay” Notwithstanding Section 12.04.E of this Agreement, if an Employee is required to be on call during periods outside of the regular work day, or work week, he shall receive the sum of \$20.00 per each such day Monday through Sunday, or holiday. This on-call fee shall be considered as compensated expense for maintaining required facilities for this purpose.

15. Conditioned on the Southern California Pipe Trades Benefit Funds Board of Trustees participation approval, modify Section SD 3.05 to include the Southern California Pipe Trades Health Reimbursement Account (HRA).
16. CBA document housekeeping matters:
 - Page 14 Section 11.01-C add LA to reference of Section 4.01-C

The parties agree to accept and recommend this offer for ratification by their respective memberships.

Date:

Mike Layton, DC 16
Business Manager

Richard J. Sawhill, ARCA/MCA
Executive Vice President