

**MEMORANDUM OF AGREEMENT**

**BY AND BETWEEN** the City of New Brunswick (hereinafter the “City”) and New Brunswick Firemen’s Mutual Benevolent Association, Local 217, (hereinafter “FMBA 217”), dated this 13 day of January \_\_, 2016.

**WHEREAS**, the City and FMBA 217 are parties to a duly executed collective negotiations agreement for the period of January 1, 2009 through December 31, 2014 (hereinafter the “Agreement”); and

**WHEREAS**, the City and FMBA 217 have been engaged in good faith collective negotiations for the purpose of reaching agreement on terms and conditions of employment for a successor Agreement; and

**WHEREAS**, the City and FMBA 217 have reached agreement on new terms and conditions subject to ratification by the membership of FMBA 217 and approval by the Mayor and City Council; and

**WHEREAS**, the negotiating committees for the City and FMBA 217 unanimously agree to recommend their agreement for ratification and approval;

**NOW, THEREFORE**, in consideration of the mutual covenants, promises, and undertakings herein set forth the parties agree as follows:

1. Article XXXVIII, Duration of Agreement: The duration of the Agreement shall be January 1, 2015 through December 31, 2021.

2. Article XXVII, Salary Plan: Salary increases shall be as follows:

Effective and retroactive to July 1, 2015:	1.5%
Effective January 1, 2016:	2.0%
Effective January 1, 2017:	1.5%

Effective January 1, 2018:	2.0%
Effective January 1, 2019:	2.0%
Effective January 1, 2020 :	1.5%
Effective January 1, 2021:	2.0%

3. Article X, Health Benefits and Hospitalization: Add language as follows:

a. Effective February 1, 2016, the following changes shall be implemented to the Rx plan for all FMBA 217 members:

i. Co-pays for 30 day supply: generic drugs, \$10; preferred brand drugs, \$30; and non-preferred brand drugs, \$50. Co-pays for 90 day mail order supply: generic drugs, \$20; preferred brand drugs, \$60; and non-preferred brand drugs, \$100.

ii. The parties agree to limit prescriptions for erectile dysfunction (“ED”) to 6 pills per month per participant. If, however, the participant’s healthcare provider prescribes such medication for a non-ED condition, the participant shall be allowed to exceed the limit if the healthcare provider establishes medical necessity.

iii. Specialty drugs shall be purchased through Maxor mail order.

iv. The plan shall not cover Proton Pump Inhibitors (“PPI”) in as much as these drugs can now be purchased “over-the-counter.”

vi. Upon ratification of the agreement by the parties, a mandatory generic dispense as written (“DAW”) procedure shall take effect. That is, if a healthcare provider indicates “DAW” or “dispense as written” on the prescription, the participant shall only pay the preferred or non-preferred co-pay. If the healthcare provider does not indicate “DAW” or “dispense as written” the member shall pay the brand (preferred or non-preferred) co-pay **plus** the difference in cost between the generic and the drug obtained.

b. The City shall have the right to implement an additional health plan or plans to supplement the current health benefits program offered to FMBA 217 members. FMBA 217 members may, at their option, elect to participate in such plans if established.

c. Add language as follows: "FMBA 217 acknowledge that their active members who receive health benefits through the City shall be obligated to pay no less than the contribution percentage levels for year 4 of the Chapter 78 schedule for the term of this contract agreement regardless of whether Chapter 78 is repealed or modified to provide for lower or higher contribution rates."

d. Add language as follows: "FMBA 217 members hired after November 1, 1990 who have health insurance coverage elsewhere may opt to waive their rights to coverage with the City's sponsored health insurance plans. In those instances, the City will pay \$1500.00 per year to said employee, if the spouse of that employee is not already provided coverage by the City. Those members who opt to keep Dental and/or Vision coverage but waive Medical and Prescription coverage shall receive \$1200.00 per year. It is agreed and understood that an employee who has opted to waive benefits can re-enroll into any plan sponsored by the City at any time. Both parties agree to develop language which will govern re-enrollment. When an employee re-enrolls, he/she will be eligible for a pro-rated payment based upon re-enrollment start date and the type of insurance previously waived. Payment for the waiver benefit will be made twice per year. Generally, an eligible employee can expect ½ payment in April and ½ payment in November of a given year."

4. Article V, Sick Leave, Section 1: Any FMBA 217 member hired after November 1, 1990 shall not be entitled to the benefit known as "excess sick leave."

5. Article V, Sick Leave, Section 1, Terminal Leave: The following procedure shall be incorporated into the Agreement:

Upon retirement, members shall be entitled to payment for capped sick time, if separation occurs while in good standing, at an hourly rate equal to the salary plus longevity of said members at the time of retirement.

Members must present the City Administrator and Fire Director with written notice about the date of retirement and must present the City Administrator with a PFRS retirement approval letter.

Eligible members will receive payment for capped sick time and unused prorated vacation time only. Unused personal time by a member will not be reimbursable.

Payment will be made over a period of years to be determined by the City Administrator and the retiree. The payment schedule will be committed to a written agreement.

The following sick time caps apply to all FMBA 217 members at present:

- Those hired prior to November 1, 1990 will be capped at 2100 hours;
- Those hired after November 1, 1990 and before July 31, 2010 shall be entitled to receive 50% of the employees' value of accumulated unused sick leave up to a maximum payment not to exceed 481 hours;
- Firefighter hired after July 31, 2010 and subsequently promoted to an officer title shall be entitled to a maximum payment of \$15,000;
- Should a member fall below his/her sick time cap at time of retirement, the member will be compensated for the lesser amount;
- Sick caps are reduced by the value of time sold back to the City by a member over his/her career.

The heirs, assigns or designees of a member whose employment is terminated by death, while in good standing, shall receive payment as set forth above.

Members who retire under a disability retirement within the meaning of the Police and Fireman's Retirement System (PFRS) shall receive payment as set forth above.

Members severing service to the Nbfd after no less than ten (10) years of continuous service to the City of New Brunswick shall receive payment for accumulated or capped sick leave whichever is the lesser amount, if termination occurs while in good standing.

RE-OPENER: The parties agree that the City shall have the right to re-open the contract on or before July 1, 2017 for the sole purpose of addressing the implementation and effect of the Affordable Care Act's Excise Tax on the City's health benefits plans and FMBA 217 unit members. Should the City exercise its right to reopen the contract pursuant to the provisions of this paragraph, and should the parties be unable to come to an agreement on the issues raised by either party regarding the implementation and effect of the Affordable Care Act's Excise Tax on the City's health plans and on FMBA 217 unit members, the parties agree to submit these limited issues to an arbitrator to be mutually selected by the parties or through the parties' contractual grievance procedures. The appointed arbitrator shall apply the interest arbitration criteria set forth in N.J.S.A. 34:13A-16, et seq., in making his/her determination.

WHEREFORE, THE PARTIES HERETO SET THEIR HANDS THIS 13

DAY OF JANUARY \_\_, 2016

THE CITY OF NEW BRUNSWICK

ATTEST:

By: Thomas A. Loughlin 3<sup>rd</sup>  
Thomas A. Loughlin, 3<sup>rd</sup>  
City Administrator

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FMBA 217

ATTEST:

By: Imael Pal  
, President

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