

ARTICLE 1. DEFINITIONS 3
 SECTION 1 - TENSE, NUMBER AND GENDER AS USED IN THIS AGREEMENT 3
 SECTION 2 - DEFINITIONS 3

ARTICLE 2. PARTIES & PURPOSE OF AGREEMENT 6

ARTICLE 3. RECOGNITION OF BARGAINING UNIT 7

ARTICLE 4. MANAGEMENT RIGHTS 7

ARTICLE 5. UNION RESPONSIBILITY 8

ARTICLE 6. UNION SECURITY 8

ARTICLE 7. UNION MEMBERSHIP AND DUES 8

ARTICLE 8. REPRESENTATIVES 9
 SECTION 1 – UNION REPRESENTATIVES 9
 SECTION 2 - JOINT MEETING 10

ARTICLE 9. NO STRIKE OR LOCKOUT 10

ARTICLE 10. NON DISCRIMINATION 11

ARTICLE 11. HIRING HALL 11

ARTICLE 12. GRIEVANCE PROCEDURE 12

ARTICLE 13. HOURS OF WORK, WAGES/ OVERTIME PAYMENTS 15
 SECTION 1 – WORKWEEK 15
 SECTION 2 – WORK SCHEDULE 15
 SECTION 3 – PREP TIME 15
 SECTION 4 – CLEAN-UP TIME 16
 SECTION 5 – OVERTIME 16
 SECTION 6 – COMP TIME 16
 SECTION 7 – REPORTING FOR WORK 17
 SECTION 8 – RECALL 17
 SECTION 9 – EXTENSION OF SHIFT 17
 SECTION 10 – CALLOUT ON DAY OFF 17
 SECTION 11 – ACTING PAY 18
 SECTION 12 – BUSINESS TRAVEL TIME 18

ARTICLE 14. BIDDING OF ROUTES AND SHIFTS 19
 SECTION 1 – BIDDING PROCESS 19
 SECTION 2 - USE OF UTILITY PERSON **ERROR! BOOKMARK NOT DEFINED.**
 SECTION 3 - OPERATION OF THE EXTRABOARD **ERROR! BOOKMARK NOT DEFINED.**

ARTICLE 15. HOLIDAYS 23
 SECTION 1 – RECOGNIZED HOLIDAYS 23
 SECTION 2 - OBSERVANCE OF HOLIDAYS 24
 SECTION 3 - CALCULATION OF HOLIDAY PAY 25

ARTICLE 16. MEAL PERIODS 25

ARTICLE 17. EMPLOYER-CALLED MEETINGS 26

ARTICLE 18. PAY DAY, ITEMIZED DEDUCTIONS, PAY SHORTAGES.....28
ARTICLE 19. TRIPSHEETS AND TIMESHEETS28
ARTICLE 20. WORK RULES FOR EMPLOYEES29
ARTICLE 21. DISCIPLINE.....29
ARTICLE 22. EMPLOYEE TERMINATION.....30
ARTICLE 23. CONTINUOUS SERVICE CREDIT30
ARTICLE 24. SENIORITY.....31
ARTICLE 25. LAYOFF AND BUMPING RIGHTS33
ARTICLE 26. PERFORMANCE EVALUATIONS.....34
ARTICLE 27. LEAVE35
 SECTION 1 - COMPUTATION OF AMOUNT OF LEAVE DUE35
 SECTION 2 - PAYMENT FOR LEAVE36
 SECTION 3 - ELIGIBILITY FOR LEAVE36
 SECTION 4 - LEAVE OF ABSENCE37
 SECTION 5 - LEAVE CASH-IN.....37
 SECTION 6 - LEAVE DONATION.....38
 SECTION 7 - FUNERAL/BEREAVEMENT LEAVE38
 SECTION 8 - VOTING LEAVE38
 SECTION 9 - JURY DUTY39
 SECTION 10 - FAMILY MEDICAL LEAVE39
 SECTION 11 - MILITARY TRAINING LEAVE.....39
ARTICLE 28. PHYSICAL EXAMINATIONS AND DRUG TESTING.....40
ARTICLE 29. EXAMINATION OF RECORDS.....41
ARTICLE 30. PARKING41
ARTICLE 31. PRINTING OF THE AGREEMENT41
ARTICLE 32. EQUIPMENT VIOLATIONS/TICKETS41
ARTICLE 33. TRAINING.....42
ARTICLE 34. BULLETIN BOARD43
ARTICLE 35. EMPLOYEE ROSTER43
ARTICLE 36. IDENTIFICATION CARDS/DRIVER BADGES.....43
ARTICLE 37. UNIFORMS.....43
ARTICLE 38. EMPLOYEE RIGHTS.....44
ARTICLE 39. TOOLS.....44
ARTICLE 40. SAFETY45
ARTICLE 41. RETIREMENT.....45
ARTICLE 42. PREPAID PLANS46
ARTICLE 43. HEALTH INSURANCE46

SECTION 1 - HEALTH COVERAGE46

SECTION 2 - LABOR MANAGEMENT COMMITTEE ON EMPLOYEE BENEFITS.....48

SECTION 3 – HEALTH WELLNESS SUBCOMMITTEE.....50

SECTION 4 - HEALTH CARE CONTINGENCY FUND50

SECTION 5 - LIFE INSURANCE51

SECTION 6 - FLEXIBLE SPENDING ACCOUNTS51

SECTION 7 - RESOLUTION OF DISPUTES52

ARTICLE 44. SEPARABILITY AND SAVINGS CLAUSE52

ARTICLE 45. SALARY PROGRESSION53

ARTICLE 46. UNION LABEL.....54

ARTICLE 47. SUBCONTRACTING54

ARTICLE 48. CONCLUSION OF COLLECTIVE BARGAINING55

ARTICLE 49. SUCCESSORSHIP55

ARTICLE 50. DURATION OF AGREEMENT.....55

ARTICLE 1. DEFINITIONS

Section 1 - Tense, Number and Gender as Used in this Agreement

1. Words in the present tense include the past and future tenses, and words in the future tense include the present tense.
2. Words in the singular number include the plural, and words in the plural number include the singular.
3. Words of any gender include the masculine, feminine and the neuter, and when the sense so indicates, words of the neuter gender may refer to any gender.

Section 2 - Definitions

1. **“Accident/Incident Review Board”** means a board charged with investigation of accidents and incidents. The union will be notified in advance of all Accident Review Board meetings.
2. **“Bargaining Unit”** in this agreement means the Alaska State District Council of Laborers, Laborers Local Union No. 942.

3. **“Business Agent or Union Representative”** a Laborers Local 942 professional staff person who is designated to represent Local 942 Borough employees on behalf of the union.
4. **“Calendar Year”** means a twelve-month period beginning January 1, and ending December 31.
5. **“Casual Employee”** is a person who is employed in a casual (temporary) capacity that does not exceed 1040 hours in a calendar year. Casual employees exceeding 1040 hours in a calendar year will be immediately terminated from Borough employment. Casual employees are not eligible for any fringe benefits.
6. **“Confidential Employee”** means an employee who assists and acts in a confidential capacity to a person who formulates, determines and effectuates management policies in the area of collective bargaining, and is excluded from the Bargaining Unit.
7. **“Disciplinary Action”** means imposition of certain personnel actions for just cause (e.g., oral counseling, written reprimand, suspension, dismissal) or as a result of conduct detrimental to the Borough.
8. **“Disciplinary Review Board”** a review board consisting of the Transportation Director, Human Resources Director, Business Agent and immediate supervisor or their designees. The Board will convene when an employee does not concur with the discipline imposed.
9. **“Employee Representative”** means any Bargaining Unit Member designated as such by the union to serve on specific committees, i.e. Health, Labor/Management, etc.
10. **“Exempt Employee”** means an employee whose position has been classified as non-overtime eligible, in accordance with the FLSA (Fair Labor Standards Act).

11. **“Extraboard”** an employee who is utilized as a substitute for a regular employee. Extraboards are non-scheduled and therefore do not have an ongoing set schedule, but are on-call for fill-ins as needed. Extraboards shall not be covered under the State of Alaska Public Employees Retirement System (PERS) nor shall he or she be covered under the Prepaid Legal Service Plan or eligible for holidays. This employee shall, however, be eligible to accrue leave on a pro-rata basis. Employees classified in this category who work an average of seventy (70) hours or more in the previous three months shall be eligible for health care benefits for the following month.
12. **“Fiscal Year”** means a twelve month period beginning July 1 and ending on June 30.
13. **“Ghost Rider”** means an individual who will be periodically called in by the employer to evaluate employee performance and adherence to Borough policies, practices and applicable local, state and federal regulations. Ghost riders must have familiarity with bus operations and regulations. Employees and the Union will be notified of results and content may be used in employee performance evaluations.
14. **“Job Steward”** means a Bargaining Unit Member designated as such by the union to represent the interests of the members and is authorized to speak for the Laborers Local 942 on employee matters as governed by this Agreement.
15. **“Layoff”** means a separation from employment that is implemented because of budgetary limitations, lack of work, abolishment of position, departmental reorganization, or for similar reasons.
16. **“Transit Supervisor, Maintenance Supervisor and Van Tran Supervisor”** employees who under the direction of his/her manager/director may be responsible for the assigning, scheduling and reviewing the day to day work activities and quality of work including, if necessary, giving technical direction to the employees supervised including imposition of 1st level disciplinary actions. The Transit Supervisor, Maintenance Supervisor, or Van Tran Supervisor may be requested by

the manager/director to indicate the effectiveness of the work product of the employees supervised, including completing performance evaluations.

17. **“Management Employee”** an employee designated as management staff by the employer who is empowered to manage and direct the department/division in all aspects.

18. **“Regular Employee”** means an employee who has been retained in his/her appointed position after completion of his/her probationary period, whose position requires at least twenty (20) hours of work each regular workweek, and whose position is identified as a benefit eligible, permanent position in the approved budget. A regular employee is eligible for health benefits as provided in this agreement, and shall receive all other benefits under this agreement on a pro rata basis of hours paid, excluding overtime hours, but including all paid leave.

A regular employee is not allowed to hold a casual position while employed by the Borough in a regular capacity.

19. **“Scheduled Employee”** either a full-time (30-40 hours per week workweek) or part-time (20-29 hours per week workweek) regular employee who has a set, established work schedule and is therefore entitled to fringe benefits.

20. **“Term Employee”** means a project specific employee holding a position for a period of more than six months but less than two years, with a projected discharge date which may be adjusted according to funding limitations or completion of work. Employees hired to fill a term position shall enjoy all benefits of a regular employee with the exception of employment protection beyond the life of the designated project(s). Term employees are not eligible for bumping rights.

ARTICLE 2. PARTIES & PURPOSE OF AGREEMENT

- A. This agreement is made and entered into between the Fairbanks North Star Borough, hereinafter referred to as the "Employer" and the Alaska State District Council of Laborers, Laborers Local Union No. 942, hereinafter referred to as the "Union".

- B. It is the policy of the Employer and the Union to continue harmonious and cooperative relationships between the Union and the Employer to insure orderly and uninterrupted operations of government. This policy is effectuated by the provisions of the Alaska Public Employment Relations Act, granting public employees the right of organization and collective bargaining concerning the determination of terms and conditions of their employment.

- C. The welfare of the Employer and its employees is dependent largely upon the service the Employer renders the public. Willing cooperation between management, employee organizations and each employee is necessary to render honest, efficient, and economical service and all parties will so conduct themselves to promote this spirit.

ARTICLE 3. RECOGNITION OF BARGAINING UNIT

- A. The Employer hereby recognizes the Union as the exclusive representative for the Transportation Department: Transit, Maintenance, Van Tran, and some IM employees (as specified in Article 24) with respect to rates of pay, wages, hours and other conditions of employment. Management, confidential, casual employees and members of the Alaska Public Employees Association are excluded from the bargaining unit.

- B. For the purposes of this Agreement, the bargaining unit shall consist of full-time scheduled, part-time scheduled, Extraboard and term employees as defined in Article 1 of this agreement.

ARTICLE 4. MANAGEMENT RIGHTS

The management of the employees and the direction of the work force is vested exclusively with the Employer. Except when expressly abridged by a specific provision of this Agreement, the Employer retains the sole right to: hire, discipline or discharge for cause, lay-off, promote, transfer, and assign its employees; to determine or change the starting and quitting times and the number of hours worked; to promulgate rules and regulations; to

assign duties to work force; to establish new job classifications; to introduce new or improved facilities; and to carry out ordinary and customary functions of management whether or not possessed or exercised by the Employer prior to the execution of this Agreement. Nothing in this Agreement shall be construed in any way to interfere with the recognized prerogatives of the Employer to manage and control its business.

ARTICLE 5. UNION RESPONSIBILITY

The Union agrees that it has a responsibility to carry out all the provisions of this Agreement and that it will assist the Employer in actively combating absenteeism and other practices which may hamper the Employer's operations.

The Union agrees that its bargaining unit employee members will perform loyal and efficient service and that they will use their influence and best efforts to protect the property and interests of the Employer, and will cooperate with the Employer to this end at all times.

ARTICLE 6. UNION SECURITY

- A. All employees covered by this Agreement shall be required as a condition of continued employment, to apply for and become members of, and to maintain membership in the Union within thirty-one (31) days following the beginning of their employment or the effective date of this Agreement, whichever is later.
- B. Upon written request by the Union, an employee employed for more than thirty-one (31) days, who is not complying with the provisions of the foregoing paragraph, shall be terminated by the Employer in accordance with the instruction of the written request. Where such action is taken by the Employer, the Union will hold the Employer harmless.

ARTICLE 7. UNION MEMBERSHIP AND DUES

- A. The Union shall assume all obligations and responsibilities for the collection of any Union dues, fees or assessment except as agreed to by the Employer and set forth herein.

1. Check off and Payroll Deductions. Employees shall have dues, fees or other employee benefits, as specified in this section, deducted from the pay to which they would otherwise be entitled and have those funds paid to the Union, providing they execute a check off authorization on a form mutually agreed to by the parties to this Agreement. Upon receiving such authorization, the Employer shall make the deductions so authorized and promptly forward these deductions to the Union. The Employer shall remit employee-authorized deductions to the duly authorized representative of the Union, together with a list of the names of the employees from whose pay deductions are made.

2. Union Working Dues. The employer will deduct two percent (2%) of the employee's gross earnings, less employee contribution to PERS and health care (POP and any other health offset deduction(s)), for working dues from each Laborer in their employ. The employer shall promptly forward these deductions to the Union.

The Union agrees to hold the Employer harmless from all liability in connection with the collection of dues or fees, except that the Employer shall be held to the exercise of ordinary diligence and care in transmittal of the monies to the Union.

The Union shall retain the right to discipline its members at all times.

ARTICLE 8. REPRESENTATIVES

Section 1 – Union Representatives

A. The Union shall have representatives who are not employees of the Employer who shall be authorized to speak for the Union in all matters governed by this Agreement and shall be permitted to visit any work area at any time with advance notice to the person in charge.

- B. In addition to the above, the Union may, upon written notification to the Employer, appoint Job Stewards from among the employees. At no time shall the Union designate more than two (2) such Job Stewards. The Job Stewards shall be allowed to discuss complaints or grievances arising under this Agreement with the Employer during working hours, if necessary, without loss of compensation for such time spent in the pursuit of their Job Steward duties.
- C. The Job Stewards shall not conduct their activities in a manner that will interfere with the schedule or operations of the Employer. When operationally feasible, the job stewards will be allowed release time from his/her responsibilities in order to address union business. Such release time will not exceed 104 hours in a calendar year, and must be noted on the timesheet.
- D. Employees shall have the right to have either a Job Steward or Business Agent (at their option) present when discipline may be rendered by the Employer. Employees have the right to request the presence of either a Job Steward or Business Agent when meeting with management, provided it can be easily scheduled and accommodated.

Section 2 - Joint Meeting

The Borough and Laborers will hold joint Labor/Management Meetings as necessary to discuss the interpretation and application of this agreement and to facilitate two-way communication efforts between the parties and to promote a climate conducive to constructive employee relations and greater productivity.

Separately, and upon advance approval, a Laborers 942 employee representative shall be invited to participate in the FNSBEA Labor/Management Committee meeting when the subject topic is of interest to all parties.

ARTICLE 9. NO STRIKE OR LOCKOUT

Both parties to this Agreement agree there shall be no strikes or lockouts.

ARTICLE 10. NON DISCRIMINATION

- A. The Employer agrees to comply with all State and Federal laws, rules and regulations prohibiting discrimination. It is hereby agreed that there shall be no discrimination by the Employer or Union on account of race, color, creed, age, sex, national origin, marital status, or physical disability. The Employer agrees that it will not discriminate against any employee because of Union membership or lawful union activity.

- B. The Fairbanks North Star Borough's obligations to refrain from illegal acts under federal and state laws, Borough Ordinance, and any other policy or procedure prohibiting discrimination or harassment are not obligations under this collective bargaining agreement and are not subject to the grievance/arbitration procedure as defined in this agreement.

ARTICLE 11. HIRING HALL

The Union agrees to maintain a hiring hall to solicit qualified workers, both Union and non-union, in order to fulfill necessary requirements for workers. The Employer agrees to use the service of such hiring hall and will call upon the Union to furnish all the qualified workers it may require in the classifications herein mentioned, subject to the following terms and conditions:

- A. The Employer will furnish a job description specifying minimum requirements for each bargaining unit classification. If necessary, new classifications shall be added by the employer.

- B. The Employer retains the right to reject any job applicant referred by the Union.

- C. In the event the Union is unable to supply the Employer with a suitable applicant within three (3) working days of the request, the Employer may procure workers from any other source; however, any such applicant so hired must have an official dispatch by the union and comply with Article 6 of this Agreement within thirty-one (31) days after the date of hire.

- D. The Union agrees that it will not discriminate against non-Union workers in referring applicants to the Employer, and the Employer agrees not to discriminate against Union workers in selecting job applicants referred by the Union.
- E. Both parties agree that all Federal and State statutes relative to non-discrimination in the employment process shall be observed.
- F. The Union agrees to indemnify and defend the employer for any and all costs related to any complaints in which a court of competent jurisdiction finds that the Union acted improperly under this referral process.
- G. The Union shall refer interested applicants to the Employer in accordance with their place on the out-of-work lists of the local Union. Efforts should be made by the Union to refer minorities for employment. Referred applicants shall have and maintain throughout employment, driving records acceptable to the Employer and must hold and maintain insurability, under normal insurance industry standards for professional drivers. All employees must comply with the Borough Driving Policy.
- H. It is agreed between the parties that there will be a Transit Supervisor, Maintenance Supervisor, and a Van Tran Supervisor selected by the Employer without regard to seniority.

ARTICLE 12. GRIEVANCE PROCEDURE

- A. A grievance shall be defined as any controversy or dispute arising between the Employer and the Union, or employees so represented. The grievance procedure outlined herein shall be the sole means of settling said differences, disputes, or controversy.
- B. A grievance which involved the meaning or application or the express terms of this Agreement may be submitted by the Union, either at Step 3 or 4.
- C. A grievance involving dismissal, demotion, or suspension will be subject to the grievance procedures of this Agreement and if filed, shall be entered at Step 3.

STEP 1. The Job Steward, Business Agent or the employee, within fifteen (15) working days of the alleged grievance or when it should have been reasonably known, shall present the grievance to their supervisor orally. The supervisor, with concurrence from the Director, shall secure the prompt resolution of the grievance and within five (5) working days orally present his decision to the employee and the Steward.

STEP 2. If the grievance is not settled in Step 1, the Business Agent shall within five (5) working days submit the grievance in writing to the Transportation Director, with a copy to the Human Resources Director. The Transportation Director shall within five (5) working days, submit his decision in writing to the employee, Job Steward, Union and the Human Resources Director with a copy of the grievance attached to his response.

STEP 3. If the grievance is not settled in Step 2, the Business Agent or his designee, may submit the grievance in writing to the Human Resource Director within five (5) working days. Upon receipt of the written grievance, the Human Resource Director and the Business Agent shall meet within five (5) working days to resolve the grievance. The Human Resource Director shall respond to the Business Agent within five (5) working days after said meeting.

STEP 4. If the grievance is not settled in Step 3, the Business Agent may submit the grievance to formal arbitration. The Business Agent has fifteen (15) working days from the date of delivery of the Step 3 Employer response, to submit the grievance to arbitration.

Any issue, which meets the definition of a grievance as set forth above may be submitted to arbitration. The arbitrator shall have the jurisdiction and authority only to interpret, apply, or determine compliance with the specified language of this Agreement applicable to the issue in dispute, when such grievance concerns or involves the meaning or application or the express terms of this Agreement. The arbitrator shall be empowered to mitigate penalties as equity suggests. It is agreed that the arbitrator's decision and award shall be final and binding on both parties, and that they will abide by and promptly implement such decision

and award, except that issues of gross legal errors may be appealed as provided by Alaska Court Rules.

Dismissal grievances must be entered at the Step 3 level. The affected employee will remain in paid status until the Step 3 grievance process is complete. This paid status may be a regular work schedule, an alternate assignment, or administrative leave, depending upon the circumstance and at the sole discretion of the Borough. The union agrees to process the Step 3 grievance in a timely manner and to provide the Borough with information and documentation within its possession at the time of the Step 3 meeting, so that the Borough can properly determine whether termination is still the appropriate discipline. Upon completion of the Step 3 grievance process, should the Borough still believe termination action is still the appropriate discipline, the termination will become effective the date the Step 3 decision is rendered.

Decisions of the arbitrator shall be enforced in accordance with the provisions of the Uniform Arbitration Act (AS 09.010.180). Upon signing the agreement, the parties shall meet and endeavor to agree upon a panel of nine (9) arbitrators to be used for any future arbitration. Failing to reach an agreement, the parties shall request the American Arbitration Association or the Federal Mediation and Conciliation Service to provide a listing of available arbitrators. When the dispute has been referred to arbitration, the Union and the Employer shall meet within five (5) working days and select an arbitrator from the panel of nine by alternately striking names from the list; the order of striking shall be determined by the toss of a coin flipped by the Union and called by the Employer.

The formal arbitration shall be held not later than twenty (20) working days after such selection, depending on availability of the arbitrator or other unforeseen circumstances. The arbitrator shall render his opinion, decision, and award within thirty (30) days after hearing the dispute. Reasonable expenses of the arbitrator shall be borne by the losing party, as determined by the arbitrator. Payment is to be rendered within thirty (30) days after receipt of the arbitrator's decision and billing.

Time limits as outlined in this Article may be waived or extended by mutual agreement of the parties. Each party shall bear the expenses incurred in presenting its own case before the arbitrator.

ARTICLE 13. HOURS OF WORK, WAGES/ OVERTIME PAYMENTS

Section 1 – Workweek

The workweek for all employees shall begin at 12:01 a.m. Monday and end at 12:00 Midnight the following Sunday. Employees shall not be normally scheduled to work six (6) days in any single workweek. However, employees have the right to bid for a route or shift to be driven on the sixth day of the workweek, subject to the limitation that the total hours in the employee's workweek will not exceed forty (40) hours.

Section 2 – Work Schedule

- A. Pay for employees shall be computed on the basis of fifteen (15) minute increments. Employees who are docked for late arrivals, shall be docked in fifteen (15) minute increments.

- B. The Employer agrees to schedule an adequate amount of travel time to and from the Transit Maintenance Center to designated starting points for each route and such travel time shall be considered time worked and paid for at the proper rate of pay. Schedules may be changed by the Employer from time to time in order to better serve the public; however, the Employer shall give employees a minimum of (5) days notice of any changes in shift start or end times, unless mutually agreed by employee and supervisor.

Section 3 – Prep Time

All drivers shall be granted a maximum of one-half (1/2) hour for prep time for each shift. This prep time is to be used to inspect the vehicle, complete any necessary forms, and to allow adequate travel time to start and finish their assigned routes.

Section 4 – Clean-up Time

All employees in the Maintenance Division may be given up to fifteen (15) minutes prior to the end of their shift for clean-up purposes. Clean-up purposes consist of work area, tools, and personal cleanliness.

Section 5 – Overtime

- A. All work in excess of eight (8) hours per day and forty (40) in any workweek shall be paid at one and one-half (1 1/2) times the employee's rate of pay for nonexempt employees. Exempt employees are not eligible for overtime. No employee may work overtime hours without his or her supervisor's advance approval.
1. Nonexempt employees assigned to a shift of four (4), ten (10) hour days, all work in excess of ten hours per day or forty hours in any one workweek shall be paid at one and one-half (1 1/2) times the employees rate of pay.
 2. Attendance of training sessions, safety meetings, employment physicals, drug testing and completion of accident forms shall be paid in accordance with this article.

Section 6 – Comp Time

Nonexempt Employees

Upon written consent of both an Employee's supervisor and the Employee, and subject to any applicable Federal and State laws, an Employee may receive compensatory time off in lieu of overtime pay up to a maximum of one hundred (100) hours worked per calendar year, resulting in a maximum accrual of one hundred fifty (150) hours per calendar year. An Employee may accumulate, and have credited to his/her account, no more than one hundred fifty (150) hours of unused compensatory time regardless of when such compensatory time was earned. Compensatory time shall accrue at the same rate as the overtime it is replacing. Accrued compensatory time shall be treated, and is subject to, the same procedures as Personal Leave.

Exempt Employees

Non overtime eligible (FLSA exempt) employees shall accrue comp time on an hour for hour basis (1:1), with a maximum balance at any time of 100 hours. Accrued compensatory time shall be treated, and is subject to, the same procedures as Personal Leave, except that any accrued but not used comp time will be forfeited at termination.

Section 7 – Reporting for Work

Employees scheduled for and reporting to work and not put to work, shall be paid two (2) hours at their straight time rate of pay, except if the employee does not have proper authorization to work or is not ready or in a condition to perform his/her functions.

Section 8 – Recall

When a scheduled employee has completed his/her scheduled shift and has left the workplace and is subsequently recalled to work, the employee shall receive the appropriate pay for actual hours worked with a minimum guarantee of two (2) hours pay at the applicable rate of pay.

Section 9 – Extension of Shift

The parties agree that, should the employee complete his/her scheduled shift and be requested to remain at his/her work area, such time shall be considered a continuation of the employee's shift and be paid for at the proper rate of pay.

Section 10 – Callout on Day Off

When a scheduled employee (excluding Extraboards) is called to report for work on a scheduled day off, the employee shall receive pay for actual hours worked with a minimum guarantee of two (2) hours pay at the applicable rate of pay. Pay will be calculated in accordance with the overtime provision as defined in this article. Overtime for attendance of training sessions, safety meetings, employment physicals, drug testing and completion of accident forms on a day off will be paid in accordance with Section "Overtime".

Section 11 – Acting Pay

Employees scheduled to fill-in for another employee in a higher job classification for periods of greater than one (1) full business day shall receive acting pay. The acting pay shall be based upon the new classification grade, at the same step that the acting employee is currently placed on. For example, if a Mechanic is appointed to act for the Maintenance Supervisor, and their current grade/step is 58F, then the acting assignment pay would be paid at grade/step 59F. If the acting assignment is for an exempt employee on the Management pay scale, the adjustment will be a flat 15% of current base pay. Acting pay is only compensated if the employee has been formally appointed acting by the supervisor/director. Acting time shall be noted on the timesheet.

Section 12 – Business Travel Time

- A. A bargaining unit member shall be considered in travel status from the time an authorized trip begins until it ends. For purposes of interpretation, travel status will begin and end when the bargaining unit member leaves and returns to his/her immediate work station if travel begins and ends during assigned working hours, or when the bargaining unit member leaves and returns to his/her home if travel begins or ends outside assigned working hours. Travel status is primarily used for calculation of per-diem.
- B. If an employee is traveling on official Borough Business outside of the Fairbanks North Star Borough, the following will determine compensable time while in travel status:

Same Day Travel: (Travel that is expected to be completed in the same day). All time spent in travel mode is counted as hours worked and is therefore compensable time and counted for purposes of computing overtime pay.

Overnight Travel: (Travel that includes an overnight stay). All time spent in travel mode during the employee's regular working hours (even on weekends and holidays) is counted as hours worked and is therefore compensable time. Every effort will be

made to schedule travel based on economy and efficiency, however, employees will not be unreasonably prohibited from traveling during regular work hours.

- C. No employee shall be required to provide on-the-job transportation as a condition of employment. An employee who is required to drive as part of the performance of his or her job duties must drive a Borough vehicle unless the use of a private vehicle is pre-approved by the Department Director and Risk Management. When an employee is authorized to use his/her automobile for official Borough business, she/he shall receive sixty-five (65) cents per mile or the federal mileage rate, whichever is higher. No employee will be required to use his/her own vehicle for Borough business unless he/she is receiving a mileage reimbursement. Home to normal Borough work site or equivalent is not eligible for a mileage reimbursement.

ARTICLE 14. BIDDING OF ROUTES AND SHIFTS

Section 1 – Bidding Process

- A. It is agreed that routes and shifts shall be declared vacant for General Bid four (4) times per year for the Transit Division and (3) three times per year for the Van Tran Division. At such times, routes and shifts will be posted (for a minimum of seven (7) calendar days) and scheduled employees (excluding Extraboards) shall bid for respective routes and shifts if qualified. It is agreed that the bidding of routes and shifts shall be made in order of seniority. Employees are allowed to bid the same route or shift if they so desire, providing they have the seniority. Employees may bid the Extraboard at the time routes or shifts are declared vacant. Employees who do not exercise their seniority in the bidding process shall automatically be placed on the Extraboard list based on their seniority. Those bidding the Extraboard shall remain on the Extraboard until such time as routes or shifts are re-bid in accordance with the bidding procedures as outlined in this Article.

For the purposes of this agreement, the General Bid times shall be scheduled as follows:

Transit Division:

1. A General Bid shall be held during the month of March, for the period of April-June.
2. A General Bid shall be held during the month of June, for the period of July-September.
3. A General Bid shall be held during the month of September, for the period of October-December.
4. A General Bid shall be held during the month of December, for the period of January-March.

Van Tran Division:

1. A General Bid shall be held during the month of December, for the period of January-April.
2. A General Bid shall be held during the month of April, for the period of May-August.
3. A General Bid shall be held during the month of August, for the period of September-December.

B. Once the General Bid is completed and employees have been given their route or shift assignments, such assignments shall remain in effect until the next General Bid, with the recognition of the following:

1. If a bus route substantially changes in nature or a new bus route is implemented between General Bids, all routes shall be declared vacant and open for re-bid.
2. If routes or shifts become available due to factors such as scheduled leaves, illness, failure to report, lack of bid by regular/scheduled employee, employee turnover, etc., the shifts or routes shall not be re open for re-bid. The following process shall be used to assign those routes and shifts:

a. **For route or shift openings that are four (4) days or less in length:**

Extraboard employees shall be used by the Employer to fill route or shift openings that are four or less days in length or in instances when less than

two (2) weeks notice is given for a route or shift that is over five (5) days in length. The order of assignment of shifts will be based upon the process as defined in Section 3 of this Article, Operation of the Extraboard, with each route or shift being offered on a rotational basis. Once a shift has been assigned to an Extraboard, they are entitled to complete that shift.

Recognizing the Employers requirement to have adequate coverage, Extraboards should ensure that they can be contacted in a reasonable time-period. If the Employer attempts to contact the Extraboard and is unable to make such contact and there is an immediacy (based upon business necessity, generally 24 hours notice or less) in filling the open shift, the Employer will contact the next person on the list until the assignment has been made. If there is not an Extraboard available to cover the shift(s), the employer may cover the shift(s) with a scheduled (regular) employee, using seniority, availability and cost factors to make the assignment(s). Supervisor's overtime shall not be considered as a cost factor when making the assignment. If scheduling assignments are questioned, the employer must justify the decision.

b. For route or shift openings five (5) days or more in length:

Should a route or shift become open for five (5) or more days or a route or shift that was not bid on by a scheduled driver, the route will be first offered to scheduled employees based on seniority, provided the employer has two (2) weeks notice. If the route or shift comes open immediately, it will be assigned in accordance with B(2)a. of this article, until the offering as described in this section can occur. Bids will be posted for a minimum of three (3) working days. When scheduled employees bid on and are granted an open route or shift, their temporarily vacated route or shift will be offered to other scheduled employees, **in effect replacing the normal workweek schedule with the open route or shift.** This will continue until no scheduled employee is interested in the open route or shift, at which time it will be offered to the Extraboard by bid on a seniority basis. The successful Extraboard will be dropped from the rotation schedule for the duration of the vacant route or shift provided that the assignment is for more than 20 hours per week. If the route or shift is less

than 20 hours per week, the Extraboard will remain in the rotations for route or shift assignments that do not conflict with the initial assignment.

Once the assignment is made, the employee will work the assigned shift, even if another shift with more hours becomes available.

When the employee returns from his/her leave, they shall be given the same route or shift they had previous to their leave, until the next General Bid.

- C. Should an employee not be available at the time of the General Bids or should the employee be on leave, it is the employee's responsibility to leave, in writing with the supervisor, his/her choices for routes or shifts in order of preference. The supervisor shall then bid for the unavailable employee based on the employee's choices and seniority.
- D. If an employee is assigned a route or shift, he/she must finish that route or shift, and there shall be no requirement on the part of the Employer to re-assign that employee during the course of the day should other routes or shifts become open after initial assignment.

Section 2 - Use of Utility Person

If the Utility Person is called upon to drive a transit coach when an assigned driver does not show for his/her route, the Utility Person shall drive the transit coach only until such time as he/she can be relieved by a transit driver.

Section 3 - Operation of the Extraboard

- A. The Employer agrees to maintain Extraboards and post a list of those employees on the bulletin board based on seniority. Routes and shifts shall be assigned to Extraboard employees on a rotation basis, except those routes or shifts five days or more in length will be assigned in accordance with Section 1, B2(b) of this Article. If

two or more routes or shifts become open at the same time, the most senior Extraboard shall have the first choice of routes or shifts.

- B. The supervisor shall maintain a log of work calls which shall reflect the month, day and time, and the employee's response to the request of the call.

- C. Extraboard employees are expected to drive when requested by the Employer. Extraboard employees who refuse to accept routes or shifts for which they are entitled on five (5) occasions (without advance notice and approval by the Supervisor), during a calendar year shall lose all seniority and shall be for all purposes considered a new employee beginning with the date of their last refusal. Preapproved excused absences shall not be considered a refusal by the employee. Extraboard employees must ensure that they can be contacted on short notice in order to be available when needed. The Employer has an expectation that they should be able to contact an Extraboard within two (2) hours, if this expectation is not routinely met, it will be determined to be a refusal.

Unless circumstances arise which are beyond the control of the employee, Extraboard employees shall accrue seniority in the same manner as all other employees covered under this Agreement.

- D. The Borough may require Extraboard employees to work in both the Transit and Van Tran Divisions. If current Van Tran Extraboard employees are not qualified to operate a transit bus, the Borough will provide training and pay for the associated CDL licensing costs. Extraboard employees will establish seniority in the appropriate division based upon the date they are fully qualified and trained to work in the division. The seniority date in a division other than the one the employee was originally hired into will reflect the first day the employee began working in that division.

ARTICLE 15. HOLIDAYS

Section 1 – Recognized Holidays

The Employer recognizes the following holidays:

1. The 1st of January, known as New Year's Day.
2. The last Monday in May, known as Memorial Day.
3. The Fourth of July, known as Independence Day.
4. The first Monday in September, known as Labor Day.
5. The fourth Thursday in November, known as Thanksgiving Day.
6. The 25th of December, known as Christmas Day.
7. Seven (7) floating personal holidays per fiscal year, which must be accrued prior to use. Personal holidays shall be prorated, based upon the average number of hours worked in the 2 pay periods prior to the accrual. Two (2) personal holidays shall be accrued in the months of July, September and December and one (1) personal holiday shall be accrued in the month of March. Accrued personal holidays may be used during the probationary period. Accrued personal holidays must be used by June 30th of the fiscal year in which they are accrued or they will be forfeited. Use of accrued personal holidays is to be arranged in conjunction with the supervisor. Scheduling conflicts which arise in the scheduling of personal holidays shall be resolved according to the seniority of the bargaining unit member.

Employees working in the I/M office, however, shall observe the holiday schedule as defined in the Borough's Personnel Ordinance.

Section 2 - Observance of Holidays

If any one of the recognized holidays falls on a Sunday, the following Monday shall be observed as the Borough holiday. If any of the recognized holidays falls on a Saturday, the preceding Friday shall be observed as the Borough holiday, and should the Borough close operations on the recognized holiday (Saturday or Sunday), then the employee shall be allowed to take accrued leave, leave without pay or an accrued personal holiday for the closure. For employees whose normally scheduled day off falls on a observed holiday, either the day preceding or the day following are to be observed as that employee's recognized holiday.

Section 3 - Calculation of Holiday Pay

- A. Regular employees who observe the holiday shall receive their current hourly wage rate for their regularly scheduled daily hours. They shall receive this pay provided they are in a paid status which authorizes holiday pay the day preceding the recognized holiday.

- B. Employees who are required to work on a recognized holiday shall be paid at one and one half (1 ½) times their hourly rate of pay for all hours actually worked, in addition to authorized holiday pay.
 - 1. If a holiday falls during a regular employee's leave, the employee shall receive the holiday payment for the holiday and shall not be charged leave for the absence.

 - 2. If an Extraboard has been assigned a route or shift of more than five days and a holiday occurs during the assignment, the Extraboard employee is eligible to receive holiday pay.

ARTICLE 16. MEAL PERIODS

- A. Employees in the IM and Maintenance Divisions who work shifts of six (6) hours or more, shall receive an uninterrupted, unpaid meal period approximately midway through their shift of at least thirty (30) minutes. Meal periods for employees working normal duty hours may be taken as departmental requirements dictate or as scheduled.

- B. Employees in the IM and Maintenance Divisions shall be allowed one (1) relief period approximately midway through the first half of the shift and one (1) relief period approximately through the second half of the shift of not more than fifteen (15) minutes. The employer may establish reasonable rules governing the taking of such relief periods. When working other than the regular shift, relief periods shall be allowed consistent with the above schedule.

- C. The employer may schedule an uninterrupted, non-compensated meal period approximately midway through the shift of no less than thirty (30) minutes and nor more than one (1) hour for Transit and Van Tran Drivers.
- D. Transit Drivers may take a rest period at the end of each run. The taking of such a rest period is contingent upon a timely completion of the scheduled run by the driver; however, a rest room break will be allowed even if the route is behind schedule.
- E. Dispatchers may be required to take a meal period during their shift provided there is no interruption in scheduled Van Tran service. If meal periods are scheduled during a shift, and the employee is required to remain in duty status, the meal period shall not exceed thirty (30) minutes in length and shall be considered paid time.

ARTICLE 17. EMPLOYER-CALLED MEETINGS

- A. The Employer agrees to periodically schedule meetings with its employees for the purpose of obtaining employee input in ways to improve the Transit System and the service it renders to the public. These meetings will provide a forum in which the Employer can establish better communications with its employees and to review with employees the Employer's policies and procedures which the employees are expected to follow, i.e., standard operating procedures, orientation policies, scheduling of routes, work rules, etc. These Employer-Employee meetings will also provide the means to discuss safety problems which are a concern to both management and employees. Additional meetings may be called at management discretion. These meetings are considered equivalent to a regular scheduled work shift and attendance is required.
- B. Compensation for Employer-Employee meetings will be paid in accordance with Article 13. The employee shall receive compensation for actual hours in attendance at the meeting at the applicable rate of pay. Employees will be required to verify their attendance by signing in on the "Employer-Employee Meetings Sign-In Form".
- C. A minimum of thirty (30) minutes of each safety meeting will be dedicated to division breakout groups.

ARTICLE 18. PAY DAY, ITEMIZED DEDUCTIONS, PAY SHORTAGES

- A. Employees shall be paid every other Wednesday for the preceding two-week period. If a pay day falls on a recognized holiday, then the preceding Tuesday will be designated as pay day. Exceptions to the designated pay days may be made to the above schedule to accommodate specific unusual operating requirement (i.e., year-end financial closures, etc.). In such a case, the union and the employees will receive as much advance notice as feasible.
- B. Payroll advances are prohibited, except that the Chief of Staff may approve an exception allowing a payroll advance for an unforeseen event or circumstance.
- C. The Employer shall furnish each employee with an itemized statement of earnings and deductions, specifying hours paid, straight time, overtime, annual leave hours, and other compensation payable to the employees. Direct deposits will be credited to employee accounts on payday. Electronic pay stubs will be made available to employees prior to payday. Checks will be mailed to the employee's mailing address on payday, or if requested (in writing by the employee) the check or paystub will be made available for pickup at the Borough Administrative Center on payday. If the check is not picked up by the employee within three (3) working days, the check will be mailed to the employee's mailing address.
- D. Proven pay shortages due to an employer processing error, shall be paid promptly when requested by the employee, but such waiting period shall not exceed three (3) working days.

ARTICLE 19. TRIPSHEETS AND TIMESHEETS

It shall be the responsibility of each employee to insure that his/her trip sheet and time sheet accurately reflects hours worked and is correct for pay purposes. Other information as reported on the trip sheet must be as accurate as possible. Falsification of trip sheets or time sheets will be cause for discipline or termination. Copies of an employee's time sheet shall

be made available for inspection by the Employee or authorized Business Agent or Job Steward, upon request.

ARTICLE 20. WORK RULES FOR EMPLOYEES

The Union agrees that the Employer may establish fair and reasonable work rules for employees.

It is agreed that within fifteen (15) days prior to the implementation of any new work rules, the parties shall meet and confer on work rules to be established for employees. In addition, work related directives may be issued through memos posted on the bulletin board, Employer's chalkboard, or updated through the driver's handbook.

ARTICLE 21. DISCIPLINE

- A. Employees violating work rules, policy or procedures are subject to disciplinary action.
- B. Work rules and accompanying penalties sometimes are not all-inclusive; management has the right to administer discipline in cases involving the violation of normal rules of the workplace. Such discipline shall be progressively administered in an appropriate manner. All penalties will be administered on a case by case basis. Any disagreement on discipline imposed shall be resolved in accordance with Article 12.
- C. No formal disciplinary action shall be taken against an employee as a result of a complaint by a member of the general public unless the complainant files his or her name and address and/or telephone number with the Transportation Director.
- D. An employee has a right to request union representation during an investigative interview if the employee has reasonable belief that discipline or other adverse consequences may result from what he/she says in the interview. In such an instance, the supervisor has the following options: 1) stop questioning the employee until the union representative arrives; or 2) call off the interview and reschedule; or 3) continue

the interview if the employee voluntarily gives up his/her rights to a union representative. In all cases the employee shall be informed of the subject of the interview prior to commencement of the meeting.

- E. If an employee disagrees with the imposition of a disciplinary action by their supervisor, he/she has the right to a hearing before the Disciplinary Review Board. The union will be notified in advance of the hearing.

- F. The Union will be furnished one (1) copy of any disciplinary action taken against any employee. Verbal and written reprimands or warnings will be withdrawn from the employee's personnel file after one (1) year from the date of issuance, providing the employee has not been subject to further discipline in the intervening year.

ARTICLE 22. EMPLOYEE TERMINATION

The Employer agrees that with the exception of termination for just cause, employees shall be given two (2) weeks notice or two (2) weeks pay prior to termination. Each employee shall give the Employer ten (10) working days notice prior to severing employment, unless mutually agreed to beforehand between the Employer and the employee. Failure to give such notice will affect rehire eligibility. Should an employee be terminated due to disciplinary action, the employee may appeal the Employer's decision only through the union's grievance procedures as set forth in Article 12 of this Agreement.

Employees who resign or are terminated will be paid in accordance with State and Federal law.

The cash value of all accrued unused personal leave shall be paid to the employee at separation of employment. Nonexempt employees will be paid the cash value of any accrued comp time. Comp time balances of exempt employees will be forfeited at termination. Any accrued but unused personal holidays will be forfeited at termination.

ARTICLE 23. CONTINUOUS SERVICE CREDIT

The principle of continuity of service is recognized in accordance with and subject to the provisions of this Agreement. Each employee shall have continuous service credit dating

from the first date of his or her unbroken service with the Fairbanks North Star Borough Transportation Department.

The continuous service credit and seniority of any employee will be broken only under the following conditions and when so broken such employee shall be for all purposes considered a new employee if and when rehired:

1. Proper discharge.
2. Resignation or retirement.
3. Lay off of twelve (12) months duration.
4. Failure to return from a leave of absence or leave on the agreed-upon date unless approval has been obtained from the Employer, emergencies or proven good cause excepted.

ARTICLE 24. SENIORITY

- A. Seniority shall be established as follows: The employee having the longest term of continuous service with the Employer in each division, shall be number one on the Seniority List, and all other employees shall be listed according to length of service with the Employer. Such list shall be posted by the Employer. Date of hire will be the criterion used to establish continuous service credit, except for Extraboards who will establish seniority in the appropriate division based upon the date they are fully qualified and trained to work in the division. The seniority date will reflect the first day they begin working in that division. A regular employee (excluding Extraboards) shall be allowed to maintain seniority in only one division at any time. If an employee transfers from one division to another, his seniority in the previous division shall not carry over.
- B. **Probationary Period:** Newly hired regular and Extraboard employees shall be in probationary status for the first four hundred (400) hours of work. Upon completion of such period, the employee shall be considered a regular employee and shall have seniority from his/her date of hire in the occupational classification in which he or she is working. In the case of an Extraboard crossing over into different divisions, the probationary period will be a cumulative four hundred (400) hours, regardless of which division the hours are worked. There shall be no requirement that the

Employer reinstate or rehire probationary employees if they are separated during their probationary period. During this probationary period, the employee may be terminated at any time if the supervisor is dissatisfied with the employee.

Unsatisfactory performance during the probationary period means non-retention without the right to arbitration. A probationary employee shall not be terminated for the sole purpose of defeating the accrual of seniority or fringe benefit rights.

- C. If an employee has been officially transferred to a different classification within his/her seniority division, and has performed satisfactorily for a period of four hundred (400) hours, his seniority therein shall equal his total continuous service credit with the Employer. In the case of promotional appointments, the promoted employee may be demoted at any time during the probationary period without the right to appeal, provided he/she is returned to his/her former position, even though this may necessitate the layoff of an employee less senior.
- D. When two (2) or more employees are hired by the Employer on the same day, seniority shall be determined by the employee's "out of work date" as furnished by the Union. It is further understood that the employee's standing on the local union's hiring hall list(s) will be the determining factor (e.g. A List more senior, B List, C List, etc.).
- E. Separate seniority lists shall be maintained for the employees in each division. The individual Divisions shall be comprised on the following classifications:

TRANSIT DIVISION:

Transit Coordinator (Term)	Grade TR 57
Transit Driver	Grade TR 56
Transit Supervisor	Grade TR 57

MAINTENANCE DIVISION:

Mechanic (Light or Heavy Duty)	Grade TR 58
Utility Person	Grade TR 56
Maintenance Supervisor	Grade TR 59

VAN TRAN DIVISION:

Van Tran Driver	Grade VT/DRIV
Dispatcher	Grade VT/SCHE
Van Tran Supervisor	Grade TR 57

I/M DIVISION:

Inspector/Referee Mechanic *	Grade TR 58
02 Sensor Technician (Term)	Grade TR 58

* Employees hired in the I/M division prior to 1-9-04 shall be grandfathered in the Maintenance Division for the duration of their employment.

- F. Should the employer establish any new bargaining division/classifications during the life of this Agreement, it is agreed that the parties shall first meet and agree upon wage rates prior to implementation.
- G. If the Employer should reclassify or promote an employee covered by this Agreement to a bargaining or non-bargaining unit position within the Transportation Department, the employee shall be permitted to return to his or her former position within ninety (90) days and still maintain his or her seniority within the bargaining unit. At no time shall this ninety (90) day period be extended.
- H. Should an employee return to his or her former position within the probationary period, there shall be no re-bidding of routes or shifts until the next General Bid.
- I. An employee who suffers an injury while working will continue to accrue seniority while on leave recuperating from the injury.

ARTICLE 25. LAYOFF AND BUMPING RIGHTS

- A. Layoff due to reduction in force shall be made in reverse order of seniority in each division. In rehiring, seniority shall apply. When calling back laid off employees, the Employer shall recall, through the Union, the employees in the proper order of seniority recall rights.

- B. "Layoff" means a separation from employment that is implemented because of budgetary "limitations", lack of work, abolishment of position, departmental reorganization, or for similar reasons.
- C. All persons on layoff shall have first choice according to seniority of any vacancy in a position classification from which they were laid off. All persons on layoff shall be placed on a layoff list and remain there for a period of eighteen (18) months. Employees offered a position shall have a maximum of three (3) working days in which to accept or reject such position. If an employee rejects a position in his/her classification, the Employer is under no obligation for further employment and the employee shall be removed from the layoff list.
- D. Upon notification of layoff, an employee shall have two (2) working days to notify the Employer of his intent to exercise bumping rights as set forth below.
- E. An employee notified of layoff may bump a person out of another position classification within his or her own division if the employee notified of pending layoff meets the minimum qualifications as described in the job description, and the employee has more seniority than the person currently occupying the position.
- F. It is agreed between the parties that there will be a Transit Supervisor, Maintenance Supervisor, and a Van Tran Supervisor selected by the Employer without regard to seniority. These specific classifications and Term employees are not eligible for bumping as outlined in this article.

ARTICLE 26. PERFORMANCE EVALUATIONS

Employees in the bargaining unit on probationary status shall receive written performance evaluations from their immediate supervisor (not short term acting supervisor) at least midway through and at the completion of the probationary period. Employees will receive, at a minimum, a performance evaluation from their immediate supervisor (not short term acting supervisor) on a bi-annual basis. The Borough may complete, or an employee may request, a performance evaluation at any time. The evaluation process shall be in

accordance with the following procedures:

Performance evaluations shall not be passed to higher supervisors until the evaluated employee has reviewed the evaluation. The evaluated employee must sign his/her evaluation to acknowledge receipt thereof, and will be allowed to attach any comments pertinent to the subject matter in the evaluation within five (5) days of receipt of the evaluation. The original of all evaluations shall be filed in the employee's official personnel files maintained in the Human Resources Department. This does not preclude the Employer from retaining a copy of the evaluation in the departmental files.

ARTICLE 27. LEAVE

Section 1 - Computation of Amount of Leave Due

Regular and Extraboard employees shall be entitled to paid leave as follows:

1. Employees with less than one (1) year of continuous service shall be granted two (2) working days per month leave with pay at the following rate per hour per pay period (.09231).
2. Employees with one (1) year but less than three (3) years continuous service shall be granted two and one-quarter (2 ¼) working days per month leave with pay at the following rate per hour per pay period (.10385).
3. Employees with three (3) years but less than seven (7) years of continuous service shall be granted two and three quarter (2 ¾) working days per month leave with pay at the following rate per hour per pay period (.12692).
4. Employees with more than seven (7) years of continuous service shall be granted three (3) working days per month leave with pay at the following rate per hour per pay period (.13846).
5. All employees shall accrue leave based upon the above schedule on a pro-rated basis, based upon actual hours worked.

Leave may be used for any purpose. The employer may ask for a medical professional's note at any time if leave for illness appears to be misused by the employee.

Section 2 - Payment for Leave

Leave shall be paid at the straight time rate of pay at the time in which it is used. Leave cannot be used in the pay period in which it is accrued.

Section 3 - Eligibility for Leave

Leave shall accrue from the employee's date of hire. Employees shall be eligible for leave usage after ninety (90) days of employment. Employees shall accrue leave while on leave. Leave can be accrued from year to year with a maximum accrual limit of five hundred twenty (520) hours.

Leave in excess of five hundred twenty (520) at the end of the calendar year shall be cashed out and paid to the employee during the month of January.

Leave may be used by the employee for any purpose subject to the following:

1. Annual leave shall be taken at a time mutually agreeable with management and the employee, however, leave shall not be unreasonably denied the employee.
2. Employees shall schedule leave on a first come, first serve basis, however, no leave can be scheduled earlier than six (6) months in advance. If any conflicts arise between employees in scheduling leave submitted on the same day, seniority shall then apply.
3. Once annual leave has been requested and approved, it can be rescinded by the employee, if approved by the Transportation Director, provided adequate notice as outlined below occurs:

- a. Annual leave for four days or less, a minimum of one week must be given.
- b. Annual leave five days or greater, a minimum of two weeks must be given.

Section 4 - Leave of Absence

An employee may be granted a leave of absence without pay for a period not to exceed twelve (12) months, provided such leave can be scheduled without adversely affecting the operations of the Transportation Department. Request for leaves of absence without pay shall be directed to the Transportation Director and shall contain justification for approval. Such approval shall not be unreasonably withheld. A leave of absence without pay shall be considered justifiable for the following reasons:

1. Education Leave.
2. Extended Compassionate Leave.
3. Emergency Leave.
4. Parental Leave.
5. Special Leave of Absence for Taft-Hartley Plan Vesting.
6. Other extenuating circumstances if approved by the Chief of Staff, on the recommendation of the Transportation Director.

Employees must use available leave prior to using leave without pay, except that employees may elect to retain up to ten (10) days of annual leave in their leave account to use upon their return. The employee shall continue to accrue seniority, but shall not receive any other benefits such as leave accrual, holiday pay, personal holidays etc., while on leave of absence without pay.

Section 5 - Leave Cash-in

Upon written request, and limited to two (2) times per calendar year, an employee may request a leave cash-in of the cash value of their accrued personal leave, up to a maximum of two hundred and fifty (250) hours per calendar year, provided a minimum of hours equal to one normal scheduled pay period is maintained in the employee's accrued personal leave balance. Cash-ins due to the 520 balance rule do not count towards the two per year limit.

Exceptions due to unusual or unforeseen circumstances may be made by the Chief of Staff who may authorize a cash-in of the total accrued leave, waive the maximum number of hours available for cash-in, and/or increase the number of leave cash-ins permitted.

Section 6 - Leave Donation

FNSB employees may donate Personal Leave to other FNSB employees for catastrophic events, unforeseen emergencies/circumstances or illnesses. Donating Personal Leave for payment of services or purchases or in lieu of cash transactions is expressly prohibited. The Chief of Staff shall have the authority to review and approve leave donations for any exception requests.

Section 7 - Funeral/Bereavement Leave

In the case of a recent death (within last 12 months) in the employee's immediate family, the employee shall be allowed time off work without loss of pay not to exceed three (3) days, for the purpose of attending the funeral or memorial service, making necessary arrangements, family support or other similar reasons.

For the purposes of Funeral/Bereavement leave, immediate family shall be defined as spouse, son, daughter, mother, father, sister, brother, grandmother, grandfather, grandchild, mother-in-law, or father-in-law. Such Funeral/Bereavement Leave shall be charged as Funeral/Bereavement Leave and shall not be charged against any of the employee's leave accounts.

Section 8 - Voting Leave

The Employer shall provide, without loss of pay to the employee, time for voting during normal working hours for those employees not able to vote prior to or after their normal scheduled working hours, for each employee qualified to vote in Federal, State or municipal elections.

Section 9 - Court Duty

- A. Employees required to serve on jury duty or subpoenaed as a witness for the Employer will suffer no loss in regular earnings or benefits. All hours served on jury duty will be counted as hours worked, provided it occurs on an employee's regularly scheduled workday. Employees on jury duty will be paid for any lost hours due to inability to report for work because of jury duty. Any dispute concerning leave eligibility will be determined by the Human Resource Director.

- B. Fees paid the employee while serving such jury or witness duty will be returned to the Employer by the employee. For all purposes, employees working other than the day shift shall be considered to be regular day shift employees while serving on jury or witness duty.

Section 10 - Family Medical Leave

An employee is entitled to Family & Medical Leave in accordance with State and Federal law. Leave shall be charged to personal leave or to leave without pay at the employee's option. An employee on Family Medical Leave shall be provided health benefits and will suffer no loss of time in service.

Section 11 - Military Training Leave

Employees who are members of the National Guard or organized military reserves of the United States, shall not suffer a loss in pay or other employee fringe benefits due to annual training requirements or military call-up, up to eighty four (84) hours of pay in a calendar year. The employee shall give as much advance notice or verbal notice to the Employer as possible and is required to provide bona fide military travel orders unless precluded by military necessity or, if the giving of such notice is otherwise impossible or unreasonable. Employees must return to their Borough position within the time frames as established by the Uniform Service Employment and Reemployment Rights Act (USERRA) and are required to remit to the Borough, within 30 days of return, the Leave Earnings Statement that must show all base salary (including any applicable COLA) received as compensation for such duty in order to be eligible for pay and benefit continuation under this section. The net effect is the

Borough will compensate the employee for the difference between the employee's military pay received and the employee's Borough wages. Failure to comply will result in cessation of pay during the absence.

The Employer may change an employee's weekend schedule to accommodate the employee's "scheduled drill weekend". The employee shall be given five (5) days notice if such shift changes occurs.

Employees who are absent from employment by reason of service in the uniformed services shall be entitled to employment benefits and reemployment rights and benefits in accordance with federal law. Employees must return to their Borough position within the time frames as established by the Uniform Service Employment and Reemployment Rights Act (USERRA). Employees ordered to attend additional periods of military training may take annual leave or leave without pay for such training.

ARTICLE 28. PHYSICAL EXAMINATIONS AND DRUG TESTING

An employee may be required by the Employer to take a physical examination. Transit drivers, Van Tran drivers, Mechanics and Utility Persons are required to take and pass an annual Interstate Commerce Commission (ICC) physical examination. The Employer will schedule and designate the physician of the examination. The Employer agrees to pay the cost of the mandatory physical examinations.

The Employer shall have the right to conduct periodic random tests of all safety sensitive employees for the use of alcohol and controlled substances, to the extent required by Federal and State laws and regulations. All employees must comply with the Borough's Drug Free Workplace Policy. Safety sensitive employees must also comply with the Substance Abuse and Alcohol Testing Policy.

The Employer shall have the right to conduct background investigations on Van Tran employees hired in positions that requires a level of trust with children and mentally and physically disabled individuals. Van Tran employees will be required to be fingerprinted as a condition of employment.

ARTICLE 29. EXAMINATION OF RECORDS

An employee shall have the right to examine his own personnel file. The Business Agent or Job Steward, with the employee's written consent, shall have the right to examine the employee's personnel file upon notification to the Employer. A copy of all material placed by the Employer in an employee's file shall be given to the employee.

Incidental records, such as evaluation reports, counseling notes, and courtesy cards may be maintained by the Transportation Department and shall not be considered a part of the employee's official record. It is agreed that such files shall not be maintained as secret personnel files, and the employee shall have the right to examine and receive a copy of all material concerning the employee maintained by the Department.

ARTICLE 30. PARKING

The Employer shall provide employees adequate parking facilities and electrical connections for engine heaters at existing and new facilities. During cold weather, to avoid exceeding the air quality standards, employees shall plug-in when the temperature is +20 degrees Fahrenheit or colder.

ARTICLE 31. PRINTING OF THE AGREEMENT

The Employer shall print and distribute one (1) copy of this Agreement to each employee in the bargaining unit.

ARTICLE 32. EQUIPMENT VIOLATIONS/TICKETS

In the event an employee is ticketed for operating defective equipment at the direction of the Employer, the Employer shall pay all fines and the employee shall be paid for all related time spent in the services of the Employer.

ARTICLE 33. TRAINING

- A. The Employer agrees that a trained work force will provide more efficient service to the public in which it serves. Therefore, the Employer agrees to provide in-service orientation and training for its current employees to assist them in fulfilling their duty to provide the best service as possible to the public. Such orientation and training shall be considered as time worked and paid in accordance with Article 13 for all hours spent in training that are required by the employer. The Employer retains the exclusive right to determine orientation and training requirements.

- B. The Employer will reimburse the cost of CDL renewals for all employee's whose job description requires a CDL as specified in the job description/position classification. Existing employees who have the CDL requirement imposed as a result of changes in regulations, or promotion in accordance with the Employer's policy of providing "career ladder" opportunities will be eligible to have the cost of obtaining a CDL reimbursed.

- C. The Employer agrees to establish a training class not to exceed three (3) weeks for the purpose of training new employees referred to the Employer by the Union.

- D. Upon the successful completion of the training period, trainees shall be provided employment with the trainee dispatched first being the most senior. Each trainee shall receive \$12.50 per hour for time spent in training. The \$12.50 per hour training compensation pertains only to new employees or existing employees who are cross-training. Should the Employer wish that current employees take a training course within their classifications, those employees shall receive their base hourly rate of pay for all hours spent in training, and all other terms and conditions of this Agreement shall be applicable.

- E. The Borough will participate in the Alaska Laborers' Employee Training Trust. The Trust will provide technical training for mechanics and IM employees as coordinated between the Transportation Department and the Laborers' Local 942.

ARTICLE 34. BULLETIN BOARD

The Employer agrees to provide reasonable bulletin board space at the Transportation Department for the purpose of posting local union information. No political information may be posted on bulletin boards.

ARTICLE 35. EMPLOYEE ROSTER

The Employer agrees to furnish the Union a seniority roster of all employees in the Unit when it is requested by the Union.

ARTICLE 36. IDENTIFICATION CARDS/DRIVER BADGES

The Employer shall supply each employee with an Identification Card that contains the employee's picture, name, job title, department, signature, and Fairbanks North Star Borough identification.

Driver badges contain the employee's picture, first name and first letter of their last name and FNSB identifier and must be worn during their shift.

I. D. cards and driver badges shall be returned prior to the employee receiving his/her final paycheck.

ARTICLE 37. UNIFORMS

- A. The Employer agrees to furnish and clean coveralls for each employee working in the Maintenance Division.

- B. The Employer agrees to furnish uniforms to Drivers, Dispatchers, Van Tran and Transit Supervisors that shall be worn while on shift. Each driver shall be given two complete sets of uniforms per season (2 summer/2winter) per fiscal year. In the event of a change, uniforms shall be selected by a committee appointed by labor and management. Footwear, hats, outerwear and other clothing items are not supplied by the employer, but shall be standardized for uniform consistency. Any additional

sets requested by the employee shall be purchased by the employee through the Transportation Department. However, should an employee damage the uniform while on work status, the employer shall replace the damaged article at no cost to the employee. The employee is responsible for cleaning and maintenance of the uniform.

- C. Terminating employees shall return all Fairbanks North Star Borough uniforms issued within the last 12 months prior to receiving his/her final paycheck. If these uniforms are not returned, the cost shall be deducted from the employee's final paycheck.

ARTICLE 38. EMPLOYEE RIGHTS

Should a conflict arise between the terms and conditions of this agreement and the Fairbanks North Star Borough's personnel ordinance, then this collective bargaining agreement shall prevail.

ARTICLE 39. TOOLS

Mechanics shall be required to furnish their own hand tools common to the craft. The Employer will provide any specialized tools or equipment. Employee tools shall be in good repair, and the employee shall furnish the Employer a complete inventory of tools at the commencement of employment. This inventory shall be updated periodically by the employee.

If the employee places his tools in a facility provided by the Employer and they are subsequently lost through theft or destroyed while in such custody (theft being proven by police reports and documents or through fire or other loss), the Employer shall replace such stolen tools based on the last formal inventory furnished to the Employer by the employee.

Failure to provide the inventory within one (1) pay period from date of hire or date of execution of this Agreement, whichever is applicable, shall be just grounds to deny payment of stolen tools. Such time shall not commence until inventory forms are provided by the Borough.

ARTICLE 40. SAFETY

The Employer shall make reasonable provisions for the safety and health of its employees during the hours of employment. The Union and the Employer will cooperate to improve the safety record of the Employer. The Employer agrees to adhere to all applicable Federal and State laws and regulations that apply to its operations. Each employee shall submit equipment condition reports and the Employer agrees to correct any unsafe or defective equipment prior to it being put back in service. The Union shall have the right to review the employee equipment condition reports when requested.

No employee shall be required to work in circumstances which place him or her in danger of physical harm or injury, nor shall an employee be required to operate unsafe equipment; however, the employee may not make such claim as a pretext for refusing to carry out a work assignment.

The Employer shall furnish such safety equipment as is required by law for the safety of employees. All transit coaches shall be equipped with safety shields installed behind the driver's seat. Safety devices and first aid equipment as may be needed for safety and proper emergency medical treatment shall be provided and be available to the employees.

In the case of an assault on a driver, the Borough Attorney's office and the Laborers 942 Attorney's office will work cooperatively to keep the employee apprised of the legal status of the criminal proceedings, to the best of their ability. Borough Legal cannot represent individual employees in criminal matters; therefore, an attorney/client relationship cannot legally exist.

ARTICLE 41. RETIREMENT

The Borough shall participate in the State of Alaska Public Employees' Retirement System.

For this article only, the Employer and Union agree to reopen this article on or after July 1, 2010 upon written notice to the other party.

ARTICLE 42. PREPAID PLANS

- A. The Employer agrees to participate and accept the terms and conditions of the Union's Prepaid Legal Trust Agreement as may be amended from time to time. The Employer agrees that the Union trustees named in the trust and their successors in trust are and shall be the Employer's representatives, and it consents to be bound by the actions and determinations of the Trustees. The Employer shall contribute fifteen cents (\$.15) per hour for each compensable hour for the employee. Contributions shall be submitted on or before the fifteenth (15th) day of the month following the month in which contributions were earned.

- B. The Employer agrees that upon proper authorization from the employee that the Employer shall deduct two cents (\$.02) per hour from the employee's pay and remit such amount deducted to the Alaska Laborer's Political and Education Committee on or before the fifteenth (15th) day of the month following the month of accrual.

- C. The Employer agrees to participate in the Alaska Laborers' Employees Training Trust. The Employer shall contribute forty cents (\$.40) per hour for each compensable hour for the I/M Inspector/Referee Mechanics, Mechanics, and the Maintenance Supervisor.

ARTICLE 43. HEALTH INSURANCE

Section 1 - Health Coverage

- A. The Employer agrees to provide health, dental, audio, and vision coverage for each regular employee, employee's legal spouse, employee's eligible domestic partner, employee's eligible dependents children and employee's eligible domestic partner's dependent children in accordance with the schedule of benefits and other provisions of the Borough Self-Insured Health Benefits Plan, or successor Plans and the Tanana Valley Physician Assistant Program or successor physician assistant programs.

- B. During the annual open enrollment process, employees have the ability to decline health coverage under the Borough's health plan for themselves or any dependents.

The employee is required to attest that he/she has other health coverage. Changes at other times of the year, outside the open enrollment process are limited to eligible IRS qualifying status change events.

- C. The level of benefits afforded by this plan has been fully negotiated between the parties. (INCLUDING THE FOLLOWING HEALTH PLAN CHANGES TO TAKE EFFECT ON JANUARY 1, 2010)

Lifetime Maximum from 1M to 2M
 D&A Treatment up to \$11,350 every 2 years, LT Max \$22,700
 Mental health treatment 50% of UCR – Max 20 visits per year
 Out of pocket maximum from 4K to 5K
 Dental – eliminate 3 year tier system. Maximum annual is \$3,000
 Dental 50% to 80% for major work
 Vision changes:

Lenses – Single	From	75	to	90
Lenses – Bifocal		100		120
Lenses- Trifocal		125		150
Lenses – Lenticular		210		250

No further changes in the level of benefits afforded under the Health Plan may be made except by mutual consent, or as required in Section 2F. If the PA Clinic is changed such that preventative benefits are substantially diminished, all parties will meet to discuss available options.

The Labor Management Committee on Employee Benefits will be afforded a minimum of thirty (30) days to review any updates to the health plan booklet prior to printing.

- D. Coverage shall commence on the first day of the month following employment, unless employees start day is the first work day of the month, then coverage begins on that day. Coverage may be subject to pre-existing condition limitations. Coverage ceases the last day of the month in which employment termination occurs. Extraboards must work an average of seventy (70) hours in the prior three months to qualify for health insurance benefits for the following month, except for the first three months of employment where a minimum of 80 hours must be worked in the prior month(s) of employment to qualify for coverage. Employees may elect to take accrued leave in any month to ensure they have adequate hours to qualify for this benefit. Employees

are granted rights to purchase health coverage after it has been terminated under the COBRA plan.

- E. Each employee covered under the health plan shall pay employee contributions for such coverage in the biweekly amount of:

FY10 Employee Only \$20.00 Employee + Family \$35.00

FY11 Employee Only \$30.00 Employee + Family \$45.00

FY10 Employee Only \$35.00 Employee + Family \$50.00

This deduction shall be on a pre-tax basis, unless otherwise requested. These funds will be used to offset the budgeted amount for health care in the fiscal year they are deducted.

- F. Spousal or Domestic Partner Health Coverage Opt-Out/Reduced Benefit Plan Election – An additional charge will be applied to employees whose spouse or domestic partner declined available health coverage by their own employer or who took a reduced benefit plan (such as the 20% plan offered by the State of Alaska) therefore shifting primary cost coverage to the FNSB plan. The Surcharge for the spousal opt out shall be established at \$90.00 premium per pay period. Employees will be required annually to affirmatively disclose via a questionnaire if their spouse or domestic partner has health coverage or if the spouse or domestic partner declined health coverage. Employees are required to notify the Borough should a spouse or domestic partner coverage change occur within 30 days of said change. There are financial penalties for incorrect disclosure, as addressed in the health plan document.

Section 2 - Labor Management Committee on Employee Benefits

- A. The parties agree that there exists a good faith obligation on the part of both the Employer and the Union to work together during the term of the collective bargaining agreement to reduce health care costs.
- B. In order to meet this obligation and duty to bargain, the parties agree that the Labor Management Committee on Employee Benefits shall continue to meet and consult on a regular basis.

- C. The Labor Management Committee on Employee Benefits shall be composed of six (6) representatives, two (2) appointed by FNSBEA, one (1) appointed by Local 942, and three (3) appointed by the Borough Mayor. The Labor Management Committee on Employee Benefits shall select a chairperson from its membership. A quorum for the meetings shall require no fewer than five (5) committee members.

- D. The Labor Management Committee on Employee Benefits shall be empowered to recommend health care benefit changes during the term of the collective bargaining agreement including, but not limited to issues regarding eligibility, plan design and benefit schedules, deductibles, co-payment provisions, preferred provider programs, utilization review and other options designed to contain costs, and enhance benefit options.

- E. In the event the per employee per month health care cost projection increases, as estimated by the health consultant, by 10% (after accounting for the employee deductions as specified in Section 1.D. of this article) or more from the previous fiscal year, or the balance of the HCCRF declines below 50% of the current target amount as defined in Section 4.C of this article, then the parties will meet and confer to assess what, if any, action(s) might be appropriate to insure containment of health care costs.

- F. It is the intent of this agreement that all parties are dedicated to work collectively in order to contain the costs of health insurance and to consider and pursue reasonable health care program changes if the events described in Section 2E above occur. The parties agree that it is the responsibility of both parties to mutually work together to solve the problems arising from these events.

- G. In the interest of promoting harmonious working relationships between the parties, one cent (\$.01) per hour per employee shall be set aside in a fund to be used for education and other such activities that will further communication, cooperation, and teamwork between management and labor.

Section 3 – Health Wellness Subcommittee

A subcommittee of the Labor/Management Health Committee shall promote health wellness efforts for employees and eligible dependents when appropriate. The committee shall be comprised of seven (7) people: 3 FNSBEA, 2 Laborers and 2 Management employees. Activities and/or events proposed by the Wellness Committee shall be pre-approved by the Labor Management Health Committee. Wellness efforts shall be funded as part of the health plan costs at an annual rate not to exceed \$30,000. The employer shall provide release time for Committee members, with department approval.

Section 4 - Health Care Contingency Fund

- A. The parties have mutually established a fund to be known as the Health Care Contingency Reserve Fund (HCCRF). The purpose of the fund is to smooth out health care costs over time. Health care costs are composed of claims paid, the cost of administering the health care plan by the third party administrator or its successor(s), aggregate and specific stop-loss premiums, utilization review fees, case management costs, disease management, independent medical examinations, health program audit rewards, Physician's Assistant Clinic costs, COBRA premium receipts net of costs for COBRA participants, refunds, consultant fees, the consultant's estimate of the reserve for IBNR (incurred but not reported) claims, life insurance premiums, wellness activities, and any added costs resulting from changes in the administration of the health and life insurance program agreed to by the parties during the term of the collective bargaining agreement. All reserve funds (including co-mingled employee and employer funds) shall be held solely for the funding of future health care costs as specifically outlined herein.

- B. The Health Care Contingency Reserve Fund shall continue in existence on an indefinite basis. Expenses directly associated with the administration of the Health Care Contingency Reserve Fund shall be borne by the Employer.

- C. The HCCRF shall be maintained with sufficient balance to offset unexpected spikes in health care costs in any given year without depleting the fund. The target level for

the HCCRF in any fiscal year shall be one third (33 1/3 percent) of health care costs budgeted for that fiscal year.

- D. Funding Uses and Sources: The HCCRF shall be used to offset health care costs that exceed budgeted costs in any fiscal year. Budgeted costs are those costs budgeted each year and are the Employer's best estimate of expected costs based on good faith projections compiled by the Employer's independent consultant. For the period of time beginning July 1, 2009 to June 30, 2012 the HCCRF fund shall also be used to offset budgeted costs as follows: FY10 \$55 per employee per month; FY11 \$45 per employee per month; and FY12 \$35 per employee per month.
- E. The HCCRF shall be funded by a combination of employer and employee contributions. Employees will contribute ten dollars (\$10.00) per pay period to the Reserve Fund (26 pay periods per year). Employer contributions will consist of a match of the total amount of the employee contribution stated above and any budgetary lapse for that fiscal year, up to the target level.
- F. The Labor Management Committee on Employee Benefits and the Union Representative will be provided with the consultant health care estimates, the staff benefit rate calculation, and the year end accounting for the HCCRF.

Section 5 - Life Insurance

The Employer agrees to pay the total cost of Life Insurance for each regular employee in the amount of: the lesser of: 1x basic yearly earnings or \$100,000. To determine benefits, the amount of insurance is rounded to the next higher \$1,000 multiple, unless the amount equals a multiple of \$1,000. Basic yearly earnings is defined as yearly salary or wage and does not include bonuses, overtime or other exception pay.

Section 6 - Flexible Spending Accounts

The Employer agrees to maintain voluntary accounts for employees to contribute money on a pre-tax basis to pay for unreimbursed medical expenses and dependent care. Maximum contributions shall be \$5,000 annually for both dependent care and medical.

Section 7 - Resolution of Disputes

- A. Assertions by the Union that the Employer/Plan Administrator has modified the expressed "benefit schedule" as set forth in the Borough plan or successor agreement may be submitted to a third party review through the grievance/arbitration procedure of the Agreement. This section does not apply to ex gratia benefit schedule exceptions rendered by the Employer. However, third party arbitrator authority does not include the power to add to, subtract from, or otherwise modify the expressed provisions of the Borough Plan or successor agreement.

- B. Covered employee/dependent claims for Employer paid health insurance benefit coverage is provided on the basis of "medical necessity" within the context of the Borough Plan or successor agreement. Individual claimant disputes challenging "medical necessity" determinations shall only be resolved by the employee submitting a petition to the Plan Administrator in accordance with procedures set forth in the Plan document.

ARTICLE 44. SEPARABILITY AND SAVINGS CLAUSE

If any Article or part of an Article of this Agreement should be decided by a court of competent jurisdiction or mutual agreement of the Employer and the Union to be in violation of an applicable law, or if adherence to, or enforcement of, an Article or part of an Article should be restrained by a court of law, the remaining Articles of the Agreement shall not be affected.

If a determination or decision is made pursuant to the above section of this Article, that part of this Agreement is in violation of any applicable law, the parties to this Agreement shall convene within ten (10) working days for the purpose of negotiating a satisfactory replacement.

ARTICLE 45. SALARY PROGRESSION

The Van Tran and Transit Salary Schedules are incorporated by reference.

On July 1, 2009 the Van Tran and Transit Salary Schedules will be modified as follows:

Step "A" will remain the same as the current salary table, Steps B, C, and D will be 3% steps, and steps E-T will be 1.5% steps. Placement onto the new schedule will be effective July 1, 2009. Employees will be placed upon the new salary schedules on the nearest step that does not result in a decrease (prior to COLA being applied).

On July 1st of the remaining contract years employees will advance to the next higher step on the salary schedule. An employee maintains their longevity throughout their career regardless of change in position. Employees reaching the last step in their appropriate grade will not be eligible for additional step movement.

- A. For the Contract Year beginning July 1, 2009, employees will receive a cost of living increase, added to the base salary table based on the U.S. Department of Labor CPI - U for Anchorage for calendar (Jan-Dec) year 2008. (Annual average), not to exceed a maximum of 3.50%. CPI will be a minimum of 1%.
- B. For the Contract Year beginning July 1, 2010, employees will receive a cost of living increase, added to the base salary table based on the U.S. Department of Labor CPI - U for Anchorage for calendar (Jan-Dec) year 2009. (Annual average), not to exceed a maximum of 3.50%. CPI will be a minimum of 1%.
- C. For the Contract Year beginning July 1, 2011, employees will receive a cost of living increase, added to the base salary table based on the U.S. Department of Labor CPI - U for Anchorage for calendar (Jan-Dec) year 2010. (Annual average), not to exceed a maximum of 3.50%. CPI will be a minimum of 1%.
- D. Should the Department of Labor, BLS publish a CPI for the Fairbanks Urban Area, that rate shall be used in lieu of the Anchorage CPI for the remainder of the contract.
- E. If the U.S. Department of Labor CPI - U for Anchorage (Annual average) exceeds the COLA caps as established in this contract by more than 2.0% in a given year,

additional COLA will be granted in the amount that exceeds the 2.0%. For example, if the cap is 3.5% and the CPI comes in at 5.5%, no adjustment is required. If the cap is 3.5% and CPI comes in at 6.5%, the applied COLA for that year would be 4.5%.

$$3.5 + 2.0 = 5.5$$

$$6.5 - 5.5 = 1.0$$

$$3.5 + 1.0 = 4.5 \quad \text{or} \quad (6.5 - 2.00 = 4.5)$$

ARTICLE 46. UNION LABEL

The Employer and the Union agree that the uniforms, coaches and the shop shall bear the Union label.

ARTICLE 47. SUBCONTRACTING

- A. The Employer agrees that as of the date of this agreement no existing fixed bus routes, Van Tran service, or parts thereof shall be subcontracted to private companies.

- B. The Employer can subcontract to provide van pool or other coordinated transportation services to areas outside the designated urban zone, per the US Census Bureau (Map is Attachment A to this contract).

Van Pool service is typically managed by an external contractor involving volunteer drivers of Contractor and/or Borough owned equipment. Coordinated transportation services are services provided in cooperation with other transportation providers.

- C. It is agreed that all vehicle maintenance work which can be properly performed by members of the bargaining unit covered by this agreement will be assigned to and performed by those workers, provided that such work can be performed in a timely manner using existing facilities and equipment. Warranty work and sub-contracted janitorial services are excluded from these provisions.

ARTICLE 48. CONCLUSION OF COLLECTIVE BARGAINING

This Agreement is the entire agreement between the Employer and the Union. The parties acknowledge that they have fully bargained with respect to terms and conditions of employment and have settled them for the duration of this Agreement. This Agreement supersedes all prior Agreements and concludes all collective bargaining for the duration of this Agreement, except as may be reflected in mutual Letters of Agreements.

Effective on or after July 1, 2010, the Employer and Union agree to reopen Article 41. (Retirement), upon written notice to the other party. All other Articles remain settled for the duration of the Agreement.

ARTICLE 49. SUCCESSORSHIP

This Agreement shall be binding upon any and all successors and assigns of the Employer, and no provisions, terms, or obligations herein contained shall be affected by any consolidation or unification of municipal governments.

In the event that the Employer absorbs, merges, or reforms, in whole or in part, through consolidation or unification with any other employer, seniority shall be determined as follows:

The current Laborer's Local 942 members having the longest term of service with their employer shall be number one (1) on the combined seniority list for their occupation. Continuing this process, all other current Laborer's Local 942 members shall be listed on the combined seniority list likewise according to length of service with their employer by classification and/or duties or a position they may be qualified to perform.

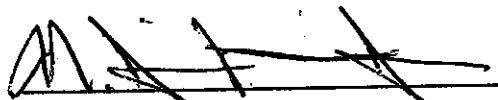
ARTICLE 50. DURATION OF AGREEMENT

This Agreement shall become effective July 1, 2009, and shall continue in full force and effect until June 30, 2012. The parties will exchange proposals no later than November 15, 2011, and formal negotiations shall commence no later than December 1, 2011, unless otherwise mutually agreed upon by the parties, with the intent that negotiations will be completed by January 31, 2012 for incorporation into the annual budget process.

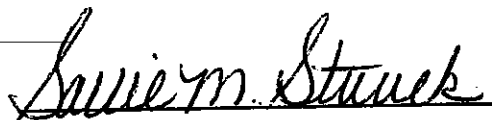
This Agreement is executed on the 29th of May, 2009, by the duly authorized representatives of the parties hereto.

IN WITNESS THEREOF, the parties hereto have set their hands and seals the day and year hereinafter written.

Fairbanks North Star Borough



Jim Whitaker, Borough Mayor



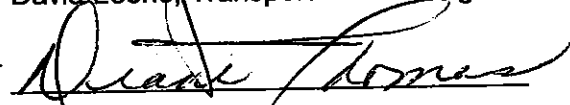
Sallie M. Stuvek, Human Resources Director



Glenn Miller
Transportation Director

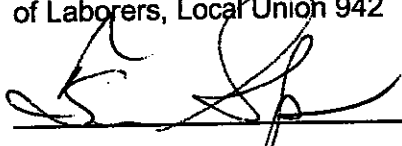


David Leone, Transportation Manager

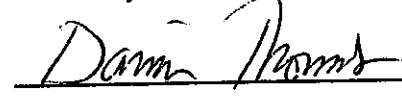


Diane Thomas, Personnel/Payroll Manager

Alaska State District Council
of Laborers, Local Union 942



Tim Sharp, Business Manager/
Secretary Treasurer

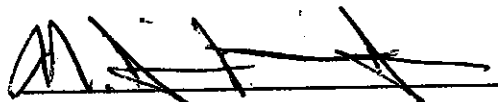


Damian Thomas, Business Agent

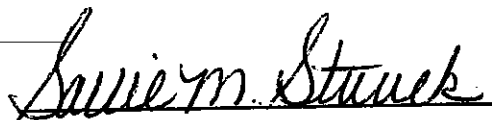
This Agreement is executed on the 29th of May, 2009, by the duly authorized representatives of the parties hereto.

IN WITNESS THEREOF, the parties hereto have set their hands and seals the day and year hereinafter written.

Fairbanks North Star Borough



Jim Whitaker, Borough Mayor



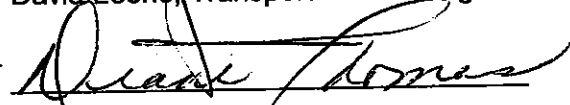
Sallie M. Stuvek, Human Resources Director



Glenn Miller
Transportation Director

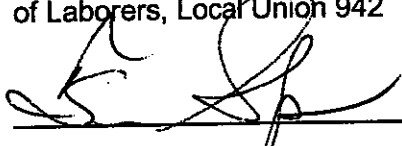


David Leone, Transportation Manager

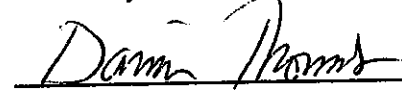


Diane Thomas, Personnel/Payroll Manager

Alaska State District Council
of Laborers, Local Union 942



Tim Sharp, Business Manager/
Secretary Treasurer



Damian Thomas, Business Agent