

AMENDMENT TO MEMORANDUM OF UNDERSTANDING
Between
IAFF Local 1742, BWI Airport Professional Firefighters
And
The State of Maryland

May 3, 2011

This Amendment to the Memorandum of Understanding made this 30th day of March, 2011 by and between the State of Maryland and the Baltimore/Washington International Airport Professional Fire Fighters Local 1742 I.A.F.F., AFL-CIO, CLC.

The Memorandum of Understanding dated March 23, 2010 to June 30, 2011, by and between the State and IAFF is hereby modified in accordance with the terms of this Amendment. Wherever there is any conflict between this Amendment and the Memorandum of Understanding, the provisions of this Amendment control and the Memorandum of Understanding shall be construed accordingly.

The terms and provisions of the Memorandum of Understanding are hereby modified in the following manner:

1. Article VII – Wages is amended to include the following provisions:

Section 1. General Wage Increase

During Fiscal Year 2012 each bargaining unit employee shall receive a total bonus of \$750, payable in equal installments per pay period throughout the fiscal year,

Effective no later than January 1, 2013, a general cost of living adjustment wage increase (COLA) consisting of 2% will be added to each grade and step of the pay plan(s) affecting bargaining unit employees.

Effective January 1, 2014, a COLA consisting of 3% will be added to each grade and step of the pay plan(s) affecting bargaining unit employees.

Section 1a. Increments

Effective April 1, 2014, salary increments, also known as within grade step increases, will be reinstated and all employees who are otherwise eligible shall receive a within grade increase effective the pay period that includes April 1. Thereafter, all eligible employees shall be provided with a step increase on their appropriate annual increment date.

Section 1b. Compensation Reopener

In addition to the provisions of Articles XIX and XXIV of this Agreement and any side letters thereto, the parties agree to reopen negotiations concerning COLAs and salary increments:

- A. At the State's request, if the Maryland Board of Revenue Estimates (BRE) official estimate of General Fund revenue for either Fiscal Year 2013 or 2014 is more than \$150,000,000 (One Hundred Fifty Million Dollars) below the estimate for either

Fiscal Year 2013 or 2014, as published in Table 20 of the December, 15, 2010 BRE report; or

- B. At the Union's request, if the BRE official estimate of General Fund revenue for either Fiscal Year 2013 or 2014 is more than \$300,000,000 (Three Hundred Million Dollars) above the estimate for either Fiscal Year 2013 or 2014, as published in Table 20 of the December, 15, 2010 BRE report.
- C. A request to reopen by either party shall be in writing and submitted to the other party within five (5) calendar days of the BRE's issuance of an official report pursuant to State Government Article, §6-106(b) that meets the criteria of either subsections A or B of this section.

Section 1c. Furloughs

Effective July 1, 2011, there shall be no furloughs of bargaining unit members throughout the remainder of the term of this Agreement.

- 2. **Section 1. State Contracted Medical Plans of Article XVI - Health Benefits is hereby deleted in its entirety and replaced with the following provisions:**

Section 1. Medical Plans

The Employer will maintain the current health (including vision) and dental insurance programs and practices. The Employer shall contribute 80% of the premium charge for PPO plans, 83% of premium for the POS plan, 85% of premium for the HMO plan, 80% for the prescription drug plan and 50% for the dental plan. There shall be no change in the State's premium subsidy for health benefits plans in Fiscal Year 2012.

Section 1A. Prescription Drug Plan

Effective July 1, 2011, retail and mail order prescription drug copays for bargaining unit employees shall be as follows:

Type of Drug	Prescriptions for 1-45 Days (1 copay)	Prescriptions for 46-90 Days (2 copays)
Generic drug	\$10	\$20
Preferred brand name drug	\$25	\$50
Non-preferred brand name drug	\$40	\$80

Effective July 1, 2011, for each plan year the Prescription Drug annual out-of-pocket copay maximum shall be \$1,000 for individual coverage and \$1,500 for employee and spouse, employee and child, or employee and family coverage.

Section 1B. Health Benefits Reopener

The parties agree to reopen negotiations for health benefits effective at the beginning of or during fiscal year 2013. Changes implemented pursuant to such negotiations shall be the sole changes that affect the health benefits of bargaining unit employees during the life of the MOU.

In addition to the provisions of Articles XIX and XXIV of this Memorandum of Understanding, the parties agree to reopen negotiations concerning health benefits for changes that are effective at the beginning of or during fiscal year 2013. The purpose of such negotiations shall be to provide ongoing annual savings equivalent to 5% of total health care premium expenses (excluding prescription drug costs) to the State Employee and Retiree Health and Welfare Benefits Program. The specific amount saved during fiscal year 2013 shall be in consideration of the salary increase for active employees, which is to be implemented no later than January 1, 2013. The parties agree that they will attempt to balance the phase-in of employer health benefits cost savings and the timing of the salary increase to satisfy the imperative of avoiding reductions in the take-home pay of active employees.

Negotiations over health benefits shall be initiated by August 1, 2011. In the event the parties have not achieved agreement by October 1, 2011, either party may initiate fact finding under the procedures provided in State Personnel & Pensions Article, §3-501(c)(3). If the parties are unable to reach an agreement by January 1, 2012, the parties retain their respective rights under law.

3. Article XIV– Leave With Pay is amended to include the following provision:

Section 6. Recovery Reduction Days

To mitigate the impact of furloughs and the temporary salary reduction plan on non-contractual State employees while still achieving essential budgetary savings, paragraph M of Executive Order 01.01.2010.11 authorized the use of paid administrative leave to be available for use by employees beginning in Fiscal Year 2012. The State agrees to rescind that provision of the Executive Order as to bargaining unit employees and to substitute the following:

Administrative Leave Days for 24/7 Employees

24/7 employees will receive five (5) days of Administrative Leave at the beginning of Fiscal Year 2012, Fiscal Year 2013 and Fiscal Year 2014. The use of such Administrative Leave shall require prior supervisor approval. The use of such Administrative Leave shall be authorized in a manner that minimizes the use of overtime at each agency. This Administrative Leave may be used at any time prior to the employee's separation from employment with the State. Employees are not entitled to compensation for unused administrative leave.

4. Article IV - Union Rights is amended to include the following provision:

Section 14. Service Fees

All employees who are covered by this MOU but who are not members of Local 1742 IAFF shall as a condition of employment pay to IAFF a "service fee." Non-members must begin and currently pay the service fee assessed upon the latter of: (i) July 1, 2011 or (ii) thirty (30) calendar days of employment in the IAFF unit. The determination of the amount of the service fee, collection, escrow, disputes, and other procedures relating to the service fee shall comply with all applicable legal requirements and be governed by the terms stated in this MOU.

A. Amount of Service Fee

The service fee shall not exceed the amount of dues uniformly required of IAFF members. IAFF will determine once annually, based upon its most recently audited financial reports, the percentage of its membership dues that represents all of IAFF's representational activities, including negotiation and administration of terms and conditions of employment, fringe benefits, grievances, and the investigation, challenge and appeal of personnel and employment rights, and all other chargeable activities. This percentage shall be applied to membership dues and be assessed to those non-member employees who make known, as required, their objection to the payment of fees to support non-representational or union member-only activities and expenses. ("Political objection")

C. Service Fee Notice

IAFF will annually determine the percentage of its activities which are chargeable and non-chargeable to nonmembers and will provide a written notice of its calculation to each employee in the bargaining unit who is required to pay a service fee.

Such notice will provide: (1) the type of activities considered to be chargeable and non-chargeable to service fee payers; (2) financial data in support of the union's calculation of chargeable expenses; (3) procedures for filing an objection to the payment of the portion of the fee attributable to non-representational and member-only activities and expenses; (4) procedures for filing a challenge to the accuracy of the calculation of chargeable expenses; and (5) procedures for filing a conscientious objection based upon religious beliefs.

Non-members may file a "political objection" to the payment of any portion of the service fee related to non-representational activities. Objecting non-members may also "challenge" the computation of the fee. The procedures available to nonmembers for filing political objections and challenges shall require that non-members make their filings individually, in writing, and provide for no less than a thirty (30) day period after receipt of the Union's annual service fee notice, for a timely filing. Political objections and/or challenges shall be deemed waived if not filed in accordance with the notice procedures.

D. Collection of Fee

The State shall automatically withhold from the bi-weekly salary of each employee who is not a member of IAFF the service fee as determined. The deduction of the service fee shall be made without the necessity of a written, signed authorization from the employee. The State is not required to take any action to collect a service fee from any employee in any given pay period except to the extent that such employee earns wages from the State in that pay period.

E. Conscientious Objectors

An employee whose religious beliefs are opposed to joining or financially supporting any collective bargaining organization shall not be required to meet the above service fee obligations but shall pay in lieu thereof an amount equal to the service fee to any charitable organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

To qualify for the religious exemption, the employee must obtain from IAFF a Declaration of Bona Fide Religious Objection and Selection of Charitable Organization form. The employee must submit the completed form to both IAFF and the Department of Budget and Management, within thirty (30) days of receipt of annual notice described in ¶ C above.

It shall be the obligation of a conscientious objector to furnish, monthly, to IAFF and to the Department of Budget and Management, written proof that charitable contributions contemplated hereby have actually been made and that said employee is not subject to a service fee involuntary deduction. Proof of payment may be in the form of original receipt issued by such organization, by credit card statement or cancelled check. Failure to provide proof of contributions to a charitable organization shall constitute employee's voluntary revocation of his/her status as a conscientious objector and involuntary deduction of the service fee shall commence.

An employee utilizing the religious exemption status and who requests IAFF representation services shall be subject to charges by IAFF for the reasonable cost of such representation.

F. Information

Within ten (10) days after the end of each calendar month, the State will submit to IAFF a list of all employees who are newly hired into unit positions during the previous month.

G. Disputes and Challenges

Any dispute between IAFF and the State as to the meaning or application of Article IV, Section 14 of the Agreement and/or any as to the administration of the service fee will constitute a complaint within the meaning of the dispute resolution procedure in Article VIII of this MOU and will be processed accordingly.

Any timely filed challenge to the calculation of chargeable expenses that can not be resolved between the union and fee payer within thirty (30) day of the close of the challenge period shall be expeditiously resolved by an impartial arbitrator. The impartial arbitrator shall be selected under, and the proceedings conducted in accordance with, the Rules for Impartial Determination of Union Fees (the "Rules") established by the American Arbitration Association (AAA). The employee and IAFF shall each be responsible for their own attorney's fees and other representation costs. All arbitration related costs shall be borne by IAFF.

All challenges properly filed shall be consolidated in a single proceeding before the Arbitrator chosen under the Rules, and they shall be heard and determined at the same time. Decisions of the Arbitrator shall be binding on all non-member service fee payers who join the bargaining unit during the period covered in IAFF's notice. IAFF and a challenger may voluntarily settle or compromise the dispute between IAFF and that nonmember without precedent as to the disposition of other pending challenges.

Upon receipt of a written challenge from a service fee payer IAFF shall place an amount equal to the fees collected from the challenger into an interest bearing escrow account, separate from the union's funds. The escrowed figures will be independently verified. The fair share fees shall remain in escrow until the arbitration award issues and shall be distributed along with accrued interest, in accordance with that award or as may otherwise be mutually agreed to by IAFF and the challenger.

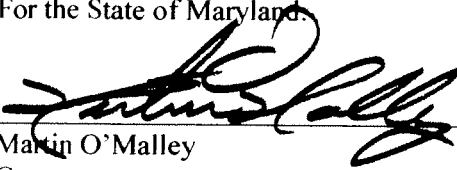
H. Indemnity

IAFF shall indemnify and save the State harmless and shall provide a defense of any and all claims, grievances, demands, actions, suits, costs, expenses, or other forms of liability or damages, including attorney's fees and costs, that arise out of or by reason of any action taken or not taken by the State, its officers, agents, employees or representatives for the purpose of complying with any of the provisions of this section; or that arise out of or by reason of the State's reliance on any notice,

letter, or authorization forwarded to the State by IAFF pursuant to this section. IAFF will assume primary responsibility for the defense of any such claims and may engage counsel of its choosing. As counsel for the State, the Office of the Attorney General will be permitted to enter an appearance and will be kept fully apprised of litigation developments by counsel for IAFF, but IAFF will not be responsible for any legal fees or costs incurred by the Office of the Attorney General in this regard. IAFF will not be responsible for the State's attorneys fees and costs incurred in any dispute referred to in the first subparagraph of ¶ G, above, between the State and IAFF under the MOU.

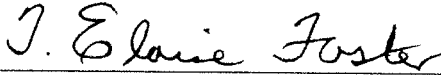
IAFF assumes full responsibility for the disposition of the funds deducted under this section as soon as they have been remitted by the State to IAFF. In addition, if an employee who is required to pay a service fee, make a contribution to a charity, and/or provide written proof of a charitable contribution fails to do so, it is solely the responsibility of IAFF to take appropriate steps to collect the amount or otherwise enforce the requirement in question.

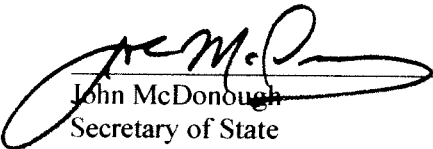
For the State of Maryland



Martin O'Malley
Governor


For the Union, Local #1742, IAFF


Richard Samluck
President


T. Eloise Foster
Secretary
Department of Budget and Management


John McDonough
Secretary of State
Chief Negotiator


Cynthia Kollner
Executive Director
Office of Personnel Services and Benefits
Department of Budget and Management


Judith Slater
Director
Office of Human Resources
Department of Transportation