

MEMORANDUM OF AGREEMENT

The Philadelphia Housing Authority ("PHA") and AFSCME District Council 47, Local 2187 (the "Union") agree to the following modifications to their April 1, 1999 to March 31, 2002 collective bargaining agreement (the "Agreement"):

1. Term

The term of the Agreement shall be six (6) years, beginning on April 1, 2002 and expiring March 31, 2008.

2. Wages

(a) The base rate for each classification covered by the Agreement shall be increased by 3.5% retroactive to April 1, 2002.

(b) Effective April 1, 2003, the base rate for each classification covered by the Agreement shall be increased by 3.5%.

(c) Effective April 1, 2004, the base rate for each classification covered by the Agreement shall be increased by 3.5%.

(d) Effective April 1, 2005, the base rate for each classification covered by the Agreement shall be increased by 2%.

(e) Effective April 1, 2006, the base rate for each classification covered by the Agreement shall be increased by 2%.

(f) Effective April 1, 2007, the base rate for each classification covered by the Agreement shall be increased by 2%.

(g) For purposes of determining the amount of retroactive pay due to bargaining unit members under paragraphs (a) - (c), the following conditions shall apply: (1) to be eligible for a retroactive payment, an employee must be on the payroll on or after October 1, 2004, except that retired employees shall receive retroactive pay through their date of retirement; (2) for purposes of calculating the retroactive amount due, the percentage increases shall be applied to an employee's base rate only, and shall not include overtime, shift differentials or other similar base rate adjustments earned during the period covered by the retroactive adjustment; and (3) Head Start and PCA employees are only eligible for a retroactive payment covering the period April 1, 2004 to the effective date of this Agreement; for the prior two years (2003 and 2002), Head Start employees will be eligible to receive a lump sum cash payment equivalent to a 3.5 percent base wage increase for each of those two years (2003 and 2002) when HUD approves a 12 month budget for the Head Start program.

(h) Employees who were enrolled in Personal Choice during the retroactive pay period shall have their retroactive payment amounts due under paragraph (g) above (with the exception of payments due to Head Start and PCA employees) reduced by \$355.85 for those with Single coverage, \$544.62 for those with Employee plus Child coverage, \$784.93 for those with Employee plus Children coverage, \$817.45 for those with Employee plus Spouse coverage and \$1,050.03 for those with Family coverage. The remaining sum due shall be paid within thirty (30) days of approval of this Memorandum of Agreement by the PHA Board of Directors and the United States Department of Housing and Urban Development.

(i) If, during the term of this Agreement, PHA agrees to provide another AFSCME union with wage or benefit increases more favorable than those provided in this

Agreement, then PHA will also provide those wage or benefit improvements to District Council 47, Local 2187.

3. Overtime/Out of Class Pay

The currently existing Labor Management Committee will meet and discuss with the appropriate PHA officials to determine the cause of and to make recommendations to address any problems that might exist regarding the procedures for ensuring that authorized overtime and out-of-class pay is included in bargaining unit members' pay in the payroll week after the week in which the pay was earned.

4. Health and Welfare

The medical benefits available to eligible employees shall be modified as set forth in Attachment A to this Memorandum of Agreement.

5. Pension

Article 17 shall be modified as provided in Attachment B to this Memorandum of Agreement. The modifications in Attachment B shall not operate to diminish the current pension benefit of any employee retiring before April 1, 2008.

6. Sick Leave

The currently existing Labor Management Committee will meet and discuss with the appropriate PHA officials, to develop methods to reduce the average sick leave usage by bargaining unit employees. The goal of the committee will be to reduce average sick leave usage by at least 40%. The committee will discuss all options, including reducing the amount of sick leave granted to 10 days for existing employees, no-pay for the first 2 days of sick leave used with cash-out incentives and enhanced sick leave control mechanisms. The committee will issue its recommendations for changes to the collective bargaining agreement by March 31, 2005.

7. Direct Deposit

PHA and the Union will attempt to arrange with its commercial bank to provide any full time PHA employee who does not currently have a checking account with a reduced fee or enhanced benefit checking account. Once this program is in place, and after notification to the Union, all employees will receive their weekly paychecks via direct deposit. If the parties cannot find an acceptable arrangement by March 31, 2005, PHA reserves the right to move to a bi-weekly pay.

8. Use of Leave

Add a new clause to the collective bargaining agreement as follows:

Employees are entitled to various types of leave under this Agreement and/or PHA policy, including but not limited to sick, vacation, injured on duty, FMLA, personal, medical, worker's compensation, etc. Employees may not use combinations of any leave for which they qualify to allow for absences from work in excess of one (1) year. After the one (1) year period has expired, employees shall be either: (a) required to return to work, if medically cleared to return or (b) separated from employment. Consistent with applicable law, unless the Authority and the employee otherwise agree in writing, any leave for which employees qualify shall run concurrently and may expire prior to the one (1) year period, at which time employees will be required to return to work. Leaves will be paid or unpaid as specified in the Agreement or policy.

This Memorandum of Agreement, entered into this 6th day of December, 2004, is subject

to ratification by the membership of the Union and the approval of the PHA Board of Directors and the United States Department of Housing and Urban Development.

AFSCME District Council 47,
Local 2187

Philadelphia Housing Authority

By: Thomas Paine Cionini
Catherine J. Scott

By: [Signature]

ATTACHMENT A

Medical Benefits

Effective September 1, 2004, the employee premium contribution for Personal Choice will be 5% of the plan's monthly rates as of September 1 of each year plus 25% of any increase in the plan's monthly rates.

During the term of the Agreement, there shall be no employee premium deduction for the Keystone Health Plan.

Prescription Benefits

Effective September 1, 2004, the current prescription benefit will be changed to the Keystone 5/10/16 plan.

ATTACHMENT B

Section __. Pension

Effective November 1, 2002, Section 1. __ (definition of "Earnings") of the Philadelphia Housing Authority Retirement Income Plan (the "Plan") shall be amended to read:

"1. __ Earnings. An Employee's basic compensation received from the Employer excluding overtime payments, commissions, bonuses, and any other additional compensation, but including Employee elective contributions to any cafeteria plan under Section 125 of the Code and Section 457 of the Code. For Plan Years beginning December 31, 1988 and before January 1, 1996, Earnings and Rate of Earnings in excess of \$200,000 (as such dollar limit is adjusted pursuant to applicable law or regulations from time to time) shall be disregarded. For Plan Years beginning after December 31, 1995 and before January 1, 2002, Earnings and Rate of Earnings in excess of \$150,000 (as such dollar limit is adjusted pursuant to applicable law or regulations from time to time) shall be disregarded. For Plan Years beginning after December 31, 2001, Earnings and Rate of Earnings in excess of \$200,000 (as such dollar limit is adjusted pursuant to applicable law or regulations from time to time) shall be disregarded. Earnings shall include Participant Contributions deemed to be Employer contributions under Code Section 414(h)(2).

(a) Average Earnings. For Employees terminating employment on or after November 1, 2002, the average Rate of Earnings on the three consecutive November 1st's ending on the Applicable November 1 (as that term is defined in Section 5.1). For Employees terminating employment prior to November 1, 2002, Average Earnings shall be determined with reference to the definition of Average Earnings under the Plan provisions as in effect on the date of the Employee's termination of employment.

(b) Rate of Earnings. An Employee's Rate of annual basic compensation with the Employer on any November 1, excluding overtime payments, commissions, bonuses and any other additional compensation deemed to be employer contributions."

"5.1 Normal Retirement Income. If a Participant terminates employment on or after his Normal Retirement Age, he will be entitled to receive a monthly benefit in an amount equal to 1/12th of the amount determined in accordance with this Section 5.1. A Participant who continues in employment after his Normal Retirement Date shall continue to accrue benefits under the Plan until his Actual Retirement Date. However, a Participant whose Normal Retirement Date was prior to November 1, 1998 shall not accrue benefits during the period between said Normal Retirement Date and October 31, 1998, unless such service has been purchased pursuant to Section 4.2(c).

A Participant's Normal Retirement Income will be equal to $X + Y + Z$ where:

(a) X is equal to 2.5% of the Participant's Average Earnings multiplied by years and months of Credited Service completed prior to the Applicable November 1 (as defined below), but not in excess of 25 years;

(b) Y is equal to 1.25% of the Participant's Average Earnings multiplied by such years and months of Credit Service in excess of 25 years completed prior to the Applicable November 1 (as defined below);

(c) Z is equal to, for each year of Credited Service after the Applicable November 1 (as defined below), 2.5% of the Participant's Rate of Earnings for such year, except that the benefit accrual rate shall be 1.25% with respect to any year where the Credited Service of the Participant exceeds 25 years.

For purposes of the Plan, the term Applicable November 1 shall mean November 1, 2002.

This Section 5.1 shall be subject to Section 415 of the Code."

Effective November 1, 2005, Sections 1.22 and 5.1 of the Plan shall be amended to change all references to November 1, 2002 contained therein to November 1, 2005, if the following two conditions exist determined as of March 31, 2005:

1. The Philadelphia Housing Authority contributed at least 5.5% of the total covered payroll for the Plan Years beginning November 1, 2001, November 1, 2002 and November 1, 2003; and

2. The projected Minimum Required Employer Contribution for the Plan Year beginning November 1, 2004 is no greater than 5.5% of covered payroll.

The actuarial assumptions and methods used in determining the Minimum Required Employer Contribution for the Plan Year beginning November 1, 2004 shall be the same as those employed in preparing the actuarial valuation for the Plan Year beginning November 1, 2003, except (a) different assumptions and/or methods shall be used if appropriate under the Standards of Practice published by the Actuarial Standards Board, and (b) such valuation shall be performed assuming the substitution of November 1, 2005 for November 1, 2002, as described above, is in effect."

**LANGUAGE TO BE MODIFIED BY PLAN LAWYERS TO CHANGE TERM
"COVERED PAYROLL" TO BE SAME AS IN PLAN DOCUMENT, ALLOW
GRANDFATHERING OF CURRENT EMPLOYEES THROUGH NOVEMBER 1, 2008
AND ALLOW FOR AGGREGATION OF PHA CONTRIBUTION PERCENTAGES
OVER TERM OF AGREEMENT.**

SIDE LETTER

The Philadelphia Housing Authority ("PHA") and AFSCME District Council 47, Local 2187 (the "Union") agree that they will continue to meet and discuss PHA's revised Disciplinary Policy and Random Drug Testing Policy to address the Union's areas of concern, beginning after ratification of a new Agreement and continuing for a period of sixty (60) days thereafter. During that sixty (60) day period, this Side Letter will not prejudice the positions that the parties have previously taken in arbitration and other proceedings with respect to the Disciplinary Policy. After that sixty (60) day period, the Union will acknowledge that it has no objection to PHA's adoption of the Disciplinary Policy or the Random Drug Testing Policy (which shall be the same policy as agreed to by the City of Philadelphia and District Council 47 during their 2004 negotiations.)

In addition, the parties agree that a Labor/Management Committee will meet to discuss the Union's proposed Substance Abuse, Workplace Violence and Health and Safety policies, as well as the Policy Regarding Resident Lobby Monitors ("RLM") and PHA's forthcoming proposal to implement a dress code. The Committee will meet regarding the Substance Abuse policy during the sixty (60) day period after ratification of a new Agreement. The Committees will meet to discuss the other matters (Workplace Violence and Health and Safety policies, RLM policy and Dress Code proposal) during the ninety (90) days following ratification.

AFSCME District Council 47,
Local 2187

By: Thomas Paene Cirrin

Dated: ^{Dec 6th} ~~October~~, 2004

Catherine J. Batt

Philadelphia Housing Authority

By: [Signature]

SIDE LETTER

The parties agree that if any of the employees listed below retire before November 1, 2009, the modifications referenced in Attachment B to this Memorandum of Agreement will not operate to diminish their current pension benefits.

Names of Employees

Ruth Adkins

Nancy Duretz

Joyce Wiggins

AFSCME District Council 47,
Local 2187

Philadelphia Housing Authority

By: Thomas Paine Cronin

By: 

Dated: December 6, 2004

Catherine D. Felt

Memorandum of Understanding

The Philadelphia Housing Authority ("PHA") and AFSCME District Council 47, Local 2186 ("Local 2186"), having met and discussed, agree as follows:

1. Bargaining unit employees shall be subject to the same terms and conditions of employment agreed to by Local 2187.
2. Bargaining unit members shall be entitled to arbitration or discharges, but only where the discharge involves a Class IV Major Infraction as defined by PHA's Human Resources Manual of Policies and Procedures. Bargaining unit members shall not be entitled to arbitration of discharges for any other reasons, including but not limited to at-will terminations or layoffs.

Local 2186

By: Thomas Paine Cronin
Michael J. Walsh

Philadelphia Housing Authority

By: [Signature]

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Local 2186

By: Thomas Paine Cronin
Michael J Walsh

Philadelphia Housing Authority

By: [Signature]

AFSCME—LOCAL 2186—SUPERVISORY EMPLOYEES

DISTRICT COUNCIL 47

AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES—AFL-CIO
1606 WALNUT STREET, PHILADELPHIA, PA 19103 (215) 546-9879 FAX (215) 985-2720
EMAIL: AFSCMELocal2186@aol.com



April 10, 2007

HAND DELIVER

*Sibyl H. Bryant, General Manager
Philadelphia Housing Authority
Human Resources
2133 Arch Street
Philadelphia, PA 19103*

Re: Pension

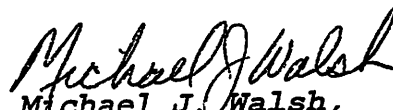
Dear Ms. Bryant:

Recently, eleven (11) AFSCME Local 2186 members were laid off. AFSCME Local 2186 has received questions concerning their pension.

I would appreciate an opportunity to meet with you or your designee so we can answer their questions.

Please contact me at 215-893-3728 or 215-888-2088 (cell).

Very truly yours,


Michael J. Walsh,
President

MJW:meo

President
MICHAEL J. WALSH

Vice President/
Business Agent
RITA URWITZ

Secretary-Treasurer
JAMES DUNPHY

Recording Secretary
IRENE WRIGHT