

MEMORANDUM OF AGREEMENT AND STIPULATION OF SETTLEMENT
("Agreement") entered into as of this 15th day of March 2014, by and between the
COUNTY OF NASSAU, a municipal corporation in the State of New York, having its
principal place of business at 1550 Franklin Avenue, Mineola, New York ("COUNTY"),
and the POLICE BENEVOLENT ASSOCIATION OF THE POLICE DEPARTMENT OF
THE COUNTY OF NASSAU, N.Y., INC., an employee organization having its principal
place of business at 89 East Jericho Turnpike, Mineola, New York ("PBA");

WHEREAS, the parties are signatories to a Collective Bargaining Agreement that sets
forth certain terms and conditions of employment under which police officers shall work
and perform their duties (hereinafter referred to as "contract" or "CBA"); and

WHEREAS, the parties' current contract expires December 31, 2015; and

WHEREAS, on March 24, 2011, at the request of the County, the Nassau County Interim
Finance Authority ("NIFA") adopted Resolution No. 11-303 finding a wage freeze for
County employees (including PBA members) was essential to the adoption and
maintenance of a Fiscal Year 2011 Budget for Nassau County; and

WHEREAS, on March 24, 2011, NIFA adopted Resolution No. 11-304 declaring a fiscal
crisis in Nassau County and ordering, with respect to employees of the County
(including PBA members), the suspension of all increases in salary or wages, and the
suspension of increased payments for holiday and vacation differentials, shift
differentials, salary adjustments according to plan, and step-ups and increments
(collectively referred to as "wage freeze"); and

WHEREAS, on March 22, 2012, NIFA adopted Resolution No. 12-365, finding the wage
freeze for County employees (including PBA members) was essential to the adoption
and maintenance of the County's Fiscal Year 2012 Budget and Multi-Year Financial Plan
2012-2015, as well as compliance with state law; and

WHEREAS, on March 22, 2012, NIFA further adopted Resolution No. 12-366, which
declared a continued fiscal crisis in Nassau County and ordered, with respect to
employees of the County (including PBA members), the wage freeze for another year;
and

WHEREAS, on March 14, 2013, NIFA adopted Resolution Nos. 13-417 and 13-418,
declaring a continuing fiscal crisis in Nassau County and imposing a wage freeze for the
third consecutive year; and

WHEREAS, on March 10, 2014, NIFA adopted Resolution Nos. 14-485 and 14-486,
declaring a continuing fiscal crisis in Nassau County and imposing a wage freeze for the
fourth consecutive year; and

WHEREAS, the County has interpreted NIFA Resolution Nos. 11-303, 11-304, 12-365,
12-366, 13-417, 13-418, 14-485, and 14-486 to also include the suspension of longevity
payments to PBA members; and

Je
Edm

WHEREAS, the unions have filed various pending actions in state and federal court(s) challenging NIFA's wage freeze orders; and

WHEREAS, in a Memorandum and Order dated February 14, 2013, U.S. District Court Judge Leonard D. Wexler of the U.S. District Court for the Eastern District of New York concluded that NIFA "went beyond its statutory authority" when imposing the control period wage freeze; and

WHEREAS, Judge Wexler further stayed the operation of any judgment entered pursuant to his February 14, 2013 Memorandum and Order, pending any appeal; and

WHEREAS, NIFA and the County both appealed Judge Wexler's February 14, 2013 Memorandum and Order to the U.S. Court of Appeals for the Second Circuit; and

WHEREAS, on appeal, the Second Circuit held that the U.S. District Court should not have exercised jurisdiction to decide the issue of statutory interpretation which it believed raised "an unresolved issue of state law" that should be resolved by the New York state courts because "the manner in which the statute is construed implicates significant state interests;" and

WHEREAS, the PBA has, pursuant to the federal courts' instruction, filed an action in the Supreme Court of the State of New York, County of Nassau – Index No. 602947/2013 – challenging the wage freeze on state law grounds; and

WHEREAS, Section 3669(3)(b) of the Nassau County Interim Finance Authority Act (the "Act" or the "NIFA Enabling Legislation") provides that a "wage freeze" is not applicable to employees of a covered organization covered by a collective bargaining agreement (such as the members of the PBA) where the collective bargaining representative (the PBA here) has agreed to a deferment of salary or wage increase, by an instrument in writing which has been certified by NIFA as being an acceptable and appropriate contribution toward alleviating the fiscal crisis of the County; and

WHEREAS, the NIFA Enabling Legislation, at Section 3669(3)(c), further provides that NIFA "may, if it finds that the fiscal crisis has been sufficiently alleviated or for any other appropriate reason, direct that the suspensions of salary or wage increases or suspensions of other increased payments or benefits shall, in whole or in part, be terminated;" and

WHEREAS, the County and the PBA entered into an agreement dated September 5, 2013, which would have settled the wage freeze disputes in their entirety and would have lifted the wage freeze; and

WHEREAS, the NIFA opined that the September 5, 2013 agreement was not satisfactory to the NIFA Board, and therefore would not be approved by NIFA; and

A handwritten signature in dark ink, appearing to be 'JC' followed by a stylized flourish or 'SM'.

WHEREAS, the NIFA later facilitated discussions between the County and the PBA which provided guidelines as to what NIFA would find as an acceptable agreement; and

WHEREAS, discussions thereafter ensued between the County and the PBA; and

WHEREAS, those discussions resulted in an agreement that would lift the wage freeze and that enables the County to more efficiently and resourcefully provide services to the residents of the County and address public safety issues; and

WHEREAS, the County and the PBA are desirous of resolving their disputes in connection with the wage freeze litigation referenced above; and

WHEREAS, this agreement will partially resolve the aforementioned litigation, provide the County residents with significant savings, and further the interest of public safety.

NOW THEREFORE, in consideration for the mutual promises and releases contained herein, the receipt of which is acknowledged, the parties intending they be legally bound hereby covenant and agree as follows:

1. The word "CBA" or "contract" shall refer in this Agreement to the Collective Bargaining Agreement between the parties which sets forth the terms and conditions of employment under which Nassau County police officers work and perform their duties, which consists of a "base document" for the period January 1, 1992 through December 31, 1995, together with the various arbitration awards and memoranda of agreement which have heretofore modified same including but not limited to the Stipulation of Agreement dated September 5, 2008 ("2008 Stipulation"). The provisions of the present CBA shall continue in full force and effect unless otherwise explicitly amended by the provisions of this Agreement.

2. Term

The CBA shall be extended through December 31, 2017.

3. Wages

- a) The PBA agrees to forgo the cost of living adjustment that would have taken effect on January 1, 2013 (3.5% increase) pursuant to the 2008 Stipulation.
- b) It is the intention of the parties that the steps and adjustments in the remainder of this paragraph will operate prospectively from their effective dates provided herein.

- c) Effective April 1, 2014:
- i. All PBA members shall be placed at the step on their applicable salary schedule they would have been beginning January 1, 2012 had the wage freeze not been implemented.¹
 - ii. All PBA members hired prior to March 1, 2014 shall be paid the cost of living adjustment that would have taken effect on January 1, 2014 (3.5% increase) pursuant to the 2008 Stipulation had the wage freeze not been implemented, not including any longevity payments.
- d) Effective September 1, 2014, all PBA members shall be placed at the step on their applicable salary schedule they would have been beginning January 1, 2013 had the wage freeze not been implemented.
- e) Effective January 1, 2015, all PBA members shall be placed at the step on their applicable salary schedule they would have been beginning January 1, 2014 had the wage freeze not been implemented.
- f) Effective September 1, 2015:
- i. All PBA members shall receive a 3.75% cost of living adjustment as scheduled to take effect January 1, 2015 pursuant to the 2008 Stipulation;
 - ii. All PBA members hired during calendar year 2008 who have not reached Step 9 on their applicable salary schedule shall be placed at Step 9.
- g) Effective September 1, 2016, all PBA members shall be paid a 3.5% cost of living adjustment.
- h) Effective January 1, 2017, all PBA members shall be paid a 2% cost of living adjustment.
- i) Upon the effective date of this Agreement, as set forth in paragraph 11(d) below, all PBA members hired on or after May 1, 2013, shall progress through their applicable salary schedule (move up to their next steps) pursuant to the CBA.
- j) Attached as Appendix A are the salary schedules for PBA members hired prior to March 1, 2014, pursuant to subparagraphs "a" through "i" above. Accordingly, all but the first sentence of paragraph 3(F) of the 2008 Stipulation (as codified in Appendix A of the 2008 Stipulation), is nullified.

¹ The phrase "wage freeze" or "wage freezes" referenced throughout this Agreement shall hereafter refer to the wage freezes imposed by NIFA's Resolution Nos. 11-303, 11-304, 12-365, 12-366, 13-417, 13-418, 14-485, and 14-486, including the suspension of longevity payments.

4. Salary Schedule

- a) A new salary schedule (attached as Appendix B) shall apply for employees hired on or after the effective date of this Agreement.
- b) Employees hired on or after the effective date of this Agreement shall receive annual increments (move to the next step) on their anniversary date of hire, rather than on the next January 1st.

5. Vacation

- a) Effective beginning for the vacation selection process during the 2014 calendar year, the formula used to determine the number of vacation selections for each command (currently based upon 9%) shall be replaced with the following chart for each of the eight (8) precincts ("precincts" for these purposes include the geographic areas covered by the four precincts and four community police centers as set forth by the police precinct structure "realignment" authorized by Nassau County Legislature Resolution No. 104-2012) and for the Highway Patrol Bureau:

<u># of Officers</u>	<u># of Vacation Selection Spots</u>
72 – 82	5
83 – 93	6
94 – 104	7
105 – 115	8
116 – 126	9
127 – 137	10
138 – 148	11
149 – 159	12
160 – 170	13
171 – 181	14
182 – 192	15
193 – 203	16
204 – 214	17

- b) Effective beginning for the vacation selection process during the 2014 calendar year, the number of vacation selection spots for Records Bureau and Marine Bureau shall be reduced by one (1) spot.

For example, if the Records Bureau has a total number of police officers equal to 100, taking the current formula which utilizes 9%, the result

JC
EDM

would be nine (9) vacation selection spots available for each day during the vacation selection process prior to this Agreement. Under the terms of this provision, that number would now be reduced to eight (8) vacation selection spots.

- c) The number of vacation selection spots for all other commands not referenced herein shall remain the same.

6. Compensatory Time Bank

Effective January 1, 2014, each PBA member's compensatory time bank (Section 9.8-1(B), Option 1, as amended) shall be increased to 400 hours.

7. Personal Leave and Compensatory Time Off Requests

Effective January 1, 2014, personal leave and compensatory time off, as set forth in the first sentence of Section 1 of the May 25, 2005 Interest Arbitration Award ("Final Award"), shall be reduced from a minimum of two (2) police officers to a minimum of one (1) police officer.

8. Employee Benefits

- a) Employees hired on or after the implementation of this Agreement, shall be entitled to receive health insurance benefits as provided for by The Empire Plan with Core Plus as is received by current employees (hereafter, "The Empire Plan"), as provided for and to the extent made available by the New York State Health Insurance Program ("NYSHIP"), or an alternative health insurance plan as described below.
 - i. If enrolled with The Empire Plan, the employee shall contribute 15% of the cost of the health insurance premium.
 - ii. If enrolled with an alternative health insurance plan (which shall include, but not be limited to, any offered plan of HIP, AETNA, Blue Cross HMO, and HIP / VYTRA Network), the County shall pay, towards the cost of the premium in either the individual or family plan, all amounts up to the monetary equivalent of 85% of the cost of The Empire Plan (individual or family, as appropriate). To the extent the annual premium cost is equal to or less than 85% of the cost of The Empire Plan, the employer shall pay the full cost of the health insurance premium. To the extent the annual premium exceeds the 85% of the cost of The Empire Plan, the employee shall pay the difference.

- iii. It is the intent of the parties that newly hired employees (those hired on or after the effective date of this Agreement) shall be offered a health insurance plan option that requires no premium contribution. The parties further acknowledge that such an option may provide benefits and benefit levels different than those currently available. To this end, the County and the PBA shall endeavor to identify and make available for such employees an alternative plan(s) whose premium cost is equal to or less than the 85% as soon as practicable. The parties acknowledge that this may result in newly hired employees being enrolled in a plan which requires a contribution for a period of time.
 - iv. The County shall establish and maintain a cafeteria plan whereby all new employees who are required to contribute toward the cost of their health insurance premium (by enrollment in either The Empire Plan or an alternative plan) shall be entitled to pay their health plan premium deductions on a pre-tax basis.
- b) Current provisions related to health insurance benefits shall continue for current employees (those hired prior to the effective date of this Agreement) through December 31, 2017, and through any status quo period thereafter (including into retirement if such employees retire prior to December 31, 2017, or during any status quo period thereafter). It is understood that this includes the parties' agreement that the County shall continue to pay the full cost of the health insurance premium for such current employees through December 31, 2017 and through any status quo period thereafter (including into retirement if such employee shall retire prior to December 31, 2017 or during any status quo period thereafter).
 - c) Except as modified herein, all other enforceable contractual provisions covering health, dental, and optical plans shall continue with full force and effect.
 - d) Effective on the effective date of this Agreement, beneficiaries of PBA members who die in the line of duty shall receive a supplemental payment from the County equal to the difference, if any, between the death benefit provided by the State of New York and the PBA's top step pay at the time of such death. This supplemental payment shall continue in full force and effect as long as the surviving spouse or other beneficiary(ies) receive such a death benefit or pension benefit from New York State.
 - e) The parties agree that the terms and provisions of sub-paragraphs "a", "b", "c", and "d" shall not be subject to interest arbitration until after December 31, 2020.
 - f) The PBA acknowledges and agrees that, except for employees who were members of a New York State or New York City Retirement System prior to being employed by Nassau County and under current law would retain their prior Tier membership if employed by Nassau County, and except as may be altered by

future enacted laws, bargaining unit members hired on or after the effective date of this CBA contemplated by this Agreement shall be enrolled in the Tier VI "contributory" Plan of the New York State Police and Fire Retirement System.

9. Minimum Staffing

- a) Within 30 days after the effective date of this Agreement, the County agrees to withdraw its application to the Supreme Court of the State of New York, County of Nassau (Index No. 14737/2013) challenging an Opinion and Award of Arbitrator Gayle A. Gavin dated September 9, 2013, which found that the County had violated the PBA's CBA when it reduced staffing in the Nassau County Police Department's Second Precinct for the period beginning June 1, 2012.
- b) Upon the County's withdrawal of the lawsuit described in sub-paragraph (a) above, the parties agree that effective June 1, 2012, the minimum staffing level on all tours for "Outside Personnel" (those assigned to patrol functions in a sector patrol vehicle) assigned to Chart Orange in the Second Precinct (as set forth in the September 14, 2003 Interest Arbitration Award) shall be as follows: for the period 0700 hours to 1900 hours, "21"; for the period 1900 hours to 0500 hours, "22"; and for the period 0500 hours to 0700 hours, "13."
- c) The parties agree that sub-paragraphs "a" and "b" above shall be considered in full satisfaction of the September 9, 2013 Opinion and Award, and the PBA shall be entitled to no further remedy under the September 9, 2013 Opinion and Award.

10. Employee Protections

- a) If NIFA adopts a resolution expressly withdrawing or modifying its Resolution No. 14-486 (adopted by NIFA on March 10, 2014), the PBA shall be entitled to reopen negotiations over terms and conditions of this Agreement in the event any current or future law enforcement bargaining unit enters into an agreement with the County, certified by NIFA on terms superior in the aggregate to the terms and conditions of the PBA contract. For purposes of this provision, current law enforcement units are DAI, SOA, COBA, and IPBA.
- b) The Parties acknowledge that the PBA and other unions have filed pending lawsuits in Nassau County Supreme Court and the United States District Court for the Eastern District of New York (the "Pending Litigations"), seeking, among other things, damages claims for loss of cash wages that would have been payable to union members but for the wage freeze and a declaration that the wage freeze was illegally ordered by NIFA in March 2011, March 2012 and March 2013. The Parties acknowledge that the total amount of such lost cash wages for members of all unions during the period March 2011 through the effective date of this

Agreement has been estimated at approximately \$230 million. The PBA and its members will preserve their pending damages claims in the Pending Litigations to such lost cash wages in the period March 24, 2011 through the effective date of this Agreement, and will preserve their claims for a declaration that NIFA's wage freeze orders of March 2011, March 2012, and March 2013 were illegally imposed. If the PBA prevails through a final judgment, after all appellate avenues have been exhausted, that the March 24, 2011 and/or March 22, 2012 wage freeze order was illegal, then the PBA members will also receive the COLA(s) lost during the years the wage freeze was found illegal (2011 and/or 2012), payable in the year after entry of the final judgment. The PBA and its members will otherwise waive and release any and all claims, pending or not, relating to the wage freeze in the period March 24, 2011 through the effective date of this Agreement, including without limitation all claims that their members accrued increased compensation levels (through steps, COLAs or any other increases) during the period March 2011 through March 2014. This paragraph will be memorialized further in a release of the County, NIFA and their representatives in terms acceptable to NIFA.

11. Ratification & Effectuation

- a) The parties agree that to the extent any provision of this Agreement (with the exception of subparagraph "g" below) requires legislative action and/or action by NIFA to permit its implementation by amendment of law or by providing additional funds therefore, this Agreement shall not become effective until the appropriate legislative body and/or NIFA has/have given approval.
- b) The parties further agree that this Agreement (with the exception of subparagraph "g" below) shall not become effective until the ratification by the PBA and the Nassau County Legislature, as well as the certification/approval of NIFA as described in subparagraph "c" below. In the event the PBA or the Nassau County Legislature does not ratify this Agreement, this Agreement shall become null and void and no adverse inference shall be drawn against either party by virtue of its having entered into the Agreement.
- c) This Agreement shall not be effective unless NIFA adopts a resolution certifying that the Agreement is an instrument in writing that is an acceptable and appropriate contribution toward alleviating the fiscal crisis of the County pursuant to § 3669(3)(b) of the NIFA Act and that NIFA will abide by the terms of the Agreement and will not impose a wage freeze through December 31, 2017, as long as this Agreement in whole or in part is in effect.
- d) The effective date of this Agreement shall be the date upon which NIFA certifies this Agreement by Resolution, as set forth in sub-paragraph (c) above.
- e) Even though it enters into this Agreement, the PBA continues to believe the wage freeze is unlawful and unconstitutional. Further, that the PBA has entered into this Agreement shall not be understood as acquiescence to the validity of the

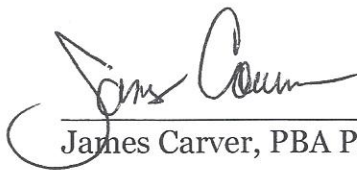
wage freeze. Additionally, the PBA does not waive its right to challenge the legality of any future wage freeze should one be implemented.

- f) Even though it enters into this Agreement, the County continues to believe that the wage freeze is lawful and constitutional. Further, that the County has entered into this Agreement shall not be understood as an acknowledgement or admission of the invalidity of any current or future wage freeze, nor shall it be considered a waiver of the County's right to continue to defend the wage freeze litigation. Additionally, the County does not waive its right to defend the legality of any future wage freeze should one be implemented.
- g) The parties agree and hereby acknowledge that all discussions and negotiations among representatives of PBA, the County and NIFA regarding this Agreement, including oral and written communications and draft materials exchanged, have been in furtherance of potential compromise and settlement of pending and future litigation, and are inadmissible subject to the State and Federal rules of evidence.
- h) The parties agree that, except as otherwise referenced throughout the body of this Agreement, the "WHEREAS" recitals of this Agreement shall not be interpreted to affect the substantive rights or obligations of the parties.
- i) The parties agree and acknowledge that they both participated in the drafting of this Agreement and that the terms of this Agreement, including any ambiguities, are to be construed in accordance with their intended meaning and not against any one party.

12. Authorization

Each individual that executes this document expressly asserts that each has the agency and authority to bind the party each represents, subject to the express provisions set forth above.

Agreed and Accepted on
Behalf of the Nassau County PBA


James Carver, PBA President

Agreed and Accepted on
Behalf of the County of Nassau


Edward Mangano, County Executive

APPENDIX A**PROPOSED PBA SALARY CHARTS****EMPLOYEES HIRED PRIOR TO 3/1/14****No Education**

		3.50%	3.75%	3.50%	2.00%
Step	current	4/1/2014	9/1/2015	9/1/2016	1/1/2017
1	34,000	34,000	34,000	34,000	34,000
2	45,000	45,000	45,000	45,000	45,000
3	67,499	69,861	72,481	75,018	76,518
4	72,992	75,547	78,380	81,123	82,745
5	78,486	81,233	84,279	87,229	88,974
6	84,841	87,810	91,103	94,292	96,178
7	88,745	91,851	95,295	98,631	100,603
8	91,201	94,393	97,933	101,360	103,388
9	107,319	111,075	115,240	119,274	121,659

Education

		3.50%	3.75%	3.50%	2.00%
Step	current	4/1/2014	9/1/2015	9/1/2016	1/1/2017
1E	34,695	34,695	34,695	34,695	34,695
2E	45,000	45,000	45,000	45,000	45,000
3E	68,222	70,610	73,258	75,822	77,338
4E	73,715	76,295	79,156	81,927	83,565
5E	79,209	81,981	85,056	88,033	89,793
6E	85,565	88,560	91,881	95,097	96,999
7E	89,468	92,599	96,072	99,434	101,423
8E	91,924	95,141	98,709	102,164	104,207
9E	108,132	111,917	116,113	120,177	122,581

APPENDIX B**PROPOSED PBA SALARY CHARTS****CLASSES HIRED AFTER IMPLEMENTATION OF 2014 AGREEMENT****No Education**

		3.75%	3.50%	2.00%
Step	4/1/2014	9/1/2015	9/1/2016	1/1/2017
1	35,000	35,000	35,000	35,000
2	41,000	41,000	41,000	41,000
3	50,000	51,875	53,691	54,764
4	60,000	62,250	64,429	65,717
5	70,000	72,625	75,167	76,670
6	76,000	78,850	81,610	83,242
7	80,000	83,000	85,905	87,623
8	88,000	91,300	94,496	96,385
9	111,075	115,240	119,274	121,659

Education

		3.75%	3.50%	2.00%
Step	4/1/2014	9/1/2015	9/1/2016	1/1/2017
1E	35,695	35,695	35,695	35,695
2E	41,695	41,695	41,695	41,695
3E	50,695	52,596	54,437	55,526
4E	60,695	62,971	65,175	66,479
5E	70,695	73,346	75,913	77,431
6E	76,695	79,571	82,356	84,003
7E	80,695	83,721	86,651	88,384
8E	88,695	92,021	95,242	97,147
9E	111,917	116,113	120,177	122,581

je
gm