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CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED MEMORANDUM

DATE: November 10, 2016

TO: Hotel Association of New York City, Inc.

Labor Relations Members

General Managers, Controllers and Human Resources Directors

FROM: Kane Kessler, P.C.

Labor and Employment Law Department

RE: 2017 Calendar Year Industry Wide Agreement ("IWA") wage and wage related

increases and benefit fund contributions

<u>I. January 1, 2017:</u>

<u>A. Health Benefit Fund</u>: IWA contribution rates to the Health Benefit Fund decrease to 26.75% from 31.25% on January 1, 2017, which is inclusive of the diverted Pension and Prepaid Legal Fund contributions.

<u>B. Pension Fund</u>: Hotels must increase their rate of contribution to the Trustees of the New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund from 3.00% to 8.00%.

<u>C. Bellpersons and Doorpersons</u>: Except for those Bell and Door persons who do not regularly receive porterage and are paid no less than the IWA Elevator Operator, Passenger rate set forth in Schedule A, the base hourly rates for both Bellpersons and Doorpersons must be increased by Fifty Cents (\$0.50), effective January 1, 2017, as follows:

Base Hourly Rate for Bellpersons (Transient and Semi-Transient)

Current \$18.1993 January 1, 2017 \$18.6993

Base Hourly Rate for Bellpersons (Residential)

Current \$19.1795 January 1, 2017 \$19.6795

Base Hourly Rate for Working Bell Captains

Current \$22.9815 January 1, 2017 \$23.4815

Base Hourly Rate for Doorpersons

Current \$18.5033 January 1, 2017 \$19.0033

<u>D. Prepaid Legal Fund</u>: Hotels must continue to contribute to the Trustees of the New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund one quarter of one percent (0.25%) of the wages payable to the employees for the preceding pay period for the purpose of making available certain legal services benefits to employees of the Hotel and their dependents.

E. Industry Training and Scholarship Fund: Hotels must continue to pay the Trustees of the New York Hotel Trades Council and Hotel Association of New York City, Inc. Industry Training and Scholarship Fund the sum of One Dollar and Fifty Cents (\$1.50) per month for each employee on the Hotel's payroll on the 15th day of each month for the purpose of establishing and maintaining programs to train employees for promotion and advancement, and One Dollar (\$1.00) per month for each employee on the Hotel's payroll on the 15th day of each month to provide educational scholarships and tuition aid to dependents of the Hotel's employees.

F. Optical Fund: Contributions remain at \$1.50 per employee per month.

G. Contribution for New Employees: No contributions to the Pension Fund, Prepaid Legal Fund, Training Fund, and Dental Fund (2%) are required on behalf of any "new employee" until nine (9) months after the date of employment. A "new employee" is defined as any employee who was not continuously employed by an Employer that is signatory to the Industry Wide Agreement for at least twelve (12) continuous months within the 24 months preceding employment.

II. July 1, 2017:

A. Industry-wide wage increases: Base hourly rates for all classifications are subject to 3.5% increases (see the Exhibit attached hereto). In addition, the following wage-related items must be increased by 3.5% as well, as follows:

Extra Rooms

Current \$14.76 July 1, 2017 \$15.28

Cots

Current \$4.91 July 1, 2017 \$5.08

Night-Shift Differential

Current \$1.32 per hour July 1, 2017 \$1.37 per hour

Porterage for Bellpersons

Current \$3.00 per bag (maximum two bags per person) July 1, 2017 \$3.11 per bag (maximum two bags per person)

Porterage for Doorpersons

Current \$1.50 per bag (maximum two bags per person) July 1, 2017 \$1.55 per bag (maximum two bags per person)

Bellperson fee pursuant to Article 50(C)

Current \$1.44 per person July 1, 2017 \$1.49 per person

If you have any questions, please do not hesitate to contact David R. Rothfeld, Lois M. Traub, Alexander Soric, Jennifer Schmalz, Jaclyn Ruocco, Michael C. Lydakis or Robert L. Sacks.

cc: Joseph E. Spinnato, Esq. Vijay Dandapani, Chairman

This memo is provided for informational purposes only.

It is not intended as legal advice and readers should consult counsel to discuss how these matters relate to their individual circumstances

CLASSIFICATION	7/1/2017 SCHEDULE A HOURLY RATE	
DINING ROOM		
Captains	\$28.7975	
Scrub Captains	\$17.0588	
Greeters	\$28.4250	
Food Servers	\$16.4263	
Bus Attendants	\$17.6318	
Banquet Captains	\$28.7975	
KITHCEN & STEWARDING		
Sous Chef	\$35.4680	
Night Chef	\$34.9274	
Saucier	\$34.6951	
Garde Manger	\$34.6174	
Tournant	\$34.6174	
Chef de partie & Chef Butcher	\$35.5411	
Banquet Chef	\$34.9274	
First Commis-Garde Manger	\$33.7680	
First Commis-Saucier	\$33.7680	
First Commis-Others	\$33,6137	
Working Chef	\$34.5411	
First Assistant	\$33.7680	
All Assistant Cooks-White Jackets	\$33.3051	
Pastry Chef	\$35.0806	
First Assistant	\$33.8449	
All Other Assistants	\$33.3051	
Ice Cream Chef	\$34.3083	
Head Baker	\$34.5411	
Night Bakers	\$34.0000	
Bakers	\$34.0000	
Head Vegetable Preparers	\$31.4126	
All Other Vegetable Preparers	\$31.1511	
Chicken and Fish Butchers	\$33.3051	
Head Oyster Preparer	\$32.3020	
All Other Oyster Preparers	\$31.9917	
Head Pantry Person	\$31.9154	
Pantry, Coffee Persons	\$31.4911	
Head Silver Cleaner	\$31.2566	
Regular Silver Cleaner	\$30.8714	
Dishwashers	\$30.8714	
Potwashers	\$31.1043	
Floor Stewards	\$33.3051	
Kitchen Runners	\$30.8723	
EMPLOYEES' CAFETERIA		
Head Cook	\$33.3051	
Assistants	\$31.9917	
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BA	√R		
Bartenders (Public Bars)	\$32.5320		
Bartenders (Service Bars)	\$33.6909		
Bartender's Helper	\$30.8		
HOUSEKEEPING			
Floor Housekeepers \$33.2777			
Room Attendants	\$31.7609		
Bath Attendants	\$31.7609		
Housekeeping Attendants	\$31.7609		
Window Washers/Housekeeping Attendants	\$32.1469		
Wall Washers	\$32.1469		
Furniture Polishers	\$31.3	3354	
LAUNDRY			
Washers	\$31.4	4911	
Wash Room Helpers	\$31.2	2566	
Guest Markers/Assorters	\$31.2566		
Hand Ironers	\$31.2566		
Operators and Starchers	\$31.1820		
Hand Washers	\$31.1820		
Curtain Processors	\$31.1820		
Flat Workers, Shakers, Feeders, Receivers, Folders	\$31.1043		
Misc. Laundry	\$31.1043		
Mini-Laundry Employees	\$31.4126		
FRONT S	ERVICE		
Stationary Bell Captains	\$33.4326		
Working Bell Captains	1/1/17 - \$23.4814	7/1/17 - \$24.3033	
Elevator Starters	\$31.9	9154	
Elevator Operators, Passenger	\$31.8069		
Elevator Operators, Service	\$31.8926		
Bell Persons, T	1/1/17 - \$18.6993	7/1/17 - \$19.3538	
Bell Persons, ST	1/1/17 - \$18.6993	7/1/17 - \$19.3538	
Bell Persons, Porters, R	1/1/17 - \$19.6797	7/1/17 - \$20.3683	
Lobby Porters	\$31.3		
Door Persons	1/1/17 - \$19.0033	7/1/17 - \$19.6684	
Checkroom Attendants	\$30.7186		
Package Room Messenger	\$17.6080		
Package Room Employees	\$31.2197		
Driver-Bell Persons	\$25.2488		
Driver-Door Persons	\$25.2488		
Chauffeurs and Drives (full time)	\$33.	1220	
WHITE COLLAR -		2015	
Accounting Clerks	\$31.9917		
Circuit Clerks	\$31.6054		
Concierges	\$33.1509		
E.F. Typists	\$31.6837		
F&B Checkers F&B Control & Card Control Clerks	\$31.7609		
	\$31.6837		

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File Clerks	\$31.5297		
Floor Clerks	\$31.2197		
F.O. Cashiers	\$32.1837		
F.O. Coordinators	\$33.1509		
Guest History Clerks	\$31.5297		
House Officers	\$33.2389		
Key, Mail, Information Clerks	\$31.5297		
Night Auditors	\$32.4169		
Payroll Clerks	\$31.9154		
Reservation Clerks	\$31.6829		
Restaurant & Beverage Cashiers	\$31.6837		
Room Clerks	\$32.2237		
Stenographers	\$31.8386		
Timekeepers	\$31.6837		
Typists	\$31.6837		
Voucher Clerks	\$31.6837		
Security Guards	\$31.4126		
Telephone Operators	\$31.8386		
ENGINE ENGINE			
Engineers	\$34.3083		
Boiler Room Attendants	\$33.5351		
Oilers	\$33.3431		
Electricians			
	\$33.6909 \$33.0737		
Electric Switch Board Operators			
Helpers Helpers	\$32.6106		
Helpers in Engineering Department	\$32.6106		
Air Condition Control Mechanics	\$33.6137		
Refrigeration Mechanics	\$33.7680		
Painters	\$33.6137		
Paper Hangers and Sign Painters	\$34.0000		
Wood Finishers and Polishers	\$33.6137		
Upholsterers	\$33.6137		
Upholsterers' Sewers	\$33.2271		
Maintenance Employees	\$33.6137		
Maintenance Helpers and Apprentices	\$32.6103		
VALET DEF			
Tailors	\$31.6443		
Pressers	\$31.6443		
Dry Cleaners	\$31.9549		
Runners and Delivery Employees	\$17.0165		
PRINT SHOP DEPARTMENT			
Compositors	\$31.5677		
Press Operators and Linotypists	\$32.3394		
Miscellaneous Employees	\$31.1820		
TURKISH BATHS			
Masseurs/Masseuses	\$16.4263		
Attendants	\$16.5623		
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Steam Room Attendants	\$16.3585		
Floor Attendants	\$17.8775		
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MISCELLANEOUS			
Audio Visual Technician	\$33.6909		
Carpet Cleaners	\$31.7609		
Floor Polishers	\$31.7609		
F&B Storeroom Attendants	\$31.3749		
Furniture Polishers (Maintenance)	\$32.6877		
Incinerator Attendants	\$31.6837		
Kitchen Fire Person	\$31.6054		
Linen Handlers/Distributors	\$31.1043		
Linen Room Personnel	\$30.7960		
Linen Room Sewers	\$30.9500		
Locker Room Attendant	\$31.1066		
Minibar Attendant	\$31.7609		
Newspaper Deliverers	\$30.7960		
Pages	\$22.0388		
Sidewalk Cleaners	\$31.2197		
Soda Fountain Employees	\$31.6054		
Swimming Pool Attendant	\$31.1429		
Window Cleaners F.T.	\$33.6260		
Yard and Sanitation Employees	\$30.8714		