Terms: 4-Year agreement, ending November 30, 2016.

Wages: All journey level worker hourly wage rates will be raised by $1.00/hr immediately upon ratification of the agreement. Annual wage rate increases during the contract for all employees (no COLA increases):

- 0% December 1, 2012
- 0% December 1, 2013
- 3% December 1, 2014
- 3% December 1, 2015

Direct Hiring by the District:

- All newly hired apprentices, whether from within or outside the bargaining unit, shall meet the minimum qualifications established by the District. The District shall have discretion to hire from the outside up to 3% of all apprentices annually in each apprentice program (rather than ½ half of the aggregate number).

- The District shall have discretion to hire up to 5 journey workers annually from the outside to fill positions in any discipline.

Transferring to Another Discipline:

- All journey level workers will be required to work for seven years in their discipline prior to moving to a different discipline unless there is a hardship established by the JATC.

Healthcare-Active Employees (See attached contract language):

- TriMet will offer the following health, dental and vision insurance plan; TriMet’s contribution shall be capped:
  
  - **Regence 80/20** (the current non-union PPO plan). TriMet will contribute 95% of the premium; employees will contribute 5% of the premium.
  
  - **Regence 90/10** (the current union PPO plan). TriMet will contribute the same employer contribution dollar amount as provided for under the 80/20 plan, meaning the employer shall make the same contribution to the 90/10 plan as it would make to the 80/20 plan.
  
  - **Regence HDHP with HSA** (the current non-union HDHP plan). TriMet will contribute the same employer contribution dollar amount as provided for under the 80/20 plan noted above, meaning the employer shall make the same contribution to the HDHP with HSA as it would make to the 80/20 plan.
  
  - **Kaiser $10 co-pay** (the current non-union HMO plan). TriMet will contribute 95% of the premium; employees will contribute 5% of the premium.
• Mini Run Operators will be eligible for the same healthcare benefits as regular employees. Except for healthcare, benefits for Mini Run Operators will be status quo. For example, the 30-day employment requirement in Article 1, Section 9, Par. 1(e) shall remain.
• TriMet and the ATU agree to labor-management meetings to make recommendations to TriMet on health insurance plan design, benefit levels, and the possible utilization of a private exchange for plan year 2016; three representatives from each from side.

Healthcare-Retirees (See attached contract language):

• Retirees hired prior to February 1, 1992: Status Quo. Grandfathered.
• Retirees hired on or after February 1, 1992 through ratification of this agreement:
  o Until age 65, they receive the same benefits as active employees.
  o At age 65, they are eligible for 1) Medicare, Medicare Part B reimbursement, plus Kaiser Senior Advantage or UHC supplemental coverage, or 2) Medicare Part B reimbursement and an equivalent stipend of $417.36 (single) or $828.47 (single + 1). The stipend will be deposited into an RHRA Veba.
  o The monthly stipend calculated in the first year elected shall thereafter be increased annually by CPI-U Portland. At the time the stipend is first elected as an option, that election shall be maintained.
  o Through 12/31/2015, the UHC HMO plan will be maintained. Beginning 01/01/2016, TriMet shall implement the UHC PPO plan as originally proposed or its substantial equivalent and terminate the UHC HMO plan.

• Retirees hired on or after the first day following ratification:
  o Pre-65, the retiree shall receive an $800/mo. stipend with which to purchase healthcare from one of the offered plans, or be deposited into an RHRA Veba for any eligible use. The $800/mo. stipend shall increase annually by CPI-U Portland.
  o Post-65, the retiree no longer shall be eligible for any TriMet insurance benefit.

Healthcare Reimbursement:

• TriMet will reimburse a lump sum of $425,000 to be distributed to ATU members for healthcare costs passed on to employees in 2013 and 2014 pursuant to ORS 243.756. ATU will provide the list of employees who shall receive a share of this lump sum and the amount of the share. TriMet will issue individual checks within 30 days after ratification and receiving the list of TriMet employees or former employees, and reimbursement will be subject to normal payroll taxes.

Dental Care:

• TriMet will offer the non-union Moda dental plan, Kaiser dental plan and terminate the existing Willamette dental plan, as proposed.

Settlement of Outstanding Litigation: As part of contract settlement, the parties agree to settle outstanding litigation related to contract negotiations, as follows:

• Court of Appeals:
- UP 042-12 – ATU will withdraw its appeal of UP 042-12 and let stand ERB's order in that case.
- UP 039-10 – TriMet will withdraw its appeal of UP 039-10 and UP 050-12. Regarding UP 039-10, the parties will enter into a settlement agreement (See attached settlement agreement). Pursuant to that settlement agreement:

  - The District will make payment to the Employee Assistance Program (Article I, Section 9, Par. 3) in the amount of $55,000 annually until the expiration of the successor collective bargaining agreement currently under bargaining/interest arbitration proceedings, at which time no further payment shall be made and payments shall not be continued during the hiatus period. Employees will be covered under the Employer’s Employee Assistance Program contract thereafter. The contract language will be revised accordingly.
  - The District will make payment to the Recreation Trust fund (Article I, Section 19, Par. 4) in the amount of $55,000 annually until expiration of the successor collective bargaining agreement currently under bargaining/interest arbitration proceedings, at which time no further payment shall be made and payments shall not be continued during the hiatus period. Thereafter, recreation activities will be budgeted within TriMet's operating budget. The contract language will be revised accordingly.

- **ERB ULP Charges:**
  - UP 026-14 and UP 021-14 - TriMet will withdraw these charges.
  - UP 018-14 and UP 031-14. ATU will withdraw these charges. With respect to UP 031-14, which involves the Child/Elder Care Fund, upon ratification TriMet will make payment for 2012 and 2013 pursuant to its Final Offer Proposal, less a total of $30,000 in excess payments TriMet made for December 2009, 2010, and 2011.

**Withdrawal of Other Proposals:** With respect to all proposals not previously T'A’d, the status quo shall be maintained, including side letters, except that the following proposals are agreed to:

- **TriMet Proposal** – The Active Employee Health Benefits Summary that appears on page 105 of the contract awarded by Arbitrator Gaba shall be deleted as obsolete as well as the reference to it in Article I, Section 9, Par. 1(a).
- **TriMet Proposal** – Side Letter re Health and Welfare Benefits that appears on page 107 of the contract awarded by Arbitrator Gaba shall be deleted.
- **TriMet Proposal** – The Child Care/Elder Assistance Program is agreed to except that it shall be modified to provide for an additional payment for 2015, the fourth year of the contract.
- **TriMet Final Offer Proposal** – Item 7 (Article I, Section 9 – Proposed Medicare Secondary Payer Rules for retirees are incorporated into the contract.
- **TriMet Final Offer Proposal** – Item 8 (Article I, Section 9, (old) Par 4(a) – proposed deletion of the double indemnity language in case of accidental death.
- **TriMet Final Offer Proposal** – Item 8 (Article I, Section 9, (old) Par 4(f) – proposed deletion of obsolete language regarding payment of life insurance for retirees.
- **TriMet Final Offer** – Section B All items TriMet identified as permissive shall be removed from the contract.
The parties agree to this Tentative Agreement that, together with prior tentative agreements (TAs) and tentative, tentative agreements (TTAs) entered into pursuant to agreements on October 24, 2013 and June 24, 2014, and the attachments hereto (collectively “the contract settlement”) are intended to resolve all outstanding bargaining issues between the parties. Both parties agree to expeditiously present and recommend ratification of the contract settlement to their respective constituencies.

Agreed:

Randy Stedman, Chief Negotiator
Executive Director, LR/HR

Date

Bruce Hansen, Chief Negotiator
President, ATU Local 757

Date
Article I

Section 9 - HEALTH AND WELFARE BENEFITS [Mediation proposal 9-23-14]

Par. 1. Medical, Hospital, Prescription Drug, Dental, Convalescence and Vision Optical

a. Subject to Par. 1(b)-(f) of this section, the District shall pay contribute ninety five percent (95%) of the cost for each tier of coverage in the primary 80/20 PPO or $10 HMO co-pay medical plan and the prescription drug, dental and vision care plans for each tier of coverage (single, single +1, single + children, family). S/he also may elect to participate in either a 90/10 PPO plan or a high deductible healthcare plan with health savings account (HSA). In that case, the District shall pay the same employer dollar contribution amount as it would have paid had the employee elected the primary 80/20 PPO plan. If the employee elects the 90/10 PPO plan, then the employee shall pay the difference between the District's contribution amount and the total premium amount. If the employee elects the high deductible healthcare plan with HSA, then the District shall contribute the difference between its contribution amount and the total premium amount to an HSA in the employee's name. One hundred percent (100%) of a composite rate for the medical, hospital and prescription drug, dental, convalescence and optical benefits for full time employees, dependents of employees, and retirees not eligible for Medicare. The District retains the right to change providers at its discretion so long as the level of benefits is not adversely affected.

If an active employee or their eligible dependent(s) become Medicare eligible, the member must enroll in and maintain all available Medicare parts A & B insurance coverage as soon as they become Medicare eligible. and a Medicare Risk plan. During the term of this Agreement, the benefits and specific coverage of these plans will be set forth in the Active Employee Health Benefits Summary and incorporated herein. Unless made pursuant to any health care law, regulation, or unilateral change by the Provider without the consent and approval of the District, the plan design of benefits provided shall not change during the term of this Agreement unless both the District and the Association/Union agree to do so in writing.

b. For those retired employees who left the service of the District prior to February 1, 1992, the District shall pay the full cost of providing these retirees and their dependents with medical, hospital, prescription drug, vision optical—benefits and dental (retiree and spouse only), not including orthodonture available under the health and welfare plan in place at that time.

c. All Employees who retired on or after February 1, 1992 and
hired on or before the date of ratification by both parties or following contract award pursuant to interest arbitration [substitute date certain once known] and who retire on or after that date shall receive the same health and welfare benefits until age 65 that is available to active employees and their spouses, excluding not including orthodonture and or dental coverage for dependent children's other than the employee's spouse.

1. All retirees and their spouses, or surviving spouses, and dependents must enroll in and maintain all available Medicare parts A & B insurance coverage as soon as they become Medicare eligible due to age or disability age eligible. If an employee does not qualify as having “current employment status” under the Medicare Secondary Payer rules (a “non-active employee”) and the non-active employee or his or her dependent becomes Medicare eligible due to disability, that non-active employee or dependent must enroll in Medicare parts A & B insurance coverage as soon as he or she becomes eligible. The following Par. 1(c)(2)-(6) of this Section apply exclusively to the individuals described in this Par. 1(c)(1).

2. At the first available opportunity, non-active employees, retirees, spouses, or surviving spouses and dependents who become Medicare eligible must enroll in a Tri-Met—District designated Medicare Advantage plan unless they are a retiree or surviving spouse eligible for a stipend under Par. 2(i) below. These plans, which are currently are Kaiser Permanente Senior Advantage (HMO) and United Healthcare Care (HMO). Effective January 1, 2016, the UHC HMO plan will be changed to the UHC PPO plan or it substantial equivalent. (PPO) These plans, when combined with Medicare and Medicare Part B are intended to provide substantially similar coverage as the active employee healthcare plan designs. Group Medicare Advantage-PacificCare Secure Horizons. Having enrolled in Medicare and a Medicare Risk-Advantage plan and upon providing written confirmation of these enrollments, Tri-Met the District will reimburse the non-active employee, retiree, spouse, or surviving spouse or dependent the actual cost of the Medicare Part B monthly premium. For both the retiree and spouse or surviving spouse. Retirees who become Medicare eligible after July 1, 2000 and who enroll in Medicare as set forth above will be reimbursed to that date of enrollment.

(i) Instead of electing coverage under a Medicare Advantage and a dental plan, a retiree or surviving spouse may elect to receive reimbursement for the actual cost of the Medicare Part B premium and a stipend contributed by the District to the retiree’s health reimbursement account (RHRA). Once the Medicare Part B/stipend election is made, the retiree must continue with that election and has no right to revert back to enrolling in a Medicare Advantage plan and dental plan. The amount of the monthly stipend for 2015 shall be $417.36 (single) and $828.47 (single + spouse), which is the average
of the PPO and HMO Medicare Advantage plans, including dental. The stipend shall be increased by CPI-U Portland at the beginning of each benefit year.

3.† If a Medicare eligible non-active employee, retiree, spouse, or surviving spouse or dependent resides outside the service coverage area of the available Medicare Risk Advantage Plans, TriMet the District will continue to offer the active plan that provides out-of-area coverage. TriMet the District will reimburse the non-active employee, retiree, spouse, or surviving spouse, or dependent the actual cost of the Medicare Part B monthly premium. At the first available opportunity after—or a Medicare Risk Advantage medical plan becomes available to Medicare eligible non-active employees, retirees, spouses, or surviving spouses, or dependents currently residing outside the service coverage area, the non-active employee, retiree, spouse, or surviving spouse, or dependant must enroll from an area not covered by the Medicare Risk plans to an area that is covered by— in the Medicare Risk Advantage plans, they must enroll at the first available opportunity.

4.† For those non-active employees, retirees, spouses, and surviving spouses, or dependents who were Medicare eligible before July 1, 2000 (excluding the grandfathered group who retired prior to February 1, 1992 and those identified in item 3 above), and who opted to remain on the active, non-Medicare Risk Advantage plan, pursuant to the August 28, 2000 Agreement, they must enroll in a provided Medicare Risk Advantage plan, currently Kaiser Permanente Senior Advantage (HMO) and United Healthcare (PPO) Group Medicare Advantage PacificCare Secure Horizons.

5) Upon enrolling in a Medicare Risk Plan, (Kaiser Senior Advantage and/or PacificCare Horizons), TriMet will reimburse the employee, retiree, spouse, or surviving spouse, or dependent the actual cost of the Medicare monthly premium.

65.† The reimbursement of the actual cost of the Medicare Part B monthly premium will be included as an adjustment in the retiree’s monthly pension check or the non-active employee’s disability check equal to the actual cost of the monthly premium as determined by Medicare, or, if none, by other direct payment. This adjustment will not be subject to the cost of living increases provided to the pension portion of the check.

76) If a retiree is eligible, it is understood and agreed that the benefit levels combining Medicare with the provided Medicare Advantage Risk plans will provide identical or substantially reasonably the same benefit levels provided to active employees. Should Medicare decrease any benefit levels, TriMet the District will adjust the retiree health plans to ensure substantially
reasonably the same benefits enjoyed by active employees.

d. The medical coverage of the spouse and dependents of a retired employee shall continue for (16) years eleven (11) years from the date of death of said retiree effective December 1, 2003; twelve (12) years effective December 1, 2004; thirteen (13) years effective December 1, 2005; fourteen (14) years effective December 1, 2006, and fifteen (15) years effective December 1, 2007; and sixteen (16) years effective December 1, 2008. The medical coverage of the spouse and dependents of an active employee shall continue for one (1) year after death of said employee. **TTA Supplemental Agreement 06/24/14**

e. Employees hired on or after the first day following ratification by both parties or following contract award pursuant to interest arbitration [substitute date certain once known] and who meet the qualifications for full retirement under Article X, Section 1, Par. 2(a) and who retire from TriMet thereafter, shall be eligible for a $800 per month stipend with which to purchase healthcare from one of the Plans offered by the District or have that amount deposited into an RHRA VEBA in the retiree's name for any eligible use. The $800 stipend shall increase annually by CPI-U Portland. Upon reaching age 65, the retiree no longer shall be eligible for any District health benefit.

f. **Mini-run Operator Coverage.** Mini-run operators, after completing thirty (30) days of employment, will receive the same medical, hospital, prescription drug, dental and vision full-time employees' medical, vision and dental coverage benefits as regular full-time employees for themselves paid one hundred percent (100%) by the District and will receive the same coverage for their families with TriMet paying seventy-five percent (75%) of the family premium cost. [Mediation proposal 09-23-14]

g. **Dual coverage and Waiver of Coverage.** [Withdrawn for purposes of mediation proposal]. [Mediation proposal 9-23-14]
SETTLEMENT AGREEMENT

This settlement agreement ("Agreement") entered into on the date below by and between Tri-County Metropolitan Transportation District of Oregon ("TriMet") and Amalgamated Transit Union, Division 757 ("ATU"), for the purpose of resolving the Employment Relations Board’s orders in Cases UP-39-10 and UP-42/50-12, as well as the parties’ respective appeals of those orders in Court of Appeals Case Nos. A153654 and A155110.

Both TriMet and ATU deny that they engaged in any unlawful conduct or committed any of the unfair labor practices alleged in UP-39-10 or UP-42/50-12. The parties seek to avoid any further litigation regarding the appeals of UP-39-10 and UP-42/50-12, and have reached a mutually agreeable resolution to these matters. The parties agree as follows:

1. TriMet will pay a total amount of $3,690,833.26 to ATU members to reimburse them for health insurance premium costs they incurred.

2. TriMet will pay an additional $500,000 to ATU members as consideration for resolving the orders in UP-39-10 and UP-42/50-12 and the parties’ respective appeals.

3. With respect to the disbursement of the $500,000, ATU will be responsible for providing TriMet with a list of ATU members (employees and retirees) to be reimbursed and the amount for each individual. TriMet understands that there may be two different amounts for some ATU members, one amount taxable and the other amount non-taxable. TriMet will be responsible for cutting the individual checks to ATU members minus any statutory withholdings that apply. As the party ultimately responsible for making the payments, TriMet reserves the final authority to determine whether the individual amounts are taxable or non-taxable under the IRS regulations.

4. ATU agrees to indemnify and hold TriMet harmless from any liability related to the disbursement of the $500,000. Any ATU members who oppose or contest the disbursement amounts will be directed to take the matter up directly with ATU. However, if the ATU member is simply contesting whether the amount is taxable or non-taxable, and TriMet disagreed with the ATU’s recommendation regarding that issue, TriMet will provide an explanation directly to the individual rather than referring the individual to the ATU.

5. To the extent possible, payments to current employees will be processed through payroll, while former employees will be paid through accounts payable and will receive a 1099 for the taxable portion of the payment.

6. Although TriMet will make statutory withholdings from the taxable amounts paid to employees, the parties agree and understand that it is the obligation of ATU members who receive settlement payments to pay any and all local, state, and federal income taxes, penalties, fines, or assessments that they may incur as a result of any moneys paid to them individually pursuant to this Agreement.

7. Both parties will immediately withdraw their appeals in CA No. A153654 and CA No. A155110 with prejudice and without the right to re-file these or any other unfair labor practice complaints, grievances, lawsuits, or any other claims related to the issues in those cases and the underlying ULP complaints.
8. The parties' current collective bargaining agreement language will remain the same until new language is negotiated or awarded through interest arbitration.

9. The parties agree that this is a non-precedent setting agreement and the facts leading to this Agreement as well as the Agreement itself shall not be used as evidence in any subsequent proceeding or dispute of any nature between the parties (except as may be needed to enforce this Agreement).

10. This Agreement is not an admission of liability by either TriMet or ATU.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written below.

ATU, DIVISION 757

By: [Signature]

Date: 9-30-14

TRIMET

By: [Signature]

Date: 9-50-14

On page 2, under the heading, “Healthcare-Retirees (see attached contract language),” the first bullet states as follows:

“Retirees hired prior to February 1, 1992: Status Quo. Grandfathered.”

The language should read:

“Retirees retired prior to February 1, 1992: Status Quo. Grandfathered.”

This scrivener’s error is picked up and repeated in the ATU’s communication to its members during the week of October 13, 2014 on page 10, item B(1) and B(2).

The parties obviously did not intend any change to the group of retired employees who were grandfathered. TriMet intends to move forward with ratification of the TA based upon the understanding that the parties jointly agree the controlling language is the actual red-lined contract language incorporated as part of the TA. If that is not the ATU’s understanding, or if the ATU disagrees in anyway, please notify me before TriMet's Board meets on October 20 in executive session, as we will be moving forward with ratification in reliance upon our understanding being correct.