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JUL 21 2010
EMPLOYMENT
RELATIONS BOARD

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7 BEFORE THE EMPLOYMENT RELATIONS BOARD
8 OF THE STATE OF OREGON
9

10 In the Matter of the Interest Arbitration
11 between Amalgamated Transit Union
12 Division 757 and Tri-County Metropolitan
13 Transportation District of Oregon
14


ATU's Petition Initiating Binding
Arbitration, Final Offer, and Cost
Summary

15 Pursuant to ORS 243.712, ORS 243.742, and OAR 115-040-0000,
16 Amalgamated Transit Union Division 757 ("ATU") declares that an impasse has
17 been reached in its negotiations with Tri-County Metropolitan Transportation
18 District of Oregon and hereby petitions to initiate binding arbitration.

19 ATU's Final Offer is set forth in the attached Exhibit A.

20 ATU's Cost Summary is set forth in the attached Exhibit B.

21 DATED: July 21, 2010

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1 - ATU's Petition Initiating Binding Arbitration, Final Offer, and Cost Summary

Exhibit A – ATU's Final Offer

Maintain the status quo as set forth in the parties' December 1, 2003 – November 30, 2009 collective bargaining agreement under a new three-year agreement commencing December 1, 2009 and expiring November 30, 2012.

1 – Exhibit A

Exhibit B – ATU's Cost Summary

The estimated cost of ATU's final offer is as follows:

		Cost in Dollars	Increase in Dollars
Current		\$176,054,436.71	
Year 1	Min. 3%	\$180,935,055.30	\$4,880,618.59
	Max. 5%	\$182,380,519.36	\$6,326,082.64
Year 2	Min. 3%	\$190,119,967.95	\$9,184,912.65
	Max. 5%	\$194,571,997.24	\$12,191,477.89
Year 3	Min. 3%	\$199,029,224.68	\$8,909,256.73
	Max. 5%	\$206,726,176.23	\$12,154,178.99
Total	Min. 3%	\$570,084,247.92	
	Max. 5%	\$583,678,692.83	

ATU obtained these figures by calculating the cost of maintaining the status quo under the parties' December 1, 2003 – November 30, 2009 collective bargaining agreement, including without limitation the status quo regarding wages (minimum 3%; maximum 5%), retirement, and health insurance.

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TRI-COUNTY METROPOLITAN TRANSPORTATION
 DISTRICT OF OREGON (TRIMET)

FINAL OFFER

Pursuant to ORS 243.712 and OAR 115-40-000, Tri-Met's Final Offer for a contract with the Amalgamated Transit Union, Division 757, is current contract language except changes to the contract sections and paragraphs noted below. All of the specific changes are set forth in the attached pages in "track changes" format:

1. Cover Page and Article 1, Section 1, Paragraph 1 (pp 1-2 of attachment)
2. Article 1, Section 1, Paragraph 6 (p 2 of attachment)
3. Article 1, Section 3, Paragraph 1 (pp 3-4 of attachment)
4. Article 1, Section 9, Paragraphs 1, 2, 3 and 5; Active Employee Health Benefits Summary (new); and Summary Plan Descriptions (pp 5-9, 23, and 24-31)
5. Article 1, Section 13, Paragraph 1 (pp 10-11 of attachment)
6. Article 1, Section 19, Paragraphs 4, 12 and 14 (pp 12-14 of attachment)
7. Article 8 (Pay Schedules), Operations Division (p 15 of attachment)
8. Pension Plan and Permanent Disability Agreement, Section 1, Paragraphs 2-17 (pp 16-20 of attachment)
9. Pension Plan and Permanent Disability Agreement, Section 2, Paragraphs 2-3 (pp 21-22)
10. Pension Plan and Permanent Disability Agreement, Section 3 (p 22 of attachment)
11. Retiree Benefits Summary (p 32 of attachment)

COST SUMMARY

Tri-Met's cost summary of the Final Offer is set forth on pp 33-35 of the attachment.

Tri-County Metropolitan Transportation

District of Oregon

and

Amalgamated Transit Union

Division 757

WORKING AND WAGE AGREEMENT

~~December 1, 2009 through November 30, 2012~~ ~~December 1, 2003 through~~
~~November 30, 2009~~

THIS AGREEMENT, made and entered into as of December 1, 2003-2009 by and between TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (hereinafter for convenience called the District), its successors and assigns, party of the first part, and of the AMALGAMATED TRANSIT UNION, DIVISION 757 OF PORTLAND, OREGON, (hereinafter called the Association), party of the second part,

W I T N E S S E T H: PREAMBLE

It is recognized by the parties hereto that the District, a publicly owned municipal corporation, is engaged in operating a transit system in the three Oregon counties of Clackamas, Multnomah, and Washington, and that so long as the District is engaged in such operation, in order to provide adequate service the employees of the District in operating the transit system are entitled to fair wages and working conditions.

It is also recognized that to protect the interest of the public, efficient, reliable, and convenient service must be given with resources available. This can only be accomplished by maintenance of adequate and effective facilities from which careful, competent, and courteous employees operate modern equipment. It is the purpose of this Agreement to aid in the accomplishment of these purposes set forth and to that end it is mutually agreed as follows:

ARTICLE I - GENERAL PROVISIONS**Section 1 - TERM OF AGREEMENT**

Par. 1. This Agreement shall be in effect from December 1, 2003 through November 30, 2009-2012, and shall continue month to month thereafter unless either party gives sixty (60) days notice of opening.

Par. 2. SEVERABILITY

If any term or provision of the Working Agreement or the application thereof to any person or circumstance shall to any extent be determined by final judgment or ruling of a court or state administrative body to be illegal, invalid, or unenforceable for any reason whatsoever, the remainder of the Working Agreement and the application of its terms and provisions shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Par. 3. This Agreement may be reopened by either party and subject to further negotiations in the event of the establishment of a national wage policy by an agency of the Federal Government during a national emergency only if such wage policy prevents either of the parties from enforcing the terms of the Agreement.

Par. 4. During the term of the labor agreement, the General Manager of the District and the Business Representative of the Association will call joint meetings of representatives of the District and Association for purposes of evaluating progress under the labor agreement and the general relations between the parties. Such meetings are to be held at not less than six-month intervals.

Par. 5. JOINT LABOR RELATIONS COMMITTEE

There shall be created a Joint Labor Relations Committee, whose primary purpose will be:

- a. To improve communication and understanding on issues of common interest to both parties;
- b. To be the exclusive source of issuing side letter and memorandum of understanding agreements; and
- c. To attempt to resolve/settle grievances that have been considered by the grievance committee and have been moved to and are pending arbitration.

Par. 6. The Joint Labor Relations Committee shall meet ~~as not less frequently than monthly or more frequently as mutually agreed.~~ There shall be no more than five (5) Association and five (5) Management members on the committee; each party shall be responsible for the selection of its individual members. The Union is responsible for the payment of its members at these committee meetings. The District shall pay for a maximum of two (2) working members to attend these committee meetings.

f. The Association agrees to defend and hold harmless the District from any claim arising from the operation of this provision.

g. This provision shall remain in full force and effect after the termination of this Agreement and until such time that a new agreement has been negotiated and implemented by the parties.

Par. 3. Representative's Rights

The District agrees that the officers and members of the Association shall be granted leaves of absence on Association business as authorized by the Association, when so requested. It is further agreed that any member of this Association who now holds office, or shall be appointed or elected to any office in said Association, which requires his absence from the District's employ, shall upon his retirement from said office be placed in his former position with full seniority rights, rates of pay, vacation and retirement pay rights. Association business is further defined to mean employment directly and solely by the Association, or the International Association of which it is a division.

Par. 4. Compliance With Law

It is understood and agreed that the Association will comply with the provisions of applicable law pertaining to elections and that any provision of this Agreement, the legality of which depends upon an election, shall not be effective until authorized in such election or until full compliance with law is accomplished.

Par. 5. Affirmative Action

a. The District and the Association recognize a common commitment to the equality of opportunity for all. Therefore, the Association will support the District's efforts to implement a policy and practice of Affirmative Action to correct the effects of any past discrimination and to provide the fullest opportunity for minorities and females to participate in all levels of employment with the District.

b. Whenever either the masculine or feminine gender is used in this Agreement, it is intended to include the opposite gender as well.

Section 3 -- ADJUSTMENT OF GRIEVANCES & ARBITRATION

Par. 1. It is hereby agreed that the properly accredited officers of the District shall meet and treat with the properly accredited officers of the Association on all grievances relating to any alleged violation of any provision of this Agreement or concerning the suspension, discharge, or other discipline of any employee covered by this Agreement (except during the employee's probationary period). All such grievances when filed by the Association or an employee shall be processed through the procedures set out in Sections 3 and 4 of this Article. ~~Association representatives shall be on The Union shall be responsible for paying its representatives in any step of the grievance procedure. District name when participating in the grievance procedure at Step I, and Step II, and after III as provided for in this Section. but will be limited to one (1) said~~

~~representative at any step in the procedure.~~

Par. 2. Should there be any dispute, complaint, or grievance of any employee or the Association, herein collectively referred to as grievances, it must be presented by the employee or the Association to the appropriate Department Director within thirty (30) days following either the occurrence out of which the grievance arose or from the first date the grievance could reasonably be assumed to have been known to the employee, whichever is later. Failure to present the grievance within thirty (30) days will be deemed a waiver of the grievance.

STEP I

Before filing a grievance, the aggrieved employee and/or the Union will attempt to resolve the issue informally through the use of a pre-filing conference. A request for a pre-filing conference must be submitted within thirty (30) days from the date of the alleged violation. The pre-filing conference meeting shall include the grievant, the first-line, non-union supervisor of the grievant ("immediate supervisor") and the Association's representative assigned to the grievant's work unit. No grievance may advance to Step II without a pre-filing conference meeting first occurring. The grievant, the grievant's immediate supervisor, and the representative of the Association will meet to discuss the circumstances in an attempt to resolve the issue(s) raised by the grievant. The grievant shall describe the nature of the issue(s) and present relevant facts surrounding the issue(s) to the immediate supervisor and the Association's representative. The immediate supervisor will then attempt to resolve the grievant's issues, render a decision, and memorialize this decision in a determination letter within 48 hours (two business days) from the time of the pre-filing conference. If the employee is not satisfied with the supervisor's decision, the employee has thirty (30) days, from the date of the determination letter to file a formal grievance.

In cases where the District proposes to discipline an employee, the meeting of the employee, the Association's representative, and the District's management representative levying the discipline will take the place of the pre-filing conference, and the employee has fifteen (15) days from the date the discipline is levied to file a grievance.

STEP II

Such grievance shall be presented in writing to the appropriate Department Director specifying the date of submission. A representative of the Association shall accompany the employee. If the Department Director, or his designee, and the grievant are unable to arrive at a satisfactory settlement, the Department Director, or his designee, will provide a written answer to the Association within seven (7) days after the date the grievance was first presented. To be timely, the Association must,

to the provisions of Article II, Section I, Paragraph 6 of this Agreement. Other employees will notify their supervisor in writing as to the date upon which the employee wishes to take their floating holiday. The period of sign-up shall begin at 12:01 a.m. on the same date of the month prior to the month selected, e.g., sign-up for February 2 will commence at 12:01 a.m. January 2. No sign-up can be made by any employee after 10:00 a.m. of the day prior to the day off selected. In the event more persons sign up for a given day than the District can permit off, selections shall be in the order of sign up.

Par. 4. Employees may elect to receive eight (8) hours pay in lieu of taking their floating holiday(s). If pay is elected it will be added to their first paycheck following April 1.

Par. 5. No holiday pay eligibility shall be earned or credited during absences from work due to layoff. No holiday pay eligibility shall be earned or credited during absences from work due to sickness or non-occupational accident after six (6) months duration.

Par. 6. An employee who is off due to industrial injury, or aggravation of that injury, will stop accruing holiday credits after one (1) year from the original date of injury provided, however, that should the employee suffer an aggravation of such injury during the second year after the original date of injury, that employee will be entitled to accrue holiday credits during that second year for an additional period of six (6) months less the amount of time off due to that injury or its aggravation in excess of six (6) months during the first year following the original date of injury.

Section 9 -- HEALTH AND WELFARE BENEFITS

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

a. The District shall pay ~~no burden present (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. During the term of this Agreement, the benefits and specific coverage of these plans shall be the same as currently provided will be as set forth in the Active Employee Health Benefits Summary and incorporated herein. Hearing aid coverage will be added to any plans not previously providing such coverage. A second dental plan will be added for full-time employees, their dependents, and retirees. 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 benefits provided shall not change during the term of this Agreement. Providers at these plans may be changed during the life of this Agreement only unless both the District and the Association 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, 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 retire on or after February 1, 1992, and before April 1, 2012, shall receive the same health and welfare benefits available to active employees, not including orthodonture or dental coverage for dependents other than the employee's spouse or domestic partner.

1) All retirees, spouses or surviving spouses must enroll in and maintain all available Medicare insurance coverage as soon as they become age-eligible.

2) At the first available opportunity, retirees, spouses or surviving spouses who became Medicare eligible must enroll in a TriMet designated Medicare Risk plan, which are currently Kaiser Senior Advantage and PacificCare Secure Horizons. ~~Having enrolled in Medicare and a Medicare Risk plan and upon providing written confirmation of these enrollments, TriMet will reimburse the retiree, spouse, or surviving spouse the actual cost of the Medicare 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.~~

3) If a Medicare eligible retiree, spouse or surviving spouse resides outside the service coverage area of the available Medicare Risk Plans, TriMet will continue to offer the active plan that provides out-of-area coverage. ~~TriMet will reimburse the retiree, spouse or surviving spouse the actual cost of the Medicare monthly premium.~~ Once a Medicare Risk medical plan becomes available to Medicare eligible retirees, spouses or surviving spouses currently residing outside the service coverage area, the retiree, spouse or surviving spouse must enroll from an area not covered by the Medicare Risk plans to an area that is covered by the Medicare Risk plans, they must enroll at the first available opportunity.

4) For those retirees, spouses and surviving spouses 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 plan, pursuant to the August 28, 2000 Agreement, they must enroll in a provided Medicare Risk plan, currently Kaiser Senior Advantage and PacificCare Secure Horizons.

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

~~6) The reimbursement of the actual cost of the Medicare monthly premium will be included as an adjustment in the retiree's monthly pension check equal to the actual cost of the monthly premium as~~

~~determined by Medicare. This adjustment will not be subject to the cost of living increases provided to the pension portion of the check.~~

~~7) It is understood and agreed that the benefit levels combining Medicare with the provided Medigap Plan will provide identical or substantially the same benefit levels provided to active employees. Should Medicare decrease any benefit levels, TriMet will adjust the retiree health plans to ensure substantially the same benefits enjoyed by active employees.~~

d. The medical coverage of the spouse and dependents of a retired employee shall continue for 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.

e. For those employees who retire on or after April 1, 2012, the District shall make available at District expense the same medical, vision, prescription drug insurance program for the retiree and the retiree's spouse or domestic partners for a maximum of three (3) years or until Medicare eligibility, whichever occurs first. Once a retiree becomes Medicare eligible, the retiree, spouse, or surviving spouse of a retiree shall receive a monthly payment of \$500 per eligible person, to pay for medical, dental, vision, and prescription drugs, and all Medicare premiums without any reimbursement from the District, including reimbursement for Medicare B and D.

f. For all new employees hired after April 1, 2011, and who become vested, the District's fixed contribution (as outlined directly above in Par. 1 (e)), for an eligible retiree and the spouse or surviving spouse of the retiree shall be 4% of the fixed contribution upon the employee's retirement multiplied by the employee's years of service. By way of example:

<u>Years of Service</u>	<u>Percentage of Fixed Contribution by District</u>
<u>25</u>	<u>100%</u>
<u>20</u>	<u>80%</u>
<u>10</u>	<u>40%</u>

eg. Mini-run operators, after completing thirty (30) days of employment, will receive the full-time employees' medical, vision and dental coverage 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.

Par. 2. Benefits Coordinator

a. The District shall pay the Association ~~\$1,000~~ 500 per month effective December 1, ~~2003~~ 2009, for the life of the collective bargaining agreement for the purpose of employing and paying a benefits coordinator. ~~The amount of this payment shall increase to:~~

- ~~\$1,100 per month effective 12/01/04~~
- ~~\$1,200 per month effective 12/01/05~~
- ~~\$1,300 per month effective 12/01/06~~
- ~~\$1,400 per month effective 12/01/07~~

b. The funds provided by the District shall be held in a dedicated account separate from any other accounts maintained by the Union, and such account shall be subject to periodic TriMet audit. In the event that the Union utilizes the funds for purposes other than paying the Benefits Coordinator, TriMet's financial obligations shall cease and the Union shall be solely liable and responsible for the Benefits Coordinator.

~~\$1,500 per month effective 12/01/08~~

Par. 3. Employee Assistance Program

a. The Employee Assistance Program shall be separately operated and administered by the Union.

b. Effective December 1, ~~2003~~ 2009, the District shall pay ~~\$55~~ \$65,000 to the Association to operate and administer the Employee Assistance Program. An additional \$69,000 payment shall be made on or by December 1, 2010, and December 1, 2011. This amount shall increase to:

- ~~\$57,000 on 12/01/04~~
- ~~\$59,000 on 12/01/05~~
- ~~\$61,000 on 12/01/06~~
- ~~\$63,000 on 12/01/07~~
- ~~\$65,000 on 12/01/08~~

c. Funds paid by TriMet to the Union to provide an Employee Assistance Program shall be used solely by the Union to provide such a program (including reasonable administration and promotion costs) and for no other purpose. Such funds shall be held in a dedicated account separate from any other accounts maintained by the Union. In the event that the Union utilizes such money for purposes other than the provisions of an Employee Assistance Program, TriMet's financial obligation shall immediately cease and the Union shall be solely liable and responsible for provisions of the Employee Assistance Program.

d. The parties recognize that TriMet's obligation with respect to the selection and administration of an Employee Assistance Program for eligible participants is limited solely to making payments to the Union for such purpose in the amount agreed to by the parties. The

accident on more than four (4) separate occasions in any period of 180 consecutive calendar days, or who is absent for more than five (5) consecutive working days, may be required to submit a doctor's certificate stating that the employee was unable to perform his/her duties, the nature of the employee's illness, and the date of treatment. In the case of an employee who has been off for more than four (4) separate occasions within 180 days or for more than five (5) consecutive working days, the employer will notify the employee that a doctor's certificate may be required before their next absence will qualify for sick pay, and before they will be allowed to return to work.

h. An employee who is out in excess of five (5) consecutive days may be required to submit a doctor's certificate provided, however, that no employee shall be required to submit a doctor's certificate unless that employee has been notified prior to the days of absence for which the certificate is to be submitted.

i. Employees may use two (2) days sick leave per year (as measured by the vacation year) for the care of a member of the employee's immediate family (spouse, domestic partner, or children living at home). Such time shall not count as lost time for purposes of the District's absenteeism policies. Employees may also use sick leave for qualifying absences under either of the federal or state family leave acts - Family Medical Leave Act (FMLA) or Oregon Family Leave Act (OFLA). Such time shall not count as lost time for purposes of the District's absenteeism policies.

j. Effective 12/01/03, increase the maximum accumulated sick leave to 1450 hours; to 1500 hours effective 12/01/04; to 1550 hours effective 12/01/05; to 1600 hours effective 12/01/06; to 1650 hours effective 12/01/07; and to 1700 hours effective 12/01/08.

Par. 6. Workers' Compensation

a. Effective September 11, 1985, an employee shall receive compensation benefits provided by law.

b. Any employee under a Workers' Compensation injury shall retain their rights of employment while under a doctor's care for such injury.

c. All employees on Workers' Compensation leave shall report to their Department Manager if physically able at least once every two (2) weeks and be under the care of a physician at all times.

Par. 7. Death and Felonious Assault Insurance

The District will pay one hundred percent (100%) of the premium for a \$100,000 insurance policy covering all employees covered by this Agreement for death, dismemberment, and permanent disability due to felonious assault.

Par. 8. Funeral Leave

Three (3) days leave with eight (8) hours pay at regular straight

United States, as provided by law.

- (4) By absence due to authorized vacation.
- (5) By absence due to sickness while such sickness continues, but not to exceed twelve (12) months unless extended by the District and Association. The District shall provide thirty (30) days written notice of broken continuity of service and termination of seniority to the Union and the employee, at the employee's last known address. For the purposes of this Paragraph, a return to work shall not constitute a break in the period of absence until such time as the employee has completed thirty (30) calendar days in his/her regular work assignment. Time worked in light duty shall not be deemed time worked in the employee's regular work assignment. This provision shall not affect an employee's statutory right to reemployment in an available and suitable position.
- (6) By leave of absence of any duration to serve as an official of the Association.
- (7) By promotion to a supervisory position with the District.
- (8) By leave of absence to serve in the Oregon State Legislature.

c. Continuity of service shall be broken:

By granting leave of absence to work for the following organizations in excess of six months:

Oregon State AFL-CIO

National AFL-CIO

Any Oregon County Labor Council

provided, however, seniority rights in choice of work and rate of pay only shall not terminate. Upon election or appointment to a job in these Associations, the officer or employee shall upon request be granted six (6) months leave of absence. If at the conclusion of six (6) months, the officer or employee continues in his position with these Associations, he shall lose all rights except his seniority in the choice of work and rate of pay.

d. Upon retirement from such office, the employee shall be placed in his former position with the District if he is physically able to do the work, but his seniority shall apply only to choice of work and rate of pay and not to any other benefit. Upon retirement from such office, employee must elect to return within ninety (90) days.

Section 13 -- SENIORITY PROVISIONS

Par. 1. Any employee promoted to a clerical, supervisory, or other official position by the District shall retain seniority in the last position or classification worked prior to promotion. Any employee promoted to a non-union position shall retain said seniority for five

(5) years from the date of their promotion.

Par. 2. Any employee who, after fifteen (15) years of continuous service as defined in Section 12, is laid off on account of inability to perform available work, shall be carried on the seniority list until they are placed on retirement as provided in Section 10 of this Agreement; provided, however, that such employee will be eligible for such retirement within five (5) years from the date of layoff, unless otherwise agreed upon by the District and the Association.

Par. 3. Employees who, by reason of long and faithful service for the District, have become unable to fill their usual positions shall be given preference in any work it has, that they are able to perform, and at reasonable wages, length of service considered.

Section 14 -- LAYOFF

Par. 1. Employees' department seniority shall govern in laying off and reemployment of employees. Employees so laid off because of lack of work shall be returned in the inverse order in which they were laid off, as the need for their classification, or classification of work, permits.

Par. 2. If the District curtails the number of employees in any job, the employee with the least job seniority will be the first to be moved out of the job. That employee will then be entitled to exercise such job seniority he or she has on any other job in that department.

Par. 3. If an employee is subject to layoff, and has no seniority in any other department, will have preference over outside hires for any jobs which become available and for which they are qualified or can be trained within a reasonable period of time.

Section 15 -- SAFETY

Par. 1. The health and welfare of employees is a primary concern of both the District and Association. Both parties recognize the importance of achieving and maintaining a high level of safety in all operations of the District. Both parties also recognize the importance of reducing on-the-job injuries and controlling property damage and production losses. Both parties recognize the value of safety rules and practices, as well as preventive and corrective safety measures. Therefore, the District and Association, in recognition of their common commitment to promotion of safety and reduction of losses, will jointly support efforts to implement policies, practices, procedures, and protections during the duration of this Agreement to bring this about. The District will appoint a joint safety committee. Minutes will be taken at all meetings and distributed to the Association and the District.

Par. 2. The District may require attendance at safety and educational programs, which are related to safe or effective performance of job duties. Time of attendance at any such meeting shall be paid for at the same pay rate as the employee would have

Surgical-Medical plan. Probationary employees, but not including Student Operators, will be entitled to holiday pay on New Year's Day, Martin Luther King's Birthday, Memorial Day, Independent Day, Labor Day, Thanksgiving Day, and Christmas Day. Probationary employees may be terminated without recourse to the grievance and arbitration procedure. At the conclusion of the 120 day period, the employee will become eligible for all benefits and rights as provided for in this Agreement.

~~Par. 4. Upon ratification of this agreement, the District will continue to annually deposit \$55,000 on December 1, 2009, December 1, 2010, and December 1, 2011, into a Recreation Trust Fund. This amount shall increase from the December 1, 2009 amount of \$43,000 to:~~

- ~~\$45,000 on 12/01/03~~
- ~~\$47,000 on 12/01/04~~
- ~~\$49,000 on 12/01/05~~
- ~~\$51,000 on 12/01/06~~
- ~~\$53,000 on 12/01/07~~
- ~~\$55,000 on 12/01/08~~

A joint Association-District Recreation Committee who will have full authority to expend monies from this fund will administer this fund. The Committee will prepare an annual budget.

Par. 5. The District will pay mileage at the IRS authorized rate in effect at the time for the use of an employee's personal car on company business. Additionally, the District will pay mileage at the IRS authorized rate at the time the District requires the employee to go to the District's physician for District-required evaluations (not to exceed 50 miles round-trip).

Par. 6. When the District requires an employee to be examined by the District's consultant physician before returning to work, the appointment will be made as promptly as possible under the circumstances to avoid any potential loss of pay to the employee. Should a situation develop when the opinions of two (2) competent medical doctors conflict and the District will not permit the employee to work, the matter will be immediately investigated including, if necessary, written statements from doctors. If, after investigation and discussion between the two (2) physicians, it is clear that there is a direct medical conflict, the Association and the District shall select a third doctor competent in the medical area involved, and his opinion will be sought. The majority opinion will determine the employee's status.

Par. 7. Lost and Found items will be returned to the finder in accordance with State law (within thirty (30) days if legally permissible).

Par. 8. Leave of absence for a period of more than thirty (30)

days, or an extension thereof, must be agreed upon by and between the District and the Association.

Par. 9. The District shall purchase and affix ATU member decals to all revenue vehicles. The District shall provide name tags or plates for operators to display, on a voluntary basis, while operating revenue vehicles.

Par. 10. Prior to the conclusion of these negotiations, the parties shall provide each other with any and all side letters, Memoranda of Understanding, or Supplemental Agreements which remain active and in effect. Any side letters, Memoranda of Understanding, or Supplemental Agreements not specifically identified by either party will be considered null and void.

Par. 11. The District shall include union employees in its current 125 plan.

Par. 12. Child Care/Elder Assistance Program

a. The Child/Elder Care Assistance Program shall be separately operated and administered by the Union.

b. Upon ratification of this agreement, the District will ~~continue to~~ pay to the Association to operate and administer a child/elder care assistance program the amount of \$55,000 annually on December 1 of 2009, 2010, and 2011. ~~This amount will increase from the December 1, 2009 rate of \$55,000 to~~

- ~~----- \$55,000 on 12/01/09~~
- ~~----- \$57,000 on 12/01/10~~
- ~~----- \$59,000 on 12/01/11~~
- ~~----- \$61,000 on 12/01/12~~
- ~~----- \$63,000 on 12/01/13~~
- ~~----- \$65,000 on 12/01/14~~

c. Funds paid by TriMet to the Union to provide a Child/Elder Care Assistance Program shall be used solely by the Union to provide such a program (including reasonable administration and promotion costs) and for no other purpose. Such funds shall be held in a dedicated account separate from any other accounts maintained by the Union. In the event that the Union utilizes such money for purposes other than the provisions of an Child/Elder Care Assistance Program, TriMet's financial obligation shall immediately cease and the Union shall be solely liable and responsible for the provisions of the Child/Elder Care Assistance Program.

d. The parties recognize that TriMet's obligation with respect to the selection and administration of a Child/Elder Care Assistance Program for eligible participants is limited solely

to making payments to the Union for such purpose in the amount agreed to by the parties. The parties further recognize that no change in providers or benefits can in any way alter TriMet's financial obligation without TriMet's prior written consent. The Union shall exonerate, reimburse and hold harmless TriMet against any and all claims, expenses or liabilities in any way arising out of the selection, administration, operation and provision of a Child/Elder Care Assistance Program.

Par. 13. Portland Activities Bus

Subject to State and federal regulations, the District agrees to provide a bus and operator to operate the Portland Activities Bus, should the program be implemented. The Union will select the operator from the available pool of straight-time operators, if available.

~~Par. 14. Transit Exchange Program~~

~~The District shall pay the Association \$1,000 per month effective December 1, 2003, for the purpose of a program to provide for the exchange of information and ideas between national and international transportation industry association executive officers. The District shall pay the Association \$1,500 per month effective December 1, 2003, for the purpose of a Transit Exchange Program. The amount of this payment shall increase to:~~

- ~~\$1,100 per month effective 12/01/04~~
- ~~\$1,200 per month effective 12/01/05~~
- ~~\$1,300 per month effective 12/01/06~~
- ~~\$1,400 per month effective 12/01/07~~
- ~~\$1,500 per month effective 12/01/08~~

~~Unless an explicit wage progression schedule is listed in Article 8, all new employees shall be subject to the following minimum progression schedule for the job into which hired:~~

- ~~1st 6 months ----- 75% of top rate~~
- ~~2nd 6 months ----- 80% of top rate~~
- ~~3rd 6 months ----- 85% of top rate~~
- ~~4th 6 months ----- 90% of top rate~~
- ~~5th 6 months ----- 95% of top rate~~
- ~~6th 6 months ----- 100% (top rate)~~

OPERATIONS DIVISION

Wages for all classifications covered by this Agreement to be increased beginning December 1, 2009~~03~~, and every six (6) months during the term of this Agreement by the most recent six-month Portland CPI-W figures as reported by the US Department of Labor. On each June 1, the increases will be so computed for the period from the previous June 1 so as to provide a minimum of ~~three percent (3%)~~ one percent (1%) or a maximum of five percent (5%). The increases shall be based on the most recent six-month Portland CPI-W figures as reported by the US Department of Labor, which for January through June are reported in mid-August and for July through December are reported in mid-February of every year. Yearly increases to be applied on base year salary. Longevity premiums for all employees (except maintenance journey workers, senior parts-persons, and streetcar superintendents) shall be \$0.30 per hour after 15 years of service; an additional \$0.35 per hour after 20 years of service; an additional \$0.65 per hour after 25 years of service; and additional \$0.50 per hour after 30 years of service; and an additional \$0.50 per hour after 35 years of service.

IN WITNESS THEREOF, the District and the Association have caused these presents to be executed by their duly authorized officer this _____ day of _____, ~~2005~~2010

TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF
OREGON

AMALGAMATED TRANSIT UNION
LOCAL 757

~~George J. Passadore~~ Richard Van Beveren
~~Julio~~ Jonathan J. Hunt
President, Board of Directors

~~Albert D.~~
President/Business Rep.

**PENSION PLAN AND PERMANENT DISABILITY
AGREEMENT**

SECTION 1 -- PENSION

Par. 1. Classes of employees subject to this agreement are as follows:

- a. Rose City Employee -- An employee of the Rose City Transit Company on November 30, 1969 who had not qualified for retirement pay under the Working and Wage Agreement in effect on that date.
- b. Rose City Employee Qualified -- An employee of Rose City Transit Company on November 30, 1969, who was qualified to receive retirement pay under the Working and Wage Agreement in effect on that date and who had not retired.
- c. Rose City Employee Retired -- A person receiving retirement or disability pay from Rose City Transit Company on November 30, 1969 pursuant to the Working and Wage Agreements.
- d. Blue Lines Employee -- An employee of Portland Stage, Inc., Tualatin Valley Buses, Inc., Intercity Buses, Inc., or Estacada-Molalla Stages, Inc. (Blue Lines) on September 5, 1970, who became a District employee on September 6, 1970.
- e. Employees who came directly from Vancouver-Portland Bus Company to the District who are employed by the District as of April 1, 1979, are to receive past service credit for pension purposes.

Par. 2. The qualifications for ~~full~~-retirement benefits are:

- a. Ten (10) years of continuous service with the District, Rose City Transit Company, and Portland Traction Company; or ten (10) years continuous service with the District and the Blue Lines; or ten (10) years continuous service with the District and the Vancouver-Portland Bus Company; and
- b. Age 62. The normal retirement age under the Plan is 62. Effective December 1, 1998, the qualifications for ~~full~~-retirement benefits shall be age 61; effective December 1, 2000, the qualifications for ~~full~~-retirement benefits shall be age 60; effective December 1, 2002, the qualifications for ~~full~~-retirement benefits shall be age 59; and effective December 1, 2004, the qualifications for ~~full~~-retirement shall be age 58.
- c. Retirement is at 30 years of service as long as the employee is at least age 55 ~~regardless of age, with no restriction for early retirement.~~ This provision will automatically expire on the last day of the agreement and must be renewed in successive agreements.

Par. 3. A Mini-ran Operator must have a minimum of 2 years of service as a full-time regular operator before he or she becomes eligible for full time retirement benefits.

Par. 34. An employee who has met the service conditions set forth in paragraph 2(a) above shall be deemed fully vested in any pension benefits earned by that employee under the terms of this Agreement.

Par. 45. Continuous service used in this section is defined in Article I, Sec. 12, Pars. 1 & 2 of the Working and Wage Agreement.

Par. 56.

a. Retirement pay shall be:

Date of Retirement and Retirement Pay

Before 11-1-68	\$125.00 month
11-1-68 to 6-30-71	182.00 month
7-1-71 to 6-30-72	191.00 month
7-1-72 to 6-30-73	208.00 month

These amounts shall include payments received from both the Rose City Transit Company's Pension Trust and Tri-Met.

b. Retirement pay per month for each full year, and fraction thereof, of continuous service achieved by date of retirement for all employees shall be paid on the basis of the rate in affect upon date of retirement:

Date of Retirement	Retirement Pay Per Month Per Year of Service
7-1-73 to 6-30-75	\$10.00 month
7-1-75 to 3-31-76	\$11.00 month
4-1-76 to 3-31-78	\$13.00 month
4-1-78 to 3-31-79	\$14.00 month
4-1-79 to 3-31-80	\$15.00 month
4-1-80 to 3-31-81	\$15.75 month
4-1-81 to 3-31-82	\$16.50 month
4-1-82 to 8-31-87	\$18.00 month
9-1-87 to 8-31-88	\$19.00 month
9-1-88 to 8-31-89	\$20.00 month

Pensions for pre-February 1, 1992 retirees (receiving Tri-Met medical benefits) shall be increased from these amounts by 50% effective March 24, 1999; by 10% on November 30, 1999; an additional 10% on November 30, 2000; an additional 10% on November 30, 2001; an additional 10% on November 30, 2002; and an additional 10% on:

November 30, 2003.

c. Retirement pay (for existing retirees) shall be increased by each May 1 by the increase in the U.S. Urban Wage Earners and Clerical Workers Consumer Price Index (CPI) (annual average) for the previous year not to exceed 7% per year. ~~the amount of any specified general wage adjustment (whether actual or percentage) on February 1, 1992, and each February 1, thereafter, during the life of the Agreement. The aggregate total of the wage increases granted during the previous year shall be the basis for each an annual adjustment. For the purpose of any conversions of actual wage adjustments to percentages, the top operator wage rate will be utilized.~~

d. Should an active employee with ten (10) or more years of service die, the District will pay to the surviving spouse, at age 62, one-half (1/2) of the pension earned by the employee without actuarial reduction.

Par. 67. Retirement pay for an active employee who is hired by TriMet before April 1, 2012, and who retires after February 1, 1992, will be on the basis of \$42.00 per month for each full year of service. Any partial year(s) of service will be eligible for pro-rated credit based upon a 1/12 formula for each full month of service. An employee's retirement pay for any years of service as a Mini-run Operator shall be based upon the provisions of Article II, Section 2, Paragraph 6.

~~Par. 76. The \$42.00 basic fee retirement pay will be adjusted based~~
For all employees who retire on or after April 1, 2011, the retirement pay provided in Par. 7 shall be increased each May 1 by 90% of the increase in the U.S. Urban Wage Earners and Clerical Workers Consumer Price Index (CPI) (annual average) for the previous year not to exceed 7% per year. ~~upon the percentage in Article I, Paragraph 6(c), which began on September 1, 1992, and on each September 1, thereafter.~~

Par. 9. Active employees who are hired by TriMet on or after April 1, 2012, shall be eligible for and become a participant in a Defined Contribution Plan, which shall have the same elements as that offered to all TriMet employees.

Par. 810. Any employee who suffers a break in continuity of service and who subsequently returns to employment with the District shall forfeit all pension credits for service rendered prior to the break in his/her continuity of service when any one of the following conditions are met:

a. The employee's continuity of service has been broken for at least three (3) consecutive years; or

b. The duration of the break in continuity of service equals or exceeds the employee's total length of service prior to the break; or

c. The employee previously received a lump sum distribution of his/her pension benefits as a result of the early-out program.

If an employee has a forfeiture of service, as defined in this paragraph, all years of service prior to the break in continuity of service will be disregarded for all pension purposes.

Par. 911. Early Retirement

Employees otherwise qualified for retirement pay as provided herein, may elect to retire early at age 55 or older by taking a reduced pension in accordance with an actuarial reduction as determined by the Trustees in accordance with accepted actuarial principles.

Par. 1012. An employee whose employment with the District terminates prior to that employee's date of retirement but whose right to retirement benefits is protected under the terms of paragraph 2(a) above, shall be allowed to retire upon reaching the retirement ages provided for in this Pension Agreement, including full or partial retirement, provided however that the retirement benefits of any such individual at the time of retirement shall be computed in accordance with the retirement levels earned by that employee as of the date of severance of employment with the District and in accordance with the schedules provided for in paragraphs 56(a) and 56(b) above. The provisions of paragraph 56(c) shall not apply to such employee.

Par. 1113. The parties recognize and agree that, from its inception, the retirement fund established by the Working Agreement is a defined benefit plan funded solely by the District. The District will continue to make all contributions to the retirement fund to fund the existing defined benefit plan established under the terms of the Working Agreement. The District also agrees to contribute such amounts as are necessary to establish an amortization period of forty (40) years or less. The District agrees that it will make such contributions as are necessary to maintain the fund's amortization schedule. The District agrees that the necessity of such funding and the amounts necessary shall be determined in accordance with the accepted actuarial principles.

Par. 1214. It is agreed that no expenditure shall be made from the retirement fund other than those expenditures necessary and proper to the payment of the benefits and the protection and operation of the fund. Benefits shall not be paid except in accordance with the provisions of qualifications of benefits and with the benefit schedules as established by the Union and the District in collective bargaining and set forth in the Working

and Wage Agreement entered into and executed by both parties.

Par. 1315. Any District employee covered by the Public Employees Retirement System by the requirement of statute or by another state mandated retirement system shall not be entitled to receive credit towards pension benefits under any provisions of this Agreement for any period of time for which the District is required to make contributions as to that employee to the Public Employees Retirement System or other state mandated retirement programs.

Par. 1416. The District will create a trust to be in operation by January 1, 1986 with an equal number of trustees appointed by the Union and the District with not more than three (3) trustees from each body. These trustees shall serve without compensation or expense reimbursement from the trust. It shall be the authority and responsibility of the trustees to oversee the operations of the trust, including accounting, actuarial, administrative, investment and other necessary services by qualified professionals in those fields. Any deadlock between the trustees shall be resolved by binding arbitration.

Par. 1517. Joint Survivorship Annuity

Any employee eligible to retire under the terms of this agreement on an early or regular pension may elect to take an actuarially reduced pension to provide for a 66 2/3% joint annuity survivorship pension, applicable to the surviving spouse only. The actuarial reduction table for this is on file with the District.

SECTION II -- PERMANENT DISABILITY

Par. 1. The District shall pay disability pay to employees who are permanently disabled from performing their occupations with the District on the following conditions:

- a. The employee must be actually working for the District or be on authorized sick leave at the time the disability occurs.
- b. The employee must not have reached retirement age under Social Security regulations.

Par. 2.

a. Employees who become disabled between April 1, 1985 and April 1, 1991, shall receive monthly disability pay as follows:

After 10 years continuous service	5377.28 month
After 15 years continuous service	454.74 month
After 20 years continuous service	528.22 month

As of February 1, 1992, this schedule for such employees shall increase by the percentage as calculated in Section 1, Paragraph 56(c), above.

b. A permanently disabled employee with ten (10) years consecutive service with the District and eligible for disability pay under the provisions of this paragraph shall upon becoming eligible for disability pay under Social Security receive benefits at double the level provided for in paragraph 2(a), above. Such increased benefits shall become effective in the month in which the employee begins to draw Social Security disability benefits. If the employee ceases to be disabled under Social Security, then the employee's benefit from the District will revert to the regular level.

Par. 3. Conditions During Disability

a. Payments shall continue until employee is eligible to retire under Social Security regulations after which date the District will pay retirement pay as provided in this Agreement.

b. Any employee receiving disability pay shall report to the District in person or in writing at least once each six (6) months. He may also be required by the District to submit to a medical examination at any time, but not more often than semi-annually, prior to the date he is eligible to retire under Social Security regulation, to determine whether he has continued to be permanently disabled from performing any occupation with the District. If it is determined by said examination that he is no longer so disabled, his disability pay shall cease, and he shall be reinstated in employment with full rights.

c. As to any employee receiving disability, if that employee is capable of performing available work the District shall have the right to require that employee to perform such duties provided that no employee of greater seniority shall be displaced and that the work to be performed by the employee shall be in accordance with a doctor's release.

d. Death of Employee

Should an employee who is at least age 55, but not yet 62, and who is otherwise eligible for retirement under the terms of this Agreement, die while receiving permanent disability benefits, the surviving spouse may elect to receive either:

1. The survivor retirement benefits outlined in Section 1, Paragraph 56(d); or

2. The joint survivorship annuity provision as described in Section 1, Paragraph 57.

SECTION III -- DURATION

This Agreement shall remain in effect from December 1, ~~2009~~ through November 30, ~~2009~~2012, as amended, and shall continue from year to year thereafter unless either party gives sixty (60) days written notice of reopening this Agreement. It is understood that the subject pensions and all contractual aspects thereof shall not be subject for negotiations while this Agreement is in effect and no change in the Labor Agreement between the parties can change the pension entitlement rights or amounts, or the obligations of the District during the Life of this Agreement.

Dated this _____ day of _____, 20052010.

TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF
OREGON

AMALGAMATED TRANSIT UNION
LOCAL 757

~~George J. Passadore~~ Richard Van Beveren

President, Board of Directors

~~Albert D. Sells~~ Jonathan J. Hunt
President/Business Rep.

~~Fred Hanson~~ Neil McFarlane
General Manager

~~Jonathan J. Hunt~~ Sam Schwarz
Vice Pres./Asst. Business Rep.

~~Thomas V. Mollace~~ Evette Farra
Financial Secretary/Treasurer

ACTIVE EMPLOYEE HEALTH BENEFITS SUMMARY

The providers of health care plans for employees are Regence BlueCross BlueShield of Oregon (Regence) Preferred Medical Plan and Kaiser Permanente (Kaiser). The specific plan design and coverages provided by both Regence and Kaiser, which are hereby incorporated by reference into the Agreement, shall remain in effect and without change during the term of this Agreement.

For the Regence plan only, the Employee contribution to the monthly health insurance premium during the term of this Agreement is as follows:

<u>Employee Only</u>	<u>\$0</u>
<u>Employee & Spouse</u>	<u>\$30.00</u>
<u>Employee & Child(ren)</u>	<u>\$25.00</u>
<u>Employee & Family</u>	<u>\$50.00</u>

For the Kaiser plan, the District will pay 100% of the monthly health insurance premium.

Regence Preferred Medical Plan

\$150 Deductible

90%/70%/70% Coinsurance



Regence

Regence BlueCross-BlueShield of Oregon is an Independent Licensee of the Blue Cross and Blue Shield Association

TriMet

Effective Date: January 1, 2011

Category 1 Deductible per calendar year	\$150 Per Member \$450 Per Family (3 times the member amount)
Category 2 & 3 Deductible per calendar year	\$450 Per Member \$1,350 Per Family (3 times the member amount)
Category 1 Maximum coinsurance per calendar year	\$1,500 Per Member \$4,500 Per Family (3 times the member amount)
Category 2 & 3 Maximum coinsurance per calendar year	\$3,000 Per Member \$9,000 Per Family (3 times the member amount)
After the maximum coinsurance is met, the plan pays	100% for the remainder of the calendar year, except where noted.

- We will begin to pay benefits for covered services in any calendar year only after your deductible is satisfied. Your deductible applies for all services unless otherwise specified. Copayments do not count toward the deductible.
- There are two deductibles, one for Category 1 benefits, and another deductible for Category 2 and 3 benefits combined.
- Once you have satisfied any applicable deductible and any applicable copayment, we pay a percentage of the allowed amount for covered services. When our payment is less than 100%, you pay the remaining percentage. This is your Coinsurance (Member Responsibility).
- You can meet the maximum coinsurance by payments of coinsurance for all categories. Any amounts you pay for non-covered services, deductible, copayments or amounts in excess of the allowed amount do not apply toward the maximum coinsurance.
- There are two maximum coinsurance amounts, one for Category 1 benefits, and another maximum coinsurance amount for Category 2 and 3 benefits combined.

- **Category 1.** You choose to see a preferred provider and save the most in your out-of-pocket expenses. Choosing this category means you will not be billed for balances beyond any deductible, copayment, and/or coinsurance for covered services. You can find a list of providers at our Website or by calling Customer Service.
- **Category 2.** You choose to see a participating provider and your out-of-pocket expenses will generally be higher than if you choose Category 1 because we may negotiate larger discounts with preferred providers that will result in lower out-of-pocket amounts for you. Choosing this category means you will not be billed for balances beyond any deductible, copayment, and/or coinsurance for covered services.
- **Category 3.** You choose to see a provider that does not have a participating contract with us and your out-of-pocket expenses will generally be higher than Category 1. Also, choosing this category means you may be billed for balances beyond any deductible, copayment, and/or coinsurance. This is sometimes referred to as balance billing.

Preventive Care	0% (deductible waived)	0% (deductible waived)	0% (deductible waived)
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Service	Member with Dependents	Member with Spouse	Member with No Dependents
Other Professional Services <ul style="list-style-type: none"> Surgery, inpatient visits and therapeutic injections Laboratory, radiology and diagnostic procedures 	10%	30%	30%
Ambulance Services	0% (deductible waived)	0% (deductible waived)	0% (deductible waived)
Anesthesiologist	10%	10%	10%
Blood Bank	10%	10%	10%
Complementary Care for Chiropractors <ul style="list-style-type: none"> 35 visit limit per calendar year Does not apply toward maximum co-insurance 	10%	10%	10%
Complementary Care for Acupuncturists and Naturopaths <ul style="list-style-type: none"> Does not apply toward maximum co-insurance 	30%	30%	30%
Durable Medical Equipment	20%	50%	50%
Emergency Room (Including Professional Charges) <ul style="list-style-type: none"> Copay waived if admitted directly to a hospital or facility on an inpatient basis 	0% after \$50 copay (deductible waived)	0% after \$50 copay (deductible waived)	0% after \$50 copay (deductible waived)
Genetic Testing <ul style="list-style-type: none"> \$10,000 per member lifetime maximum benefit 	10%	30%	30%
Hearing Aids for Dependents <ul style="list-style-type: none"> Covered for members under age 18 or enrolled dependents over age 18 and enrolled in an accredited educational institution Hearing evaluations and hearing aids \$4000 every 4 calendar years 	10%	30%	30%
Hearing Aids for Members <ul style="list-style-type: none"> Hearing Aid benefit covered for Subscriber and Spouse \$450 every 36 months 	0% after \$50 copay (deductible waived)	0% after \$50 copay (deductible waived)	0% after \$50 copay (deductible waived)
Home Health Care <ul style="list-style-type: none"> 180 visit limit per calendar year 	10%	30%	30%
Hospice Care	10%	30%	30%
Hospital Care - Inpatient, Outpatient and Ambulatory Service Facility	10%	30%	30%
Immunizations for Adults and Children	0% (deductible waived)	0% (deductible waived)	0% (deductible waived)
Infertility Treatment (diagnosis and treatment only)	50% (deductible waived)	N/A	N/A
Maternity Care including Newborn Nursery Care	10% (deductible waived)	30% (deductible waived)	30% (deductible waived)
Mental Health/Chemical Dependency Services	10% (deductible waived for outpatient services)	30% (deductible waived for outpatient services)	30% (deductible waived for outpatient services)
Neurodevelopmental Therapy <ul style="list-style-type: none"> Covered for children age 17 and under \$1,600 per calendar year maximum benefit 	10%	30%	30%
Orthotic Devices	10%	30%	30%

Preferred Medical \$150/\$0/0/10% 20%/20%/50%-\$1,000 \$0 Vision Complementary Care
 000701SPRFXL - Page 2 of 6

	Member	Spouse	Child
Prosthetic Devices	10%	30%	30%
Rehabilitation Services	10%	30%	30%
<ul style="list-style-type: none"> ▪ Inpatient: \$50,000 per calendar year maximum benefit ▪ Outpatient: \$5,000 per calendar year maximum benefit 			
Repair Of Teeth	10%	30%	30%
<ul style="list-style-type: none"> ▪ Limited to the treatment of an accidental injury to natural teeth or a fractured jaw 			
Routine and Non-Routine Hearing Examinations	10%	30%	30%
Skilled Nursing Facility (SNF) Care	10%	30%	30%
<ul style="list-style-type: none"> ▪ 100 inpatient day limit per calendar year 			
Temporomandibular Joint (TMJ) Disorders	10%	30%	30%
Tobacco Use Cessation Programs	10%	30%	30%
<ul style="list-style-type: none"> ▪ \$500 per member lifetime maximum benefit 			
Transplants	0% (deductible waived)	40%	40%
<ul style="list-style-type: none"> ▪ \$8,000 limit for donor expenses per transplant ▪ 24 month waiting period (you may receive credit from your prior medical coverage) 			
Vision Services	0% (deductible waived)	0% (deductible waived)	0% (deductible waived)
<ul style="list-style-type: none"> ▪ Exam: 1 routine eye exam per calendar year ▪ Hardware: \$200 per calendar year maximum benefit 			

The BlueCard Program is a unique program that enables you to access hospitals and physicians when traveling outside the four-state area Regence serves (Idaho, Oregon, Utah and Washington), as well as receive care in 200 countries around the world. Find a provider near you at www.bcbs.com or call 1 (800) 810-BLUE (2583).

A nationwide network of Participating Pharmacies is available to you. Pharmacies that participate in this network submit claims electronically. You can find a list of Participating Pharmacies at our Website, www.myRegence.com.

Deductible per calendar year	N/A
Maximum coinsurance per calendar year	\$1,000 Per Member \$3,000 Per Family (3 times the member amount) (calculated separately from your medical maximum coinsurance)

Important note: Tobacco use cessation medications are covered when obtained with a prescription order and limited to \$500 per member lifetime.

	Member	Spouse	Child
Prescription Medications From a Pharmacy	\$8 or 20%, whichever is greater	\$18 or 20%, whichever is greater	50%
<ul style="list-style-type: none"> ▪ 30-day supply for each prescription 			
Self-Administerable Cancer Chemotherapy Medication	\$5 or 20%, whichever is greater	\$15 or 20%, whichever is greater	50%
<ul style="list-style-type: none"> ▪ 30-day supply for each prescription ▪ Does not apply toward maximum coinsurance 			

Preferred Medical \$150 00/70/70% 20%/20%/50% \$1,000 30 Vision Complementary Care
0007D16PRF-XL - Page 3 of 8

Injectable Medications From a Pharmacy or Mail-Order Supplier • 30-day supply for each injectable medication.	\$5 or 20%, whichever is greater	\$15 or 20%, whichever is greater	50%
Maintenance Medications From a Mail-Order Supplier • 90-day supply for each prescription	\$5 or 20%, whichever is greater	\$15 or 20%, whichever is greater	50%

General Exclusions


We will not provide benefits for any of the following conditions, treatments, services, supplies or accommodations, including any direct complications or consequences that arise from them. However, these exclusions will not apply with regard to an otherwise covered service for an injury, if the injury results from an act of domestic violence or a medical condition (including physical and mental) and regardless of whether such condition was diagnosed before the injury, as required by federal law.

- Condition Caused By Active Participation in a War or Insurrection:** The treatment of any condition caused by or arising out of a member's active participation in a war or insurrection.
- Condition Incurred in or Aggravated During Performance in the Uniformed Services:** This treatment of any member's condition that the Secretary of Veterans Affairs determines to have been incurred in, or aggravated during, performance of service in the uniformed services of the United States.
- Commercial/Reconstructive Services and Supplies:** except to treat a congenital anomaly for members up to age 18; to restore a physical bodily function lost as a result of injury or illness or related to breast reconstruction following a medically necessary mastectomy, to the extent required by law.
- Counselling in the Absence of Illness:**
- Custodial Care:** Non-skilled care and helping with activities of daily living.
- Dental Services:** provided to prevent, diagnose or treat diseases or conditions of the teeth and adjacent supporting soft tissues, including treatment that restores the function of teeth.
- Expenses Before Coverage Begins or After Coverage Ends:** Services and supplies incurred before your effective date under the contract or after your termination under the contract, except as may be provided under the other continuation options of the contract.
- Fees, Taxes, Interest:** Charges for shipping and handling, postage, interest or finance charges that a provider might bill.
- Foot Care (Routine):** Routine foot care including treatment of corns and calluses and trimming of nails, except when indicated for diabetic patients.
- Government Programs:** Benefits that are covered, or would be covered in the absence of this plan, by any federal, state or governmental program.
- Hearing Care:** except as specifically provided under the hearing aids and routine hearing examinations benefits of the contract, routine hearing examinations, programs or treatment for hearing loss, including, but not limited to, hearing aids (externally worn or surgically implanted) and the surgery and services necessary to implant them. This exclusion does not apply to cochlear implants.
- Infertility:** except as specifically provided under the infertility treatment benefit of the contract. Reversal of sterilization and In Vitro Fertilization not covered.
- Investigational Services:** Investigational treatment or procedures (health interventions) and services, supplies and accommodations provided in connection with investigational treatments or procedures.
- Mental Health Treatment For Certain Conditions:** including diagnostic codes 302.1 through 302.6 found in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders for all ages. Additionally, we will not cover any "V-codes" diagnoses except the following when medically necessary: parent-child relational problems for children five years of age or younger, neglect or abuse of a child for children five years of age or younger and bereavement for children five years of age or younger.
- Motor Vehicle Coverage and Other Insurance Liability:**
- Non-Direct Patient Care:** including appointments scheduled and not kept, charges for preparing medical reports, itemized bills or claim forms and visits or consultations that are not in person, including telephone consultations and email exchanges.
- Non-Duplication of Medicare:** When by law, this coverage would not be primary to Medicare had you properly enrolled in Medicare when first eligible, benefits will be reduced to the extent that those benefits are or would have been provided by any part of Medicare, regardless of whether or not you choose to accept those benefits.
- Obesity or Weight Reduction/Control:** Medical treatment, medication, surgical treatment (including reversals), programs or supplies that are intended to result in or relate to weight reduction, regardless of diagnosis of psychological conditions.

Medical Exclusions
Orthognathic Surgery: By orthognathic surgery, we mean surgery to manipulate facial bones, including the jaw, in patients with facial bone abnormalities resulting from abnormal development to restore the proper anatomic and functional relationship of the facial bones. This exclusion does not apply to orthognathic surgery due to a temporomandibular joint disorder, injury, sleep apnea or congenital anomaly.
Over the Counter Contraceptives including supplies and oral contraceptives (coverage for these services may be provided under the prescription medication benefit).
Personal Comfort Items: Items that are primarily for comfort, convenience, cosmetics, environmental control or recreation.
Physical Exercise Programs and Equipment including hot tubs or membership fees at spas, health clubs or other such facilities; applies even if the program, equipment or membership is recommended by the member's provider.
Private Duty Nursing including ongoing shift care in the home.
Reversals of Sterilizations including services and supplies related to reversals of sterilization.
Riot, Rebellion and Illegal Acts: Services and supplies for treatment of an illness, injury or condition caused by a member's voluntary participation in a riot, armed invasion or aggression, insurrection or rebellion or sustained by a member arising directly from an act deemed illegal by an officer or a court of law.
Self-Help, Self-Care, Training or Instructional Programs including diet and weight monitoring services, childbirth-related classes including infant care and breast feeding classes, instruction programs including those to learn how to stop smoking and programs that teach a person how to use durable medical equipment or how to care for a family member.
Services and Supplies Provided by a Member of Your Family
Services and Supplies That Are Not Medically Necessary
Sexual Dysfunction: Services and supplies including medications for or in connection with sexual dysfunction regardless of cause, except for counseling services provided by covered, licensed mental health practitioners when mental health services are covered benefits under the contract.
Sexual Reassignment Treatment and Surgery: Treatment, surgery or counseling services for sexual reassignment.
Third-Party Liability: Services and supplies for treatment of illness or injury for which a third party is or may be responsible.
Tobacco Addiction: Treatment including supportive items for addiction to tobacco, tobacco products or nicotine substitutes, except as specifically provided under the tobacco use cessation programs benefit in this contract.
Travel and Transportation Expenses other than covered ambulance services.
Vision Care: Routine eye exam and vision hardware, except as specifically provided under the vision benefits section of the contract. Visual therapy, training and eye exercises, vision orthotics, surgical procedures to correct refractive errors/astigmatism, reversal or revision of surgical procedures which alter the refractive character of the eye.
Work-Related Conditions: Expenses for services and supplies incurred as a result of any work-related injury or illness, including any claims that are resolved related to a disputed claim settlement. The only exception is if an enrolled employee is exempt from state or federal workers' compensation laws.
Medical Exclusions
Acne Medication for the treatment of acne in members over age 39.
Certain Contraceptives: Prescription contraceptives that cannot be self-administered, including Nexplan, surgically inserted contraceptive devices, IUDs and Depo-Provera (coverage for these contraceptives may otherwise be provided under the medical benefit).
Cosmetic Purposes: Prescription medications used for cosmetic purposes including removal, inhibition or stimulation of hair growth, retardation of aging or repair of sun-damaged skin.
Devices or Appliances (coverage for devices and appliances may otherwise be provided under the medical benefit).
Foreign Prescription Medications except those associated with an emergency medical condition while you are traveling outside the United States, or those you purchase while residing outside the United States.
Growth Hormones unless we preauthorize them.
Immunization Agents, Biological Sera, Blood or Blood Plasma
Inhibition and/or Suppression of Sleepiness: Prescription medications used to inhibit and/or suppress drowsiness, sleepiness, tiredness or exhaustion, unless we preauthorize them.
Insulin Pumps and Pump Administration Supplies (coverage for insulin pumps and supplies is provided under the medical benefit).
Medications We Don't Consider Self-Adminstrable (coverage for these medications may otherwise be provided under the medical benefit).
Nonprescription Medications: Medications that by law do not require a prescription order.
Off-Label Use Prescription Medications: Prescription medications that have not yet received FDA approval for the purpose and in the manner they are being prescribed.
Onychomycosis: Prescription medications for the treatment of onychomycosis (nail fungus), unless we preauthorize them.

Preferred Medical \$150 90/70/70% 20%/20%/50% \$1,000 \$0 Vision Complementary/Dental
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Prescription Medications Exclusions
Prescription Medications Dispensed in a Facility: Prescription medications dispensed to you while you are a patient in a hospital, skilled nursing facility, nursing home or other health care institution.
Prescription Medications Dispensed in Connection with Participation in a Clinical Trial
Prescription Medications For Treatment of Infertility
Prescription Medications Not Dispensed by a Pharmacy Pursuant to a Prescription Order
Prescription Medications Not within a Provider's License: Prescription medications prescribed by providers who are not licensed to prescribe medications (or that particular medication) or who have a restricted professional practice license.
Prescription Medications With No FDA Proven Therapeutic Indication
Prescription Medications Without Examination: Prescriptions made by a provider without recent and relevant in-person examination of the patient, whether the prescription order is provided by mail, telephone, internet or some other means.
Professional Charges for Administration of Any Medication
Please note: This benefit summary provides a brief description of your health care plan benefits, limitations and exclusions under your health care plan and is not a guarantee of payment. Once enrolled, you can view your benefits booklet online at our Website, www.myregence.com . Please refer to your benefits booklet for a complete list of benefits, the limitations and exclusions that apply, and a definition of medical necessity.



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www.regence.com

Summary of medical benefits

01/01/2010 through 12/31/2010

KAISER TRIMET MEDICAL UNION	
	1918
Annual individual deductible	None
Annual family deductible	None
Annual individual out-of-pocket maximum	\$600 ¹
Annual family out-of-pocket maximum	\$1,200 ¹
Lifetime benefit maximum	None
Benefit (when provided, prescribed, or administered by a Kaiser Permanente Plan physician)	You pay
Office visits for	
Preventive care	\$5
Primary care	\$5
Specialty care	\$5
Prenatal care	\$5
Routine eye exam	\$5
Allergy shots and other injections	\$0
Routine immunizations	\$0
Rehabilitative therapies	See specialty care ²
Outpatient surgery	See specialty care ³
X-rays, imaging, laboratory, and special diagnostic procedures	\$0 per visit
Outpatient prescription drugs	\$5/prescription; sexual dysfunction drugs are covered up to eight doses per month. You get up to a 30-day supply. When you use mail delivery, you get up to a 90-day supply of maintenance drugs for two copayments. ⁴
Hospital inpatient care	\$0 ⁵
Hospital maternity care for mother and newborn	Same as hospital inpatient care
Urgent care visit	\$5
Emergency department visit	Primary care copayment
Ambulance services	No charge
Mental health services	
Inpatient and residential care	Same as hospital inpatient care
Day treatment	Same as primary care per day
Outpatient treatment	Same as primary care
Chemical dependency services	
Inpatient and residential care	Same as hospital inpatient care

911

Benefit (when provided, prescribed, or authorized by a Kaiser Permanente Plan physician)	You pay
Day treatment	Same as primary care per day
Outpatient treatment	Same as primary care
Skilled nursing facility care	\$0 for up to 100 days per year
Home health care	\$0 for up to 130 visits per year
Infertility services	50% for diagnosis and treatment
Durable medical equipment	20%
Chiropractic care	\$15/visit for up to 20 visits per year
Prescription eyeglasses and contact lenses	Balance after \$150 allowance every 24 months ¹
Hearing aids	Balance after \$500 credit is applied for each hearing aid per ear every three years

Questions? Call Membership Services (M-F, 8 am-6 pm)

Portland area...503-813-2000. All other areas...1-800-813-2000. TTY...1-800-735-2900. Language Interpretation Services, all areas...1-800-324-8010

This is not a contract. This benefit summary does not fully describe your benefit coverage with Kaiser Foundation Health Plan of the Northwest. For more details on your benefit coverage, claims review, and adjudication procedures, please see your evidence of coverage (or EOC) or call Membership Services. In the case of conflict between this summary and the EOC, the EOC will prevail.

Footnotes: ¹Per calendar year. ²Limited to 20 visits per therapy per year. ³Includes endoscopy procedures. ⁴Kaiser Permanente formulary applies. We cover nonformulary drugs only when you meet exception criteria. ⁵Includes cataract and brachytherapy, surgery, anesthesia, X-rays, imaging, laboratory, and drugs. ⁶Self-referred to network providers. ⁷Proportional fees for cosmetic contact lenses not covered. If the full credit is not used in the first visit, the balance is forfeited. No charge for standard frames and lenses post cataract surgery.

RETIREE BENEFITS**SUMMARY****PENSION**

Retirement Pay shall be increased each May 1 by 90% of the increase in the U.S. Urban Wage Earners and Clerical Workers Consumer Price Index (CPI) (annual average) for the previous year not to exceed 7% per year. ~~Retirement pay shall be increased by the amount of any specified general wage adjustment (whether actual or percentage) on each February 1, during the life of this Agreement. The aggregate total of the wage increases granted during the previous year shall be the basis for each an annual adjustment. For the purposes of any conversion of actual wage adjustments to percentages, the Top Operator Wage Rate will be utilized.~~

HEALTH AND WELFAREMembers retired before February 1, 1992:

* 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 the medical, hospital, prescription drug, optical benefits, and dental (retirees and spouse only), not including orthodonture, available under the health and welfare plan currently in place.

Members retired on or after February 1, 1992 who are not Medicare eligible:

* All employees who are not Medicare eligible and who retire on or after February 1, 1992 and before April 1, 2012, shall receive the same health and welfare benefits available to active employees, not including orthodonture, or dental coverage for dependents other than the employee's spouse or domestic partner. For all employees who are not Medicare eligible and who retire on or after April 1, 2012, the employee will receive for a period not to exceed three (3) years, the same health and welfare benefits available to active employees, not including orthodonture or dental coverage for dependents other than the retiree's spouse or domestic partner.

All retired members (current and future):

* The medical coverage of the retiree, spouse and dependents of a retired employee are provided for in Article 1, Section 9 of the Working and Wage Agreement. ~~shall continue for 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.~~

Cost Summary of the Offer in Fiscal Years

Cost Summary in Fiscal Years: Trial Offer	Actual		Estimated Cost Summary of the Offer in Fiscal Years		July 1 2012 to June 30 2013 (12 months commencing after expires Nov. 2012)
	July 1 2009 to June 30 2010	July 1 2010 to June 30 2011	July 1 2010 to June 30 2011	July 1 2011 to June 30 2012	
Union Active Health Benefits	\$ 31.21	\$ 34.12	\$ 34.12	\$ 34.12	\$ 34.12
Union Retiree Health Benefits	14.31	17.16	17.16	17.16	17.16
Union Wages	119.91	128.95	128.95	127.78	131.51
Union OS Pension	34.03	34.12	34.12	34.12	35.99
Total	\$ 209.46	\$ 204.35	\$ 214.35	\$ 214.18	\$ 228.68
Benefits Coordinator	0.019	0.019	0.019	0.019	0.019
Employee Assistance Program	0.063	0.063	0.063	0.063	0.063
Recreation Trust Fund	0.054	0.055	0.055	0.055	0.055
Child Care/Elder Assistance	0.055	0.055	0.055	0.055	0.055
Talent Exchange Program	0.019	0.019	0.019	0.019	0.019
ATO Responsible for Payment of Civil Officers	0.10	0.05	0.05	0.05	0.05
Grand Total	\$ 211.96	\$ 212.11	\$ 212.11	\$ 212.59	\$ 218.49
Percent Change Previous Year	6.7%	4.4%	4.4%	2.1%	4.5%
Comparison Percent Change from FY09		4.6%	4.6%	1.9%	11.0%

Cost Summary in Fiscal Years: Trend	Actual		Trend/Comparison Fiscal Years	
	July 1 2009 to June 30 2010	July 1 2010 to June 30 2011	July 1 2010 to June 30 2011	July 1 2011 to June 30 2012
Union Active Health Benefits	\$ 31.21	\$ 37.03	\$ 37.03	\$ 48.52
Union Retiree Health Benefits	14.31	18.18	18.18	22.02
Union Wages	120.51	128.47	128.47	129.25
Union OS Pension	34.03	35.13	35.13	35.17
Total	\$ 209.06	\$ 218.81	\$ 218.81	\$ 240.96
Benefits Coordinator	0.019	0.019	0.019	0.019
Employee Assistance Program	0.065	0.065	0.065	0.065
Recreation Trust Fund	0.055	0.055	0.055	0.055
Child Care/Elder Assistance	0.055	0.055	0.055	0.055
Talent Exchange Program	0.019	0.019	0.019	0.019
Officers	0.100	0.100	0.100	0.100
Grand Total	\$ 209.64	\$ 218.04	\$ 218.04	\$ 240.37
Percent Change Previous Year	6.7%	6.1%	6.1%	5.7%
Comparison Percent Change from FY09		5.9%	5.9%	10.1%
Annual Savings from Offer vs. Trend	\$.	\$ 4.68	\$ 4.68	\$ 11.49

Prepared by: [Name]

Cost Summary of the Offer in Fiscal Years

Cost Summary of the Offer in Calendar Years

Cost Summary in Calendar Years (in millions of YOE\$)	Cost Summary of the Offer in Calendar Years				[1-2 month costs] lower offer expires Nov. 2012)
	Actual January 1 2009 to December 30, 2009	January 1 2010 to January 1 2011 December 30, 2010	January 1 2011 to December 30, 2011	January 1 2012 to December 30, 2012	
Union Active Health Benefits	\$ 29.67	\$ 34.98	\$ 30.32	\$ 35.92	
Union Wages	122.16	124.72	128.84	131.45	
Union 28 Pension	31.05	34.50	38.75	38.40	
Union DC Plan				0.45	
Union Retiree Medical	32.78	14.54	17.11	20.17	
Total	195.65	208.76	213.52	223.08	
Benefits Coordinator	\$ 0.019	\$ 0.019	\$ 0.019	\$ 0.019	
Employee Assistance Program	0.065	0.065	0.065	0.065	
Recreation Trust Fund	0.055	0.055	0.055	0.055	
Child Care/Childer Assistances	0.055	0.055	0.055	0.055	
Transport Exchange Program	0.019	0.019		0.055	
ATU Responsible for Payment of Gen. Officers	\$8,000	\$2,160	\$0	\$0	
Grand Total	\$ 195.68	\$ 208.07	\$ 213.73	\$ 223.27	
Percent Change Previous Year	5.3%	6.7%	2.3%	4.5%	
Cumulative Percent Change from 2009		5.7%	9.1%	14.0%	

* Represents a reduction in costs including Labor Offer from 7-21-10 Impact Costs for Offer Document