

May 12, 2016

Ms. Shirley Block  
President  
Amalgamated Transit Union Division 757  
1801 NE Couch Street  
Portland OR 97232

**Re: Two-Year Contract Extension, Including 3-Percent Wage Increase**

Dear Shirley:

Congratulations, again, on your re-election as President. I am sure you are pleased to have that process behind you.

Concluding the election process makes this an opportune time to discuss the collective bargaining agreement between the ATU and TriMet that expires November 30, 2016. Given recent bargaining history, there remains a potential for another long, contentious negotiation culminating in binding interest arbitration. My hope is that both parties see the benefit of avoiding such a result, especially at a time when our agency is adding new jobs, expanding service, and regaining the confidence of the public, especially the business community. Implementation of our Strategic Financial Plan has put TriMet on a sustainable financial path for the near term, resulting in the business community supporting a 10-year increase in the employer payroll tax rate. This has translated into more union jobs and service for our growing region.

With that in mind, and in the spirit of labor-management cooperation and partnership, we would like to discuss an extension of the collective bargaining agreement for two additional years through November 30, 2018. Our intent is that such a contract extension would include the same 3-percent wage increase for December 1, 2016, and December 1, 2017, that represented employees received on December 1, 2015. Thus, all current wages, hours, and terms and conditions of employment in effect at the end of the current agreement would be “rolled over.”

Clearly, active and retiree benefits dominated our negotiating priorities for the last two contracts. From a total compensation perspective, taking into account active and retiree benefits and all forms of direct compensation (wages, overtime, step increases, longevity premiums, shift differentials, tool and other allowances, etc.), TriMet believes its represented workforce is favorably positioned compared to the market. While additional moderation of total compensation could be justified based upon economic comparisons, extending the status quo for two years ensures the total compensation of our represented workforce remains above most transit agencies.

As you are aware, wage increases at transit agencies nationally have averaged well below 3-percent in recent contract settlements. Nonetheless, we are including the same 3-percent annual

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increase as represented employees received last December because our represented workforce provides an outstanding level of service to our customers, which we believe is an important consideration. We also believe that extending the status quo would result in improved labor-management cooperation and partnership, allow the entire workforce to more fully engage in the exciting new projects the agency has in front of it, and avoid contentious successor contract negotiations.

Pursuant to Article 1, Section 1, Par. 4(a), we are asking the ATU for a labor management meeting for the purpose of discussing this simple, straightforward extension of the status quo as it exists at the end of the contract term for two additional years. Time is of the essence, however, as we, like the ATU, are actively preparing for upcoming negotiations. Consequently, this discussion would have to conclude within the next 45 days to give the parties adequate time to prepare for negotiations.

I hope this idea has merit from your perspective, and I look forward to hearing about your consideration of it.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy M. Stedman". The signature is fluid and cursive, with a large initial "R" and "S".

Randy M. Stedman  
Executive Director Labor Relations & Human Resources

Copy: Neil McFarlane, General Manager