

**STATE OF OREGON, EMPLOYMENT RELATIONS BOARD**

**For ERB Use Only**

**COST SUMMARY FORM**

Case No. \_\_\_\_\_

Date Filed \_\_\_\_\_

**Projected Increase/Decrease in Each Year**

(add or shade unused columns as needed)

<b>Proposal Description</b> including Article or Section Numbers	<b>Current Cost</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3 2 year agreement proposed</b>	<b>Total Projected Increase / Decrease</b>	<b>Explain calculations.</b> List all factors and assumptions used in calculating costs for each year. Attach additional sheet if necessary.
Article 9. Section 3 Wage schedule increase 12-1-19 = 2%, 12-1-20 = 0%	\$237,448,709	\$4,982,124	\$5,079,403		\$10,061,527	Based on adopted FY 20 budget See attachment
Article 2.1.2.a Add 3 minutes to operator sign in time, which is currently 10 minutes	\$1,300,000	\$0	\$390,000		\$390,000	Each minute of increase in sign in costs \$130,000 based on actual number of sign ins. 3 minutes x \$130,000 = \$390,000/year
Article 2.1.2.g Add \$4 to all current relief points and add new relief points	\$689,290	\$0	\$755,114		\$755,114	Cost of existing relief point with \$4 added to each payment in 2018 & 2019 See attached New relief points cost unknown due to no utilization or displacement of current relief points known.
Article 1.9 Benefits <ul style="list-style-type: none"> <li>• No retroactivity year 1 – 1-1-20 to 12-31-20 plan year</li> <li>• Implement full 95/5% premium share 1-1-21</li> </ul>	\$64,370,174	\$0	\$2,805,352		\$2,805,352	Based on participation data and actual 1-1-21 premiums by consultant – See attached
Tuition Reimbursement	\$0	\$0	\$58,880		\$58,880	Maximum 20 participants each term for 4 terms a year, 10 each in 3 hour courses (\$627) and 4 hour courses (\$849) = \$58,000 See attached
Article 2.1 – reduce from 4 to 3 sign ups per year	\$400,000	\$0	-\$100,000		-\$100,000	This includes the extra board operator cost for covering marked off operators as well as extra Station Agent cost to perform signup.

Article 3 & 4 Replace of Apprenticeship in all four sections with Trainee program in REM and MOW.	\$8,197,367	\$0	\$0		\$0	Historical cost of Apprenticeship is attached  Given that year 1 is almost finished, TriMet is finishing the training of current apprentices and the recession, there are no savings from this proposal during the contract term.
Article 2 requirements for 10 hours between signed work and no trades into pass ups.	\$1,342,801	-\$0	-\$1,342,801		-\$1,342,801	Maximum savings See attached documents.
<b>TOTAL (for each column)</b>	\$313,748,341	\$4,982,124	\$7,645,948		\$12,628,072	

Notes:

1. Because the first year of the new CBA will end before a successor CBA is implemented, the only projected increase/decrease in costs in year one of a successor agreement is the wage proposal which is proposed to be retroactive.
2. Cost increase/decrease for the second year of the successor CBA is estimated for the entire year, for the sake of simplicity, because it is unknown at this time how much of the second year of the CBA may pass before a successor CBA is implemented.

## Labor Costing Estimates - 2%, 0%

	Rate Increase		2.00%	0.00%
	2,766 Employees	Base Year 12/01/2018 to 11/30/2019	Year 1 12/01/2019 to 11/30/2020	Year 2 12/01/2020 to 11/30/2021
Direct Wages	\$ 172,619,000		\$ 176,071,000	\$ 176,071,000
Step Increase			\$ 2,604,060	\$ 6,367,000
Longevity Progression	\$ 1,851,000		\$ 2,028,000	\$ 2,256,000
<b>Total Wages</b>	<b>\$ 174,470,000</b>		<b>\$ 180,703,060</b>	<b>\$ 184,694,000</b>
	\$ 174,470,000		\$ 177,200,000	\$ 181,242,000
<i>Δ from base no increase</i>			\$ 3,503,060	\$ 3,452,000
Overtime	\$ 25,593,000		\$ 29,627,000	\$ 30,281,000
Other/Premium Pay	\$ 1,934,000		\$ 2,239,362	\$ 2,288,820
SS/Medicare/Payroll	\$ 16,975,242		\$ 17,863,718	\$ 18,258,221
Pension DC (Active)	\$ 8,581,850		\$ 9,674,474	\$ 10,508,187
Pension DB (Active)	\$ 9,894,616		\$ 8,998,583	\$ 7,939,926
<b>Total</b>	<b>\$ 237,448,709</b>		<b>\$ 249,106,197</b>	<b>\$ 253,970,155</b>
Total without general increase	\$ 237,448,709		\$ 244,124,073	\$ 248,890,752
			\$ 4,982,124	\$ 5,079,403
<i>Overall Δ from base no increase</i>			2.0%	2.0%

### Assumptions

- Direct Wages - Base year calculation derived from employee roster as of 7/15/2019 and calibrated to the number of budgeted positions. Vacancies were added where appropriate. Years 1-2 assumes a stagnant workforce with no terminations or new hires. The direct pay is increased by 2.0% in year 1.
- Step Increases - Years 1-2 are based on employee step progressions from an employee rosters as of 7/15/2019. Employees are progressed through steps as indicated in Article 9 - pay schedules. Steps are increased by the same percentage increase direct wage increases.
- Longevity Progression - Base year longevity is the annualized longevity rates from the employee roster as of 7/15/2019. Years 1-2 demonstrate employee longevity progressions in accordance with Article 9 - Pay Schedule.
- Overtime - Base is calculation on the ratio of OT to Regular Wages for the period of 7/1/2018 - 6/30/2019. The ratio is approximately 12.7% and applied to both years.
- Other/Premium - Includes such things as night differential, road relieve and tool allowance. Base is calculation on the ratio of OT to Regular Wages for the period of 7-1-2018 - 6/30/2019. The ratio is approximately 12.7% and applied to both years.
- SS/Medicare/Payroll - Standardized rates multiplied by sum of total wages, overtime and other/premiums). SS rate is 6.20%, Medicare is 1.45% and Payroll tax is 0.75371% in Year 1 and 0.76371% in Year 2.
- DC Pension - Standardized rate of 8.00% multiplied by sum of total wages, overtime and other/premiums for all active DC FTE. Applied to both years.
- DB Pension - Average per DB FTE multiplied by a declining headcount rate of 10.0% and rate increase of 2.0% for wage increases in Year 1.
- Retiree information is based on actuarial reports.
- Headcount includes both filled and vacant positions, representative of positions counts and not FTE.

Calculation of cost of \$4 for road reliefs

Existing Road Relief points

Actual cost by year	Bus	Rail	Total
2018	\$500,127	\$161,698	\$663,843
2019	\$558,280	\$154,438	\$714,737
		Average	\$689,290
Add \$4 to each road relief			
2018	\$1,149,523	\$251,050	\$1,400,573
2019	\$1,248,476	\$239,758	\$1,488,234
		Difference	\$736,730
			\$773,497
		Average	<b>\$755,114</b>

# Executive summary

## 2021 estimated annual costs – union

UNION		PROJECTED					
COVERAGE	ENROLL	2020	2021	Δ vs. 2020			
		ANNUAL \$	ANNUAL \$	\$	%		
Medical / Rx	Regence	1,626	\$27,397,467	\$30,219,383	\$2,821,917	10.3%	
HSA Employer Fund	TriMet	232	301,290	332,322	31,032	10.3%	
Medical / Rx	Kaiser NW	2,179	30,571,729	31,027,596	455,868	1.5%	
Medical / Rx	UHC	1,078	5,474,645	5,143,095	(331,550)	-6.1%	
Dental	Delta Dental	3,302	4,254,084	4,351,897	97,813	2.3%	
Dental	Kaiser NW	1,020	1,112,211	1,112,211	0	0.0%	
Life <sup>1</sup>	Standard	4,293	1,255,830	1,255,830	0	0.0%	
AD&D	Standard	2,598	24,405	24,405	0	0.0%	
STD	Standard	2,598	274,412	274,412	0	0.0%	
HSA	Health Equity	166	5,385	5,385	0	0.0%	
FSA	Health Equity	358	12,909	12,909	0	0.0%	
COBRA	BHS	5	775	775	0	0.0%	
<b>Combined Total</b>		<b>4,883</b>	<b>\$70,685,141</b>	<b>\$73,760,221</b>	<b>\$3,075,080</b>	<b>4.4%</b>	
Estimated Employee Contributions			\$6,314,966	\$6,584,695	\$269,729	4.3%	
<b>Net Total</b>		<b>4,883</b>	<b>\$64,370,174</b>	<b>\$67,175,526</b>	<b>\$2,805,352</b>	<b>4.4%</b>	
Net PEPM (based on Medical Enrollment)			\$1,098.54	\$1,146.42	\$47.88	4.4%	

<sup>1</sup> Life insurance for Union includes Retiree Life for Union and Non-Union (not reported separately).

Maximum cost of tuition reimbursement

Assumptions

Limit of 20 participants any Term	20	
4 terms in year	4	
PCC costs		
4 hour courses all inclusive (Math)	\$849	
3 hour courses all inclusive (Intro Electric)	\$623	
Half taking 3hr, half taking 4hr.		
If 20 per term, every term	\$58,880	per year
	\$117,760	Two years



*Passups and RDOs - Calendar Year 2019*

Garage	AM RDOs	Passups	Due to Passups	RDO Pay	Overtime only	PM Report Operators	Pay	Report pay difference	Total
CENTER	682	3,421	661	\$196,423	\$65,474	1,229	\$385,999	\$372,087	\$437,561
ELMO	513	1,381	480	\$180,571	\$60,190	710	\$168,494	\$159,171	\$219,362
MERLO	461	2,652	460	\$135,188	\$45,063	1,069	\$276,760	\$253,786	\$298,849
POWELL	524	2,028	492	\$164,047	\$54,682	607	\$179,568	\$171,328	\$226,010
RUBY	368	850	308	\$113,512	\$37,837	606	\$154,630	\$123,182	\$161,019
			2401		\$263,246			\$1,079,554	\$1,342,801

- Garage – Three Bus garages, two Light Rail garages.
- AM RDOs – The number of operator on their Regular Day Off called in on overtime to fill vacancies for morning service.
- Passups - The number of operator passups due to insufficient time off from the end of their last work the night before. When passing up, the operator is assigned to be a report operator later in the day and guaranteed 8 hours of pay, whether the District needs them to drive or not.
- Due to Pass ups - The number of operators on RDO OT needed due to passups.
- RDO Pay - The cost for the RDOs OTs needed due to passups.
- Overtime only - Only the overtime portion is counted as a cost, as the straight pay would have been paid by the passup operator, if they did not passup.
- Operators on PM Report Only - The number of PM operators with no regular assignment. On report the entire time or did just extra service.
- Pay – The cost of the operators on PM Report Only.
- Report Pay Difference - Only included the number of passup operators in the PM. If there were 8 passups and 10 operators on report only in the PM, only 8/10 of the cost was included.
- Total - **Overtime only + Report Pay Difference**. The additional costs that passups created.