



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**September 7, 2016**

**Ordinance 18352**

**Proposed No. 2016-0405.1**

**Sponsors Dembowski**

1 AN ORDINANCE approving and adopting the  
2 memorandum of agreement regarding Insured Benefits for  
3 Represented Benefits-Eligible Employees negotiated by  
4 and between King County and Amalgamated Transit  
5 Union, Local 587 (Department of Transportation - Transit)  
6 representing employees in the department of transportation;  
7 and establishing the effective date of said agreement.

8 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

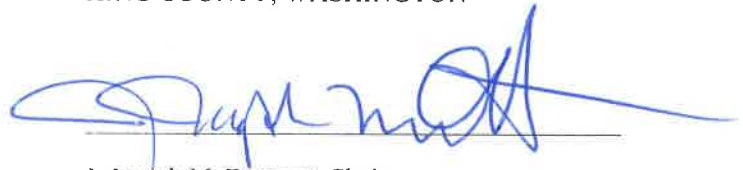
9 SECTION 1. The memorandum of agreement regarding Insured Benefits for  
10 Represented Benefits-Eligible Employees negotiated by and between King County and  
11 Amalgamated Transit Union, Local 587 (Department of Transportation - Transit)  
12 representing employees in the department of transportation, which is Attachment A to  
13 this ordinance, is hereby approved and adopted by this reference made a part hereof.

14            SECTION 2. Terms and conditions of said agreement shall be effective from  
15 January 1, 2017, through and including December 31, 2017.  
16

Ordinance 18352 was introduced on 8/29/2016 and passed by the Metropolitan King County Council on 9/6/2016, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,  
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles  
and Ms. Balducci  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



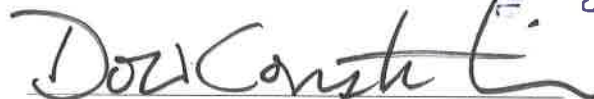
J. Joseph McDermott, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 15 day of SEPTEMBER, 2016.



Dow Constantine, County Executive

RECEIVED  
2016 SEP 15 PM 4:03  
CLERK  
KING COUNTY COUNCIL

**Attachments:** A. Memorandum of Agreement By and Between King County and Amalgamated Transit Union, Local 587

**Memorandum of Agreement  
By and Between  
King County  
and  
Amalgamated Transit Union, Local 587**

**Subject: Insured Benefits Agreement for Represented Benefits-Eligible Employees**

**1. 2017 Insured Benefits Agreement.** This Agreement replaces a Memorandum of Agreement between King County (“County”) and Amalgamated Transit Union, Local 587 (“ATU”) on the subject of insured benefits, which will expire on December 31, 2016, and was coded by the Office of Labor Relations as 410U0515 (hereinafter, the “Expiring Benefits Agreement”).

**2. Scope of Agreement.** This Agreement shall apply to all employees represented by the ATU who are eligible for insured benefits under the terms of the Collective Bargaining Agreement and related Memoranda of Agreement. All employees that this Agreement applies to shall be referred to as “Employees.”

**3. ATU Protected Fund Reserve.** The Expiring Benefits Agreement established an ATU Protected Fund Reserve (“PFR”). The PFR, which supports the County’s defined contribution to ATU’s benefits, shall continue under this Agreement. The PFR is established and maintained solely for the purpose of funding, providing and maintaining insured benefits, and providing a reserve fund to self-insure against unanticipated increases in the cost of those benefits, for Employees. It is further agreed that the County and organizations handling PFR funds have a responsibility to ensure that the PFR funds are being used solely for the insured benefits for Employees.

**4. County Funding for Covered Employees in 2017.** The County’s total funding rate for January 1, 2017, to December 31, 2017, shall be \$1,556 per benefits-eligible Employee per month.

**5. Insufficient County Funding.** To the extent that the County’s funding identified in paragraph 4 and other yearly non-flex rate revenue (interest earnings, participant benefit access fees, and other plan participant contributions such as COBRA payments), attributed proportionally to Employees covered under the terms of this Agreement, is at any time inadequate to fully fund the cost of providing insured benefits for Employees, the parties agree that the PFR will be used to fund the difference until such time as the PFR is exhausted.

**6. Excess County Funding.** To the extent that the County’s funding identified in paragraph 4, and other yearly non-flex rate revenue (interest earnings, participant benefit access fees, and other plan participant contributions such as COBRA payments), attributed proportionally to employees covered under the terms of this Agreement, provides greater funding

than is necessary to fully fund the cost of insured benefits for Employees, the parties agree that the excess shall be added to the PFR.

**7. Calculations.** All calculations that must be made under this Agreement will be based on ATU-specific claims experience.

**8. Calculations of Retiree Medical and COBRA subsidies.** King County and the Union have identified a concern about the allocation of costs relating to the retiree medical plan and COBRA to ATU's Protected Fund Reserve. King County will work with ATU to identify an accurate and practical calculation methodology for the retiree medical and COBRA subsidies on a going forward basis and further commit to a retroactive adjustment to the ATU Protected Fund Reserve to rectify inaccurate calculations that may have been made during the term of the 2014-2016 benefits agreement. The parties shall work in good faith to complete the reallocation of costs prior to December 31, 2016.

**9. Health and Welfare Plan Provisions.** Insured benefits provisions (i.e. plan features) and plan designs (i.e. Employee costs) for Employees commencing January 1, 2017 shall remain unchanged from 2016.

**10. Scope and Purpose of the Annual Reconciliation Meeting.** The parties will convene an "annual reconciliation meeting" (the "True Up Meeting") no later than April 15th to review the insured benefits expenditures for the prior year, projected expenditures for the current and future year(s), insured benefits provisions and plan designs for Employees, and any other information or factors that the parties deem relevant.

**11. Modification to Plan Provisions, Plan Designs, and Administration of the Protected Fund Reserve.** If at the True Up Meeting, the PFR is projected to fall below four million dollars (\$4,000,000) in 2018, the parties are empowered to negotiate and implement modifications to the County's funding rate, insured benefits provisions, plan designs for Employees, and any Employee premium(s) share to be effective on January 1, 2018.

**12. Dispute Resolution Process when the Employer Contribution has Been Established in Bargaining.** If Paragraph 11 is triggered, and the parties have signed an agreement on the Employer Contribution rate for 2018, but the parties are unable to reach agreement on the Employee premium(s) share, insured benefits provisions and the plan design changes to bring the projected PFR above four million dollars (\$4,000,000), then the parties may devise a dispute resolution process or may refer the sole unresolved issue(s) of insured benefits provisions, plan design changes, and any Employee premium(s) share to an interest arbitrator with an expectation of a ruling issued by August 15, 2017.

**13. Subsequent Agreement.** This Agreement establishes the County's funding rate, the insured benefits provisions and plan designs for Employees for 2017 only. The County's funding rate, insured benefits provisions, plan designs for Employees, and any Employee premium(s) share in 2018 and 2019 shall be determined per successor contract bargaining, presumably for a contract term period covering November 1, 2016, to October 31, 2019; except, as provided under sections 11 and 12 herein. If the parties are unable to reach a subsequent

Insured Benefits Agreement that establishes the County's funding rate, insured benefits provisions, plan designs for Employees, and any Employee premium(s) share for 2018 and 2019, the parties shall submit their unresolved issues, along with any other unresolved collective bargaining issues, to an interest arbitration process governed by RCW 41.56.492.


**14. Total Agreement.** This Agreement constitutes the entire Agreement of the parties with respect to the matters covered herein, and no other agreement, statement or promise made by any party which is not included herein shall be binding or valid. This Agreement may be modified or amended only by a written agreement.

**15. Term.** This Agreement shall be in effect, after approval of the King County Council, from January 1, 2017, through December 31, 2017.

APPROVED this 11 day of AUGUST, 2016.

By:   
King County Executive

For Amalgamated Transit Union, Local 587:

  
Kenny McCormick  
President/Business Representative