Effective January 1, 2017

To: ALL SIGNATORY CONTRACTOR MEMBERS

Subject: Operating Engineers – Local 701 – January 1, 2017 Wage Increase

The 2015-2019 Operating Engineers Local 701 agreement provides for Group increases as follows:

January 1, 2017 – December 31, 2017

Based on the percentage rate as shown in the consumer price index for urban wage earners and clerical workers (CPI-w) US city average from the third quarter average of 2016, the January 1, 2017 – December 31, 2017 wages will increase per the attached Full Wage Schedule. Fringes for this same period will not change from the previous year and are also shown on the attached Full Wage Schedule.
INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 701
CLASSIFICATIONS AND WAGE SCALES
FULL SCALE

EFFECTIVE 01/01/17 THROUGH 12/31/17

WAGE & FRINGE BENEFIT SCHEDULE

<table>
<thead>
<tr>
<th>WAGES:</th>
<th>Group</th>
<th>Zone I</th>
<th>Zone II (3.00)</th>
<th>Zone III (6.00)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>39.90</td>
<td>42.90</td>
<td>45.90</td>
</tr>
<tr>
<td>1A</td>
<td></td>
<td>41.90</td>
<td>44.90</td>
<td>47.90</td>
</tr>
<tr>
<td>1B</td>
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<td>43.89</td>
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<td>2</td>
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<td>37.99</td>
<td>40.99</td>
<td>43.99</td>
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<td>3</td>
<td></td>
<td>36.84</td>
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<td>42.84</td>
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<td>5</td>
<td></td>
<td>34.52</td>
<td>37.52</td>
<td>40.52</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>31.30</td>
<td>34.30</td>
<td>37.30</td>
</tr>
</tbody>
</table>

Foreman: Foreman receive five percent (5%) per hour above the highest paid classification under the foreman’s supervision.

FRINGE BENEFITS

- Health and Welfare $8.10
- Pension – Defined Benefit $4.40
- Pension – Defined Contribution $1.00
- Training $0.60
- Contract Admin. Fund (CAF) $0.05
- Construction Industry Promotion (CIP) $0.03

DEDUCTIONS

- **Vacation Savings Plan** – deduct $1.25 per compensable hour
- **Union Dues** – deduct 2% of gross wage
- **Construction Industry Promotion (CIP)** – deduct $0.03 per compensable hour
- **Union Programs Fund (UPF)** – deduct $0.05 per compensable hour