



# Brainerd City Council Agenda Request

**Requested Meeting Date:**

**Title of Item:**

<b>Agenda</b>	<b>Action Requested:</b>	
CONSENT AGENDA	Approve/Deny Motion	Direction Requested
P&F COMMITTEE	Adopt Resolution (attach draft)	Discussion Item
SPW COMMITTEE	Ordinance 1 <sup>st</sup> Reading	Hold Public Hearing*
MAIN AGENDA	<i>*provide copy of published hearing notice</i>	

**Submitted by:**

**Department:**

**Presenter:**

**Estimated Time Needed:**

**Summary of Issue:**

**Alternative, Options, Effects on Others/Comments:**

**Recommended Action/Motion:**

**Financial Impact:**

*Is there a cost associated with this request:*

*What is the total cost, with tax and shipping:*

*Is this budgeted? (Please Explain)*

**MEMORANDUM OF AGREEMENT**  
**Between City of Brainerd (Employer)**  
**and**  
**Law Enforcement Labor Services, Inc. Local #65 (Union)**  
**Representing the Police Officers bargaining unit**  
  
**(Amendment to Health Insurance Plan Option)**

This Memorandum of Agreement (“MOA”) is entered into between the City of Brainerd (hereafter referred to as “the Employer”) and the Law Enforcement Labor Services, Inc. Local #65 (hereafter referred to as the “Union”), which is the exclusive representative for the Police Officers bargaining unit. The Employer and the Union will collectively be referred to as the “Parties.”

**WHEREAS**, the Parties are parties to a labor agreement currently in effect January 1, 2022 to December 31, 2024 (hereinafter referred to as the “Collective Bargaining Agreement”) governed by the Minnesota Public Employment Labor Relations Act (as amended); and

**WHEREAS**, the Collective Bargaining Agreement outlines a negotiated health insurance benefit; and

**WHEREAS**, the Employer is a member of The Better Health Collective, a cooperative purchasing group that seeks to utilize its multiple members as a means of obtaining health insurance benefits on more favorable terms than can be obtained as an individual employer; and

**WHEREAS**, The Better Health Collective operates a health insurance pool, of which the Employer is a member; and

**WHEREAS**, Minnesota Statute Section 471.6161, Subd. 5 provides as follows:

**Subd. 5. Collective bargaining.** The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits;

and

**WHEREAS**, Article XII of the Collective Bargaining Agreement describes the health insurance plan offered to employees; and

**WHEREAS**, the Parties wish to modify the existing health insurance plan option currently contained in the Collective Bargaining Agreement, to reflect the options specified in Appendix B hereto.

**NOW, THEREFORE**, the Employer and the Union agree as follows:


1. The Collective Bargaining Agreement is hereby modified by replacing the health insurance option identified in Article 12.2 with a \$3,000 Deductible Plan (Smart Plan #3) and other health insurance options outlined in Appendix B.
2. To the extent that any said plan option described in Appendix B constitutes or may constitute a reduction in aggregate benefits as outlined in Minnesota Statutes, Section 471.6161, subd. 5, the Union hereby agrees to said reduction in benefits.
3. The Parties understand that, as stated in Appendix B, the deductibles are expected to increase annually in accordance with the plan's terms. The Parties agree that, to the extent that deductibles increase, such increases will be automatically incorporated into Appendix B and will take effect without any further amendment to the Collective Bargaining Agreement.
4. The Collective Bargaining Agreement is hereby further modified to include the attached Memorandum of Agreement detailing the 2023 and 2024 Employer and Employee health insurance contributions for the period of January 1, 2023, to December 31, 2024, for all plan options described in Appendix B.
5. The remainder of the Collective Bargaining Agreement shall remain unaltered.
6. To the extent that this Memorandum of Agreement is inconsistent with the terms of the collective bargaining agreement, this Memorandum of Agreement will control.

**IN WITNESS WHEREOF**, the parties have executed this Memorandum of Agreement on this \_\_\_\_ day of \_\_\_\_\_, 2022.

FOR THE EMPLOYER

FOR THE UNION

\_\_\_\_\_  
Jennifer Bergman

  
\_\_\_\_\_  
Sean McKnight, Business Agent

\_\_\_\_\_  
Date

10/13/2022  
\_\_\_\_\_  
Date

Attachment: Revised Appendix B  
Memorandum of Agreement for 2023 Insurance Contributions

## Appendix B – High Deductible Health Plan Option

### \*High Deductible Health Plan Options

For Plan Years Starting 2023	Smart Plan #1	Smart Plan #3	Smart Plan #7	Smart Plan #8
Deductible per Single <sup>2</sup>	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Person	\$ 3,000	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000
% Paid by Plan After Ded <sup>1</sup>	100%	100%	100%	100%
Out-of-Pkt Max per Single	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
OOP Max per Family Person	\$ 3,000	\$ 3,000	\$ 5,850	\$ 7,500
OOP Max per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000

\*All plans automatically index annually.

<sup>1</sup>After deductibles on all Smart plans, the Plan pays 100% of the cost of qualifying care received at Top Value providers, as well provides up to \$1,500 of travel benefit when used to see Top Value providers.

<sup>2</sup>Deductible need not be met first to receive benefits for preventive prescriptions on all Smart plans; instead, copays of either \$0 for generic or \$50 for brand-name drugs on the approved list will apply.

## Memorandum of Agreement

This Memorandum of Agreement (hereinafter, “MOA”) is entered into between the City of Brainerd (hereinafter, “City”) and Law Enforcement Labor Services, Inc., Local #65 (hereinafter, “Union”), on behalf of the Police Officers bargaining unit.

**WHEREAS**, the City and Union are parties to a 2022 – 2024 collective bargaining agreement (hereinafter, “CBA”), which, in Article XII, describes premium contributions to health insurance; and

**WHEREAS**, High Deductible Health Insurance Plan Options were agreed by the parties to be offered for 2023 and contribution splits for the employer and employee are needed for open enrollment purposes.

**NOW, THEREFORE, that the CITY AND THE UNION** as follows:

1. The Parties hereto agree to the following premium splits and Employer HSA contributions for the 2023 and 2024 High Deductible Health Plan Smart Plan options as offered pursuant to Appendix B of the CBA:

<b><i>Smart Plan #1 - \$1,500 Health Plan</i></b>	<b><u>2023 &amp; 2024</u></b>
<b><u>% Contribution to Monthly Premium</u></b>	
<b><u>Employer</u></b>	
Single	95%
Family	80%
<b><u>Employee</u></b>	
Single	5%
Family	20%
<b><u>HSA Annual Contribution Amount</u></b>	
<b><u>Employer</u></b>	
Single	\$ 1,000
Family	\$ 1,500

<b><i>Smart Plan #3 = \$3,000 Health Plan</i></b>	<b><u>2023 &amp; 2024</u></b>
<b><u>% Contribution to Monthly Premium</u></b>	
<b><u>Employer</u></b>	
Single	95%
Family	80%
<b><u>Employee</u></b>	
Single	5%
Family	20%
<b><u>HSA Annual Contribution Amount</u></b>	
<b><u>Employer</u></b>	
Single	\$ 2,000
Family	\$ 2,500

<b>Smart Plan #7 - \$5,850 Health Plan</b>	<u>2023 &amp; 2024</u>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	97%
Family	85%
 <u>Employee</u>	
Single	3%
Family	15%
 <u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 2,250
Family	\$ 2,750

<b>Smart Plan #8 - \$7,500 Health Plan</b>	<u>2023 &amp; 2024</u>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	100%
Family	90%
 <u>Employee</u>	
Single	0%
Family	10%
 <u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 2,500
Family	\$ 3,000

2. All employer HSA contribution amounts described herein will be pro-rated based on a monthly contribution.
3. The division of premiums and HSA contributions described herein shall replace, and take precedence over, any CBA language including the previously agreed to Memorandum of Understanding describing 2023 - 2024 premiums and HSA contributions.
4. The City agrees to “front-load” the first three months of the additional Employer HSA contribution for all employees by January 31<sup>st</sup> of 2023 and 2024. Thereafter (effective April 1st), the amount will return and remain as a monthly contribution.
5. The City will provide an Opt-Out Option for eligible employees in lieu of the city’s health insurance for 2023 and 2024. If the eligible employee elects the Opt-Out payment for 2023 and/or 2024, the monthly Opt-out taxable payment will be \$400 per month.

6. In the event this MOA will or does cause penalties, fees, fines, or excise taxes to be assessed against the City or employees, the parties agree to renegotiate this MOA in a manner that eliminates the penalties, fees, fines, or excise taxes.
7. This MOA represents the complete and total agreement between the City and the Union regarding the subject matter herein. The Parties agree that the MOA shall be in effect from January 1, 2023, through December 31, 2024, and shall sunset and cease to be effective on January 1, 2025.

IN WITNESS whereof the parties have hereunto set their hands the date and year affixed below.

FOR THE CITY OF BRAINERD

FOR LAW ENFORCEMENT LABOR SERVICES  
LOCAL #65



\_\_\_\_\_  
Jennifer Bergman, City Administrator

\_\_\_\_\_  
Sean McKnight, Staff Representative

10/13/2022

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

**MEMORANDUM OF AGREEMENT**  
**Between City of Brainerd (Employer)**  
**and**  
**United Steel Workers, AFLO-CIO, CLC, LU 9230-09 (Union)**  
**Representing the Brainerd Hydro bargaining unit**  
  
**(Amendment to Health Insurance Plan Option)**

This Memorandum of Agreement (“MOA”) is entered into between the City of Brainerd (hereafter referred to as “the Employer”) and the United Steel Workers International Union Local Unit 9230-09 (hereafter referred to as the “Union”), which is the exclusive representative for the Brainerd Hydro bargaining unit. The Employer and the Union will collectively be referred to as the “Parties.”

**WHEREAS**, the Parties are parties to a labor agreement currently in effect January 1, 2022 to December 31, 2024 (hereinafter referred to as the “Collective Bargaining Agreement”) governed by the Minnesota Public Employment Labor Relations Act (as amended); and

**WHEREAS**, the Collective Bargaining Agreement outlines a negotiated health insurance benefit; and

**WHEREAS**, the Employer is a member of The Better Health Collective, a cooperative purchasing group that seeks to utilize its multiple members as a means of obtaining health insurance benefits on more favorable terms than can be obtained as an individual employer; and

**WHEREAS**, The Better Health Collective operates a health insurance pool, of which the Employer is a member; and

**WHEREAS**, Minnesota Statute Section 471.6161, Subd. 5 provides as follows:

**Subd. 5. Collective bargaining.** The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits;

and

**WHEREAS**, Article XII of the Collective Bargaining Agreement describes the health insurance plan offered to employees; and

**WHEREAS**, the Parties wish to modify the existing health insurance plan option currently contained in the Collective Bargaining Agreement, to reflect the options specified in Appendix B hereto.



**NOW, THEREFORE**, the Employer and the Union agree as follows:

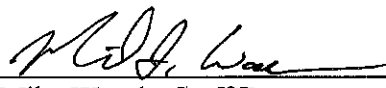
1. The Collective Bargaining Agreement is hereby modified by replacing the health insurance option identified in Article XXVII with a \$3,000 Deductible Plan (Smart Plan #3) and other health insurance options outlined in Appendix B.
2. To the extent that any said plan option described in Appendix B constitutes or may constitute a reduction in aggregate benefits as outlined in Minnesota Statutes, Section 471.6161, subd. 5, the Union hereby agrees to said reduction in benefits.
3. The Parties understand that, as stated in Appendix B, the deductibles are expected to increase annually in accordance with the plan's terms. The Parties agree that, to the extent that deductibles increase, such increases will be automatically incorporated into Appendix B and will take effect without any further amendment to the Collective Bargaining Agreement.
4. The Collective Bargaining Agreement is hereby further modified to include the attached Memorandum of Agreement detailing the 2023 and 2024 Employer and Employee health insurance contributions for the period of January 1, 2023, to December 31, 2024, for all plan options described in Appendix B.
5. The remainder of the Collective Bargaining Agreement shall remain unaltered.
6. To the extent that this Memorandum of Agreement is inconsistent with the terms of the collective bargaining agreement, this Memorandum of Agreement will control.

**IN WITNESS WHEREOF**, the parties have executed this Memorandum of Agreement on this \_\_\_\_ day of \_\_\_\_\_, 2022.

FOR THE EMPLOYER

FOR THE UNION

\_\_\_\_\_  
Jennifer Bergman

  
\_\_\_\_\_  
Mike Woods, Staff Representative

\_\_\_\_\_  
Date

10-18-22  
\_\_\_\_\_  
Date

Attachment: Revised Appendix B  
Memorandum of Agreement for 2023 Insurance Contributions

## Appendix B – High Deductible Health Plan Option

### \*High Deductible Health Plan Options

For Plan Years Starting 2023	Smart Plan #1	Smart Plan #3	Smart Plan #7	Smart Plan #8
Deductible per Single <sup>2</sup>	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Person	\$ 3,000	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000
% Paid by Plan After Ded <sup>1</sup>	100%	100%	100%	100%
Out-of-Pkt Max per Single	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
OOP Max per Family Person	\$ 3,000	\$ 3,000	\$ 5,850	\$ 7,500
OOP Max per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000

\*All plans automatically index annually.

<sup>1</sup>After deductibles on all Smart plans, the Plan pays 100% of the cost of qualifying care received at Top Value providers, as well provides up to \$1,500 of travel benefit when used to see Top Value providers.

<sup>2</sup>Deductible need not be met first to receive benefits for preventive prescriptions on all Smart plans; instead, copays of either \$0 for generic or \$50 for brand-name drugs on the approved list will apply.

## Memorandum of Agreement

This Memorandum of Agreement (hereinafter, "MOA") is entered into between the City of Brainerd (hereinafter, "City") and United Steel Workers, Local 9230 Unit 09 (hereinafter, "Union"), on behalf of the Brainerd Hydro bargaining unit.

**WHEREAS**, the City and Union are parties to a 2022 – 2024 collective bargaining agreement (hereinafter, "CBA"), which, in Article XXVII, describes premium contributions to health insurance; and

**WHEREAS**, High Deductible Health Insurance Plan Options were agreed by the parties to be offered for 2023 and contribution splits for the employer and employee are needed for open enrollment purposes.

**NOW, THEREFORE, that the CITY AND THE UNION** as follows:

1. The Parties hereto agree to the following premium splits and Employer HSA contributions for the 2023 and 2024 High Deductible Health Plan Smart Plan options as offered pursuant to Appendix B of the CBA:

<b><i>Smart Plan #1 - \$1,500 Health Plan</i></b>	<b><u>2023 &amp; 2024</u></b>
<b><u>% Contribution to Monthly Premium</u></b>	
<b><u>Employer</u></b>	
Single	95%
Family	80%
<b><u>Employee</u></b>	
Single	5%
Family	20%
<b><u>HSA Annual Contribution Amount</u></b>	
<b><u>Employer</u></b>	
Single	\$ 1,000
Family	\$ 1,500

<b><i>Smart Plan #3 = \$3,000 Health Plan</i></b>	<b><u>2023 &amp; 2024</u></b>
<b><u>% Contribution to Monthly Premium</u></b>	
<b><u>Employer</u></b>	
Single	95%
Family	80%
<b><u>Employee</u></b>	
Single	5%
Family	20%
<b><u>HSA Annual Contribution Amount</u></b>	
<b><u>Employer</u></b>	
Single	\$ 2,000
Family	\$ 2,500

**Smart Plan #7 - \$5,850 Health Plan** 2023 & 2024

% Contribution to Monthly Premium

Employer

Single	97%
Family	85%

Employee

Single	3%
Family	15%

HSA Annual Contribution Amount

Employer

Single	\$ 2,250
Family	\$ 2,750

**Smart Plan #8 - \$7,500 Health Plan** 2023 & 2024

% Contribution to Monthly Premium

Employer

Single	100%
Family	90%

Employee

Single	0%
Family	10%

HSA Annual Contribution Amount

Employer

Single	\$ 2,500
Family	\$ 3,000

2. All employer HSA contribution amounts described herein will be pro-rated based on a monthly contribution.
3. The division of premiums and HSA contributions described herein shall replace, and take precedence over, any CBA language including the previously agreed to Memorandum of Understanding describing 2023 - 2024 premiums and HSA contributions.
4. The City agrees to “front-load” the first three months of the additional Employer HSA contribution for all employees by January 31<sup>st</sup> of 2023 and 2024. Thereafter (effective April 1st), the amount will return and remain as a monthly contribution.
5. The City will provide an Opt-Out Option for eligible employees in lieu of the city’s health insurance for 2023 and 2024. If the eligible employee elects the Opt-Out payment for 2023 and/or 2024, the monthly Opt-out taxable payment will be \$400 per month.

6. In the event this MOA will or does cause penalties, fees, fines, or excise taxes to be assessed against the City or employees, the parties agree to renegotiate this MOA in a manner that eliminates the penalties, fees, fines, or excise taxes.
7. This MOA represents the complete and total agreement between the City and the Union regarding the subject matter herein. The Parties agree that the MOA shall be in effect from January 1, 2023, through December 31, 2024, and shall sunset and cease to be effective on January 1, 2025.

IN WITNESS whereof the parties have hereunto set their hands the date and year affixed below.

FOR THE CITY OF BRAINERD

FOR UNITED STEEL WORKERS, AFLO-CIO,  
CLC ON BEHALF OF LU 9230-09, Brainerd, MN

\_\_\_\_\_  
Jennifer Bergman, City Administrator

  
\_\_\_\_\_  
Mike Woods, Staff Representative

\_\_\_\_\_  
Date:

10-18-22  
\_\_\_\_\_  
Date:

**MEMORANDUM OF AGREEMENT**  
**Between City of Brainerd (Employer)**  
**and**  
**International Brotherhood of Electrical Workers Local #31 (Union)**  
**Representing the Public Utilities bargaining unit**  
  
**(Amendment to Health Insurance Plan Option)**

This Memorandum of Agreement ("MOA") is entered into between the City of Brainerd (hereafter referred to as "the Employer") and the International Brotherhood of Electrical Workers Local #31 (hereafter referred to as the "Union"), which is the exclusive representative for the Public Utilities bargaining unit. The Employer and the Union will collectively be referred to as the "Parties."

**WHEREAS**, the Parties are parties to a labor agreement currently in effect January 1, 2021 to December 31, 2023 (hereinafter referred to as the "Collective Bargaining Agreement") governed by the Minnesota Public Employment Labor Relations Act (as amended); and

**WHEREAS**, the Collective Bargaining Agreement outlines a negotiated health insurance benefit; and

**WHEREAS**, the Employer is a member of The Better Health Collective, a cooperative purchasing group that seeks to utilize its multiple members as a means of obtaining health insurance benefits on more favorable terms than can be obtained as an individual employer; and

**WHEREAS**, The Better Health Collective operates a health insurance pool, of which the Employer is a member; and

**WHEREAS**, Minnesota Statute Section 471.6161, Subd. 5 provides as follows:

**Subd. 5. Collective bargaining.** The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits;

and

**WHEREAS**, Article 11, Section 1, of the Collective Bargaining Agreement describes the health insurance plan offered to employees; and

**WHEREAS**, the Parties wish to modify the existing health insurance plan option currently contained in the Collective Bargaining Agreement, to reflect the options specified in Appendix B hereto.

**NOW, THEREFORE,** the Employer and the Union agree as follows:

1. The Collective Bargaining Agreement is hereby modified by replacing the health insurance option identified in Article 11, Section 1, with a \$3,000 Deductible Plan (Smart Plan #3) and other health insurance options outlined in Appendix B.
2. To the extent that any said plan option described in Appendix B constitutes or may constitute a reduction in aggregate benefits as outlined in Minnesota Statutes, Section 471.6161, subd. 5, the Union hereby agrees to said reduction in benefits.
3. The Parties understand that, as stated in Appendix B, the deductibles are expected to increase annually in accordance with the plan's terms. The Parties agree that, to the extent that deductibles increase, such increases will be automatically incorporated into Appendix B and will take effect without any further amendment to the Collective Bargaining Agreement.
4. The Collective Bargaining Agreement is hereby further modified to include the attached Memorandum of Agreement detailing the 2023 Employer and Employee health insurance contributions for the period of January 1, 2023, to December 31, 2023, for all plan options described in Appendix B.
5. The remainder of the Collective Bargaining Agreement shall remain unaltered.
6. To the extent that this Memorandum of Agreement is inconsistent with the terms of the collective bargaining agreement, this Memorandum of Agreement will control.

**IN WITNESS WHEREOF,** the parties have executed this Memorandum of Agreement on this \_\_\_ day of \_\_\_\_\_, 2022.

FOR THE EMPLOYER

FOR THE UNION

\_\_\_\_\_  
Jennifer Bergman

  
\_\_\_\_\_  
Jordan Marquardt, Business Agent

\_\_\_\_\_  
Date

10-18-22  
\_\_\_\_\_  
Date

Attachment: Revised Appendix B  
Memorandum of Agreement for 2023 Insurance Contributions

## Appendix B – High Deductible Health Plan Option

### \*High Deductible Health Plan Options

For Plan Years Starting 2023	Smart Plan #1	Smart Plan #3	Smart Plan #7	Smart Plan #8
Deductible per Single <sup>2</sup>	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Person	\$ 3,000	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000
% Paid by Plan After Ded <sup>1</sup>	100%	100%	100%	100%
Out-of-Pkt Max per Single	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
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OOP Max per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000

\*All plans automatically index annually.

<sup>1</sup>After deductibles on all Smart plans, the Plan pays 100% of the cost of qualifying care received at Top Value providers, as well provides up to \$1,500 of travel benefit when used to see Top Value providers.

<sup>2</sup>Deductible need not be met first to receive benefits for preventive prescriptions on all Smart plans; instead, copays of either \$0 for generic or \$50 for brand-name drugs on the approved list will apply.



## Memorandum of Agreement

This Memorandum of Agreement (hereinafter, "MOA") is entered into between the City of Brainerd (hereinafter, "City") and International Brotherhood of Electrical Workers, Local No. 31 (hereinafter, "Union"), on behalf of the Public Utilities bargaining unit.

**WHEREAS**, the City and Union are parties to a 2021 – 2023 collective bargaining agreement (hereinafter, "CBA"), which, in Article 11, describes premium contributions to health insurance; and

**WHEREAS**, High Deductible Health Insurance Plan Options were agreed by the parties to be offered for 2023 and contribution splits for the employer and employee are needed for open enrollment purposes.

**NOW, THEREFORE, that the CITY AND THE UNION** as follows:

1. The Parties hereto agree to the following premium splits and Employer HSA contributions for the 2023 High Deductible Health Plan Smart Plan options as offered pursuant to Appendix B of the CBA:

<i>Smart Plan #1 - \$1,500 Health Plan</i>	<u>2023</u>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	95%
Family	80%
<u>Employee</u>	
Single	5%
Family	20%
<u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 1,000
Family	\$ 1,500

<i>Smart Plan #3 = \$3,000 Health Plan</i>	<u>2023</u>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	95%
Family	80%
<u>Employee</u>	
Single	5%
Family	20%
<u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 2,000
Family	\$ 2,500

<b>Smart Plan #7 - \$5,850 Health Plan</b>	<b>2023</b>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	97%
Family	85%
 <u>Employee</u>	
Single	3%
Family	15%
 <u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 2,250
Family	\$ 2,750

<b>Smart Plan #8 - \$7,500 Health Plan</b>	<b>2023</b>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	100%
Family	90%
 <u>Employee</u>	
Single	0%
Family	10%
 <u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 2,500
Family	\$ 3,000

2. All employer HSA contribution amounts described herein will be pro-rated based on a monthly contribution.
3. The division of premiums and HSA contributions described herein shall replace, and take precedence over, any CBA language including the previously agreed to Memorandum of Understanding describing 2023 premiums and HSA contributions.
4. The City agrees to "front-load" the first three months of the additional Employer HSA contribution for all employees by January 31<sup>st</sup> of 2023. Thereafter (effective April 1<sup>st</sup>), the amount will return and remain as a monthly contribution.
5. The City will provide an Opt-Out Option for eligible employees in lieu of the city's health insurance for 2023. If the eligible employee elects the Opt-Out payment for 2023, the monthly Opt-out taxable payment will be \$400 per month.

6. In the event this MOA will or does cause penalties, fees, fines, or excise taxes to be assessed against the City or employees, the parties agree to renegotiate this MOA in a manner that eliminates the penalties, fees, fines, or excise taxes.
7. This MOA represents the complete and total agreement between the City and the Union regarding the subject matter herein. The Parties agree that the MOA shall be in effect from January 1, 2023, through December 31, 2023, and shall sunset and cease to be effective on January 1, 2024.

IN WITNESS whereof the parties have hereunto set their hands the date and year affixed below.

FOR THE CITY OF BRAINERD

FOR INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, LOCAL NO. 31

\_\_\_\_\_  
Jennifer Bergman, City Administrator

  
\_\_\_\_\_  
Jordan Marquardt, Business Agent

\_\_\_\_\_  
Date:

10-18-23  
\_\_\_\_\_  
Date:

**MEMORANDUM OF AGREEMENT**  
**Between City of Brainerd (Employer)**  
**and**  
**International Brotherhood of Electrical Workers Local #31 (Union)**  
**Representing the Administrative Support bargaining unit**  
  
**(Amendment to Health Insurance Plan Option)**

This Memorandum of Agreement ("MOA") is entered into between the City of Brainerd (hereafter referred to as "the Employer") and the International Brotherhood of Electrical Workers Local #31 (hereafter referred to as the "Union"), which is the exclusive representative for the Administrative Support bargaining unit. The Employer and the Union will collectively be referred to as the "Parties."

**WHEREAS**, the Parties are parties to a labor agreement currently in effect January 1, 2021 to December 31, 2022 (hereinafter referred to as the "Collective Bargaining Agreement") governed by the Minnesota Public Employment Labor Relations Act (as amended); and

**WHEREAS**, the Collective Bargaining Agreement outlines a negotiated health insurance benefit; and

**WHEREAS**, the Employer is a member of The Better Health Collective, a cooperative purchasing group that seeks to utilize its multiple members as a means of obtaining health insurance benefits on more favorable terms than can be obtained as an individual employer; and

**WHEREAS**, The Better Health Collective operates a health insurance pool, of which the Employer is a member; and

**WHEREAS**, Minnesota Statute Section 471.6161, Subd. 5 provides as follows:

**Subd. 5. Collective bargaining.** The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits;

and

**WHEREAS**, Article 8, Section 10, of the Collective Bargaining Agreement describes the health insurance plan offered to employees; and

**WHEREAS**, the Parties wish to modify the existing health insurance plan option currently contained in the Collective Bargaining Agreement, to reflect the options specified in Appendix B hereto.

**NOW, THEREFORE**, the Employer and the Union agree as follows:

1. The Collective Bargaining Agreement is hereby modified by replacing the health insurance option identified in Article 8, Section 10, with a \$3,000 Deductible Plan (Smart Plan #3) and other health insurance options outlined in Appendix B.
2. To the extent that any said plan option described in Appendix B constitutes or may constitute a reduction in aggregate benefits as outlined in Minnesota Statutes, Section 471.6161, subd. 5, the Union hereby agrees to said reduction in benefits.
3. The Parties understand that, as stated in Appendix B, the deductibles are expected to increase annually in accordance with the plan's terms. The Parties agree that, to the extent that deductibles increase, such increases will be automatically incorporated into Appendix B and will take effect without any further amendment to the Collective Bargaining Agreement.
4. The Collective Bargaining Agreement is hereby further modified to include the attached Memorandum of Agreement detailing the 2023 Employer and Employee health insurance contributions for the period of January 1, 2023, to December 31, 2023, for all plan options described in Appendix B.
5. The remainder of the Collective Bargaining Agreement shall remain unaltered.
6. To the extent that this Memorandum of Agreement is inconsistent with the terms of the collective bargaining agreement, this Memorandum of Agreement will control.

**IN WITNESS WHEREOF**, the parties have executed this Memorandum of Agreement on this \_\_\_ day of \_\_\_\_\_, 2022.

FOR THE EMPLOYER

FOR THE UNION

\_\_\_\_\_  
Jennifer Bergman

  
\_\_\_\_\_  
Jordan Marquardt, Business Agent

\_\_\_\_\_  
Date

10-18-22  
\_\_\_\_\_  
Date

Attachment: Revised Appendix B  
Memorandum of Agreement for 2023 Insurance Contributions

## Appendix B – High Deductible Health Plan Option

### \*High Deductible Health Plan Options

For Plan Years Starting 2023	Smart Plan #1	Smart Plan #3	Smart Plan #7	Smart Plan #8
Deductible per Single <sup>2</sup>	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Person	\$ 3,000	\$ 3,000	\$ 5,850	\$ 7,500
Ded per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000
% Paid by Plan After Ded <sup>1</sup>	100%	100%	100%	100%
Out-of-Pkt Max per Single	Single Coverage Only=\$1,500	\$ 3,000	\$ 5,850	\$ 7,500
OOP Max per Family Person	\$ 3,000	\$ 3,000	\$ 5,850	\$ 7,500
OOP Max per Family Total	\$ 3,000	\$ 6,000	\$ 11,700	\$ 15,000

\*All plans automatically index annually.

<sup>1</sup>After deductibles on all Smart plans, the Plan pays 100% of the cost of qualifying care received at Top Value providers, as well provides up to \$1,500 of travel benefit when used to see Top Value providers.

<sup>2</sup>Deductible need not be met first to receive benefits for preventive prescriptions on all Smart plans; instead, copays of either \$0 for generic or \$50 for brand-name drugs on the approved list will apply.

## Memorandum of Agreement

This Memorandum of Agreement (hereinafter, "MOA") is entered into between the City of Brainerd (hereinafter, "City") and International Brotherhood of Electrical Workers, Local No. 31 (hereinafter, "Union"), on behalf of the Administrative Support bargaining unit.

WHEREAS, the City and Union are parties to a 2021 – 2022 collective bargaining agreement (hereinafter, "CBA"), which, in Article 8, describes premium contributions to health insurance; and

WHEREAS, High Deductible Health Insurance Plan Options were agreed by the parties to be offered for 2023 and contribution splits for the employer and employee are needed for open enrollment purposes.

NOW, THEREFORE, that the CITY AND THE UNION as follows:

1. The Parties hereto agree to the following premium splits and Employer HSA contributions for the 2023 High Deductible Health Plan Smart Plan options as offered pursuant to Appendix B of the CBA:

<i>Smart Plan #1 - \$1,500 Health Plan</i>	<u>2023</u>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	95%
Family	80%
<u>Employee</u>	
Single	5%
Family	20%
<u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 1,000
Family	\$ 1,500

<i>Smart Plan #3 = \$3,000 Health Plan</i>	<u>2023</u>
<u>% Contribution to Monthly Premium</u>	
<u>Employer</u>	
Single	95%
Family	80%
<u>Employee</u>	
Single	5%
Family	20%
<u>HSA Annual Contribution Amount</u>	
<u>Employer</u>	
Single	\$ 2,000
Family	\$ 2,500

<b>Smart Plan #7 - \$5,850 Health Plan</b>		<u>2023</u>
<u>% Contribution to Monthly Premium</u>		
<u>Employer</u>		
Single		97%
Family		85%
<u>Employee</u>		
Single		3%
Family		15%
<u>HSA Annual Contribution Amount</u>		
<u>Employer</u>		
Single		\$ 2,250
Family		\$ 2,750

<b>Smart Plan #8 - \$7,500 Health Plan</b>		<u>2023</u>
<u>% Contribution to Monthly Premium</u>		
<u>Employer</u>		
Single		100%
Family		90%
<u>Employee</u>		
Single		0%
Family		10%
<u>HSA Annual Contribution Amount</u>		
<u>Employer</u>		
Single		\$ 2,500
Family		\$ 3,000

2. All employer HSA contribution amounts described herein will be pro-rated based on a monthly contribution.
3. The division of premiums and HSA contributions described herein shall replace, and take precedence over, any CBA language describing premiums and HSA contributions.
4. The City agrees to "front-load" the first three months of the additional Employer HSA contribution for all employees by January 31<sup>st</sup> of 2023. Thereafter (effective April 1<sup>st</sup>), the amount will return and remain as a monthly contribution.
5. The City will provide an Opt-Out Option for eligible employees in lieu of the city's health insurance for 2023. If the eligible employee elects the Opt-Out payment for 2023, the monthly Opt-out taxable payment will be \$400 per month.



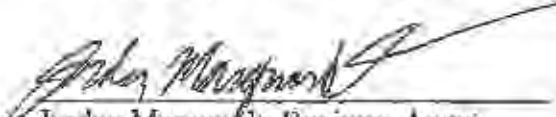
6. In the event this MOA will or does cause penalties, fees, fines, or excise taxes to be assessed against the City or employees, the parties agree to renegotiate this MOA in a manner that eliminates the penalties, fees, fines, or excise taxes.
7. This MOA represents the complete and total agreement between the City and the Union regarding the subject matter herein. The Parties agree that the MOA shall be in effect from January 1, 2023, through December 31, 2023, and shall sunset and cease to be effective on January 1, 2024.

IN WITNESS whereof the parties have hereunto set their hands the date and year affixed below.

FOR THE CITY OF BRAINERD

FOR INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, LOCAL NO. 31

\_\_\_\_\_  
Jennifer Bergman, City Administrator

  
\_\_\_\_\_  
Jordan Marquardt, Business Agent

\_\_\_\_\_  
Date:

10-18-23  
\_\_\_\_\_  
Date: