

**SETTLEMENT AGREEMENT
BETWEEN
MANCHESTER BY THE SEA (TOWN)
AND THE
MANCHESTER BY THE SEA POLICE OFFICERS (UNION)
(PATROLMEN AND SERGEANTS)**

WHEREAS, the Town and the Union entered into a Memorandum of Understanding dated May 23, 2017 on the terms of a new Collective Bargaining Agreement to be effective from July 1, 2017 through June 30, 2020 ("the MOU");

WHEREAS, Paragraph 14.5 of the MOU contained certain language regarding the health insurance premium contribution for employees hired prior to April 1, 2012;

WHEREAS, a dispute arose between the Town and the Union concerning the implementation of the language in Paragraph 14.5 of the MOU which led to the Union filing a Grievance and eventually a Demand For Arbitration dated July 24, 2017;

WHEREAS, the Town and the Union desire to clarify the meaning and implementation of Paragraph 14.5 of the MOU and to resolve any and all disputes that exist concerning same without resorting to litigation;

NOW, THEREFORE, having bargained collectively pursuant to Chapter 150E of the General Laws, the Town and the Union agree to the following terms and conditions:

1. Paragraph 14.5 of the MOU shall be rewritten and incorporated into the July 1, 2017 – June 30, 2020 Collective Bargaining Agreement as follows:

14.5: Re-write to specify that the premium contribution percentage for employees hired before July 1, 2011, will be calculated annually based on the annual percentage increase in the total premium cost. For any increase over 7.5%, such increase will be doubled and added to the employee premium contribution rate. The current plan's total premium cost is set and effective on a calendar year basis. Any premium contribution percentage increases will be implemented at the beginning of the following fiscal year. In no event shall employees hired before July 1, 2011 have their employee contribution rate increased above a 70% Town/30% Employee split unless otherwise negotiated. In the event that the employee contribution rate is increased pursuant to the

provisions of this Section, the parties agree that it shall be a permanent increase unless otherwise negotiated.

The calculation for whether there has been a total premium cost increase of greater than 7.5% will be performed by the parties when notification is received from the Health Insurance Carrier of the coming calendar year's premium cost. To perform the calculation, the total premium amount for all employees will be used. For example, assume the total premium amount in calendar year 1 is \$300,000. The total premium amount for calendar year two is set to be \$330,000. In that example, the total premium cost increased by 10%. Therefore, there was a 2.5% increase in the total premium cost over 7.5%. In this example, each employee's premium contribution percentage would be increased by 5%, with a corresponding decrease in the Town's premium contribution percentage.

Any premium contribution percentage increase will begin at the beginning of the fiscal year following the calculation. For example, should an increase in the total premium cost effective on January 1, 2018 result in a premium contribution percentage increase, then that contribution percentage increase would be effective beginning with fiscal year 2019 (July 1, 2018).

The annual calculation to determine the total premium cost increase will be adjusted based on any changes to employee coverage selections. For example, if an employee changes coverage from an individual plan to a family plan, the amount of that additional cost (based on the current year's costs) would not be used in the calculation. Similarly, if an employee dropped coverage, then that amount would not be deducted when performing the calculation. In order to further illustrate how the calculation shall be implemented, the parties have agreed to include the example on "Attachment A" as part of this Settlement Agreement.

2. The parties agree that the health insurance premium contribution split for employees hired prior to July 1, 2011 should have remained at 75%/25% as of July 1, 2017. Accordingly, within two (2) weeks after the execution of this Agreement, the Town shall reimburse the excess health insurance premiums that were paid by all employees who were hired prior to July 1, 2011 and who had their health insurance premium contribution split increased above 75%/25% as of July 1, 2017.

3. This Settlement Agreement fully resolves any and all disputes concerning Paragraph 14.5 of the MOU and the Grievance that the Union filed concerning same. The Union hereby agrees to withdraw its Demand For Arbitration with prejudice.
4. The parties agree to work together to prepare an integrated Collective Bargaining Agreement as soon as possible after the execution of this Agreement.

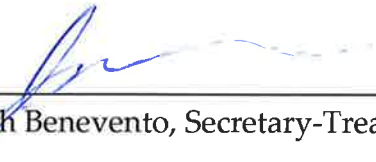
Signed in the Town of Manchester By The Sea on this 30th day of November, 2017.

MANCHESTER BY THE SEA

INTERNATIONAL BROTHERHOOD
OF TEAMSTERS, LOCAL 42

By: 

Gregory Fiederspel, Town Administrator

By: 

Joseph Benevento, Secretary-Treasurer

ATTACHMENT A

In this example, the Town and the Union are assuming that the Individual Plan in Year 1 is \$100, the Family Plan in Year 1 is \$290 and the Family Plan in Year 2 is \$300 and that Officer Smith is moving from an Individual Plan in Year 1 to a Family Plan in Year 2. The Town and the Union agree that the actual cost of the \$200 increase for Officer Smith moving from an Individual Plan in Year 1 to a Family Plan in Year 2 is not how the calculation shall be implemented. Instead, if an Officer switches plans, the parties will utilize the plan that he is switching to (i.e. going to either an Individual Plan or to a Family Plan) and assume that this is the plan that he was on during the previous year for cost comparison purposes. For example, assume that Officer Smith goes from an Individual Plan in Year 1 to a Family Plan in Year 2 as follows:

	<u>Year 1</u>	<u>Year 2</u>	<u>Increase</u>
Officer Smith	Individual \$100	Family \$300	\$200
	Family \$290	Family \$300	\$10

In this example, the Town and the Union would assume that Officer Smith was on a Family Plan in Year 1 (even though he was actually on an Individual Plan) and would then use the increased cost of the Family Plan from Year 1 to Year 2 which is \$10 in order to perform the calculation required by Section 14.5.