

MEMORANDUM OF AGREEMENT ("AGREEMENT")

BY AND BETWEEN

THE TOWN OF DOUGLAS ("TOWN")

AND

THE DOUGLAS TEACHERS ASSOCIATION; THE DOUGLAS POLICE OFFICERS ASSOCIATION, MASSCOP, LOCAL 150; DOUGLAS FIREFIGHTERS UNION; TEAMSTERS, LOCAL 170 (CUSTODIANS); TEAMSTERS, LOCAL 170 (CAFETERIA)

WHEREAS, on or about April 4, 2013, the Town of Douglas ("Town") and the Douglas Teachers Association ("DTA"), the Douglas Police Officers Association, MassCOP, Local 150 ("Local 150"), and Teamsters Union, Local 170 ("Local 170") (on behalf of the Douglas Firefighters, Custodians, and Cafeteria employees) (collectively, "the Unions") executed a Memorandum of Agreement ("MOA") concerning the health plans being offered by the Town in Fiscal Year 2014; and

WHEREAS, Paragraph 6 of the MOA provided that the agreement would have a term of three years and would be effective through and including June 30, 2016; and

WHEREAS, Paragraph 6 further provided that on or after January 1, 2016, the Town and the Unions would reconvene to discuss the Town's then-existing health plans following the Town's receipt of its health insurance plan renewal rates for Fiscal Year 2017; and

WHEREAS, the Town has received its renewal rates for Fiscal Year 2017 and said renewal rates are estimated to be an increase of 16.5% from the plan costs in Fiscal Year 2016; and

WHEREAS, the Town met with representatives of the bargaining units on the Insurance Advisory Committee to discuss the plans being offered for the upcoming Fiscal Year 2017; and

WHEREAS, at these meetings the Town presented those in attendance with possible changes to the Town's health plan offerings to avoid such an increase;

NOW THEREFORE, the Town and the Unions agree as follows:

1. Health Insurance Plan and Plan Design. Effective July 1, 2016, the Town's health plan and health plan design/cost-sharing shall be as set forth in the attached Exhibit "A", which attached hereto and incorporated by reference.
2. Mitigation. The Town shall offer subscribers to the Town's health plans a Health Savings Account ("HSA") for each year of this Agreement in exchange for accepting the changes to the Town's health plans that are set out in Exhibit "A", as set forth in this paragraph.

Active employees who enroll in the Town's health plan who are not Medicare subscribers shall receive a 50% reimbursement of the deductible applicable to the plan in which they subscribe, to be deposited into the subscriber's HSA. The reimbursement shall be deposited into the subscriber's HSA quarterly, in the payroll period following July 1, October 1, January 1, and April 1, of each Fiscal Year (2017-2019) of this Agreement. As such, family plan subscribers shall receive an annual HSA deposit of \$2,000 whereas individual plan subscribers shall receive a deposit of \$1,000. If a member switches from an individual plan to a family plan, or vice versa, at open enrollment or upon the occurrence of a qualifying event, they shall be eligible for the deposit amount that is applicable to the plan in which they enroll.

Active employees who enroll in the Town's health plan and are enrolled in Medicare are not eligible for the HSA set out above. They will, however, receive an annual stipend, paid out contemporaneously with the HSA, in the same amount as HSA, depending upon which plan (individual or family) they are enrolled in during that Fiscal Year. The stipend shall be processed through payroll and is subject to applicable taxes and deductions.

Subscribers to the Town's health plans may also deduct, on a pre-tax basis, wages due to them for purposes of depositing said wages in their respective HSA account up to the amounts allowable by law. Subscribers may authorize payroll deductions for this purpose starting in the payroll period following July 1 of each Fiscal Year of this agreement.

Subscribers to the Town's health plans are prohibited from maintaining both an HSA and their existing Flexible Spending Account ("FSA") under the new plan design effective July 1, 2016, pursuant to IRS Regulations. As the HSA for Fiscal Year 2017 begins on July 1, 2016, the FSA for subscribers to the Town's health plans shall cease thereon. Employees who are not subscribers in the Town's health plans will continue to be eligible to participate in both the FSA and Dependent Care Account ("DCA") offered by the Town. The Town's FSA/DCA program, however, shall be set on a Fiscal Year basis as of July 1, 2016. As such, all current participants in the FSA/DCA program that expires on August 31, 2016, must expend their existing balance on or before June 30, 2016. Existing non-subscribers eligibility for the FSA shall cease if the individual enrolls in the Town's health plan either during open enrollment or as the result of a qualifying event.

3. Open Enrollment. Open enrollment shall begin on April 25, 2016 and end on May 25, 2016. Notices regarding open enrollment shall include the terms of the new health insurance plan, employee premium rates for FY 2017, new plan design, and the health savings account arrangement. Subscribers shall be provided written notice of the change in provider, plan design, and health savings account arrangement with their paychecks. The Town shall schedule a minimum of three (3) informational meetings with representatives from Harvard Pilgrim concerning the new plans to be held at different times and locations in April 2016 so as to accommodate the various schedules of subscribers. The Town shall provide reasonable notice of the dates and times of these meetings. Any member of the bargaining units that are signatories to this agreement who intend to subscribe to the Town's health plan shall be required to attend at least one (1) of these meetings.

At the time of enrollment an enrollee in one of the Town's offered plans is required to bring dependent information (birth certificate, marriage certificate, adoption certification, guardianship certification, and/or divorce decree/agreement) to verify eligibility of dependent to be a plan participant. Members of the bargaining units who are signatories to this agreement who do not enroll in the Town's health plans during open enrollment for FY 2017, FY 2018, and/or FY 2019, shall execute a document acknowledging that they are a subscriber or dependent to another health plan and are waiving entitlement to coverage under the Town's health plans at the time of open enrollment. In the event the employee subsequently has a qualifying event whereupon they would be eligible to participate in the Town's health plans, the employee shall go to the Office of the Treasurer/Collector for enrollment information.

4. Ratification. This Agreement shall only be effective if all of the collective bargaining units, both school-side and Town-side, approve of the health insurance plan and plan design as set forth in Exhibit "A". Execution of this Agreement by the applicable representative of the collective bargaining units below shall be prima facie evidence of approval and acceptance of this Agreement by that respective bargaining unit.

5. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts. The substantial breach of any terms of this agreement by any party shall be subject to an action in Superior Court.

6. Binding Effects. This Agreement is binding on all subscribers and their representatives. Each signatory to this Agreement is authorized to bind the entity he/she represents.

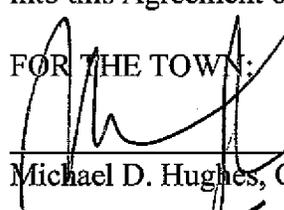
7. Duration. This Agreement shall become effective on July 1, 2016, and shall be effective by its own terms through and including June 30, 2019. On or about January 1, 2019, or reasonably soon after the date on which the Town receives its health insurance renewal rates for FY 2020, the parties shall reconvene to discuss the then-existing health plans offered by the Town and to discuss continuation of this Agreement. Notwithstanding the terms and conditions of this Agreement, the Town may still exercise its right to solicit bids for health insurance during the term of this Agreement for FY 2018 and FY 2019.

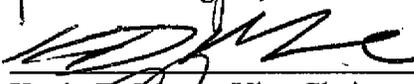
8. Moratorium. The Town shall not seek to make changes to the health plan design, or health savings account effective July 1, 2016, for the duration of this

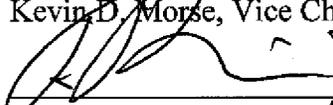
Agreement (i.e. July 1, 2016 – June 30, 2019) by exercising its rights under G.L. c. 32B, §§ 21-23.

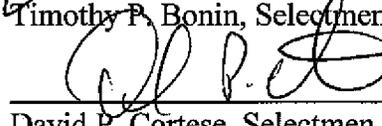
9. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to this subject matter. No other agreements, either written or oral, will be considered to exist or bind any of the parties with respect to the Town's health plan, plan design, or health savings account. No representative of any party to this Agreement had, or has, any authority to make any representation or promise not contained in this Agreement, and each of the parties to this Agreement acknowledge that such party has not executed this Agreement in reliance upon any such representation or promise. This Agreement cannot be modified, except by a written instrument signed by all parties to this Agreement. The parties acknowledge that they have thoroughly read this Agreement, that they understand its contents and covenants, and they are entering into this Agreement of their own free will.

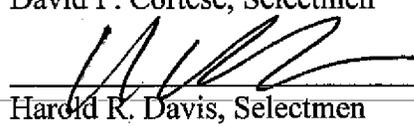
FOR THE TOWN:

 3/15/16
Michael D. Hughes, Chairman Date

 3/15/16
Kevin D. Morse, Vice Chair Date

 3/15/16
Timothy P. Bonin, Selectmen Date

 3/15/16
David P. Cortese, Selectmen Date

 3/15/16
Harold R. Davis, Selectmen Date

FOR THE DOUGLAS TEACHERS ASSOCIATION:

Nancy Dupre 3/18/16
Date

Julie Bertone 3-18-16
Date

FOR THE DOUGLAS POLICE UNION, MASSCOP LOCAL 150;

Date

FOR THE DOUGLAS FIREFIGHTERS:

Date

FOR TEAMSTERS, LOCAL 170 (CUSTODIANS):

Date

FOR TEAMSTERS, LOCAL 170 (CAFETERIA):

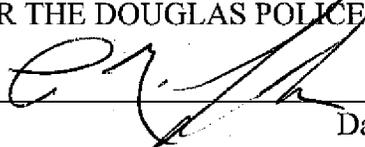
Date

FOR THE DOUGLAS TEACHERS ASSOCIATION:

Date

Date

FOR THE DOUGLAS POLICE UNION, MASSCOP LOCAL 150;

 03-23-16 Sgt. Aaron McLaughlin
Date President

FOR THE DOUGLAS FIREFIGHTERS:

Date

FOR TEAMSTERS, LOCAL 170 (CUSTODIANS):

Date

FOR TEAMSTERS, LOCAL 170 (CAFETERIA):

Date

FOR THE DOUGLAS TEACHERS ASSOCIATION:

Date

Date

FOR THE DOUGLAS POLICE UNION, MASSCOP LOCAL 150;

Date

FOR THE DOUGLAS FIREFIGHTERS:

Pauline LaRue 3-17-16

Date

ORIGINAL

FOR TEAMSTERS, LOCAL 170 (CUSTODIANS):

Date

FOR TEAMSTERS, LOCAL 170 (CAFETERIA):

Date

FOR THE DOUGLAS TEACHERS ASSOCIATION:

Date

Date

FOR THE DOUGLAS POLICE UNION, MASSCOP LOCAL 150;

Date

FOR THE DOUGLAS FIREFIGHTERS:

Date

FOR TEAMSTERS, LOCAL 170 (CUSTODIANS):

 8/23/16
Date

FOR TEAMSTERS, LOCAL 170 (CAFETERIA):

Date

ORIGINAL

FOR THE DOUGLAS TEACHERS ASSOCIATION:

Date

Date

FOR THE DOUGLAS POLICE UNION, MASSCOP LOCAL 150;

Date

FOR THE DOUGLAS FIREFIGHTERS:

Date

FOR TEAMSTERS, LOCAL 170 (CUSTODIANS):

Date

FOR TEAMSTERS, LOCAL 170 (CAFETERIA):

Robin Butler 3-23-14

Date