

MEMORANDUM OF UNDERSTANDING

Between The City of Rapid City and the Local 1031, Council 59, American Federation of State, County, and Municipal Employees AFL-CIO(General and Library); the Fraternal Order of Police South Dakota Lodge 2A; and the International Association of Firefighters Local 3959 regarding the Addendum to the City's Healthcare Plan.

WHEREAS, all parties recognize the need to amend the existing self-insured healthcare plan for City employees and retirees in order to preserve its solvency; and

WHEREAS, a resolution establishing employee contribution rates and retiree health insurance rates has been approved effective January 1, 2004; and

WHEREAS, the City of Rapid City has authorized the transfer of up to \$500,000 from the City's worker's compensation fund for the purpose of establishing a special reserve fund to insure the continued viability of the City's self-insured healthcare plan; and

WHEREAS, all parties agree that it is necessary to establish an additional temporary special health insurance assessment for the purpose of repaying the loan from the City's worker's compensation fund; and

WHEREAS, the temporary special health insurance assessment is intended to be an additional contribution toward the City's self-insured healthcare plan and shall be eligible as a contribution under the Section 125 Plan; and

WHEREAS, the parties agree that employees hired prior to 1982 shall participate in the special health insurance assessment.

NOW THEREFORE BE IT AGREED by parties as follows:

1. Effective January 1, 2004, each employee, employee family unit, retiree or retiree family unit, including those employees and retirees hired prior to 1982, shall pay a temporary special health insurance assessment to a special trust fund in the amount of \$15.00 per month. The City of Rapid City shall pay a temporary special health insurance assessment of \$45 for each employee, employee family unit, retiree or retiree family unit to the special trust fund.
2. The temporary special health insurance assessment paid by the employees, retirees the City shall be used to repay the loan from the City's worker's compensation fund.
3. The City of Rapid will make disbursements from this fund, not to exceed \$500,000.00 as deemed necessary by the parties; and
4. The temporary special health insurance assessment will be reviewed by the parties each month beginning in February, 2004, and continuing monthly through October, 2004. The temporary special health care assessment shall continue to be paid by the employees and the City

until the full amount of the loan actually transferred to the healthcare plan from the City's worker's compensation fund is fully repaid.

This Agreement is an Addendum to the collective bargaining agreements between the City of Rapid City and the Local 1031, Council 59, American Federation of State, County, and Municipal Employees AFL-CIO(General and Library); the Fraternal Order of Police South Dakota Lodge 2A; and the International Association of Firefighters Local 3959.

Dated this ____ day of _____, 2003.

CITY OF RAPID CITY

AFSCME Local 1031, Council 59

Mayor

ATTEST:

Fraternal Order of Police
South Dakota Lodge 2A

Finance Officer

International Association of Firefighters
Local 3959

(SEAL)