

Memorandum of Understanding

This Memorandum of Understanding is entered into between Law Enforcement Labor Services, Inc. ("LELS") and the City of Baxter ("City"). The parties have discussed the Health Care Savings Plan and have reached the understanding below.

1. The City shall establish a Health Care Savings Plan with the Minnesota State Retirement System for the members of LELS Local #312.
2. Employees shall contribute 100% of their eligible sick leave severance for deposit in the Health Care Savings Plan.
3. Employees shall contribute 100% of their vacation severance upon resignation or retirement for deposit in the Health Care Savings Plan.
4. Employees shall convert up to 20 hours of their accrued unused vacation in excess of their maximum annual accrual on December 31 for deposit in the Health Care Savings Plan.
5. The employer shall contribute \$20.00 on the first and second pay period of each month for deposit in the Health Care Savings Plan.
6. Employees shall contribute a percentage of pay for deposit in the Health Care Savings Plan as follows:

GROUP #1 - LELS employees with 20+ years\* of PERA eligible\*\* service  
(5% employee contribution)

GROUP #2 - LELS employees with 0 - 20 years of PERA eligible service  
(1% employee contribution)

\* Years of service for this agreement is determined by the total number of years which will be reached during the calendar year

\*\* Total of PERA eligible service for this agreement includes years of PERA eligible service prior to being a City of Baxter employee

This Memorandum of Understanding represents the complete understanding of the parties regarding the participation in the Health Care Savings Plan.

*For the City of Baxter:*

*For Law Enforcement Labor Services:*

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

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