

**MEMORANDUM OF AGREEMENT
CITY OF BAXTER and AFSCME LOCAL #689B
2027 High-Deductible Health Plan HSA Optional Benefit**

This Memorandum of Agreement is entered into between the City of Baxter (hereinafter "City" or "Employer") and AFSCME Local #689B (hereafter "Union").

WHEREAS, the City and the Union are parties to a collective bargaining agreement for January 1, 2026 through December 31, 2027; and

WHEREAS, the City wishes to offer a new High-Deductible Health Plan ("HDHP") HSA benefit option for employees on a pilot program basis for the 2027 calendar year.

NOW, THEREFORE, the City and the Union agree as follows:

1. The City will make the Better Health Collective's Sourcewell High-Deductible Health Plan HSA benefit Smart Plan 3 option (HDHP HSA) as an alternative optional benefit to eligible employees for the calendar year 2027 on a pilot program basis.
2. In addition to the Employer's contributions to premiums outlined in Article 16 Insurance, Section 1, Health and Hospitalization Insurance, the Employer shall provide benefit-eligible employees selecting a HDHP HSA Health Insurance Plan option, over the course of a full year of enrollment in the HSA Plan, with contributions based on the employee's employer-sponsored health insurance coverage election. Contributions for eligible HDHP HSA Health Insurance Plan participants shall be provided in accordance with the following schedule:

Single	\$1,750 annual contribution payable on a quarterly basis upon the completion of the quarter
Family	\$3,500 annual contribution payable on a quarterly basis upon the completion of the quarter
3. Employees will have the HDHP HSA as an alternative option to the City's current base plan. Employees have the option of enrolling in the HDHP HSA alternative or maintaining their existing coverage during open enrollment for 2027.
4. This Memorandum of Agreement applies solely to the offering of the Better Health Collective's Sourcewell High-Deductible Health Plan HSA benefit Smart Plan 3 option for calendar year 2027 and shall not establish a precedent for any future benefits, programs, or negotiations.
5. This Memorandum of Agreement represents the complete and total agreement between the parties regarding this matter.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement on the dates set forth by their respective signatures.

CITY OF BAXTER

AFSCME LOCAL #689B

Dated


Business Agent

10/14/26
Dated