

MEMORANDUM OF UNDERSTANDING
By and Between
The City of Lake Forest Park (the "City")
And
The Lake Forest Park Police Guild (the "Guild")

This Memorandum of Understanding by and between the City of Lake Forest Park and the Lake Forest Park Police Guild shall apply to employees covered by the Collective Bargaining Agreement ("CBA") that came into effect January 1, 2013 and is set to expire on December 31, 2015.

The parties hereby mutually agree that all terms and conditions of the aforementioned CBA, subject to the modifications agreed to below, shall continue in full force and effect through December 31, 2017 (*i.e.* a "two-year rollover"). All previous MOUs and Letters of Understanding signed by the parties shall also remain in effect.

2016 Wages: Effective January 1, 2016, the 2016 wage rates shall be increased by 100% of the June-to-June 2015 CPI-U Seattle/Tacoma/Bremerton, with a floor of 1.0% and a ceiling of 4.0%. Based on this formula, the wage increase applied shall be 1.6%.

2017 Wages: Effective January 1, 2017, the 2017 wage rates shall be increased by 100% of the June-to-June 2016 CPI-U Seattle/Tacoma/Bremerton, with a floor of 1.0% and a ceiling of 4.0%.

Health Insurance: The health insurance plan offerings and cost-sharing arrangement stated in the current CBA will remain unchanged for 2016 and 2017. However, the parties understand and accept that the current Group Health Plan 2 \$10 Co-Pay and HealthFirst plans offered by AWC will be terminated after December 31, 2017. In recognition of this, the parties agree to begin bargaining over a 2018 successor agreement early in 2017, and to make health insurance a priority item. The parties agree to make a good faith effort to reach an agreement in advance of the December 31, 2017 AWC plan termination deadline and in advance of any other health plan enrollment deadlines that might apply for coverage beginning on January 1, 2018.

Waiver for 2018 Health Coverage: In the event the parties are unable to ratify a 2018 successor agreement prior to December 31, 2017, the City has the right to automatically move Guild members to replacement AWC health plans for coverage beginning January 1, 2018. Guild members enrolled in Group Health Plan 2 \$10 Co-Pay will be moved to Group Health Plan 3 \$20 Co-Pay. Guild members enrolled in HealthFirst will be moved to HealthFirst 250. Group Health Plan 3 \$20 Co-Pay and HealthFirst 250 are designated the "AWC replacement plans." Following movement to the AWC replacement plans, the City will continue to pay 100% of the premium cost for employee coverage and 90% of the premium cost for spouse/dependent coverage, based on the lower cost plan of either Group Health Plan 3 \$20 Co-Pay or HealthFirst 250 (the lower cost plan being the "Funded Plan"). Any premium difference between the Funded Plan and the higher cost plan will be

paid solely by Guild members. Guild members enrolled in the Regence HDHP with HSA option will not be impacted. Cost-sharing for the Regence HDHP with HSA option will remain 100% paid by the City, and the City shall continue to make quarterly HSA contributions equal to the difference between the HDHP premium and the Funded Plan described above. The Guild agrees the City has the right to take action in accordance with this paragraph and will incur no financial liability as a result of moving Guild members to the replacement plans. The City agrees that Guild members will remain enrolled in health coverage during the transition and guarantees that health coverage will continue uninterrupted.

Health Insurance Bargaining Obligations for 2018 Coverage: In the event the City moves Guild members to the AWC replacement plans as described in the previous paragraph, the parties' bargaining obligation will continue. If the parties agree to remain enrolled in the AWC replacement plans for the duration of a 2018 successor agreement, then enrollment shall continue, subject only to bargaining of cost-sharing or other terms related to health coverage. If the parties agree to move to alternative plans different from the AWC replacement plans, then then Guild shall enroll during the first available enrollment period (subject to AWC's terms and conditions and the terms and conditions imposed by any other applicable health carrier). If the parties are unable to reach an agreement on health coverage for a 2018 successor agreement and proceed to interest arbitration, the arbitrator shall have the authority to decide health insurance plans, cost-sharing (including retroactive application), and any other terms related to health coverage. If the arbitrator awards movement to alternative plans different from the AWC replacement plans, the Guild shall enroll during the first available enrollment period following the date of the arbitrator's award (subject to AWC's terms and conditions and the terms and conditions imposed by any other applicable health carrier).

Signed this 13th day of November, 2015 at Lake Forest Park, Washington.

By Mary Jane Goss
Mary Jane Goss
Mayor

The City of Lake Forest Park

By JBA
Jackson Beard
Guild President

The Lake Forest Park Police Guild