CITY OF MINNEAPOLIS

and

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL NO. 292--- ELECTRICAL TECHNICIANS UNIT

LETTER OF AGREEMENT
Wellness Assessment Incentive

WHEREAS, the City of Minneapolis (hereinafter "Employer") and the International Brotherhood of Electrical Workers, Local No. 292—Electrical Technicians Unit (Bargaining Unit) (hereinafter "Union") are parties to a Collective Bargaining Agreement that is currently in force; and

WHEREAS, the parties recognize that a wellness program is an essential tool to contain long-term health care costs; and

WHEREAS, a key component to Medica's wellness program is participation in a Wellness Assessment questionnaire (the "Assessment"); and

WHEREAS, to increase participation levels in the Assessment, Medica has agreed to provide each member of the health plan 18 or older who completes the Assessment with a $25 gift card and to reduce the level of the 2009 premium increase by designated percentages if participation rates increase by at least 10% over the participation in 2007; and

WHEREAS, the premium savings with regard to employees of the City and the City could be as great as $300,000 if the increase in participation is at least 40% greater than the 2007 participation rate; and

WHEREAS, the greater the number of health plan members who participate in the Assessment, the greater the likelihood that serious and costly health conditions can be moderated or avoided, thereby reducing long-term health care costs for the City and its employees; and

WHEREAS, the City of Minneapolis is committed to investing a portion of its anticipated premium savings toward providing additional incentives to increase participation in the Assessment in order to maximize the level of available premium savings and achieve meaningful reductions in future health care costs;

NOW, THEREFORE BE IT RESOLVED, that the parties agree as follows with regard to the Assessment campaign to be conducted in March, 2008:

1. The City of Minneapolis will provide the following incentive (the "Incentive") to employees who are covered by one of the City's Medica health plans and who complete the Assessment on or before March 31, 2008:

    - An additional one-time, lump sum contribution to the employee's Health Reimbursement Account (HRA) in the amount of $75.00 with regard to an employee enrolled in single coverage; or

- An additional one-time, lump sum contribution to the employee's Health Reimbursement Account (HRA) in the amount of $100.00 with regard to an employee enrolled in family coverage when the employee and at least one other covered dependent over the age of 18 completes the assessment or when at least two covered dependents over the age of 18 complete the assessment; or
- An additional one-time, lump sum contribution to the employee's Health Reimbursement Account (HRA) in the amount of $75.00 with regard to an employee enrolled in family coverage if only the employee and no other covered dependent over the age of 18 completes the assessment or if only one covered dependent over the age of 18 completes the assessment.

2. The City's obligation to pay the Incentive to any employee is conditioned upon the timely completion of the Assessment by a number of the eligible population that represents an increase of at least 10% over the number of the eligible population that completed the Assessment in 2007; meaning that no Incentive shall be payable to any employee if there is not an increase in the number of eligible members who complete the Assessment of at least 10% over 2007.

3. The incentive will be deposited in the Health Reimbursement Account for contract holders during the first quarter of 2009.

4. This is a one-time incentive for participation in the March, 2008 Assessment campaign. Neither the existence nor the terms of this Incentive creates any obligation of the City to provide this or any incentive in the future. Future incentives, if any, must be separately negotiated by the parties.

5. Nothing herein shall modify or amend either the Collective Bargaining Agreement or the Letter Agreement regarding Health Insurance that exists between the parties.

6. The Incentive is not an element of the "aggregate value of the benefits," within the meaning of Minn. Stat. §471.6161, of any of the health insurance plans maintained by the City.

FOR THE CITY:

7-14-08

Timothy Giles, Director of Employee Services
City of Minneapolis

FOR THE UNION:

Ruben Ybarra, Business Representative
I.B.E.W. Local 292