



## RESOLUTION

### RESETTING THE EFFECTIVE DATE OF THE TEN PERCENT INCREASE IN EMPLOYEE CONTRIBUTIONS TO HEALTH INSURANCE TO OCTOBER 1, 2011 BY AMENDING THE MERIT PLAN AND APPROVING THE COST ITEMS OF THE ATTACHED SIDEBAR AGREEMENTS

### *CITY OF NASHUA*

*In the Year Two Thousand and Twelve*

**WHEREAS**, the city's merit employee rules and regulations were last amended by O-10-42, amended, and include the following health insurance language:

"City Contributions (effective July 1, 2011)

**HMO** the city contributes 80%, except the mayor may reduce the city's contribution for the direct administrative support staff in the mayor's office.

**Point of Service (POS)** the city contributes 70%, except the mayor may reduce the city's contribution for the direct administrative support staff in the mayor's office."

Pursuant to this language, the city's merit employees paid a ten percent (10%) increase in their employee contributions to health insurance starting July 1, 2011; and

**WHEREAS**, the AFSCME school custodian union, the school secretaries union, and the library employees union all agreed to collective bargaining agreements which required their members to pay a ten percent (10%) increase in their employee contributions to health insurance starting on or retroactive to July 1, 2011; and

**WHEREAS**, the teachers union and the school food services union both agreed to collective bargaining agreements which required their members to pay a ten percent (10%) increase in their employee contributions to health insurance starting on or retroactive to September 1, 2011; and

**WHEREAS**, the police non-affiliated employees and the school non-affiliated employees both paid a ten percent (10%) increase in their employee contributions to health insurance starting on or retroactive to October 1, 2011; and

**WHEREAS**, the fire union collective bargaining agreement provides that their members pay ten percent (10%) increases in their employee contributions to health insurance retroactive to October 1, 2011; and

## RESOLUTION

R-12-042

**WHEREAS**, in an effort to keep health insurance employee contribution increases comparable among all city employees, the city proposes “resetting” the starting date for increased employee contributions to health insurance to October 1, 2011, which would provide a universal fixed date for collective bargaining agreements that have not yet settled, and would prevent unions that settled contracts in a timely manner from being penalized.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Aldermen of the City of Nashua

**THAT** the merit employee rules and regulations are hereby further amended by changing the effective date of the health insurance city contributions language so that it now reads:

“City Contributions (effective October 1, 2011)

**HMO** the city contributes 80%, except the mayor may reduce the city’s contribution for the direct administrative support staff in the mayor’s office.

**Point of Service (POS)** the city contributes 70%, except the mayor may reduce the city’s contribution for the direct administrative support staff in the mayor’s office”;

These amendments to the merit employee rules and regulations will change the effective date of the ten percent (10%) increase in merit employee contributions to health insurance from July 1, 2011 to October 1, 2011; and

**THAT** the cost items of the attached sidebar agreements with the AFSCME school custodians union, the school secretaries union, and the library employees union, which change the effective date of the ten percent (10%) increase in employee contributions to health insurance from July 1, 2011 to October 1, 2011, are hereby approved; and

**THAT** the cost items of the attached sidebar agreements with the teachers union and the school food services union, which change the effective date of the ten percent (10%) increase in employee contributions to health insurance from September 1, 2011 to October 1, 2011, are hereby approved; and

**THAT** the previously paid 10% increase in employee health insurance contributions for those time periods will be returned only to active employee subscribers through a taxable credit to their on-going health insurance contributions, except that those members of the AFSCME school custodians union who reimbursed the City up front with direct “after tax” dollars for retroactive contributions will receive the previously paid 10% increase in employee health insurance contributions, for the time period of July 1, 2011 through September 30, 2011, through an accounts payable check, and the amount received will not be taxed.

**LEGISLATIVE YEAR 2012**

**RESOLUTION:** R-12-042

**PURPOSE:** Resetting the effective date of the ten percent increase in employee contributions to health insurance to October 1, 2011 by amending the merit plan and approving the cost items of the attached sidebar agreements

**SPONSOR(S):** Mayor Donnalee Lozeau

**COMMITTEE  
ASSIGNMENT:**

**FISCAL NOTE:** The cost analysis is attached. The funding amounts of these sidebars and the change to the merit plan rules and regulations will be charged to the employee benefits fund.

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**ANALYSIS**

This resolution approves the cost items of five collective bargaining agreement sidebars between the Nashua Board of Education and Nashua Public Library Board of Trustees and the school custodians, school secretaries, library employees, teachers, and school food service workers unions relative to resetting the effective date of the 10% increase in employee contributions to health insurance to October 1, 2011. The Board of Aldermen must vote whether or not to approve the cost items of these sidebars within thirty (30) days of receipt. RSA 273-A:3 II (c).

This resolution also amends the merit plan rules and regulations in the same way. Prior to the introduction of amendments to the merit employee rules and regulations by the Mayor, division directors and department heads shall have the opportunity to comment on the amendments.

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**Approved as to content,  
account structure, numbers,  
and amount:**

**Financial Services Division**

By: 

**Approved as to form:**

**Office of Corporation Counsel**

By: 

Date: 

**SIDEBAR AGREEMENT  
TO THE  
JULY 1, 2011 THROUGH JUNE 30, 2013  
COLLECTIVE BARGAINING AGREEMENT  
BETWEEN  
THE NASHUA BOARD OF EDUCATION  
AND**

**THE NASHUA SCHOOL CUSTODIAN UNION, LOCAL 365 / COUNCIL 93, AFSCME, AFL-  
CIO**

The parties to the above-referenced agreement hereby make the following supplementary agreement thereto.

**1. In Article XVII, Health Insurance:**

**Delete the sentence:**

**“Effective July 1, 2011 for eligible members, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”**

**Replace it with the following two sentences:**

**“Effective July 1, 2011 for eligible members, the City shall contribute 80% of the premium of option (a) and 90% of the premium of option (b). Effective October 1, 2011, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”**

**2. The previously paid 10% increase in employee health insurance contributions, for the time period of July 1, 2011 through September 30, 2011, will be returned only to active employee subscribers through a taxable credit to their on-going health insurance contributions.**

**3. Those members who reimbursed the City up front with direct “after tax” dollars for retroactive contributions will receive the previously paid 10% increase in employee health insurance contributions, for the time period of July 1, 2011 through September 30, 2011, through an accounts payable check, and the amount received will not be taxed.**

**Agreed to:**

**For the Nashua School Custodian Union:**

**For the Nashua Board of Education:**

\_\_\_\_\_

\_\_\_\_\_

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

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

SIDEBAR AGREEMENT  
TO THE  
JULY 1, 2011 THROUGH JUNE 30, 2013  
COLLECTIVE BARGAINING AGREEMENT  
BETWEEN  
THE NASHUA BOARD OF EDUCATION  
AND  
THE UNIT C SECRETARIES NASHUA TEACHERS UNION, LOCAL 1044, AFT, AFL-CIO

The parties to the above-referenced agreement hereby make the following supplementary agreement thereto.

1. In Article V, Supplemental Benefits, Section 5:4, Health Benefits:

Delete the sentence:

“Effective July 1, 2011 for eligible members, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”

Replace it with the following two sentences:

“Effective July 1, 2011 for eligible members, the City shall contribute 80% of the premium of option (a) and 90% of the premium of option (b). Effective October 1, 2011, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”

2. The previously paid 10% increase in employee health insurance contributions, for the time period of July 1, 2011 through September 30, 2011, will be returned only to active employee subscribers through a taxable credit to their on-going health insurance contributions.

Agreed to:

For the Unit C Secretaries Nashua Teachers  
Union:

For the Nashua Board of Education:

\_\_\_\_\_

\_\_\_\_\_

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

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

SIDEBAR AGREEMENT  
TO THE  
JULY 1, 2011 THROUGH JUNE 30, 2013  
COLLECTIVE BARGAINING AGREEMENT  
BETWEEN  
THE NASHUA PUBLIC LIBRARY BOARD OF TRUSTEES  
AND  
THE NASHUA PUBLIC LIBRARY EMPLOYEES, AFT, FPE, LOCAL #4831

The parties to the above-referenced agreement hereby make the following supplementary agreement thereto.

1. In Article 21, Health Insurance, City Contribution section:

Delete the sentence:

“Effective July 1, 2011 for eligible members, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”

Replace it with the following two sentences:

“Effective July 1, 2011 for eligible members, the City shall contribute 80% of the premium of option (a) and 90% of the premium of option (b). Effective October 1, 2011, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”

2. The previously paid 10% increase in employee health insurance contributions, for the time period of July 1, 2011 through September 30, 2011, will be returned only to active employee subscribers through a taxable credit to their on-going health insurance contributions.

Agreed to:

For the Nashua Public Library Employees  
Union:

For the Nashua Public Library Board  
of Trustees:

\_\_\_\_\_

\_\_\_\_\_

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

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

**SIDEBAR AGREEMENT  
TO THE  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2013  
COLLECTIVE BARGAINING AGREEMENT  
BETWEEN  
THE NASHUA BOARD OF EDUCATION  
AND  
THE UNIT A NASHUA TEACHERS UNION, LOCAL 1044, AFT, AFL-CIO**

The parties to the above-referenced agreement hereby make the following supplementary agreement thereto.

1. In Article V, Supplemental Benefits, Section 5:3, Health Insurance:

Delete the sentence:

“Effective September 1, 2011 for eligible members, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”

Replace it with the following two sentences:

“Effective September 1, 2011 for eligible members, the City shall contribute 80% of the premium of option (a) and 90% of the premium of option (b). Effective October 1, 2011, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”

2. The previously paid 10% increase in employee health insurance contributions, for the time period of September 1, 2011 through September 30, 2011, will be returned only to active employee subscribers through a taxable credit to their on-going health insurance contributions.

Agreed to:

For the Nashua Teachers Union:

For the Nashua Board of Education:

\_\_\_\_\_

\_\_\_\_\_

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

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

SIDEBAR AGREEMENT  
TO THE  
SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2013  
COLLECTIVE BARGAINING AGREEMENT  
BETWEEN  
THE NASHUA BOARD OF EDUCATION  
AND  
THE UNIT D FOOD SERVICE WORKERS NASHUA TEACHERS UNION,  
LOCAL 1044, AFT, AFL-CIO

The parties to the above-referenced agreement hereby make the following supplementary agreement thereto.

1. In Article V, Supplemental Benefits, Section 5:3, Health Insurance:

Delete the sentence:

“Effective September 1, 2011 for eligible members, the City shall contribute 70% of the premium for option (a) Point of Service Plan and 80% of the premium for option (b) HMO Plan.”

Replace it with the following two sentences:

“Effective September 1, 2011 for eligible members, the City shall contribute 83% of the premium of option (a) and 90% of the premium of option (b). Effective October 1, 2011, the City shall contribute 70% of the premium of option (a) and 80% of the premium of option (b).”

2. The previously paid 10% increase in employee health insurance contributions, for the time period of September 1, 2011 through September 30, 2011, will be returned only to active employee subscribers through a taxable credit to their on-going health insurance contributions.

Agreed to:

For the Unit D Food Service Workers Nashua  
Teachers Union:

For the Nashua Board of Education:

\_\_\_\_\_

\_\_\_\_\_

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

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



**City of Nashua**  
**Analysis of Employee Subscriber Contributions**  
**July - September 2011**  
**Custodians**

<u>Line No.</u>	<u>Description</u>	<u>Number of Subscribers</u>	<u>Additional Weekly Contribution (A)</u>	<u>Number of Weeks Prior to October 1, 2012</u>	<u>Estimated Return of Contributions</u>	<u>Per Subscriber Estimated Return of Contributions</u>
1	Anthem HMO					
2	Single	31 \$	15.21	13 \$	6,130 \$	198
3	2 Person	34 \$	30.65	13 \$	13,546 \$	398
4	Family	26 \$	40.97	13 \$	13,847 \$	533
5						
6	Anthem POS					
7	Single	1 \$	16.47	13 \$	214 \$	214
8	2 Person	- \$	33.18	13 \$	- \$	-
9	Family	1 \$	44.43	13 \$	578 \$	578
10						
11	Harvard HMO					
12	Single	9 \$	15.88	13 \$	1,858 \$	206
13	2 Person	9 \$	32.04	13 \$	3,749 \$	417
14	Family	9 \$	42.86	13 \$	5,014 \$	557
15						
16	<b>Total</b>	<b>120</b>			<b>\$ 44,936</b>	
17						

**Note A - Blended Rate - 8 weeks at Phase 1 Rate (without Plan Design) and 5 weeks at Phase 2 Rate (with Plan Design)**

City of Nashua  
 Analysis of Employee Subscriber Contributions  
 July - September 2011  
 Library

Line No.	Description	Number of Subscribers	Additional Weekly Contribution (A)	Number of Weeks Prior to October 1, 2012	Estimated Return of Contributions	Per Subscriber Estimated Return of Contributions
1	Anthem HMO					
2	Single	4	15.21	13	791	198
3	2 Person	6	30.65	13	2,390	398
4	Family	6	40.97	13	3,196	533
5						
6	Anthem POS					
7	Single	2	16.47	13	428	214
8	2 Person	1	33.18	13	431	431
9	Family	-	44.43	13	-	-
10						
11	Harvard HMO					
12	Single	6	15.88	13	1,238	206
13	2 Person	1	32.04	13	417	417
14	Family	6	42.86	13	3,343	557
15						
16	Total	32			\$ 12,234	
17						

Note A - Blended Rate - 8 weeks at Phase 1 Rate (without Plan Design) and 5 weeks at Phase 2 Rate (with Plan Design)

**City of Nashua**  
**Analysis of Employee Subscriber Contributions**  
**July - September 2011**  
**Secretaries**

<u>Line No.</u>	<u>Description</u>	<u>Number of Subscribers</u>	<u>Additional Weekly Contribution (A)</u>	<u>Number of Weeks Prior to October 1, 2012</u>	<u>Estimated Return of Contributions</u>	<u>Per Subscriber Estimated Return of Contributions</u>
1	Anthem HMO					
2	Single	11	15.21	13	2,175	198
3	2 Person	20	30.65	13	7,968	398
4	Family	15	40.97	13	7,989	533
5						
6	Anthem POS					
7	Single	1	16.47	13	214	214
8	2 Person	2	33.18	13	863	431
9	Family	1	44.43	13	578	578
10						
11	Harvard HMO					
12	Single	4	15.88	13	826	206
13	2 Person	5	32.04	13	2,083	417
14	Family	5	42.86	13	2,786	557
15						
16	<b>Total</b>	<b>64</b>			<b>\$ 25,481</b>	
17						

**Note A - Blended Rate - 8 weeks at Phase 1 Rate (without Plan Design) and 5 weeks at Phase 2 Rate (with Plan Design)**

**City of Nashua**  
**Analysis of Employee Subscriber Contributions**  
**September 2011**  
**Teachers**

Line No.	Description	Number of Subscribers	Additional Bi-Weekly Contribution	Number of Pays Prior to <u>October 1, 2012</u>	Estimated Return of Contributions	Per Subscriber Estimated Return of Contributions
1	Anthem HMO					
2	Single	145 \$	28.28	3 \$	12,302 \$	85
3	2 Person	121 \$	56.96	3 \$	20,676 \$	171
4	Family	292 \$	76.14	3 \$	66,699 \$	228
5						
6	Anthem POS					
7	Single	23 \$	29.38	3 \$	2,027 \$	88
8	2 Person	27 \$	59.16	3 \$	4,792 \$	177
9	Family	47 \$	79.22	3 \$	11,170 \$	238
10						
11	Harvard HMO					
12	Single	40 \$	29.50	3 \$	3,540 \$	89
13	2 Person	29 \$	59.56	3 \$	5,182 \$	179
14	Family	88 \$	79.66	3 \$	21,030 \$	239
15						
16	<b>Total</b>	<b>812</b>			<b>\$ 147,418</b>	

City of Nashua  
 Analysis of Employee Subscriber Contributions  
 September 2011  
 Food Service

Line No.	Description	Number of Subscribers	Additional Weekly Contribution	Number of Weeks Prior to October 1, 2012	Estimated Return of Contributions	Per Subscriber Estimated Return of Contributions
1	Anthem HMO					
2	Single	2	\$ 14.14	5	\$ 141	\$ 71
3	2 Person	6	\$ 28.48	5	\$ 854	\$ 142
4	Family	7	\$ 38.07	5	\$ 1,332	\$ 190
5						
6	Anthem POS					
7	Single	-	\$ 14.69	5	\$ -	\$ -
8	2 Person	-	\$ 29.58	5	\$ -	\$ -
9	Family	-	\$ 39.61	5	\$ -	\$ -
10						
11	Harvard HMO					
12	Single	-	\$ 14.75	5	\$ -	\$ -
13	2 Person	2	\$ 29.78	5	\$ 298	\$ 149
14	Family	-	\$ 39.83	5	\$ -	\$ -
15						
16	Total	<u>17</u>			<u>\$ 2,626</u>	

City of Nashua  
 Analysis of Employee Subscriber Contributions  
 July - September 2011  
 Merit

Line No.	Description	Number of Subscribers	Additional Weekly Contribution (A)	Number of Weeks Prior to October 1, 2012	Estimated Return of Contributions	Per Subscriber Estimated Return of Contributions
1	Anthem HMO					
2	Single	19	15.21	13	3,757	198
3	2 Person	23	30.65	13	9,163	398
4	Family	35	40.97	13	18,641	533
5						
6	Anthem POS					
7	Single	-	16.47	13	-	-
8	2 Person	-	33.18	13	-	-
9	Family	-	44.43	13	-	-
10						
11	Harvard HMO					
12	Single	6	15.88	13	1,238	206
13	2 Person	3	32.04	13	1,250	417
14	Family	11	42.86	13	6,129	557
15						
16	Total	97			\$ 40,178	

Note A - Blended Rate - 8 weeks at Phase 1 Rate (without Plan Design) and 5 weeks at Phase 2 Rate (with Plan Design)

**RESOLUTION** **R-12-042**  
**Resetting the effective date of the**  
**ten percent increase in employee**  
**contributions to health insurance**  
**to October 1, 2011 by amending the**  
**merit plan and approving the cost**  
**items of the attached sidebar**  
**agreements**

Endorsed by  
*Maiale Logan*

MAYOR

TABACSKO  
MELIZZI-  
COLJA

**IN THE BOARD OF ALDERMEN**

1<sup>ST</sup> READING MAY 22, 2012

Referred to:

BUDGET REVIEW COMMITTEE

2<sup>ND</sup> Reading JUNE 12, 2012

3<sup>RD</sup> Reading \_\_\_\_\_

4<sup>TH</sup> Reading \_\_\_\_\_

Other Action \_\_\_\_\_

Passed JUNE 12, 2012

Indefinitely Postponed \_\_\_\_\_

Defeated \_\_\_\_\_

Attest: *Scott Beyerson* City Clerk

*Eric Miller* President

Approved *Maiale Logan* Mayor's Signature

June 13, 2012  
Date

Vetoed: \_\_\_\_\_

Veto Sustained: \_\_\_\_\_

Veto Overridden: \_\_\_\_\_

Attest: \_\_\_\_\_

City Clerk

President