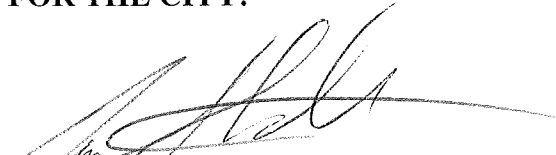


**MEMORADUM OF AGREEMENT
BETWEEN
THE CITY OF SAINT PAUL
AND
PROFESSIONAL EMPLOYEES ASSOCIATION, Inc.
FOR
2011 AND 2012 WAGES AND HEALTH INSURANCE**

This MOA is entered into by the City of Saint Paul and Professional Employees Association, Inc. for the purpose of establishing wage and health insurance contribution rates for 2011 and 2012. The terms of this MOA shall be included in the succeeding collective bargaining agreement between the Union and the City.

- 1) There shall be no wage increase for 2011 or 2012.
- 2) City agrees to continue to pay the administrative costs for FSAs and HRA. Employees continue to pay the administrative fee for debit cards.
- 3) Health insurance: the City will contribute 100% of the increase in premium for the High Deductible Single and High Deductible Family in each year of the agreement. Employer contributions to the other plans remain at the current level. These rates will be implemented effective January 1, 2011.
- 4) Any subsequent negotiations over economic items in individual collective bargaining agreements will be costed against the contract or negotiated on a quid pro quo basis.
- 5) VEBA contribution remains at \$75 per month for Single High Deductible.

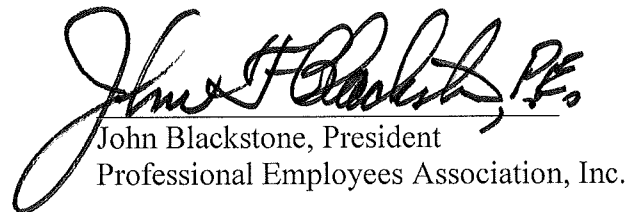
FOR THE CITY:



Jason Schmidt
Labor Relations Manager

DATE: 10/13/10

FOR THE UNION:



John Blackstone, President
Professional Employees Association, Inc.

DATE: October 13, 2010