

**A SIDE LETTER AGREEMENT BETWEEN THE VILLAGE OF PALATINE
AND INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 150
REGARDING THE REOPENER FOR 2015**

THIS SIDE LETTER AGREEMENT is entered into between the VILLAGE OF PALATINE (hereinafter the "Village") and the INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 150, PUBLIC EMPLOYEES DIVISION (hereinafter the "Union").

WHEREAS, the Village and the Union have entered into a collective bargaining agreement which governs the wages, hours and terms and conditions of employment for certain full-time and regular part-time employees of the Village's Public Works Department, which collective bargaining agreement covers the period from January 1, 2013 to December 31, 2015 (hereinafter the "Agreement"); and

WHEREAS, pursuant to Article XXX of said Agreement, either party could request to reopen negotiations regarding Sections 12.3, 13.1 and/or 14.1 for the contract year commencing January 1, 2015; and

WHEREAS, the Union, by letter dated May 23, 2014, exercised its right to reopen negotiations pursuant to Article XXX; and

WHEREAS, the Village and the Union have engaged in collective bargaining pursuant to the provisions of Article XXX and have agreed to amend certain terms of the Agreement, as set forth hereinafter.

NOW, THEREFORE, IT IS AGREED by the Village and the Union that the Agreement be amended as follows:

1. The 2015 Salary Schedule contained in Appendix A is hereby amended, as set forth in Exhibit "A", attached hereto and made a part hereof.
2. Section 14.1, entitled "Health Insurance," is hereby amended as follows:

Section 14.1 - Health Insurance:

All covered employees shall remain ineligible for the Village's health, prescription, dental and life insurance plans and they will no longer be eligible to participate in the Village's flexible spending plans. Full-time bargaining unit employees will participate in the health and dental insurance plans administered by the Midwest Operating Engineers Health and Welfare Fund ("Fund") without exclusions on the basis of active working status, hospital confinement or conditions either treated or untreated prior to the effective date of coverage. Effective January 1, 2013, the Village will contribute towards health insurance premiums for eligible covered employees enrolled in the Fund Plan at the rate of one thousand, five hundred seventy-five dollars (\$1,575) per month for family coverage and six hundred and sixty (\$660) per month for single coverage. Effective January 1, 2014, the Village will increase premium contributions to one thousand, six hundred seventy-five dollars (\$1,675) per month for family coverage and to six hundred seventy-five dollars (\$675) per month for single coverage. For 2014, it is anticipated that the Fund Plan family rate and single rate will be greater than the Village of Palatine family plan rate and single plan rate. In lieu of the Fund Plan rate being capped at the employer contribution for the Village of Palatine plan rates, the bargaining unit members have agreed to a wage reduction for 2014, which has been agreed by the parties to approximate the difference between the Fund Plan rate effective January 1, 2014 and the anticipated Employer's contribution for the Village of Palatine Plan, effective January 1, 2014. Such wage reduction for contract year 2014 is in the amount of one and one-half percent (1.5%) of the base wage of the bargaining unit members, which reduction has been taken into account by the parties in the base salary for 2014, as set forth in Section 13.1 and Appendix A of this Agreement.

At implementation, if the Employer's actual contribution, effective January 1, 2014, for the Village's Health Insurance Plan Family Rate for non-Local 150-represented employees and their families is more than one thousand five hundred ninety-two dollars (\$1,592) per month, then the actual amount of the Village's contribution in excess of one thousand five hundred ninety-two dollars (\$1,592) per month for the Village's Health Insurance Plan Family Rate shall be restored to the bargaining unit members as wages effective January 1, 2014, but the amount of wages restored shall not exceed one and one-half percent (1.5%) of the total base wages for bargaining unit members for the calendar year 2013. The purpose of the wage reduction and potential restoration of wages is to carry out the parties' agreement that the effective Fund Plan rate paid by the Village (*i.e.*, the actual insurance premiums paid less any wage reduction) will be capped at the Employer's contribution for the Village of Palatine Family Plan Rate or the Single Plan Rate for non-Local 150-represented employees, whichever is applicable.

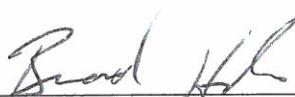
Effective January 1, 2015, the Village's premium contribution will remain at one thousand six hundred seventy-five dollars (\$1,675) per month for family coverage and six hundred seventy-five dollars (\$675) per month for single coverage, and the Village agrees to waive its right to seek a wage reduction equal to the difference between the Fund Plan rate, effective January 1, 2015, and the Village's contribution to the Village of Palatine Plan, effective January 1, 2015, which wage reduction would have been in lieu of the Fund Plan rate being capped at the Employer's contribution for the Village of Palatine Plan rate.

All additional premium costs during the term of this agreement (if any) shall be borne exclusively by the covered employees. The Union agrees to provide the covered employees health insurance and the Village agrees to remit payment on a monthly basis. Unless mutually agreed to otherwise, the Village will provide the Union the insurance premium amounts on the tenth (10th) day of the month preceding the coverage month (*i.e.*, February premium payment paid by January 10th).

3. The remaining terms and provisions of the Agreement shall remain as set forth in the Agreement.

IN WITNESS WHEREOF, the Village and the Union have executed this Side Letter Agreement on the dates set forth hereinafter.

VILLAGE OF PALATINE



Village Mayor Pro Tem

Date: 12/15/14



Village Clerk

Date: 12/15/14

INTERNATIONAL UNION OF
OPERATING ENGINEERS LOCAL NO.
150, PUBLIC EMPLOYEES DIVISION

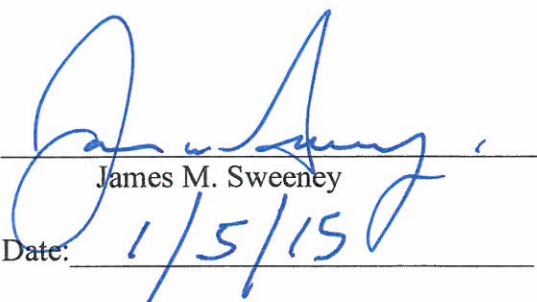
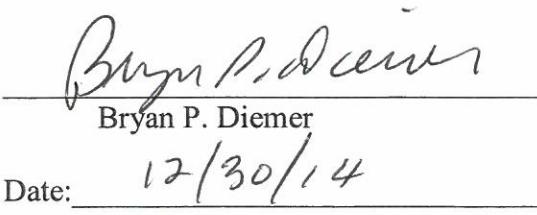

James M. Sweeney
Date: 1/5/15
Bryan P. Diemer
Date: 12/30/14

EXHIBIT "A"

2015 Salary Schedule

Position	2015 SALARY SCHEDULE							
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Asst Bldg Engineer 1	21.32	22.34	24.11	25.27	26.48	27.75	28.72	29.73
Maintenance 1	21.71	22.75	24.56	25.74	26.98	28.28	29.27	30.29
Supply Controller	22.77	23.86	25.75	26.99	28.29	29.65	30.69	31.76
Mechanic 1	24.58	25.76	27.81	29.15	30.55	32.02	33.14	34.30
Utility Tech 1	24.67	25.85	27.90	29.24	30.64	32.11	33.23	34.39
Maintenance 2	24.80	25.99	28.05	29.40	30.81	32.29	33.42	34.59
Asst Bldg Engineer 2	24.80	25.99	28.05	29.40	30.81	32.29	33.42	34.59
Unassigned	24.86	26.05	28.12	29.47	30.88	32.36	33.49	34.66
Utility/Meter Service	25.09	26.29	28.38	29.74	31.17	32.67	33.81	34.99
Utility Tech 2	25.09	26.29	28.38	29.74	31.17	32.67	33.81	34.99
Team Leader	26.81	28.10	30.33	31.79	33.32	34.92	36.14	37.41
Acting Team Leader	26.81	28.10	30.33	31.79	33.32	34.92	36.14	37.41
Electrician	26.80	28.09	30.32	31.78	33.31	34.91	36.13	37.39
Mechanic 2	27.16	28.46	30.72	32.19	33.73	35.35	36.59	37.87
Technical Team Leader	27.67	29.00	31.30	32.80	34.37	36.02	37.28	38.58

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, MARGARET R. DUER, do hereby certify that I am the duly elected, qualified and acting Clerk of the Village of Palatine, Cook County, Illinois, and that I am the keeper of the records, journals, entries, ordinances and resolutions of the said Village of Palatine.

I do further certify that the foregoing Resolution is a true and correct copy of a Resolution passed and adopted by the Village Council of the Village of Palatine at a Regular meeting held on the 15th day of December, 20¹⁴, and that said resolution was deposited and filed in the office of the Village Clerk on the 15th day of December, 20¹⁴.

I do further certify that the original of which the foregoing is a true copy, is entrusted to my care for safekeeping and that I am the keeper of the same.

I further certify that the vote of the Village Council on the motion to adopt said resolution was as follows:

AYES: 5 NAYS: 0 ABSENT: 1 PASS: 0

BY WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Palatine this 18th day of December, 20¹⁴.



Margaret R. Duer
Palatine Village Clerk

(S E A L)