STATE OF OHIO

STATE EMPLOYMENT RELATIONS BOARD

In the Matter of Conciliation Between:	)	
	)	
Fraternal Order of Police, Lodge 25	)	09-MED-09-0955 & 0957
	)	
-And-	)	
	)	Conciliator:
City of Lakewood, Ohio	)	John T. Meredith

FINDINGS, OPINION AND AWARD
ISSUED DECEMBER 2, 2010

INTRODUCTION

The parties to this Conciliation proceeding are the Fraternal Order of Police, Lodge 25 and the City of Lakewood, OH. The bargaining unit consists of all regular full-time employees employed in the Police Department in the positions of patrol officer, sergeant, lieutenant and captain, a group of approximately 90 employees. The subject Agreement will be a successor to the January 1, 2007 – December 31, 2009 Agreement between the parties.

The parties initiated collective bargaining for the successor Agreement but were unable to resolve all issues. Daniel Zeiser was selected by the parties to serve as Fact-Finder, and he conducted a fact-finding hearing on August 10, 2010. Mr. Zeiser issued his Fact-Finding Report on September 3, 2010. This Report was rejected by the Union, and accordingly, by letter dated September 28, 2010, SERB appointed the undersigned, John T. Meredith, to serve as Conciliator.

A hearing was held on November 19, 2010 to take evidence on the following unresolved issues: wages, proficiency pay, medical insurance, attendance bonus, and union leave. Prior to the hearing, the parties timely submitted their Position Statements to the Conciliator. At the hearing, they confirmed their agreement to a three-year agreement through December 31, 2012. Further, since they have no retroactivity agreement in effect, they acknowledged that changes in economic impact items, including proficiency pay and medical insurance as well as wages, would have to be made effective on January 1, 2011, see R.C 4117.14(G)(11). The hearing was conducted in accordance with Ohio Collective Bargaining Law and applicable SERB Rules and Regulations. Witnesses testified, and the parties and their advocates also presented arguments and numerous documentary exhibits. The parties waived stenographic transcription of the hearing, and agreed to accept the written exhibits and Conciliator's notes as the record in event of an appeal.

Appearing for the Union at the hearing were: Robert Phillips, Attorney, and Sgt. Steve Spaetzel and Officers William McCarthy, Jeff Robinson and Robert Zbydnowski, Lodge 25 representatives. The Union also presented testimony from an "expert witness," Mary Schultz, CPA, of Sargent and Associates. Appearing for the City at the hearing were: Jon Dileno, Attorney, Jean Yousefi, Human Resources Director, Norma Hurley, Law Director, Jennifer Pae, Finance Director, and Chief Timothy Malley.

The Conciliator has now resolved each issue by selecting the final offer of one of the parties. In making his decisions and issuing his Award, the Conciliator has given consideration to the following criteria prescribed by Ohio Collective Bargaining Law and listed in SERB Rule 4117-09-05:

(1) Past collective bargaining agreements, if any, between the parties;
(2) Comparison of the unresolved issues relative to the employees in the bargaining unit with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved.
(3) The interest and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service.
(4) The lawful authority of the public employer;
(5) Any stipulations of the parties;
(6) Such other factors, not confined to those listed above, which are normally or traditionally taken into consideration in determination of issues submitted to mutually agreed-upon dispute settlement procedures in the public service or in private employment.

"Other factors" noted in the sixth criteria include the common practice among conciliators of giving very significant weight to well-reasoned recommendations of the Fact-Finding Report issued in the case, absent change in circumstances or material new evidence. (See, for example: City of Lakewood and IAFF, SERB Case No. 00-MED-04-0952 (Dennis Byrne); City of Warren and OPBA, SERB Case No. 2006-MED-10-1267 (Harry Graham); City of Medina and OPBA, SERB Case No. 05-MED-08-0785 (Alan Miles Rubin). "Other factors" also may include the recognized desirability of uniform City-wide insurance specifications and equitable treatment among the various groups of City employees.

BACKGROUND

A. City Profile and Finances

Lakewood is a large inner ring suburb just west of Cleveland, OH. It's population exceeds 50,000 persons. Though primarily a residential community, it does have some appreciable commercial development.

Eight years ago, Lakewood appeared to be in a comfortable financial position. It finished 2002 with a General Fund balance of $6.307,680. Revenues for that year were $33,413,162, compared to expenditures of $32,448,511. However, expenditures from 2003 to 2006 significantly exceeded revenues, and on December 31, 2007 the City's General Fund balance was only $343,788. (City Exh. 1) In Fall 2007 the Finance Director prepared a report predicting a significant deficit in 2008 unless drastic expenditure cuts were made. (City Exh. 2) A new Mayor took office in 2008, and commissioned an examination by the State Auditor, who confirmed the Finance Director's projections. (City Exh. 3)

The City then embarked on a program of expenditure reductions. Non-union employees saw their wages frozen and some benefits reduced. Benefits changes included implementation of revisions in the City's medical and prescription plans. This was followed by negotiated wage freezes and benefit reductions (including insurance changes) for a paramedic unit and one of two AFSCME bargaining units. Various programs and city services were reduced or cut altogether, and numerous positions in various departments were eliminated, some by attrition and others by layoff. More specifically, at the end of 2007, the City had 506 full-time and 209 part-time employees. Twelve months later, it had 438 full-time and 90 part-time employees. Some additional positions were cut in 2009. The uniformed services, however, were largely exempt from these cutbacks. Both police and firefighters received wage increases of 2%, 2.5% and 2.5% in 2007, 2008 and 2009 pursuant to contracts negotiated prior to the financial crisis. There was a slight reduction in Fire Department personnel, but the Police Department saw a small increase in its staffing. (See City Exhs. 5, 6, 7 and 24)

The expenditure reductions enabled the City to avoid deficits in 2008 and 2009, and by the end of 2009, when the full impact of reductions was felt, the City was rebuilding its balance. (City Exh. 1) More specifically, the City finished 2009 with a year-end General Fund balance of $1,461,598 and a Reserve Fund balance of $1,187,070, an improvement from 2007 but still short of a financially prudent amount. (The Finance Director testified that the General Finance Officers Association recommends an unrestricted general fund balance equal to at least 2 months expenses, City Exh. 37)

However, in 2010, a new problem has emerged: Both income tax and property tax revenue are decreasing, as the recession which began in 2008 has depressed income and property values. Year-to-date revenues through October 31, 2010 are materially below year-to-date revenues on the same date in 2008 and 2009. (City Exh. 8) Moreover, projected revenues for 2010 are still below actual revenues received in each year from 2004 – 2009. (Exh 1.)

The City recently received a bit of good news in the form of notice of a $1.2 million estate tax distribution from the State of Ohio. Because of this distribution, and the continuing effects of expenditure reductions, the City projects a $3.1 million balance at the end of December 2010. However, this distribution is a one-time occurrence, and cannot be viewed as a source of recurring revenue. Moreover, there will be partially offsetting transfers to the City's workers compensation and health care funds, as the City has spent down the balance in these funds during the last two years. (The Finance Director projects transferring $380,000 to the workers compensation fund, and $750,000 to the health care fund.)

The Union's financial expert, Mary Schultz, CPA, agreed that the City has had several financially challenging years and took measures to deal with it. She asserted, however, that some expenditure accruals – in particular, an accrual for severance liability – are more than necessary. She also stated that a 5% carryover, less than half of the City's target, is sufficient to keep the City on sound financial footing, and she noted that the City should meet this lower standard at the end of 2010. The bottom line, in her view, is that the City will have funds to pay for the FOP proposal during the term of the new contract, at least if these costs are limited to the FOP unit.

Taking all testimony and Exhibits presented by both parties into consideration, the Conciliator concludes that the City has avoided financial emergency and, due to cutbacks, is restoring fiscal stability. However, revenue is still down from past years, and the City is not in a position to significantly increase expenditures unless and until revenues increase.

B. <u>The City's Workforce</u>

The City currently has approximately 500 full-time and part-time employees. The workforce includes 74 non-union employees. The remaining employees are represented by unions in six different bargaining units: A paramedics unit, two AFSCME units (service and administrative), an FOP unit (patrol/sergeants/lieutenants) and FOP/OLC unit (dispatchers), and an IAFF unit (Fire Department employees). The paramedics and both AFSCME units negotiated settlements for new contracts beginning in 2010. On November 17, 2010, the City received a conciliation award ordering a settlement for the IAFF. The dispatchers contract is still open, and the police patrol/sergeants/lieutenants contract is the subject of this proceeding. All settlements to date contain the same wage increase package and the same medical insurance package offered by the City to the FOP in this proceeding. These wage increase and insurance packages were also recommended by a fact-finder for the dispatchers contract.

RESOLUTION OF DISPUTED ISSUES

1. Article 9: Wages

Positions of the Parties: The Union proposes a wage freeze for 2010, a 2% increase effective January 1, 2011, and a second 2% increase effective January 1, 2012. The City proposes a wage freeze for 2010, a 1% increase effective January 1, 2011, and a 2% increase effective January 1, 2012.

The Union argues that its proposal is very modest, especially since employees will be bearing a greater share of healthcare costs. It notes that Lakewood officers' current wages are already below the Cuyahoga County average. The only difference between the Union and City proposals at this stage is 1% in the second year of the Agreement, and the City can afford to pay this modest incremental amount.

The City counters by arguing the overall picture of financial hardship, more fully described at pages 4-6 of this Report. It states that its 0%/1%/2% proposal for 2010, 2011 and 2012 is as much as it can reasonably be expected to pay under the circumstances. Finally, its position is mandated by the need for internal consistency and equitable treatment of all employee groups within the City, virtually all of whom have accepted the same wage package.

Discussion and Analysis: The City's comprehensive financial presentation supports its wage proposal. The financial crisis in 2008 was real and immediate. The City made many cuts across the City in order to stay out of financial trouble. Some other employee groups endured wage freezes in 2008 and 2009 while uniformed employees benefited from previously negotiated increases each year. For the period 2010 – 2012, three bargaining units – paramedics and two AFSCME groups – negotiated contracts accepting the same 0%/1%/2% package offered herein. Further, three fact finders (IAFF, FOP Patrol/Sergeants/Lieutenants, and FOP/OLC Dispatchers – have recommended 0%/1%/2% for 2010 – 2012, and the IAFF has now agreed to this package. There is no basis for deviating from this established pattern here. The City's position, therefore, is awarded.

Award: The City position is awarded. Wages are frozen in 2010. There will be a 1% wage increase effective January 1, 2011 and a 2% wage increase effective January 1, 2012.

2. Article 16 - Insurance

Positions of the Parties: The City proposes a restructuring of its medical/prescription insurance program, the essential elements of which are:

1. Amend Section 16.02 to provide monthly premium contributions for employees electing the 90/10 plan, such contributions to be 10% for family coverage and 13% for single coverage based on COBRA rates (medical and prescription drugs), with a cap of $125/month family and $75/month single.
2. Add new Section 16.03 stating "the City retains the right to eliminate the 100% Plan and/or set premium contributions, at levels not to exceed those paid by the City's non-union employees, if it chooses to offer such a plan."

3. Incorporate specifications for the 90/10 Plan, the 100% Plan, and the prescription plan, as provided in proposed new section 16.06 with attachments.

The complete City proposal, with contract language, is attached hereto as Appendix A. Note that this proposal is annotated to reflect a January 1, 2011 effective date, a modification made at the hearing to insure compliance with RC 4117.14(G)(11).

The Union rejects the City proposal, except the Union offers to agree to monthly premium contributions of $125 family and $75 single without the percentage reference, and prescription co-pays of $10 generic and $20/$35 brand name. It notes that most bargaining unit members are now covered by the 100% plan, with premiums capped at $55 and $105 for single and family. The proposed changes, the FOP says, could create an unacceptable financial burden on individual employees, especially those who experience high medical claims.

Discussion and Analysis: Economics and comparability both support the City's position. The City's attempt to control insurance costs by modifying its insurance program is part of its overall program to maintain fiscal solvency in unfavorable economic conditions. The premiums proposed for the 90/10 plan are in line with premiums charged many other public employees throughout Ohio. According to SERB's 18^{th} Annual Report on the Cost of Health Insurance in Ohio's Public Sector, 2010, ("SERB Insurance Report"), employee premiums contributions average $43/month for single coverage and $128/month for family coverage. The vast majority of Ohio public employees contribute to insurance premiums – 84% for single and 87% for family. When only those who contribute are considered, the average monthly contributions are

$51 for single and $144 for family. (SERB Insurance Report, page 3) Similarly, the deductibles for the Lakewood 90/10 plan ($300 single, $600 family) put Lakewood employees in the middle third of Ohio public employees. (SERB Insurance Report, page 15) Lakewood's out of pocket maximum for in-network coverage does exceed the state median, but not excessively so. (SERB Insurance Report, page 18) Finally, comparability data supports structuring the program to steer employees from the 100% plan to the 90/10 plan, as the percentage of Ohio public employees with 100% coverage declined 15% from 2008-2009 to 2009-2010. (SERB Insurance Report, page 17)

Award of the City's proposal also is mandated by the fact that the City's program already has been applied to most other City employees, and recently was extended by a Conciliator, effective January 1, 2011, to the IAFF firefighter unit. Fairness and equity often dictate that all employee groups in the employer's workforce receive substantially similar economic benefits. In the area of health insurance, it is further recognized that maintaining a uniform program for all employees has practical advantages. It creates a larger group of insured individuals and facilitates effective competitive bidding with resulting savings in total costs. Thus both internal parity and the need for a uniform insurance program are among the "other factors … normally or traditionally taken into consideration" in fact-finding, see OAC 4117-09-05(6). When all but one employee group has settled on an insurance program, these factors normally dictate extending this program to the remaining group.

<u>Award</u>: The City's position is awarded. Language is attached hereto and incorporated herein as Appendix A.

3. <u>Article 22 – Union Leave</u>:

<u>Positions of the Parties</u>: Section 22.02 of the Agreement currently provides 200 hours paid leave per year for attendance at conventions, administrative meetings or seminars, and this may be carried over from year to year and banked for future use. The <u>City proposes</u> eliminating this benefit. It would revise Section 22.02 to state only: "The City shall make other reasonable provisions for authorizing vacation leave, holidays or use of accrued overtime for the employee members to attend FOP functions." The <u>Union objects</u> to the City proposal. It would maintain the current benefit and keep current language of Section 22.02.

In support of its position, the City argues that the union leave benefit is excessive and inappropriate in tight economic times. It notes that the Union already has 1120 hours in its union leave bank, a potential expense hanging over the City's budget. The Union responds that it has not used this benefit irresponsibly, as evidenced by the time it has in the bank. It notes that the Fact Finder agreed with its position on this issue.

<u>Discussion and Analysis</u>: The current benefit is very generous and banked time should be more than sufficient to meet legitimate needs for the foreseeable future. However, the Union correctly notes that there is no evidence it has used its leave time irresponsibly. It is not clear if the City's language would simply halt further accruals or also attempt to eliminate the bank. In any event, it would be more appropriate to phase out this paid leave option than to eliminate it altogether, and this can be handled best in the future in the give and take of the bargaining process. As the Fact Finder noted, there is no compelling reason to eliminate the leave provision at this time.

Award: The position of the Union is awarded. No change in current language.

4. Article 24 – Proficiency Pay:

Positions of the Parties: Section 24.09 of the current Agreement provides "proficiency pay" of $1250 per year for all officers who meet statutory requirements for annual weapons recertification. (RC Section 109.801) Since this is a mandatory minimum job requirement, all officers receive proficiency pay.

The Union proposes increasing proficiency pay to $1750 in 2011 and $2000 in 2012. (The Union originally proposed to put the first increase in effect in 2010 but modified its proposal at the hearing because of Section 4117.14(G)(11) restrictions.) In addition to the general need for compensation, the Union argues that the increase is needed to help defray the impact of additional medical costs on the employee. Further, it states that the Legislature recently added an annual requirement for completion of 24 hours of continuing professional training, RC Section 109.803. This additional requirement further justifies an increase in proficiency pay.

The City opposes any increase in proficiency pay. It states simply that this is a wage cost item and the rationale for opposing any wage increase beyond the City proposal fully applies to rejecting the Union's proposal to increase proficiency pay.

Discussion and Analysis: Proficiency pay is part of the wage package. Without any increase in proficiency pay, the 0%/1%/2% wage increase awarded (see Issue No. 1, supra) is consistent with the City's financial situation and consistent with the wage packages accepted by other employee groups in the City. Evidence does not indicate that other employee groups received increases in supplemental pay items.

Award: The City's position is awarded. Proficiency pay shall not be increased during the term of the 2010-2012 Agreement.

5. Article 31 – Perfect Attendance Bonus

Positions of the Parties:

Section 31.01 currently provides that employees with perfect attendance during a quarter shall be paid a bonus equal to 12 hours pay "for each quarter in which no absence is recorded." Section 31.02 further provides that employees with perfect attendance for an entire calendar year shall be entitled to an additional eight hours time off during the following year.

The City proposes to eliminate this bonus for employees hired after August 1, 2010 by adding the following language at the end of Sections 31.10 and 31.02:

> Employees hired after August 1, 2010 shall not be eligible for the perfect attendance bonus.

The Union objects to this proposed addition and proposed that current contract language not be changed.

In support of its position, the City argues; 1) The City's non-union employees have no attendance bonus. 2) The City's other unions have agreed to elimination of the attendance bonus for new hires. 3) The bonus is a cost item – more than $100,000 in 2009, and $86,100 year to date in 2010. Eliminating the bonus for new employees would gradually result in cost savings in future years. 4) The Fact Finder recommended eliminating the bonus for new hires.

The Union argues in response: 1) There is no immediate benefit of eliminating the bonus for new hires. 2) The City proposal would create a two-tier system, which is inherently divisive and bad for workforce morale. 3) The Union obtained the benefit in past bargaining as the quid pro quo for another concession, and the City should at least "buy it back" in bargaining, not ask the conciliator to take it away. 4) The bonus serves the legitimate purpose of encouraging good attendance.

Discussion and Analysis: The Conciliator is generally not a fan of two-tier compensation systems. Further, he is reluctant to give back a benefit which was obtained as the quid pro quo for a concession in negotiations. But, evidence of bargain history here is lacking – there is no evidence of a specific quid pro quo for the bonus. Moreover, internal comparables strongly favor the City position, and there would be no penalty to current employees. Other things being equal, the Fact Finder's recommendation is also entitled to some deference.

Award: The position of the City is Awarded. The following sentence will be added at the end of Sections 31.01 and 31.02:

> **Employees hired after August 1, 2010 shall not be eligible for the perfect attendance bonus.**

INCORPORATION OF AGREEMENTS

Consistent with SERB's Conciliation Guidebook and the preferences expressed by the parties at the Hearing, the signed tentative agreements reached by the parties during negotiations are listed in Appendix B hereto and are incorporated by reference and made part of the Award.

ISSUANCE OF AWARD

This Award is issued this 2d day of December, 2010.

John T. Meredith, Conciliator

Shaker Heights, Ohio

CERTIFICATE OF SERVICE

This is to certify that the foregoing Opinion and Award was sent to the State Employment Relations Board by Regular U.S. Mail and was served upon the parties listed below by overnight mail this 2nd day of December 2010:

Robert M. Phillips, Esq.
Faulkner, Hoffman & Phillips, LLP
One International Place
20445 Emerald Parkway Dr., Suite 210
Cleveland, OH 44135-6029

Representative of FOP Lodge 25

Jon M. Dileno, Esq.
Zashin & Rich Co., LPA
55 Public Square, 4th Floor
Cleveland, OH 44113

Representative of the City

John T. Meredith, Conciliator

APPENDIX A

ARTICLE 16

MEDICAL COVERAGE AND INSURANCE

16.01 The City agrees to provide for full-time members and their dependents a choice of health care plans, provided the City may change either carriers or delivery systems if the benefits and provider networks are comparable to the present plan. The City shall not offer less than two (2) plans; a PPO and HMO selected by the City. ~~Effective as soon as practicable following the execution of this Agreement, t~~The City shall not be required to pay any premium to an HMO in excess of the annual monthly costs for the PPO. Prior to changing health care delivery systems, the City will meet and confer with the FOP.

January 1, 2011

16.02 **Effective ~~July 1, 2010~~, for employees electing coverage under the 90/10 Plan, monthly employee premium contributions shall be ten percent (10%) for family coverage and thirteen percent (13%) for single coverage, based on COBRA rates (medical and prescription drug), with a cap of $125.00 per month for family and $75.00 per month for single.**

~~16.02 (a) Employee contribution amounts shall be in accordance with the following on a pre-tax basis:~~

~~Effective January 1, 2007, $85.00 for family coverage and $45.00 for single coverage~~
~~Effective January 1, 2008, $95.00 for family coverage and $50.00 for single coverage~~
~~Effective January 1, 2009, $105.00 for family coverage and $55.00 for single coverage~~

~~(b) The City will establish a 90/10 plan, which shall be offered at no cost to full time employees.~~

January 1, 2011

16.03 **Effective ~~July 1, 2010~~, the City retains the right to eliminate the 100% Plan and/or set the premium contributions, at levels not to exceed those paid by the City's non-union employees, if it chooses to offer such a plan.**

~~The City will establish a 90/10 Plan, which shall be offered at no cost to full time members.~~

16.04 ~~16.03~~The City agrees to maintain the current Aid to Preventive Dentistry Plan with fifty (5) percent of the total cost paid by the employee.

16.05 ~~16.04~~Newly hired members shall have the option to purchase their selected health care plan at current COBRA rates. The health care plan selected shall become effective on the first day of the month following their date of hire.

~~16.05 Prescription coverage for the PPO and all HMO's shall have a co-pay as follows:~~

~~A.$5.00 for generic drugs.~~

~~B.$10.00 for name brand drugs.~~

~~C.$15.00 for name brand drugs when a generic drug is available.~~

16.06 The "100%" and the "90/10" Summary Plan Description, including prescription drug coverage are attached hereto. (<u>See</u>, attached).

MEDICAL MUTUAL

City of Lakewood
SuperMed Plus
LO Option - Plan B
90% Network 70% non-network

SuperMed Plus

Benefits	Network	Non-Network
Benefit Period	January 1st through December 31st	
Dependent Age Limit	23 Dependent / 23 Student Removal upon Birthdate	
Lifetime Maximum	$2,000,000	
Benefit Period Deductible – Single/Family[1]	$300 / $600	$300 / $600
Coinsurance	90%	70%
Coinsurance Out-of-Pocket Maximum (Excluding Deductible) – Single/Family	$2,000 / $4,000	$2,000 / $4,000
Physician/Office Services		
Office Visit (Illness/Injury)	90% after deductible	70% after deductible
Urgent Care Facility Services	90% after deductible	70% after deductible
Voluntary Second Surgical Opinion	90% after deductible	70% after deductible
Immunizations (tetanus toxoid, rabies vaccine, and meningococcal polysaccharide vaccine are covered services)	90% after deductible	70% after deductible
Preventative Services		
Routine Physical Exam $250 Maximum Benefit per Benefit Period	100%	Not Covered
Well Child Care Services including Exam and Immunizations (To age nine, limited to a $500 maximum per benefit period)	90% after deductible	70% after deductible
Well Child Care Laboratory Tests (To age nine)	90% after deductible	70% after deductible
Routine Mammogram (One, limited to an $85 maximum per benefit period)	90% after deductible	70% after deductible
Routine Pap Test (One per benefit period)	90% after deductible	70% after deductible
Routine EKG, Chest X-ray	90% after deductible	70% after deductible
Outpatient Services		
Surgical Services	90% after deductible	70% after deductible
Diagnostic Services	90% after deductible	70% after deductible
Physical Therapy - Facility and Professional	90% after deductible	70% after deductible
Chiropractic Therapy – Professional only	90% after deductible	70% after deductible
Occupational Therapy - Facility and Professional	90% after deductible	70% after deductible
Speech Therapy – Facility and Professional	90% after deductible	70% after deductible
Cardiac Rehabilitation	90% after deductible	70% after deductible
Emergency use of an Emergency Room	100% after deductible	
Non-Emergency use of an Emergency Room	90% after deductible	70% after deductible

Benefits	Network	Non-Network
Inpatient Facility		
Semi-Private Room and Board	90% after deductible	70% after deductible
Maternity	90% after deductible	70% after deductible
Skilled Nursing Facility	80% after deductible	80% after deductible
Additional Services		
Allergy Testing and Treatments	90% after deductible	70% after deductible
Ambulance	90% after deductible	70% after deductible
Durable Medical Equipment	80% after deductible	80% after deductible
Home Healthcare	90% after deductible	90% after deductible
Hospice	90% after deductible	90% after deductible
Organ Transplants	90% after deductible	70% after deductible
Private Duty Nursing	80% after deductible	80% after deductible
Mental Health and Substance Abuse		
Inpatient Mental Health and Substance Abuse Services	90% after deductible	70% after deductible
Outpatient Mental Health (limited to 15 visits per calendar year)	(Visits 1-5 90% after deductible) (Visits 6-15 80% after deductible)	(Visits 1-5 70% after deductible) (Visits 6-15 50% after deductible)
Outpatient Substance Abuse Services (limited to 15 visits per calendar year)	(Visits 1-5 90% after deductible) (Visits 6-15 90% after deductible)	(Visits 1-5 70% after deductible) (Visits 6-15 50% after deductible)

Note: Services requiring a copayment are not subject to the single/family deductible.

Deductible expenses incurred for services by a network provider will also apply to the non-network deductible. Deductible expenses incurred for services by a non-network provider will also apply to the network deductible.

Coinsurance expenses incurred for services by a network provider will also apply to the non-network coinsurance out-of-pocket limits. Coinsurance expenses incurred for services by a non-network provider will also apply to the network coinsurance out-of-pocket limits.

Benefits will be determined based on Medical Mutual's medical and administrative policies and procedures.

This document is only a partial listing of benefits. This is not a contract of insurance. No person other than an officer of Medical Mutual may agree, orally or in writing, to change the benefits listed here. The contract or certificate will contain the complete listing of covered services.

In certain instances, Medical Mutual's payment may not equal the percentage listed above. However, the covered person's coinsurance will always be based on the lesser of the provider's billed charges or Medical Mutual's negotiated rate with the provider.

[1]Maximum family deductible. Member deductible is the same as single deductible. 3 month deductible carryover

NMHCrx

NMHCRX

26 HARBOR PARK DRIVE
PORT WASHINGTON NY 11050
1-800-645-3332

Client Benefit Plan

City of Lakewood Non Bargaining

5/1/2008

Retail Days Supply Limitations:	34 Day Supply
Mail Day Supply Limitations:	90 Day Supply

	Retail		Mail	
	Generic	$10.00	Generic	$25.00
Standard Copay Amounts:	Brand	$20.00	Brand	$50.00
	Non Pred Brand	$35.00	Non Pref Brand	$87.50

Specialty Program: yes	Specialty Pharmacy: NMHC Ascend
Formulary Type:	NMHC standard 3 tier pref. list
Dependent Age Limitations:	Dependent 23, Student 23 (Through birthday)
ID Cards Produced by:	*NMHCrx*
Refill Too Soon Restrictions:	Standard Step Utilization-retail. 40% mail
DMR Reimbursement:	Price as submitted less copay
Mail Service Vendor:	NMHCMail
Pharmacy Network:	FULL
Overrides allowed for POS:	Previous error by pharmacist, increased dosage, vacation, lost/stolen, refill too soon, interim supply, high dollar.

Coverage of Prilosec OTC and Claritin OTC – generic copay
Covered Zyertec OTC - regular copays

COVERED PRESCRIPTIONS:

All legend medications are covered with the following exceptions:

EXCLUSIONS:

Anorexics (weight loss)
Contraceptives-Diaphragms
Contraceptives-Emergency
Contraceptives-Foams and Devices
Contraceptives-implantable
Contraceptives-Injectable
Cosmetic Products
DME / Surgical Supplies
Erectile Dysfunction
Fertility-injectable only
Immunizations
Legend Drugs w/OTC equivalents
Non-diabetic Needles & Syringes
Nutritional Supplements
OTC's
State Controlled Drugs (DEA V)
Yohimbine (Yocon)

MEDICAL MUTUAL

City of Lakewood
SuperMed Plus
HI Option - Plan A
100% Network 70% non-network

SuperMed Plus

Benefits	Network	Non-Network
Benefit Period	January 1st through December 31st	
Dependent Age Limit	23 Dependent / 23 Student Removal upon Birthdate	
Lifetime Maximum	$2,000,000	
Benefit Period Deductible – Single/Family[1]	$150 / $300	$150 / $300
Coinsurance	100%	70%
Coinsurance Out-of-Pocket Maximum (Excluding Deductible) – Single/Family	$1,500 / $3,000	$1,500 / $3,000
Physician/Office Services		
Office Visit (Illness/Injury)	100% after deductible	70% after deductible
Urgent Care Facility Services	100% after deductible	70% after deductible
Voluntary Second Surgical Opinion	100% after deductible	70% after deductible
Immunizations (tetanus toxoid, rabies vaccine, and meningococcal polysaccharide vaccine are covered services)	100% after deductible	70% after deductible
Preventative Services		
Routine Physical Exam $250 Maximum Benefit per Benefit Period	100%	Not Covered
Well Child Care Services including Exam and Immunizations (To age nine, limited to a $500 maximum per benefit period)	100% after deductible	70% after deductible
Well Child Care Laboratory Tests (To age nine)	100% after deductible	70% after deductible
Routine Mammogram (One, limited to an $85 maximum per benefit period)	100% after deductible	70% after deductible
Routine Pap Test (One per benefit period)	100% after deductible	70% after deductible
Routine EKG, Chest X-ray	100% after deductible	70% after deductible
Outpatient Services		
Surgical Services	100% after deductible	70% after deductible
Diagnostic Services	100% after deductible	70% after deductible
Physical Therapy - Facility and Professional	100% after deductible	70% after deductible
Chiropractic Therapy – Professional only	100% after deductible	70% after deductible
Occupational Therapy Facility and Professional	100% after deductible	70% after deductible
Speech Therapy – Facility and Professional	100% after deductible	70% after deductible
Cardiac Rehabilitation	100% after deductible	70% after deductible
Emergency use of an Emergency Room	100% after deductible	
Non-Emergency use of an Emergency Room	100% after deductible	70% after deductible

Benefits	Network	Non-Network
Inpatient Facility		
Semi-Private Room and Board	100% after deductible	70% after deductible
Maternity	100% after deductible	70% after deductible
Skilled Nursing Facility	80% after deductible	80% after deductible
Additional Services		
Allergy Testing and Treatments	100% after deductible	70% after deductible
Ambulance	100% after deductible	70% after deductible
Durable Medical Equipment	80% after deductible	80% after deductible
Home Healthcare	100% after deductible	100% after deductible
Hospice	100% after deductible	100% after deductible
Organ Transplants	100% after deductible	70% after deductible
Private Duty Nursing	80% after deductible	80% after deductible
Mental Health and Substance Abuse		
Inpatient Mental Health and Substance Abuse Services	100% after deductible	70% after deductible
Outpatient Mental Health (limited to 15 visits per calendar year)	(Visits 1-5 100% after deductible) (Visits 6-15 80% after deductible)	(Visits 1-5 70% after deductible) (Visits 6-15 50% after deductible)
Outpatient Substance Abuse Services (limited to 15 visits per calendar year)	(Visits 1-5 100% after deductible) (Visits 6-15 90% after deductible)	(Visits 1-5 70% after deductible) (Visits 6-15 50% after deductible)

Note: Services requiring a copayment are not subject to the single/family deductible.

Deductible expenses incurred for services by a network provider will also apply to the non-network deductible. Deductible expenses incurred for services by a non-network provider will also apply to the network deductible.

Coinsurance expenses incurred for services by a network provider will also apply to the non-network coinsurance out-of-pocket limits. Coinsurance expenses incurred for services by a non-network provider will also apply to the network coinsurance out-of-pocket limits.

Benefits will be determined based on Medical Mutual's medical and administrative policies and procedures.

This document is only a partial listing of benefits. This is not a contract of insurance. No person other than an officer of Medical Mutual may agree, orally or in writing, to change the benefits listed here. The contract or certificate will contain the complete listing of covered services.

In certain instances, Medical Mutual's payment may not equal the percentage listed above. However, the covered person's coinsurance will always be based on the lesser of the provider's billed charges or Medical Mutual's negotiated rate with the provider.

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[1]Maximum family deductible. Member deductible is the same as single deductible. 3 month deductible carryover

Appendix B

**TENTATIVE AGREEMENTS
BETWEEN
THE CITY OF LAKEWOOD
AND
THE FRATERNAL ORDER OF POLICE
LODGE NO. 25
(PATROL OFFICERS & SERGEANTS,
LIEUTENANTS AND
CAPTAINS UNIT)**

July 23, 2010

I. TENTATIVE AGREEMENTS

1. Longevity – Article 12

Modify §12.01 as follows:

12.01 Effective January 1, 2006, all full-time employees of the Lakewood Division of Police shall be paid, ~~by separate check~~...

2. Clothing Maintenance - Article 19

Add following to end of §19.01:

> This maintenance allowance shall be pro-rated for new-hires and employees terminating employment with the City.

3. Grievance Procedure – Article 23

- Add following arbitrator names to §23.04A:
  - Nels Nelson
  - Robert Stein
- Modify §23.05 as follows:

> A. To be considered valid, a grievance must be filed, in writing, within ten (10) working days of the occurrence of the alleged violation of this Agreement. A grievance that is not timely filed ~~under this provision or~~ **timely processed by the Union at each Step** shall be considered void.

• Add following language to end of §23.08:

> For any discipline or grievance involving union representation, union representatives shall represent members of their bargaining unit (patrol or sergeants and above) only.

4. **Sick Leave – Article 28**

• Add following language, new paragraph:

> Employees must apply for FMLA after three (3) days of consecutive non-work related or work related illness or injury, being hospitalized overnight or when a serious medical condition as defined by the FMLA law and regulations causes intermittent time off. Except as set forth in §28.05, employees must utilize their sick leave and other paid time off during FMLA leave.

• §28.02

> Change "their duty officer" to "the duty officer"

• Delete reference to "Commissioner of Health"

5. **Overtime – Article 7**

Modify §7.03 as follows:

> 7.03 Employees required to work on the following days shall be paid at time and one-half (1-½) **for all hours actually worked on the holiday itself**...

6. **Seniority – Article 8**

• Add following language to §8.02E.2:

> For purposes of §8.02, employees shall not receive seniority credit for time served with another employer.

• Add new §8.04 as follows:

> Where the City has paid for an employee's peace officer training, an employee resigning from the City within the first three (3) years of employment is required to reimburse the City for such payments.

7. **Training – Article 24**

§24.06 – Delete "…or the employee may elect to receive compensation at the rate appropriate at that time."

II. WITHDRAWN PROPOSALS

A. City's Withdrawn Proposals

3. Workweek

6. Longevity Reduction (first bullet)

8. Clothing Maintenance Reduction (first bullet, first sentence; and second bullet)

12. Sick Leave (§28.01; §28.02, first bullet; §28.05; §28.07)

B. Union's Withdrawn Proposals

3. Workweek

7. Vacations

8. Clothing Maintenance

10. Policy Grievances

12. Sick Leave

John T. Meredith
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December 2, 2010

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Re: FOP Lodge 25 and City of Lakewood
SERB Nos. 09 MED-09-0955 and 09 MED-09-0957

Dear Messrs Dileno and Phillips:

I am enclosing the Conciliator's Findings, Opinion and Award in this case, along with my bill for services.

Very truly yours,

John T. Meredith
Conciliator

cc: SERB Bureau of Mediation

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