

STATE EMPLOYMENT RELATIONS BOARD

In the matter of:) **CASE NO. 11-MED-11-1663**
)
INTERNATIONAL ASSOCIATION)
OF FIREFIGHTERS, LOCAL 1591) **CONCILIATOR WILLIAM BINNING**
)
And)
) **CITY OF WARRENSVILLE HEIGHTS'**
THE CITY OF WARRENSVILLE) **PRE-HEARING STATEMENT**
HEIGHTS)
)
)

I. INTRODUCTION

The City of Warrensville Heights (“the City”) is comprised of a population of 13,542 and maintains a General Fund budget of approximately \$15.5 million. The City maintains a bargaining relationship with five different unions representing seven different bargaining units. The City maintains numerous departments to provide services for its residents and visitors, including Police, Fire and Service Departments.

The City’s 29 firefighters and ranking officers in the Fire Department are represented by the International Association of Firefighters, Local 1591 (“the Union”). The collective bargaining agreement at issue before this Conciliator expired on December 31, 2011.

II. FACTUAL BACKGROUND

A. The City’s Severe Fiscal Challenges.

1. The Great Recession’s dramatic impact on the City’s finances.

The City of Warrensville Heights was hit exceptionally hard by the Great Recession of 2008. The City saw its revenues decline significantly, creating not only a substantial structural deficit for 2009, but an actual debt – ending 2009 with a negative balance (inclusive of beginning-year surpluses) of over \$500,000!

The virtually bankrupt City was forced to dramatically cut expenditures. Hence, in 2010 the City implemented ten unpaid furlough days on its non-union hourly employees with its salaried employees taking a commensurate pay cut. The City's firefighters, patrol officers and service department employees also agreed to various combinations of unpaid furloughs, one-time suspensions of uniform allowances and holiday benefits, and the City was also compelled to lay off a handful of firefighters, laborers, dispatchers and non-union personnel¹.

The job-cutting was not limited to simply layoffs. Over the ensuing two years, the City continued its trend of not filling vacancies – particularly in the non-safety departments. As a result, the City's employee-rolls dropped from 172 in 2008 to 145 by the end of 2011. In 2012, the employee complement fell to 138 -- its lowest level in decades.

In addition to the substantial cuts in expenditures, the City was forced to ask its residents for an income tax increase – raising the local income tax from 2.0% to 2.6% in July 2009. Only through those dramatic austerity measures and the tax increase was the City able to stabilize its budget by year end 2011, with a modest cash reserve of \$1.7 million. In 2012, with some enhanced revenues and the continuance of its non-filling of vacancies and other austerity exercises, the City has managed to come up for air with an acceptable cash reserve of \$2.9 million.

Yet, the challenges do not end with the City scratching and clawing its way to a merely passing-grade level of cash reserves. The City, over recent years, has accrued \$25 million in debt – much of which used to pay for things that the General Fund should have otherwise routinely covered. Hence, modest street projects, replacement generators, lawsuit judgments and alarm systems were among the many projects paid through the issuance of debt.

¹ Only the securing of Federal and State grants allowed the City to avert the layoff of police officers.

2. The challenges of 2013.

The budgetary decisions imposed by Governor Kasich and the Ohio legislature have had a dramatic impact upon municipalities throughout the State. And, Warrensville Heights is no exception. Due to the fifty-percent reduction in Local Government Fund revenues, and the elimination of the commercial activity tax, the City will be losing approximately \$1 million in 2013 revenues when compared to the pre-cut year of 2010. The City will also see its revenues continue to decline as a result of the State's elimination of the estate tax effective January 1, 2013. All told, the City has lost well in excess of \$1 million annually in revenues due to the decisions made in Columbus.

The sour news does not end there. The real estate crash has also impacted the City. In fact, the property values in Warrensville Heights have diminished by 29.2% -- the second worst in the County! Moreover, in April 2013, the City's SAFER Grant (federal grant) expires, which cuts off federal funding for six firefighters with an impact of over \$500,000. Fortunately, the City was able to secure wage freezes in either 2012 or 2103 from its unions, and will garner premium contributions from more of its employees for the first time, allowing for the City to project a modest structural surplus for 2013 of \$350,000. In all, however, if not for the tax increases, the concessions of 2010, the substantial incurring of debt, and the dramatic and ongoing cuts in its employment rolls, the City would be bankrupt.

B. The Firefighters Receive Substantial Wage Increases During the Onset of the Fiscal Crisis.

This Conciliator served as the factfinder for the parties' 2009-2011 contract. Specifically, in December 2008, this Conciliator recommended 2%, 3% and 4% wage increases covering 2009, 2010 and 2011, respectively. The City did not reject that recommendation and

also extended those wage increases to its Service Department employees represented by the Teamsters.

Although the national fiscal crisis was just underway, this Conciliator and the City could not have known the breadth and scope of what turned out to be “the Great Recession.” Of course, as noted above, the City suffered mightily in 2009 and 2010, leading to the aforementioned layoffs, concessions and increase in its local income tax. Specifically, within one year of the issuance of the December 2008 factfinding report, the City lost 12%, or \$1.8 million in revenues!

Moreover, neither the City nor this Conciliator could have known what was in store for the City from the State legislature, wherein, as noted above, on the heels of the Great Recession, the State imposed dramatic cuts upon this State’s municipalities.

As we now look back, the wage increases recommended in Warrensville Heights in 2010 and 2011 dwarf the statewide average during those years. Indeed, in 2010 and 2011, the average increase in the State was 1.26% and 0.73%, respectively, while the City’s firefighters were receiving three and four percent increases!

Also apparently impacting this Conciliator’s recommendation in his earlier factfinding decision of December 2008 was the fact that the City had settled years of contract litigation dating back to 2005², wherein the City’s patrol officers received 18% over a four-year span while the firefighters had received 12.5% over the same time period. As noted in his report, this Conciliator’s decision was motivated, at least in part, by the perceived inequity of the differing wage increases.

² In settlement of protracted litigation wherein the City had challenged an OPBA conciliator’s award in court, the City applied substantial wage increases to its patrol officers of 12% in 2007 and 6% in 2008. This amount was paid to account for years of no raises given to the patrol officers due to the years of litigation appealing a conciliator’s award.

However, since that time, the City's patrol officers, recognizing the impact of the Great Recession, agreed to three years of wage freezes, while the firefighters and laborers were enjoying their 9% raises. As a result, the City's firefighters' annual compensation leapfrogged ahead of the City's patrol officers to the tune of over \$3,000 annually!

Therefore, the City, in this round of negotiations, faced police unions who had gone without a wage increase for three years and had fallen behind their safety-department brothers in the Fire Department.

C. The Current Round of Negotiations.

The City commenced the current round of negotiations confronting numerous challenges. It faced a tenuous fiscal condition, a police union seeking parity, and a unionized workforce which was paying nothing for its health-insurance premiums.

1. The OPBA and Teamsters negotiations.

The City's contracts with the OPBA (representing its patrol officers and police sergeants) expired in December 2010. Cognizant of the fiscal crisis the City was suffering through in 2009 and 2010, the OPBA agreed to take a pass in 2011. Therefore, the City commenced negotiations in earnest with the OPBA in early 2012. The City reached a negotiated settlement with the OPBA under the following wage and insurance-related terms:

WAGES

2011 – no increase
2012 -- 3% increase
2013 – no increase
2014 – 2.5% increase

INSURANCE

Effective January 1, 2013, employees to pay ten percent (10%) of the premiums for medical, prescription-drug, dental and vision

coverage. (Currently employees pay nothing toward their premiums).

The City's police lieutenants (represented by the FOP/OLC) settled on these same terms.

The City, however, recognizing that its Service Department employees and firefighters received nine percent from 2009 through 2011 (those two contracts expired on December 31, 2011), sought a smaller wage settlement with those two bargaining units. The City settled with the Teamsters as follows:

WAGES

2012 – no increase
2013 -- 1.5% increase
2014 – 1.0% increase

The Teamsters also agreed to the same health insurance changes as agreed-to by the OPBA and FOP/OLC.

2. The negotiations with the IAFF

The City commenced negotiations with its firefighters with three objectives. Bring their wages closer in line with the City's patrol officers and sync-up their contract expiration dates; secure the same insurance modifications as secured with the OPBA, FOP/OLC and Teamsters; and address the exorbitant time-off benefits enjoyed by its firefighters where they receive more time off than firefighters in virtually all jurisdictions in the County and significantly more time off than the City's other employee groups.

a. The parties come close to a 0%, 1%, 1.5% wage settlement.

The parties commenced negotiations in April 2012. The parties met six times throughout 2012 but were unable to secure an agreement. The Union initially resisted the City's proposals on insurance, wages and time off with varying degrees of opposition. However, during the later stages of the negotiations the Union presented a package proposal agreeing to the Teamster wage

and insurance settlement (0, 1.5%, 1% and 10% insurance contributions), but at the same time coupling that proposal by asking for yet more time off. The City rejected that proposal, maintaining its proposals to reduce time off. With the parties unable to secure an agreement, the City requested a panel of factfinders from SERB.

b. The factfinding.

A factfinding hearing was held in December 2012. What will be revealed to this Conciliator as an unquestionably flawed factfinder's report -- the factfinder astonishingly recommending a wage-increase package of 0% in 2012, 2% in 2013 and 2% in 2014. And, although the factfinder recommended the City's "pattern" proposal on medical insurance, he rejected all proposals to reduce the highest time-off benefits in the County – even for new-hires.

The City rejected the report while the firefighters accepted it. The City rejected the report for a myriad of reasons including:

- The factfinder had provided wage increases above those agreed upon by the Teamsters Union representing the City's Service Department employees (0, 1.5%, 1%), who had received the same generous 2%, 3%, 4% settlement as this Union's members had received in 2009 through 2011.
- The 4% increase perpetuated the recently-created disparity in salary between the City's firefighters and police officers.
- The factfinder failed to address the exorbitant time-off benefits of the City's firefighters who have more time off than any other employees in the City; and have the most favorable time-off package in the County.
- The factfinder relied on false information due to both his own oversight and the misleading information presented by the Union.

Of significant note in the factfinder's report was the fact that he completely misstated the City's wage proposal. Specifically, the City had proposed a 0%, 0%, 1% wage package for the upcoming contract.³ Yet throughout his written report, the factfinder referred to the City's proposal as presenting a 1.5% increase in 2013 along with a 1% raise in 2014! The Union, on the other hand, proposed 5.5% over three years, which the factfinder accurately depicted in his report.

Interestingly, the factfinder recommended a 4% increase which fell squarely in between the 2.5% he misconstrued the City's proposal to be, and the 5.5% he understood the Union's position to be. This glaring mistake signals two things. First, that the factfinder had not comprehended the totality of the facts put before him – a reality confirmed by not only his fumbling of the basic proposal, but also by the unsubstantiated rationale (which will be disclosed at the hearing before this Conciliator) behind his recommendation. Second, would it not be reasonable to believe that if the City's proposal was understood to be 1% instead of 2.5%, that a different recommendation would have been presented? Indeed, are we to believe the recommended 4%, which fell squarely in between the Union's 5.5% and the misunderstood 2.5% the factfinder perceived as the City's proposal, to be the product of mere coincidence? In all, this Conciliator should bestow limited value upon the factfinder's report.

Moreover, the factfinder relied upon the Union's fraudulent representations regarding its alleged concessions given in 2010 and the Union's untrue downplaying of the concessions given by the police officers in that same year. Specifically, the Union claimed credit for forfeiting a sick leave bonus in 2010 which its members never forfeited. More critically, the Union

³ The City's proposal of 0%, 0%, 1% was rationally based – designed to bring the City's firefighters in virtual parity with its police officers.

undersold the concessions given in 2010 by the City's patrol officers to the tune of nearly \$2,000 per officer!

The true accounting of these concessions is relevant for two important reasons. First, it dispels the façade of an enhanced sacrifice by the firefighters which seemed to be a point of reliance for the factfinder. Moreover, it emphasizes the fact that the wage increases received in 2009-2011 by the City's firefighters were, in retrospect, too large for the fiscal crisis which was soon to hit the City – given that both layoffs and concessions ensued. It is now time for the City's firefighters to step up to the plate just as the police did in their prior contract, and just as the similarly-situated Teamsters members have done in this round.

III. THE PROPOSALS (The City's Factfinding Proposal is attached hereto)

A. Wages.⁴

<u>City's Proposal</u>	
1 st year	– 0
2 nd year	– 0
3 rd year	– 3%

The City's proposal seeks to narrow the gap between its firefighters with its patrol officers. Currently, a fire-medical earns \$69,564 in annual salary (inclusive of medical pay and longevity) while a patrol officer earns \$66,359.⁵ It would take only a 0.7% increase in year three of the Agreement to bring the firefighters' compensation to a level nearly identical to the City's patrol officers – patrol officer \$70,038 and firefighter-medical \$70,035. Yet, the City has proposed a 3% increase in year three (an increase actually higher than that proposed by the Union during this round of negotiations). The result of that generous offer will reluctantly allow

⁴ Under O.R.C. §4117.14(G)(11), this Conciliator is prohibited from awarding wage increases for 2012 and 2013. As a result, and indicative of the reasonableness and fairness of the City's proposal, the City has also proposed that its insurance-related proposals also not go into effect until January 1, 2014.

⁵ The Union is likely to tender the ridiculous argument that even though firefighters must become certified paramedics, and that 90% of their work entails paramedic-related services, that their paramedic premium should not be considered as part of their compensation when comparing them with police officers. Such an absurd assertion should be readily discarded by this Conciliator.

the firefighters to move ahead of the City's police officers, while at the same time, the patrol officers will be paying a 10% insurance premium contribution for a full year before the City's firefighters.

In addition to this compelling evidence is that the City's tenuous financial condition supports a tempered wage package. Moreover, as will be demonstrated at hearing, the City's firefighters' overall compensation is above the average earned in Cuyahoga County. It should also be reiterated that in 2011, when countless public employees in Ohio were experiencing concessions and wage freezes, and the average increase throughout the State was well under one percent – these employees received four percent!

In all, the City has reluctantly increased its wage increase proposal recognizing the realities of binding conciliation. Its proposal is unquestionably based on sound rationale and supported by compelling evidence. The City's proposals should be awarded by this Conciliator.

B. Insurance

City's Proposal: Apply a monthly premium contribution equal to ten percent (10%) of the City's premium costs, effective January 1, 2014.

The City seeks the same insurance changes as have been agreed-to by the Teamsters, OPBA and FOP/OLC (except that those employees will be paying the premiums a full year before the firefighters). The City has proposed no changes to the plan-design which maintains benefits at levels above those found elsewhere in the public sector and well beyond those found in the private sector. The City has proposed that the firefighters – who have had the virtually unheard of luxury of paying nothing for their premiums, to pay ten percent commencing January 1, 2014. Even at ten percent, the premium contributions are below those paid throughout the State (11.5% for family coverage) and well below those paid in the private sector.

The factors of internal parity and external comparables strongly support the City's position.

C. Time-Off

The City's firefighters receive far more time off than any other City employee. Moreover, their time-off package is the envy of Northeast Ohio. The City simply seeks modest adjustments for current employees, and some additional adjustments for employees hired on or after May 1, 2013.

1. Holiday time.

City's Proposal: Reduce the number of tours-of-duty off from eleven to eight for current employees and new hires.

Of all of the time-off benefits enjoyed by the City's firefighters, their holiday time is the most exorbitant. Because firefighters work 24-hour schedules, they are normally not given the same amount of days off for a given time-off benefit as 8-hour employees. Thus, the vast number of cities will adjust the time-off firefighters receive to account for their 24-hour shifts. For example, in the vast majority of jurisdictions, where an 8-hour employee might receive twelve 8-hour holidays off, the firefighters would get six or seven 24-hour tours off.

Not in Warrensville Heights. Here, the firefighters get eleven tours of holiday time off – a rarity in Northeast Ohio. What's more, in addition to the 264 hours off for holidays, they also receive an overtime rate (1 ½ x their regular rate) for working on each of the eleven specified holidays. This benefit not only places them at the top of the charts in Cuyahoga County, but results in the City's firefighters receiving far more time off and receiving more holiday pay than the City's patrol officers and civilian employees. (Eleven 8-hour shifts correspond to just over two weeks off, while eleven 24-hour tours correspond to just under five weeks off; and, overtime

for patrol officers can be paid for up to 96 hours worked while the overtime rate can be paid for up to 264 hours worked by a firefighter.)

The excessive time off also adds to manpower shortages which oftentimes require calling an employee in on overtime, or in rare circumstances, closing the City's second firehouse. The City's proposal seeks a reasonable reduction of this benefit while still leaving its firefighters with a benefit still superior to its police officers, and still above the norm in the County.

2. Vacations.

City's Proposal: Reduce annual accrual from one to two tours of duty per step for current employees and new hires.

Virtually all of the jurisdictions in Cuyahoga County cap the vacation for their senior employees at five or six weeks annually. Here, however, the fifteen tours given to the City's senior firefighters translate into six and-a-half weeks of vacation. The City's proposal to reduce this benefit by one to two tours at each level will reduce the number to the commensurate amount accrued by the City's patrol officers, and yet will still keep the City's firefighters' vacation benefits above the averages found in the County.

3. Sick Leave.

City's Proposal: Reduce annual accrual from 168 hours to 144 hours for new-hires only.

At 168 hours of sick time owed annually, the firefighters receive 48 hours more than the rest of the City's employees. Yet, the City has only addressed this issue regarding future-hires. Hence, the City seeks a modest reduction of one 24-hour tour regarding this benefit to employees hired on or after May 1, 2013.

D. The City's Remaining Proposals.

1. Sick leave as hours worked.

The City simply seeks to track the Fair Labor Standards Act and not count paid sick leave as hours worked for overtime-calculation purposes. The City's OPBA and Teamster contracts do not specify that sick time is regarded as time worked and this contract likewise should not.

2. Sick leave cash-out.

The City seeks to eliminate this benefit for employees terminated for cause.

E. The Union's Proposals

The City is uncertain as to the specific proposals to be presented by the Union, but it believes it will seek larger wage increases and insurance benefits different than those proposed by the City. In response, the City relies upon the compelling evidence summarized above and which will be presented at hearing, which should result in an award in the City's favor on these two matters.

The Union is also likely to request yet even more time off by virtue of a proposal to reduce its average workweek from 49.7 to 48 hours. The impact of this reduction equates to 88 hours, or an additional 3.7 tours off per year. The implementation of this shameless proposal would not only place additional strains on the Department's operations and budget, but it will increase the firefighters' time-off disparity with the City's other employees, and also enhance their top time-off ranking in Northeast Ohio. The Union's brazen proposal should be rejected.

IV. CONCLUSION

The City's proposals are presented in the spirit of reasonableness and are completely supported by the evidence. The 3% wage increase represents an overly generous offer given the

City's tenuous fiscal condition, given that the Teamsters unit settled at 2.5% and given that a 3% increase will continue a substantial disparity in annual compensation between the City's police officers and firefighters. Indeed, the only reason the City is proposing a 3% increase is because this dispute resolution process has pushed it to this extreme limit.

The City's insurance proposal has already been implemented on January 1st of this year for the OPBA, Teamsters and FOP/OLC units. This Union's aggressive stance in these negotiations has already reaped benefits for it – a one-year reprieve from the insurance contributions paid by others in the City. The "pattern" on insurance should now be applied to this group on January 1, 2014.

Finally, the exorbitant time-off allocated to the City's firefighters is strongly deserving of tempering. In that regard, the City has proposed modest reductions while still maintaining a favorable disparity with the City's other employees, and as compared to firefighters throughout the County. In all, the City's proposals should be awarded by this Conciliator.


Respectfully submitted,


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CERTIFICATE OF SERVICE

The undersigned certifies that a true copy of the foregoing was served, via electronic mail, this 21st day of March 2013, upon:

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2487-12-02

**NEGOTIATIONS BETWEEN
THE CITY OF WARRENSVILLE HEIGHTS
AND
IAFF LOCAL 1591**

**CITY'S CONCILIATION PROPOSAL
March 21, 2013**

1. **WAGES – ARTICLE XI**

§11.13 – Modify current wage chart consistent with the following:

- 2012 – wage freeze
- 2013 – wage freeze
- 2014 – 3.0% wage increase for all steps effective January 1, 2014

2. **INSURANCE – ARTICLE XVIII** (See actual language attached)

- 2012 – No change
- 2013 – No change
- Effective January 1, 2014 – Employees to contribute 10% of City's monthly premiums for medical, prescription drug, vision and dental coverage.
 - Employee's monthly contributions cannot exceed \$183.00/month for family coverage; \$70.00/month for single coverage.
- Add language allowing for Health Savings Account ("HSA") option for employees.
- Modify §5 as follows:

Each bargaining unit shall select one representative to a Health Insurance Committee. The Mayor shall appoint two additional members. The committee shall explore options for health insurance and make recommendations to the City and the Union regarding plan design and employee premium contributions.

3. VACATIONS – ARTICLE XIII

- Modify accrual rates for current employees as follows:

13.01 Add following language:

Effective January 1, 2014, each member of the collective bargaining unit shall be eligible for paid vacation as follows:

- A. ~~Five (5)~~**Four (4)** tours after completion of one (1) year full-time service.
- B. ~~Eight (8)~~**Seven (7)** tours after completion of five (5) years of full-time service.
- C. ~~Ten (10)~~**Nine (9)** tours after completion of eleven (11) years of full-time service.
- D. ~~Thirteen (13)~~**Eleven (11)** tours after completion of sixteen (16) years of full-time service.
- E. ~~Fifteen (15)~~**Thirteen (13)** tours after completion of twenty-two (22) years of full-time service.

- Modify first sentence of §13.05 as follows:

Each member is required to take at least ~~five (5)~~**four (4)** tours **or ninety-six (96) hours** of vacation time.

4. VACATIONS – ARTICLE XIII

13.01 Add following language:

Employees hired on or after May 1, 2013 shall be eligible for paid vacation as follows:

- A. ~~Five (5)~~**Four (4)** tours after completion of one (1) year full-time service.
- B. ~~Eight (8)~~**Seven (7)** tours after completion of five (5) years of full-time service.
- C. ~~Ten (10)~~**Nine (9)** tours after completion of eleven (11) years of full-time service.
- D. ~~Thirteen (13)~~**Eleven (11)** tours after completion of sixteen (16) years of full-time service.

E. ~~Fifteen (15)~~**Thirteen (13)** tours after completion of twenty-two (22) years of full-time service.

Each member is required to take at least ~~five (5)~~**four (4)** tours **or ninety-six (96) hours** of vacation time.

5. HOLIDAYS – ARTICLE XIV

§14.01 – Add following language:

- Effective January 1, 2014, employees working a 24-hour shift will be provided eight (8) tours of holiday time per year.
(Note: Existing benefit is eleven (11) tours per year)

- Modify first sentence of §14.03 as follows:

The paid holidays for **non-suppression personnel** are as follows:

- Modify first sentence of §14.06 as follows:

Unused holiday time can be placed in a holiday time bank up to a maximum of ~~two hundred forty (240)~~**one hundred ninety-two (192)** hours (~~108~~ tours).

6. HOLIDAYS – ARTICLE XIV

§14.01 – Add following language:

- Employees hired on or after May 1, 2013 working a 24-hour shift will be provided eight (8) tours of holiday time per year.

§14.06 – Add following language:

- For employees hired on or after May 1, 2013, unused holiday time can be placed in a holiday time bank up to a maximum of one hundred ninety-two (192) hours (8 tours).

7. HOURS OF WORK – ARTICLE XVII

§17.01 – Modify as follows:

Paid time off (i.e., holidays, ~~sick time~~, and vacation **but not sick leave**) shall be considered as hours worked. Overtime shall be paid for hours worked beyond those in the regular scheduled cycle.

8. **SICK LEAVE – ARTICLE XX**

Add following language:

- §20.01 – For employees hired on or after May 1, 2013, reduce annual accrual from 168 hours to 144 hours
- §20.03 – Modify as follows:

Upon retirement or termination (**except “terminations for cause”**) of employment, employees shall receive 1,080 hours of the first 2,880 hours accumulated, of (37.5%) of accumulated time under 2,880 hours at the rate of pay in effect upon termination or retirement.

9. **DURATION**

Expiration date of December 31, 2014

10. **REMAINING PROVISIONS**

The City rejects the Union’s proposals and proposes that the provisions not addressed herein remain unchanged in the successor contract.

ARTICLE XVIII – INSURANCE

- 18.01** The City shall continue to pay the full cost of monthly premiums for the plan provided to all employees **through December 31, 2013. Effective January 1, 2014, employees shall pay, on a monthly basis, ten percent (10%) of the City’s cost for insurance coverage (hospitalization, prescription drug, dental and vision). However, the employee’s monthly contribution shall not exceed \$70/month for single coverage and \$183/month for family coverage.** Employees shall continue to pay all applicable co-payments/office visit and other associated out-of-pocket cost charges, in addition to the deductibles applicable for single or family coverage, up to a maximum annual deductible of Seven Hundred Fifty Dollars (\$750) for single coverage and One Thousand Five Hundred Dollars (\$1,500) deductible for family coverage. The City shall have the right to change providers; however, the current levels of coverage shall be maintained for the duration of the Agreement. ~~Effective January 1, 2006 — December 31, 2006 however, the City shall reimburse employees in full for any deductible amount which exceeds One Thousand Dollars (\$1,000).~~
- 18.02** The city shall not be obligated to provide hospitalization coverage to a member who is covered under another comprehensive health insurance plan, or is absent from employment without justifiable reason or excuse for a period of three (3) tours or more.
- 18.03** The City shall pay the premium, for a convertible Life Insurance Policy in the face value of Forty Thousand Dollars (\$40,000).
- 18.04** The parties agree that any time during this contract either may reopen this Article if the Federal Government imposes or substantially impacts Hospitalization by the enactment of Health Care Reform.
- 18.05** It is agreed that the Employer may make inquiries into the cost of comparable insurance from other carriers regarding health insurance. The Employer may change carriers if a new policy provides same or similar benefits at a lower cost. The Employer will consult with the Union before any change is made.
- 18.06** **The City reserves the right to implement a Health Savings Account (“HSA”) plan, which employees may enroll in at their option.**
- 18.07** **Each bargaining unit shall select one representative to a Health Insurance Committee. The Mayor shall appoint two additional members. The committee shall explore options for health insurance and make recommendations to the City and the Union regarding plan design and employee premium contributions.**