

RECEIVED
 JAN 24 2011
 CORNFIELD &
 FELDMAN

IN THE MATTER OF ARBITRATION)	
)	FMCS Case No. 100726-04276-A
Between)	
)	Marvin F. Hill, Jr.
VILLAGE OF STREAMWOOD, IL)	Arbitrator
)	
And)	Pre-trial: October 22, 2010,
)	Rosemont, Illinois
IAFF 3022)	
)	

Appearances:

For the Village: Michael K. Durkin, Esq.
 Storino, Ramello & Durkin
 9501 West Devon Avenue
 Rosemont, IL 60018

For the IAFF: J. Dale Berry, Esq.
 Cornfield and Feldman
 25 East Washington Street, Ste 1400
 Chicago, IL 60602-1803

I. BACKGROUND, FACTS AND STATEMENT OF JURISDICTION

This matter came to the undersigned Arbitrator by way of a Stipulated Agreement by the parties, the Village of Streamwood (“Employer” or “Administration”) and the IAFF Local 3022 (“Union” or “Association” or “Firefighters”). Both parties have agreed that the stipulated award be part of the Arbitrator’s award.

By way of background, the parties, with assistance of the undersigned, met at Rosemont, IL on October 22, 2010, to discuss comparables and outstanding issues. At that pre-trial meeting, the Employer asserted a negotiability issue with respect to manning. Accordingly, the

parties were left to their devices to either settle the negotiability issue or pursue the matter before the Labor Board. Subsequently, the Labor Board ruled the matter "mandatory." After additional negotiation sessions, the parties came to an accord. That accord, outlined in Appendix "A," is incorporated into a Stipulated Award.

II. DISCUSSION

As in all interest arbitration cases involving protective service bargaining units in Illinois, the Arbitrator's findings and decisions must be based upon the requirements set forth in Section 14 of the *Act*, as applicable. See, *Town of Cicero v. Illinois Association of Firefighters Local 717*, 338 Ill. App. 3d 364; 788 N.E.2d 286; 272 Ill. Dec. 982 (1st Dist., 2003) ("*Town of Cicero II*"). The following provisions of Section 14 of the *Act*, 5 ILCS 315/14(g) & (h), are relevant to these proceedings:

- (g) At or before the conclusion of the hearing held pursuant to subsection (d), the arbitration panel shall . . . direct each of the parties to submit, within such time limit as the panel shall prescribe, to the arbitration panel and to each other its last offer of settlement on each economic issue.
- (h) Where there is no agreement between the parties, . . . the arbitration panel shall base its findings, opinions and order upon the following factors, as applicable:
 - (1) The lawful authority of the employer;
 - (2) Stipulations of the parties;
 - (3) The interests and welfare of the public and the financial ability of the unit of government to meet those costs;
 - (4) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:

In public employment in comparable communities.

In private employment in comparable communities.

- (5) The average consumer prices for goods and services, commonly known as cost of living;
- (6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment and all other benefits received;
- (7) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings;
- (8) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

5 ILCS 315/14(h)

In addition, it is well settled that, where one or the other of the parties seeks to obtain a substantial departure from the parties' *status quo*, an "extra burden" must be met *before* the Arbitrator resorts to the criteria enumerated in Section 14(h) of the Act.

The oft-cited standards regarding this "extra burden" has been articulated by numerous arbitrators including Chicago Arbitrator Harvey Nathan. In *Sheriff of Will County and AFSCME Council 31, Local 2961*, Arbitrator Nathan declared:

[I]nterest arbitration is essentially a conservative process. While obviously value judgments are inherent, the neutral cannot impose upon the parties' contractual procedures he or she knows that parties themselves would never agree to. Nor is his function to embark upon new ground and to create some innovative procedural or benefits scheme which is unrelated to the parties' particular bargaining history. **The arbitration award must be a natural extension of where the parties were at impasse. The award must flow from the peculiar circumstances these particular parties have developed for themselves. To do anything less would inhibit collective bargaining.**" *Will County Board and Sheriff of Will County* (Nathan, 1988), quoting *Arizona Public Service*, 63 LA 1189, 1196 (Platt, 1974); Accord, *City of Aurora*, S-MA-95-44 at p.18-19 (Kohn, 1995).

. . . The well-accepted standard in interest arbitration when one party seeks to implement entirely new benefits or procedures (as opposed to merely increasing or decreasing existing benefits) or to markedly change the product of previous negotiations is to place the onus on the party seeking the change. . . . In each instance, the burden is on the party seeking the change to demonstrate, at a minimum:

- (1) that the old system or procedure has not worked as anticipated when originally agreed to or
- (2) that the existing system or procedure has created operational hardships for the employer (or equitable or due process problems for the union) and
- (3) that the party seeking to maintain the *status quo* has resisted attempts at the bargaining table to address these problems.

Without first examining these threshold questions, the Arbitrator should not consider whether the proposal is justified based upon other statutory criteria. These threshold requirements are necessary in order to encourage collective bargaining. Parties cannot avoid the hard issues at the bargaining table in the hope that an arbitrator will obtain for them what they could never negotiate themselves.

Sheriff of Will County at 51-52 (emphasis mine); See, also, *Sheriff of Cook County II*, at 17 n.16, and at 19.

* * * *

Consistent with the mandates of the Act, the following summary components of the parties' successor collective bargaining agreement are noted for the record:

Wages, Minimum Staffing and Sick Leave

1. The Firefighters will receive a contract provision providing for a shift minimum of 10 which assures that the two (2) engines will be staffed with an officer and two (2) firefighters and the two (2) ambulances with two (2) paramedics (Section 18.5(1)(2)).
2. As a quid pro quo for this standard, the Union accepted wages of 0% in 2010 and 2 in 2011.
3. The parties agreed to a unique arrangement to reduce overtime costs that could be generated by this shift minimum:
 - A. They agreed to reinforce good attendance by:

- i) Making explicit the moral significance of false sick leave reports (Section 14.2);
 - ii) Eliminating the previous ability to use sick leave for family sickness (Section 14.2; Par. 1);
 - iii) Expressly providing for the use of unpaid FMLA leave, the use of accrued vacation leave or duty trades to cover absences due to family or personal illness;
 - iv) The delineation of a "pattern" of use which if demonstrated would place a burden on the employee to demonstrate the use was bona fide (Section 14.3);
 - v) Defining performance standards of no more than an average of two (2) sick days per annum, per employee (monitored monthly).
- B. Providing that so long as such standard is met, the shift minimum of 10 will be maintained but if it is not met the Village may reduce the staffing level to nine (Section 18.5(3)(4)).
- C. Modifying the previously existing schedule for a good attendance incentive to make all employees eligible by eliminating the previous 960 hours minimum (Section 14.4).
- D. Providing for a variance to 9 if three or more "long term" absences occur (Section 18.5(6)).
- E. Providing that when such conditions are met, the shift minimum will be maintained by call backs paid at straight time (Section 18,5, 6, 7).
- F. Providing for a procedure to renegotiate these standards if the Village revenue falls 2% or more below the previous year (Section 18.5(8)).

Health Insurance

The previous collective bargaining agreement provided for both a PPO and a high-deductible HSA option. The successor collective bargaining agreement provides for maintaining the existing 80/20 split in premium contribution but substantially increases the co-pays and maximum out-of-pocket costs for the PPO effective January 1, 2011 (Section 10.4(A)).

The new collective bargaining agreement established a new "Wellness Physical Fitness Committee" to establish wellness/fitness standards for employees who elect to participate. Employees who fulfill the standards will have their premium contributions lowered by five (5) percent to 85/15.

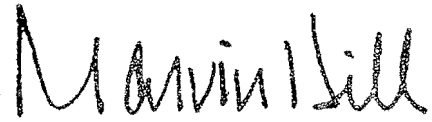
* * * *

By all accounts, the agreement reached by the parties is remarkable and grounded in a desire to maintain the level of services to residents in recessionary times. Significantly, there is no question that the accord comports with the Act's criteria, especially the criterion "the interests and welfare of the public and the financial ability of the unit of government to meet those costs.

III. AWARD

For the reasons articulated in this opinion, the parties' accord, outlined in Appendix A (attached), is hereby awarded under the Act.

Dated this 21st day of January, 2011
At DeKalb, Illinois, 60115



Marvin Hill, Jr.
Arbitrator

LAW OFFICES

STORINO, RAMELLO & DURKIN

9501 WEST DEVON AVENUE
ROSEMONT, ILLINOIS 60018

DONALD J. STORINO
MICHAEL K. DURKIN
RICHARD J. RAMELLO
NICHOLAS S. PEPPERS
THOMAS M. BASTIAN
ANGELO F. DEL MARTO
MARY K. CONNOLLY
JAMES E. MACHOLL
BRIAN W. BAUGH
ANTHONY J. CASALE
ANDREW Y. ACKER
PETER A. PACIONE
MELISSA A. MIROBALLI

(847) 318 - 9500

FACSIMILE (847) 318 - 9509

MATTHEW G. HOLMES
KATHLEEN M. REIFSNYDER
MICHAEL R. DURKIN
THOMAS J. HALLERAN

JOSEPH G. KUSPER
MARK R. STEPHENS
BRYAN J. BERRY
ANN M. WILLIAMS
LEONARD P. DIORIO
RICHARD F. PELLEGRINO
DONALD J. STORINO II

OF COUNSEL

IN REPLY REFER TO FILE NO.

January 13, 2011

Mr. Marvin F. Hill, Jr., Arbitrator
330 North Second Street
DeKalb, Illinois 60115

Re: Village of Streamwood and IAFF Local 3022
FMCS Case 100726-04276-A

Dear Mr. Hill:

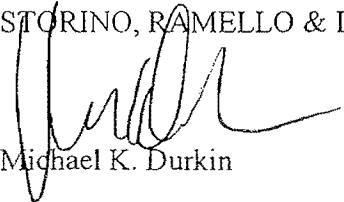
I am pleased to report that the Village of Streamwood and IAFF Local 3022 have reached tentative agreement with regard to all open items in the above-referenced contract negotiations. The parties desire that you enter a consent award in the above-referenced matter.

For purposes of entering the consent award, I have enclosed copies of the parties' original tentative agreements, as well as the draft contract language concerning those issues, to which the parties agree.

Please contact the undersigned or Attorney Dale Berry if you have any questions regarding this matter. On behalf of both parties, we wish to thank you for your assistance in bringing this matter to resolution.

Respectfully,

STORINO, RAMELLO & DURKIN


Michael K. Durkin

MKD/jas
Enclosures
cc: J. Dale Berry

236121.1

APPENDIX A

Village of Streamwood and IAFF Local 3022
Items TA'd by Parties

Section 14.2. Sick Leave Use Restriction. Sick leave is a privilege that is to be used for the sole purpose of providing wage continuance when an employee is actually sick (i.e., incapacitated due to illness or non-job related injury; for medical treatment and for exposure to contagious disease when attendance and duties jeopardize the health of others). A certificate of illness from a medical doctor or licensed medical practitioner shall be required of twenty-four (24) hour shift employees to receive sick leave pay for more than forty-eight (48) consecutive hours (2 shift days) off work and for more than thirty (30) consecutive hours for the Public Safety Inspector or where a pattern of excessive use is demonstrated, as described in Section 14.3(b) of this Article. ~~Sick leave may be used for the care of an immediate family member as defined in Article 15 Section 15.5 up to 48 hours. This shall be used in 12 hour blocks unless approved by the Fire Chief or his/her designee.~~ These restrictions are necessary because the safety and effectiveness of the Department's service to citizens requires that a minimum complement of staff be present and able to respond to emergencies on a 24/7 basis. Absences from duty jeopardize necessary staffing levels.

A false report to your Shift Commander that you are "sick," when you are not, is a lie. Accepting payment for services not performed when you are absent from duty and not actually sick is a fraud on the taxpayers of the Village of Streamwood. These are abuses that constitute a serious offense.

The Village will grant unpaid FMLA leave for the care of a spouse, child or parent who has a serious health condition that qualifies for FMLA leave, unless the employee utilizes vacation for such absence. Alternatively, employees have the option to seek shift/Kelly Day exchanges pursuant to Section 16.9, in order to avoid the use of leave time to cover absences on account of family or personal illness.

Section 14.3. Sick Leave Abuse Sanctions.

(a) For purposes of the provisions contained within this Article, "abuse" of sick leave occurs when an employee requests sick leave when not actually sick for the reasons the utilization of such for reasons other than those stated within Section 14.2 of this Article. If at any time the Employer suspects abuse of sick leave, the Chief may request, at the Employer's expense, that the employee obtain a certificate of illness from a doctor of the Employer's choice, prior to returning to work. All such requests and medical appointments shall be made in a reasonable and timely manner. In addition, where an employee's use of sick leave demonstrates a pattern of use equal or greater than the use described in paragraph (b) of this Section, the Fire Chief shall be authorized to withhold payment of sick leave until and unless the employee comes forward with evidence establishing that his/her claim of sick leave is bona fide. Such evidence may consist of a certificate of illness signed by the employee's treating physician or medical practitioner, or a signed statement from occurrence witnesses; provided that any false evidence submitted shall subject the employee to a suspension from duty without pay for not less than thirty (30) days, or discharge.

Upon sufficient evidence of the abuse of such sick leave, the employee may not be paid for such leave taken nor may the employee accrue any rights inherent with such period, such as seniority and other employee benefits and rights. Continued abuse of sick leave shall subject the employee to appropriate disciplinary action pursuant to the terms of this Agreement.

(b) The parties agree that the following occurrences demonstrate a pattern of use that supports a reasonable suspicion of abuse:

(1) Where an employee demonstrates a pattern of coupling sick days with vacation leave and/or Kelly Days off;

(2) Where an employee demonstrates a pattern of using sick leave in excess of three (3) days per calendar year in separate increments, without evidence of serious illness or injury; or

(3) Where an employee demonstrates a pattern of failing to honor duty trade commitments by calling in sick.

For the purpose of this Section, a "pattern" under numbers (1) and (3) above shall be deemed to exist when an employee has two (2) or more occurrences in a rolling twelve (12) month period. An occurrence is defined as an incident where an employee uses sick leave for one or more consecutive days to recover from one illness or injury.

(c) The Fire Chief is encouraged to utilize the Labor-Management Committee to facilitate corrective action in advance of the need to resort to disciplinary action.

Section 14.4 Good Attendance Incentive. Employees shall be eligible for good attendance incentive payments based on the number of sick leave hours that the employee used during the previous calendar year. To be eligible, twenty four (24) hour shift employees must have accumulated a minimum of nine hundred sixty (960) sick leave hours, and the Public Safety Inspector must have accumulated a minimum of six hundred forty (640) sick leave hours. Employees, whose sick leave usage qualifies, shall receive good attendance incentive payments into their PEHP account based upon the number of sick leave hours used during the preceding calendar year. Payments shall be made according to the following schedule:

24 hour shift employees sick leave hours used in the previous calendar year	24 hour shift employees number of sick leave hours paid into the PEHP account
0 hours used	72 hours paid
24 hours used	48 hours paid
48 hours used	24 hours paid
72 or more hours used	0 hours paid

The Public Safety Inspector sick leave hours used in the previous calendar year	The Public Safety Inspector number of sick leave hours paid into the PEHP account
0 hours used	30 hours paid
20 hours used	20 hours paid
30 hours used	10 hours paid
40 or more hours used	0 hours paid

In addition to the above payments made, any sick leave hours which are unused or not paid into the employees PEHP account shall be added to the employees accrued sick leave pool to be applied up to the limits prescribed in 14.1.

Effective January 1, 2011, the incentive program shall be changed to provide that employees shall be eligible for good attendance incentive payments based on the number of sick leave hours that the employee used during the previous calendar year and their end-of-year (EOY) sick leave accrual account. Eligible hours shall be deleted from the employee's sick leave accrual account and transferred to their PEHP account, based on the following schedule:

24/48-Hour Employees

<u>Sick Leave Hours Used</u>	<u>Hours Transferred</u>
0 hours used	7.5% of EOY accrual to a maximum of 72 hours
24 hours used	5% of EOY accrual to a maximum of 48 hours
48 hours used	2.5% of EOY accrual to a maximum of 24 hours
More than 48 hours used	0%

Examples

End of Year Balance = 144 hours
Hours Used = 0 hours (.075)
144 hours x .075 = 10.8 hours transferred to PEHP; new accrual = 133.2 hours

End of Year Balance = 960 hours
Hours Used = 0 hours (0.75)
960 hours x .075 = 72 hours transferred to PEHP; new accrual = 888 hours

End of Year Balance = 960 hours
Hours Used = 48 hours (.025)
960 x .025 = 24 hours transferred to PEHP; new accrual = 936 hours

End of Year Balance = 450 hours
Hours Used = 24 hours (.05)
450 x .05 = 22.5 hours transferred to PEHP; new accrual = 427.5 hours

End of Year Balance = 75 hours
Hours Used = 0 (.075)
72 hours x .075 = 5.4 hours transferred to PEHP; new accrual = 66.6 hours

Public Safety Inspector

<u>Sick Leave Hours Used</u>	<u>Hours Transferred</u>
<u>0 hours used</u>	<u>5% of EOY accrual to a maximum of 30 hours</u>
<u>20 hours used</u>	<u>3% of EOY accrual to a maximum of 20 hours</u>
<u>30 hours used</u>	<u>1.5% of EOY accrual to a maximum of 10 hours</u>
<u>More than 30 hours used</u>	<u>0%</u>

For Good Attendance incentives payable for calendar years 2010 and 2011, employees shall be paid by depositing 50% of such value into the employee's PEHP account, and 50% in cash. For incentives for calendar year 2012 (payable in 2013) and thereafter, all payments shall be made as deposits into the employee's PEHP account.

Section 18.5. Minimum Staffing. In support of their joint commitment to maintain safe working conditions, as described in Section 18.1 of this Article, the parties further agree to the following conditions:

(1) The Fire Department exists, 24 hours of every day, to protect life, property and the environment.

(2) Effective January 1, 2011, the parties have determined that this purpose is presently accomplished by maintaining daily shift staffing levels of ten (10) bargaining unit personnel, subject to a variance to nine (9), in the event the conditions described in paragraphs (3) and (4) are not fulfilled.

(3) The maintenance of daily staffing levels at a minimum of ten (10) is subject to the bargaining unit fulfilling a performance standard that the sick leave usage not exceed one hundred sixty-eight (168) hours per month. Sick leave usage shall be monitored on a monthly basis. In a month in which the sick leave usage for the bargaining unit exceeds the standard of one hundred sixty-eight (168) hours, the Fire Chief shall have the discretion to operate shifts down to a minimum of nine (9), provided the shift minimum shall be restored to ten (10), whenever the standard of one hundred sixty-eight (168) hours is fulfilled. When a shift minimum is at ten (10) or is reduced to nine (9), a bargaining unit employee may not be assigned to act as a Battalion Chief, unless the Firefighter vacancy is filled, so that the applicable shift minimum of ten (10) or nine (9) Firefighters/Paramedics per shift is maintained (provided, that the Village is not required to assign a bargaining unit employee to act as a Battalion Chief, at the Village's discretion).

(4) Effective January 1, 2011, the Village agrees to maintain three-man fire companies, unless the number of sick leave hours used by bargaining unit members in any calendar month exceeds one hundred sixty-eight (168) hours, in which case the Village may then reduce the size of fire companies for the following calendar month. If such sick leave usage by bargaining unit members for the subsequent calendar month does not exceed one hundred sixty-eight (168) hours, then the Village shall again be required to maintain three-man fire companies. For purposes of this paragraph, absences for off-duty injury or illness exceeding nine (9) continuous duty days, or any absences covered by PEDA or workers compensation, shall be excluded. The Village's requirement to staff according to this paragraph shall continue on a month-to-month basis.

(5) The new standards applicable for the use and non-use of sick leave shall be as described in the amendments to Sections 14.2, 14.3 and 14.4.

(6) Notwithstanding paragraphs (3) and (4), any time that there are three (3) "long term absences" (defined as absences for any illness or injury as to which there is a reasonable expectation to exceed nine (9) consecutive duty days) at any time, the Village may staff at a minimum of nine (9), and the Village will be relieved of the requirement to maintain three-man fire companies, and during such periods, any time use of sick leave

exceeds one hundred sixty-eight (168) hours in a month, then any hirebacks to meet the staffing requirement of nine (9) shall be paid at straight time rate, and shall be available only to those bargaining unit members according to procedures described in paragraph (7) of this Section.

(7) Effective January 1, 2011, the Union agrees, in consideration for the Village commitments to maintain the shift minimum described in this Section, to modify the overtime pay and distribution provision set forth in Article 16, Sections 16.4 and 16.5 as follows:

(a) These modifications shall be effective only if the "3 long term absences" exception to the minimum shift and company staffing level requirements described in paragraph (6) above becomes operative, and shall lapse and be ineffective in the event such staffing minimums are not maintained;

(b) When the conditions of this exception are met and the need for overtime exists, the Shift Commander and the Union President or his designee shall be notified. Upon such notice, the Battalion Chief, in consultation with the Union President or his designee, shall offer the assignment to a qualified employee to fill the need, except that the selection shall not be made of an employee when the overtime assignment will cause his total hours of work during his 27 day work period to exceed the FLSA maximum of 204 hours, even if he has priority on the regular overtime list. Instead, employees on the list, whose total hours worked during their 27 day work period, including any overtime assignment, total less than 204 hours, shall have priority. Eligible employees shall be offered overtime assignments on a rotational basis to equalize overtime opportunities, to the extent feasible. In order to facilitate this alternative procedure, overtime offered may be made in increments of 12 hours in order to fill a 24 hour duty day assignment.

(8) In the event that the Village's General Fund revenues from sources used for the 2010 Village of Streamwood Operating and Capital Improvements Budget, currently estimated to be \$19,600,000 (less any interfund transfers) for any given year are less than \$19,200,000 or 2% less than the actual revenues for the 2010 budget (whichever is greater), the Village may notify the Union of its desire to propose modifications to the minimum staffing provisions contained in this Section 18.5.

Such notice shall be in writing and shall specify the reason(s) supporting its proposal. The Union may require the Village to negotiate as to its proposed modifications by serving a demand to bargain within ten (10) days of receiving the Village's notice. Negotiations shall continue for a period of sixty (60) days or longer, if the parties mutually agree to extend negotiations. During such negotiations, the Union may examine the bona fides of any financial reasons asserted by the Village and propose alternatives to mitigate or avoid the proposed modifications that may be considered include:

(a) seeking savings through reduction in budgeted expenditures through improved efficiency and productivity;

(b) personnel reduction through attrition, including voluntary separation incentives;

(c) identification of additional sources of revenue for the services provided by the Fire Department.

If no agreement is reached, the Village may unilaterally implement its proposed modifications at any time after sixty (60) days following the Union's demand to bargain, subject to the Union's right to submit their dispute to binding interest arbitration. The arbitrator shall be selected in accordance with the procedures of Step 4 of Section 8.3 of this Agreement.

In addition, prior to implementing any modification, the Village shall issue a final statement of its reasons for the action, which shall include a specification of the financial reasons supporting its action and any effect on the response times of fire companies to emergency calls resulting from its modification of Section 18.5 as compared to existing response times.

The Union may contest the Village's action and the reasons asserted in support. The arbitrator shall have the authority to examine the Village's reason(s) and to determine their validity, including whether economic reasons are bona fide and whether alternatives proposed by the Union are sufficient to offset any bona fide financial necessity established by the Village. In the event the Village's reasons are found to be insufficient based on the foregoing factors, the arbitrator may rescind the Village's unilateral change and reinstate the *status quo ante* or select an alternative final offer tendered by either the Union or the Village.

Section 20.4. Health Insurance Coverage.

A. Plans and Costs. The Village of Streamwood shall provide group health insurance coverage to full-time employees covered by this Agreement as follows:

- (1) For the PPO only Plan, the schedule of benefits and the covered medical expense shall be substantially the same as are currently in effect.
- (2) The HMO plan shall be made available under the terms established by the Village.
- (3) In the event that changes in coverage are made by the IPBC, the Union and the Village shall meet to discuss such changes and their effect on coverage, with the mutual objective of avoiding disputes or grievances arising out of the differences in coverage.

The Employer and the employee shall be responsible for premium and other costs as provided below:

PPO Only Plan - Plan Limits (effective January 1, 2011)

Annual Deductible	
Single Coverage	\$250
Family Coverage	\$750
Co-Pay Provision	<u>80%/20%/\$1,250 of the first \$3,750, after payment of deductible (3x for family)</u>
Prescription Card	\$10/\$20/\$40 generic/formulary/non-formulary (mail order: 90-day supply for 2x payment)
<hr/>	
Maximum Out-Of-Pocket	
Single Coverage	<u>\$5001,000</u>
Family Coverage	<u>\$1,5003,000</u>
Emergency Room Co-Pay	<u>\$75</u>

High Deductible Plan (HDP) Plan Limits

Annual Deductible	
Single Coverage	\$2,500.00
Family Coverage	\$5,000.00
Co-Pay Provision	90% in-network 70% out-of-network

Maximum Out-of-Pocket	
Single Coverage	\$3,000.00
Family Coverage	\$6,000.00

Bargaining unit members shall pay the following percentage of the Village's monthly cost for PPO and the HDP health insurance:

2007	15%
2008	17.5%
2009	20%

HMO Insurance Cost:

Employees enrolled in the HMO Plan shall pay: ten percent (10%) of the Village's cost for this plan.

B. Utilization Review/Cost Containment. Utilization Review/Cost Containment shall apply to each Plan and shall include, but not be limited to, the following:

- (1) hospitalization must be pre-approved for non-emergency purposes or benefits may be reduced twenty-five percent (25%) not to exceed One Thousand Five Hundred (\$1500.00) Dollars;
- (2) authorization for emergency admission must be obtained within forty-eight (48) hours of the admission or benefits may be reduced twenty-five percent (25%) not to exceed One Thousand Five Hundred (\$1500.00) Dollars;
- (3) hospital benefits shall be paid only for the approved number of extended confinement days, unless other authority has been obtained; maximum penalty twenty-five percent (25)% not to exceed One Thousand Five Hundred (\$1500.00) Dollars;
- (4) the Village may require mandatory second opinions for elective surgery, pre-admission and continued admission review, prohibition on weekend admissions except in emergency situations, and mandatory out-patient elective surgery for certain designed surgical procedures.

C. Large Case Management. Large Case Management shall apply to each plan and is part of the Village's current health care program. Large Case Management identifies potentially catastrophic cases early in their treatment and, working with the attending physician, helps to determine a long-term treatment plan.

D. IRS Section 125. The Village will, to the extent provided by law, provide a comprehensive Section 125 program ("FSA"). Nothing in this section infers that the Village will

contribute to an employee's FSA or Section 125 plan. The maximum an employee can elect to withhold shall be \$5000.00 dollars, provided employees shall be required to reimburse the employer for any funds drawn that exceed the amount contributed, if the employee terminates employment during the plan year.

Employees who have enrolled in the FSA and who enroll in the HSA option effective January 1, 2008 shall be released from their FSA enrollment effective December 31, 2007.

The Village shall provide such employees with the option to contribute to a limited purpose FSA to receive permitted contributions for vision and dental expenses in accordance with IRC 223(c)2(A), as described in Notice 2004-23, 2004-15 LRB.

- E. Annual Election. An employee will be allowed to change from one plan to another at the appointed time each year, except as limited by Section 20.4 F below.
- F. Health Savings Accounts ("HSA"). Commencing no later than January 1, 2008, the Village shall offer a high deductible plan ("HDP") of health insurance, with deductibles of \$2,500.00 per year for single coverage and \$5,000.00 per year for family coverage, and maximum out-of-pocket expense limitations of \$3,000.00 for single coverage and \$6,000.00 for family. Employees who opt for the HDP shall be required to remain in the HDP for a minimum of three (3) insurance years, and to establish a Health Savings Account ("HSA"). For each employee enrolled in the HDP, the Village shall be required to make the following contributions to such employee's HSA: the Village shall contribute 90% of the difference between the Village's portion of the premium for the PPO plan and the HDP. The Village's contribution to the HSA on behalf of employees shall be provided on a monthly basis. For the 2010/2011 health insurance year, such Village contributions shall be made at the monthly rate in effect on July 1, 2010. Employees who enroll in the HDP shall be required to contribute 100% of the difference between the employee's portion of the premium for the PPO plan and the HDP, to their HSA for each year that the employee participates in the HDP.

Employees who enroll in the HDP may not opt out of such HDP for three (3) consecutive insurance years. In the first year of an employee's participation in the HDP, the Village will self-insure 90% of any shortfall between the Village's and employee's required contributions to the HSA during such first year, and claims paid out of the HSA during such first year, but not exceeding \$4,500.00 in claims, and only for claims covered by the Blue Cross/Blue Shield HDP Plan. During the second year of an employee's participation in the HDP, the Village will self-insure 90% of any short fall between any claims paid out of the HSA during such second year (not exceeding \$4,500.00 in second year claims covered by the Blue Cross/Blue Shield HDP Plan) and the following: the aggregate of (1) the unexpended balance of the Village's and employee's required contributions to the HSA during the first year, after deducting only claims covered by the Blue Cross/Blue Shield HDP Plan not exceeding \$4,500.00, and (2) the Village's and employee's required contributions to the HSA during the second year.

EXAMPLE:

- Year 2:
- Employee has a \$500 unexpended balance of the Village's and employee's required contributions for first year (2008).
 - Employee account received \$3,500 in second year (2009) contributions from Village and employee.
 - Employee has \$7,000 in claims in year 2 (2009).

Result:

- 1) Employee has \$500 shortfall in contribution (\$3,500) plus unexpended balance (\$500) from year 1 (2008). Village self-insures 90% of \$500 shortfall (note: \$4,500 cap on claims) and contributes \$450 more to employee's HSA account.
 - 2) Year 2 (2009) claims exceed \$4,500 by \$2,500. Of that amount, employee is responsible for additional \$1,500, based on difference between \$4,500 covered by HSA contribution and \$6,000 out-of-pocket max.
 - 3) The claims in excess of \$6,000 out-of-pocket max (\$1,000 [\$7,000-\$6,000]) are covered 100% by insurer.
- G. The HSA plan implemented pursuant to this Agreement shall provide preventive care coverage without a deductible for employees enrolling in such plan. The preventive care benefits shall be as authorized in §223(c)(2) of the IRC and as described in Letter dated November 7, 2007 from Gary D. O'Rourke to William Burke as detailed in the Appendix to IRB 2004-15 I.R.B. 726 April 12, 2004, attached to this Agreement as Appendix G.

Section 20.11. Post Employment Health Insurance Plan (PEHP). Effective January 1, 2001, the parties agree that the Village shall participate in the establishment of a PEHP for each employee. ~~The Employer shall contribute the amount of \$1500 in 2007 and contribute such amounts in \$125 monthly installments as the Employer contribution to the Trustee, in accordance with the Employee Participation Agreement attached to this agreement as Appendix D.~~ The Employer shall contribute the amount of \$1650 in ~~2008~~2010 and in ~~2009~~2011 and contribute such amounts in \$137.50 monthly installments as the Employer contribution to the Trustee, in accordance with the Employee Participation Agreement attached to this agreement as Appendix D. All fees and administrative expenses shall be paid by the employees. The Village agrees to treat such payments as tax exempt contributions to a tax exempt organization pursuant to Sections 501 (a) and (e) (9) of the Internal Revenue Code. However, the Village makes no guarantee or representation as to the continuation of its treatment of such amounts as tax exempt, in the event that the Internal Revenue Service rules that they do not qualify.

Section 20.12. Wellness/Physical Fitness Committee. The parties agree to establish a joint Wellness/Physical Fitness Committee, which shall consist of four (4) persons – two appointed by the Fire Chief and two appointed by the Union President. The Committee shall meet from time to time for the purpose of developing standards to apply to employees who elect to participate in the new Wellness and Fitness Program. The Committee shall utilize available professional resources to develop standards. Such standards shall consist of (i) periodic physical exams, (ii) monitoring of blood pressure, cholesterol and glucose levels, (iii) workout programs, (iv) age-based physical assessment exercises, and (v) other standards that may be identified and agreed to by the parties.

The parties shall negotiate for a period of sixty (60) days or longer, if mutually agreed. If no agreement is reached, either party may refer the dispute to interest arbitration, in accordance with the procedures of Section 14 of the Act, except mediation shall be waived and the arbitrator shall be Marvin F. Hill, Jr.

Employees who elect to participate in the program shall be required to pass and/or fulfill all established standards. All such employees who pass or fulfill such standards, at least semiannually, shall then have their contribution toward the cost of health insurance premiums reduced from 80/20% to 85/15%.

ARTICLE XXIV
TERMINATION AND SUCCESSOR AGREEMENT

The provisions of this Agreement and any amendments thereto shall be effective as of the 1st day of January, ~~2007~~2010, upon ratification of the Union and adoption by the Village Board of Trustees, and shall remain in full force and effect until the 31st day of December, ~~2009~~2012.

In the event that either party desires to modify or terminate this Agreement, written notice must be given to the other party no later than one hundred fifty (150) days prior to the termination date of this Agreement. Negotiations for a successor agreement shall then begin no later than one hundred twenty (120) days prior to the termination of this Agreement.

Notwithstanding the above, there shall be a reopener limited to Section 22.4, Wages, Section 20.4, Health Insurance Coverage, and one additional section to be mutually agreed by the parties, for the 2012 contract year (January 1, 2012 to December 31, 2012). Such reopener negotiations shall begin at the request of either party.

Under no circumstances shall this Agreement be terminated prior to the expiration date hereof on December 31, ~~2009~~2012, or prior to the expiration date of any renewal of this Agreement as agreed to by the parties or provided by law.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT THIS _____ DAY OF _____, 2010, IN THE VILLAGE OF STREAMWOOD, STATE OF ILLINOIS.

APPENDIX C

BASE PAY

These pay schedules reflect a total compensation increase of ~~four and three quarters zero percent (4.750.0%)~~ effective January 1, ~~2007~~2010, ~~four and one half and two percent (4.52.0%)~~ effective January 1, ~~2008~~2011 and ~~four and one quarter percent (4.25%)~~ effective January 1, ~~2009~~ for Firefighter/Paramedics and Public Safety Inspectors, which percentages include base pay increases plus a ~~\$1,500~~ employer contribution to a PEHP plan for ~~2007~~ and a ~~\$1,650~~ employer contribution to a PEHP plan for ~~2008~~10 and ~~2009~~11. For the 2012 contract year (*i.e.*, from January 1, 2012 to December 31, 2012), the across-the-board salary adjustment, if any, and the effective date of the adjustment, are subject to a reopener, as provided in Article XXIV.

These pay schedules reflect a total compensation increase of ~~four zero percent (40.0%)~~ effective January 1, ~~2007~~2010, and a ~~four two percent (42.0%)~~ effective January 1, ~~2008~~2011 and ~~quarter percent (4.0%)~~ effective January 1, ~~2009~~ for Fire Lieutenants, which percentages include base pay increases plus a ~~\$1,500~~ employer contribution to a PEHP plan for ~~2007~~ and a ~~\$1,650~~ employer contribution to a PEHP plan for ~~2008~~10 and ~~2009~~11. For the 2012 contract year (*i.e.*, from January 1, 2012 to December 31, 2012), the across-the-board salary adjustment, if any, and the effective date of the adjustment, are subject to a reopener, as provided in Article XXIV.

<u>I. FIREFIGHTER/PARAMEDICS</u>				
<u>2010</u>				
<u>Step</u>	<u>Time in Step (in Month)</u>	<u>Base Wage</u>	<u>PEHP***</u>	<u>Total Pensionable Salary</u>
<u>1*</u>	<u>0-12</u>	<u>54,662</u>	<u>1,650</u>	<u>56,312</u>
<u>2**</u>	<u>13-24</u>	<u>56,288</u>	<u>1,650</u>	<u>57,938</u>
<u>3**</u>	<u>25-36</u>	<u>60,656</u>	<u>1,650</u>	<u>62,306</u>
<u>4**</u>	<u>37-48</u>	<u>63,696</u>	<u>1,650</u>	<u>65,346</u>
<u>5**</u>	<u>49-60</u>	<u>66,573</u>	<u>1,650</u>	<u>68,223</u>
<u>6**</u>	<u>61-72</u>	<u>69,936</u>	<u>1,650</u>	<u>71,586</u>
<u>7**</u>	<u>73 and up</u>	<u>73,404</u>	<u>1,650</u>	<u>75,054</u>
<u>2011</u>				
<u>Step</u>	<u>Time in Step (in Month)</u>	<u>Base Wage</u>	<u>PEHP***</u>	<u>Total Pensionable Salary</u>
<u>1*</u>	<u>0-12</u>	<u>55,788</u>	<u>1,650</u>	<u>57,438</u>
<u>2**</u>	<u>13-24</u>	<u>57,447</u>	<u>1,650</u>	<u>59,097</u>
<u>3**</u>	<u>25-36</u>	<u>61,902</u>	<u>1,650</u>	<u>63,552</u>
<u>4**</u>	<u>37-48</u>	<u>65,003</u>	<u>1,650</u>	<u>66,653</u>

<u>5**</u>	<u>49-60</u>	<u>67,937</u>	<u>1,650</u>	<u>69,587</u>
<u>6**</u>	<u>61-72</u>	<u>71,368</u>	<u>1,650</u>	<u>73,018</u>
<u>7**</u>	<u>73 and up</u>	<u>74,905</u>	<u>1,650</u>	<u>76,555</u>

* The step increase is payable after 1 year and a satisfactory merit review.

** All step increases fall on the employee's anniversary date and are subject to a satisfactory annual merit evaluation.

*** The Employer's contribution to the Post Employment Health Insurance Plan.

<u>III. LIEUTENANTS</u>				
<u>2010</u>				
<u>Step</u>	<u>Time in Step (in Month)</u>	<u>Base Wage</u>	<u>PEHP***</u>	<u>Total Pensionable Salary</u>
<u>1*</u>	<u>0-12</u>	<u>70,093</u>	<u>1,650</u>	<u>71,743</u>
<u>2**</u>	<u>13-24</u>	<u>74,830</u>	<u>1,650</u>	<u>76,480</u>
<u>3**</u>	<u>25-36</u>	<u>78,551</u>	<u>1,650</u>	<u>80,201</u>
<u>4**</u>	<u>37-48</u>	<u>82,474</u>	<u>1,650</u>	<u>84,124</u>
<u>5**</u>	<u>49-60</u>	<u>86,551</u>	<u>1,650</u>	<u>88,201</u>
<u>2011</u>				
<u>Step</u>	<u>Time in Step (in Month)</u>	<u>Base Wage</u>	<u>PEHP***</u>	<u>Total Pensionable Salary</u>
<u>1*</u>	<u>0-12</u>	<u>71,528</u>	<u>1,650</u>	<u>73,178</u>
<u>2**</u>	<u>13-24</u>	<u>76,360</u>	<u>1,650</u>	<u>78,010</u>
<u>3**</u>	<u>25-36</u>	<u>80,155</u>	<u>1,650</u>	<u>81,805</u>
<u>4**</u>	<u>37-48</u>	<u>84,156</u>	<u>1,650</u>	<u>85,806</u>
<u>5**</u>	<u>49-60</u>	<u>88,315</u>	<u>1,650</u>	<u>89,965</u>

A fire fighter who is promoted to Lieutenant will be placed into Step 1 of the Lieutenant's pay schedule. If the promoted fire fighter is in Step 7 of the fire fighter's pay schedule, he/she will be placed into Step 2 of the Lieutenant's pay schedule.

* The step increase is payable after 1 year and a satisfactory merit review.

** All step increases fall on the employee's anniversary date and are subject to a satisfactory annual merit evaluation.

*** The Employer's contribution to the Post Employment Health Insurance Plan.

NOTE: - Biweekly pay = Base wage / 26 pay periods per year.

- Hourly rate = Total Salary for Pension Purposes / total annual hours worked.

(2,588 for 24-hour shift personnel and 2,080 for forty hour work week personnel)

- Overtime rate = Hourly rate x 1.5.

PUBLIC SAFETY INSPECTOR

<u>IV. PUBLIC SAFETY INSPECTOR</u>			
-			
<u>2010</u>			
-			
			<u>Total Pensionable</u>
<u>Step</u>	<u>Base Wage</u>	<u>PEHP***</u>	<u>Salary</u>
<u>1*</u>	<u>49,533</u>	<u>1,650</u>	<u>51,183</u>
<u>2**</u>	<u>51,708</u>	<u>1,650</u>	<u>53,358</u>
<u>3**</u>	<u>53,976</u>	<u>1,650</u>	<u>55,626</u>
<u>4**</u>	<u>56,340</u>	<u>1,650</u>	<u>57,990</u>
<u>5**</u>	<u>58,804</u>	<u>1,650</u>	<u>60,454</u>
<u>6**</u>	<u>61,374</u>	<u>1,650</u>	<u>63,024</u>
<u>7**</u>	<u>64,053</u>	<u>1,650</u>	<u>65,703</u>
<u>8**</u>	<u>66,844</u>	<u>1,650</u>	<u>68,494</u>
<u>9**</u>	<u>69,756</u>	<u>1,650</u>	<u>71,406</u>
<u>10**</u>	<u>72,791</u>	<u>1,650</u>	<u>74,441</u>
<u>11**</u>	<u>75,954</u>	<u>1,650</u>	<u>77,604</u>
-			
<u>2011</u>			
-			
			<u>Total Pensionable</u>
<u>Step</u>	<u>Base Wage</u>	<u>PEHP***</u>	<u>Salary</u>
<u>1*</u>	<u>50,557</u>	<u>1,650</u>	<u>52,207</u>
<u>2**</u>	<u>52,775</u>	<u>1,650</u>	<u>54,425</u>
<u>3**</u>	<u>55,089</u>	<u>1,650</u>	<u>56,739</u>
<u>4**</u>	<u>57,500</u>	<u>1,650</u>	<u>59,150</u>
<u>5**</u>	<u>60,013</u>	<u>1,650</u>	<u>61,663</u>
<u>6**</u>	<u>62,634</u>	<u>1,650</u>	<u>64,284</u>
<u>7**</u>	<u>65,367</u>	<u>1,650</u>	<u>67,017</u>
<u>8**</u>	<u>68,214</u>	<u>1,650</u>	<u>69,864</u>
<u>9**</u>	<u>71,184</u>	<u>1,650</u>	<u>72,834</u>
<u>10**</u>	<u>74,280</u>	<u>1,650</u>	<u>75,930</u>

<u>11**</u>	<u>77,506</u>	<u>1,650</u>	<u>79,156</u>
-------------	---------------	--------------	---------------

* The step increase is payable after 1 year and a satisfactory merit review.

** All step increases fall on the employee's anniversary date and are subject to a satisfactory annual merit evaluation.

*** The Employer's contribution to the Post Employment Health Insurance Plan.

11/19/10

Wellness/Physical Fitness Committee

The parties agree to establish a joint Wellness/Physical Fitness Committee which shall consist

of 4 persons - 2 appointed by Fire Chief and 2 appointed by the Union President. The Committee shall

meet from time to time for the purpose

of ~~the~~ developing standards to apply to employees who elect to participate

in the new Wellness and Fitness Program.

The committee shall utilize available professional resources to develop standards.

Said standards shall consist of 1) periodic

physical exams, 2) monitoring of blood pressure

cholesterol and glucose levels, 3) aerobic

work out programs, 4) a ~~fixed~~ age ^{based} ~~based~~

physical assessment services, 5) other ~~of~~ ~~fixed~~

FA
MCS
11/19/10

(2)

Standards that may be identified and agreed to by the parties.

The parties shall negotiate for a period of 60 days or longer if mutually agreed. If no agreement is reached either party may refer the dispute to neutral arbitrators in accordance with the procedures of §14 of the Act except ~~the~~ mediators shall be waived and the arbitrator shall be ~~mandatory~~ Hill.

Employers who elect to participate in the program shall be required to pass ~~all~~

~~standards~~ and/or fulfill all established standards

All such employers ^{who pass or fulfill such standards} shall pay their contribution at least semiannually ^{there} toward the cost of health insurance premium

reduced from 80/20% to 85/15%.

FA
WMS
Citation

DA memo
11/11/10
11/19/10

ATTACHMENT 2

Section 18.5. Minimum Staffing. In support of their joint commitment to maintain safe working conditions as described in Section 18.1 of this Article, the parties further agree to the following conditions:

(1) The Fire Department exists, 24 hours of every day, to protect life, property, and the environment. ~~Our promise is to provide superior quality fire suppression, emergency medical services, fire prevention, public education, technical and special rescue, non-emergency and support services; to prevent or minimize situations that affect the people we serve.~~

Effective 11/11/10
MCS

(2) The parties have determined that this purpose is presently accomplished by maintaining daily shift staffing levels of ten (10) bargaining unit personnel subject to a variance to nine (9) in the event the conditions described in ~~§ 14.2, 14.3 and 14.4~~ are not fulfilled.

MCS
3 and 4

(3) The maintenance of daily staffing levels at a minimum of ten (10) is subject to the bargaining unit fulfilling a performance standard that the ~~average~~ sick leave usage not exceed an average of 2 duty days. Sick leave usage shall be monitored on a monthly basis. ~~The average shall be calculated according to the method described in Section 14.4.~~ In a month in which the average sick leave usage for the bargaining unit exceeds the standard of ~~2~~, the Fire Chief shall have the discretion to operate shifts down to a minimum of nine (9) provided the shift minimum shall be restored to ten (10) whenever the standard of ~~2~~ is fulfilled. When a shift is reduced to nine (9), a bargaining unit employee may not be assigned to act as a Battalion Chief unless the Firefighter vacancy is filled so that a minimum of nine (9) Firefighters/Paramedics per shift is maintained.

168 hours
MCS

168 hours
MCS

shift
MCS
minimum

(4) Effective January 1, 2011 the Village agrees to maintain three-man fire companies, unless the number of sick leave hours used by bargaining unit members in any calendar month exceeds 168 hours, in which case the Village may then reduce the size of fire companies for the following calendar month. If such sick leave usage, by bargaining unit members for the subsequent calendar month does ~~not~~ exceed 168 hours, then the Village shall again be required to maintain three-man fire companies. For purposes of this paragraph, absences for off-duty injury or illness exceeding nine (9) continuous duty days, or any absences covered by PEDA or Workers Compensation, shall be excluded. The Village's requirement to staff according to this paragraph shall continue on a month-to-month basis.

MCS

MCS

~~Calculation of average sick leave usage and~~ the new standards applicable for the use and non-use of sick leave shall be as described in the amendments to §§14.2, 14.3 and 14.4.

James Callio 11/19/00


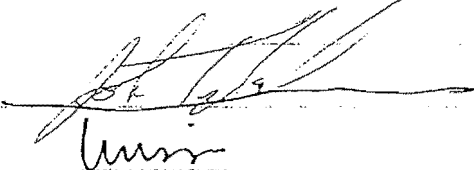
18.5 Minimum Manning (continued)

(6) Notwithstanding paragraphs (3) and (4), anytime that there are 3 "long term absences" (defined as absences for any illness or injury anticipated to exceed 9 consecutive duty days) at any time, the Village may staff at a minimum of 9, and the Village will be relieved of the requirement to maintain 3-man fire companies, and during such periods, anytime use of sick leave exceeds 168 hours in a month, then any hirebacks to meet the staffing requirement of 9 shall be paid at straight time rate, and shall be available only to those bargaining unit members who otherwise would not be eligible for FLSA mandated overtime (employees who would not work more than 204 hours in a 27 day work cycle), and such employees shall not work more than 12 hours for each hireback.

(7) In the event that the Village's General Fund revenues from sources used for the 2010 Village of Streamwood Operating and Capital Improvements Budget, currently estimated to be \$19,600,000, (less any interfund transfers) for any given year are less than \$19,200,000, the parties shall, at the request of either party, engage in bargaining, including mid-term bargaining, regarding proposed modifications to the minimum staffing provisions contained in this Section 18.5. If no agreement is reached, the parties agree to submit such issues to binding interest arbitration any time after 90 days following such request to bargain. In addition, any time after such 90 day period, the Village may unilaterally implement its proposed changes to this Section 18.5, pending any modifications by an interest arbitration award.

The parties agree to these paragraphs in principal, subject to wordsmithing.

Settlement Agreement

1. Term (XXIV) 3 years expiring 12/31/12
with Wage (XXII) and Insurance
(XX) reopener for 2012,
with a 3rd item for reopener
as mutually agreed
2. Wages (XXII) 11/10 0%
11/11 2.0%
11/12 reopener
3. Section 18.5 Maximum Staffing
See attached
4. Sections 14.2 and 14.3 Sick Leave
see attached
5. Section 14.4 Good attendance incentive
See attached
6. Health Insurance - as attached
7. TO be submitted to Arbitrator for entry of
Unilateral award,
Village  Union 

Dated 11/19/10

VILLAGE'S OFF-THE-RECORD OFFERS FOR SETTLEMENT AT ARBITRATION

1. Article XXIV, Term. Two years, January 1, 2010 through December 31, 2012.
2. Article XXII, Section 22.4, Appendix C, Salary/General Wages.

2010 – 0% increase, but employees to receive step increases.
 2011 – increase all steps on salary schedule by 2.0%.

3. Section 20.4. Health Insurance Coverage.

PPO Only Plan - Plan Limits

Annual Deductible	
Single Coverage	\$250
Family Coverage	\$750
Co-Pay Provision	80%/20%/\$1,250 of the first \$3,750, after payment of deductible (3x for family)
Prescription Card	\$10/\$20/\$40 generic/formulary/non-formulary (mail order: 90-day supply for 2x payment)
Maximum Out-Of-Pocket	
Single Coverage	\$500 <u>1,000</u>
Family Coverage	\$1,500 <u>3,000</u>
<u>Emergency Room Co-Pay</u>	\$75

High Deductible Plan (HDP) Plan Limits

Annual Deductible	
Single Coverage	\$2,500.00
Family Coverage	\$5,000.00
Co-Pay Provision	90% in-network 70% out-of-network
Maximum Out-of-Pocket	
Single Coverage	\$3,000.00
Family Coverage	\$6,000.00

Bargaining unit members shall pay the following percentage of the Village's monthly cost for PPO and the HDP health insurance:

11/19/10
 TA
 med
 11/19/10

T Amos 11/19/10

2007	15%
2008	17.5%
2009	20%

HMO Insurance Cost:

Employees enrolled in the HMO Plan shall pay: ten percent (10%) of the Village's cost for this plan.

(The HMO Plan has an office visit co-pay of \$10 and the same mail order charge for prescriptions.)

4. ~~Sections 14.2 and 14.3 regarding Sick Leave.~~ Renew the Village's proposals of July 19, 2010 (same as Union's offer on 10/20/2010).

5. **Section 14.4. Good Attendance Incentive.** — Employees shall be eligible for good attendance incentive payments based on the number of sick leave hours that the employee used during the previous calendar year and their end-of-year (EOY) sick leave accrual account. Eligible hours shall be deleted from the employee's sick leave accrual account and transferred to their PEHP account, based on the following schedule:

Effective January 1, 2011,

24/48-Hour Employees

T Amos 11/19/10

Sick Leave Hours Used	Hours Transferred
0 hours used	7.5% of EOY accrual to a maximum of 72 hours
24 hours used	5% of EOY accrual to a maximum of 48 hours
48 hours used	2.5% of EOY accrual to a maximum of 24 hours
>48 hours used	0%

Examples

End of Year Balance = 144 hours
 Hours Used = 0 hours (.075)
 $144 \text{ hours} \times .075 = 10.8 \text{ hours transferred to PEHP, new accrual} = 133.2 \text{ hours}$

End of Year Balance = 960 hours
 Hours Used = 0 hours (0.75)
 $960 \text{ hours} \times .075 = 72 \text{ hours transferred to PEHP; new accrual} = 888 \text{ hours}$

End of Year Balance = 960 hours
 Hours Used = 48 hours (.025)
 $960 \times .025 = 24 \text{ hours transferred to PEHP; new accrual} = 936 \text{ hours}$

End of Year Balance = 450 hours
 Hours Used = 24 hours (.05)
 $450 \times .05 = 22.5 \text{ hours transferred to PEHP; new accrual} = 427.5 \text{ hours}$

11/19/10

T. Amey
11/19/10

End of Year Balance = 75 hours

Hours Used = 0 (.075)

72 hours x .075 = 5.4 hours transferred to PEHP; new accrual = 66.6 hours

6. **New Section 18.5. Minimum Staffing.** This is a permissive subject of bargaining, and the Village does not agree to submit this issue to interest arbitration.

for the 2010/2011 health insurance year,
Such Village contributions shall be made
at the monthly rate in effect on 7/1/10.

Health Savings Accounts ("HSA"). Commencing no later than January 1, 2008, the Village shall offer a high deductible plan ("HDP") of health insurance, with deductibles of \$2,500.00 per year for single coverage and \$5,000.00 per year for family coverage, and maximum out-of-pocket expense limitations of \$3,000.00 for single coverage and \$6,000.00 for family. Employees who opt for the HDP shall be required to remain in the HDP for a minimum of three (3) insurance years, and to establish a Health Savings Account ("HSA"). For each employee enrolled in the HDP, the Village shall be required to make the following contributions to such employee's HSA: the Village shall contribute 90% of the difference between the Village's portion of the premium for the PPO plan and the HDP. The Village's contribution to the HSA on behalf of employees shall be provided on a monthly basis. Employees who enroll in the HDP shall be required to contribute 100% of the difference between the employee's portion of the premium for the PPO plan and the HDP, to their HSA for each year that the employee participates in the HDP.

Employees who enroll in the HDP may not opt out of such HDP for three (3) consecutive insurance years. In the first year of an employee's participation in the HDP, the Village will self-insure 90% of any shortfall between the Village's and employee's required contributions to the HSA during such first year, and claims paid out of the HSA during such first year, but not exceeding \$4,500.00 in claims, and only for claims covered by the Blue Cross/Blue Shield HDP Plan. During the second year of an employee's participation in the HDP, the Village will self-insure 90% of any short fall between any claims paid out of the HSA during such second year (not exceeding \$4,500.00 in second year claims covered by the Blue Cross/Blue Shield HDP Plan) and the following: the aggregate of (1) the unexpended balance of the Village's and employee's required contributions to the HSA during the first year, after deducting only claims covered by the Blue Cross/Blue Shield HDP Plan not exceeding \$4,500.00, and (2) the Village's and employee's required contributions to the HSA during the second year.

EXAMPLE:

Year 2:

- Employee has a \$500 unexpended balance of the Village's and employee's required contributions for first year (2008).
- Employee account received \$3,500 in second year (2009) contributions from Village and employee.
- Employee has \$7,000 in claims in year 2 (2009).

Result

- 1) Employee has \$4,500 shortfall in contribution (\$3,500) plus unexpended balance (\$500) from year 1 (2008). Village self-insures 90% of \$500 shortfall (note: \$4,500 cap on claims) and contributes \$450 more to employee's HSA account.
- 2) Year 2 (2009) claims exceed \$4,500 by \$2,500. Of that amount, employee is responsible for additional \$1,500, based on difference between \$4,500 covered by HSA contribution and \$6,000 out-of-pocket max.
- 3) The claims in excess of \$6,000 out-of-pocket max (\$1,000 [\$7,000-\$6,000]) are covered 100% by insurer.

The Public Safety Inspector sick leave hours used in the previous calendar year	The Public Safety Inspector number of sick leave hours paid into the PEHP account
0 hour used	30 hours paid
20 hours used	20 hours paid
30 hours used	10 hours paid
40 or more hours used	0 hours paid

In addition to the above payments made, any sick leave hours which are unused or not paid into the employees PEHP account shall be added to the employees accrued sick leave pool to be applied up to the limits prescribed in 14.1.

~~Effective January 1, 2011 hours paid shall be paid 5% into the employee's PEHP and 50% in cash.~~

For Good Attendance incentives payable for calendar years 2010 and 2011, employees shall ~~receive~~ be paid by depositing 50% of such value into the employee's PEHP account, and 50% in cash. For incentives for calendar year 2012 (payable in 2013) and thereafter, all payments shall be made as deposits into the employee's PEHP account.

Effective January 1, 2011
(Add -Village's language)

TA
ms
11/19/10
11/19/10