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**MEMORANDUM OF UNDERSTANDING AND AGREEMENT  
BETWEEN THE PRAIRIE TOWNSHIP BOARD OF TRUSTEES  
AND  
PRAIRIE TOWNSHIP FIREFIGHTERS LOCAL #2985**

This is a Memorandum of Understanding and Agreement (the "Memorandum") entered into on or as of March 20, 2013 by and between the Board of Trustees of Prairie Township, Franklin County, Ohio (the "Township") and the Prairie Township IAFF Local No. 2985 (the "Union").

**Background**

A. The Township and Union are parties to a Collective Bargaining Agreement (the "Agreement") which expires on June 30, 2015.

B. Article XXIII, Section 2 of the Agreement sets the maximum amount of "insurance costs" for health care insurance coverage for "Family coverage (Includes three tiers: Employee and Spouse; Employee and Children; and Family)" at \$1,255.00 per month and "Single coverage (Includes one tier: Employee Only)" at \$400.00 per month.

C. The Township intends to enter into an agreement with the Franklin County Cooperative Health Benefits Plan, which does not assign premiums on a multi-tiered basis, but charges a single premium amount that applies to each employee, regardless of the number of persons that receive the subject benefits under that employee's coverage.

D. In the past, the Township has construed the language in Article XXIII, Sections 1 through 3, referring to "health insurance" and "insurance costs" to mean medical/hospitalization and dental insurance, but not life insurance. In addition, the Township has not included vision insurance in its insurance benefits plan; therefore, no vision insurance cost was construed to be included in the definition of "health care insurance" or "insurance cost."

E. The Franklin County Cooperative Health Benefits Plan includes life and vision insurance, along with medical/hospitalization and dental insurance, as inseparable components of its benefits package.

F. The Township and the Union determined that the double-tiered thresholds for Township contributions to employee premiums stipulated in Article XXIII, Section 2 cannot be fairly applied to a benefits plan with a single premium for all members, as well as that there is no logical way to separate the costs life and vision insurance from medical/hospitalization and dental insurance for the purpose of interpreting and applying Article XXIII.

G. The Township and the Union, being in agreement with the background explanation previously set forth, intend that this Memorandum will serve to revise and clarify components and requirements related to Township premium contributions and the definition of "health care insurance" in Article XXIII, Sections 1, 2 and 3 of the Agreement.

## **Agreements and Understanding**

The parties, being in agreement with the background explanation and understandings set forth above, hereby further agree that all Sections of Article XXIII, Health Care Coverage will be amended to read as follows:

**SECTION 1. INSURANCE COVERAGE.** A Member shall have the opportunity to apply for health care insurance coverage in accordance with and subject to the terms and conditions as contained herein and in the insurance policies and/or plans therefore as may be maintained, from time to time, by the Township. In the case of a break in service and unless otherwise required or permitted by law, the Township shall comply with the requirements of applicable law as it relates to the continuation of health care plan benefits. The Board of Trustees may change carriers, plans, coverage's and/or levels of coverage upon 30 days advance notice to the Union. The Board may create an advisory committee of Township employees and officers (which will include at least one Union representative) to investigate coverage's available for purposes of making an advisory, nonbinding recommendation to the Board. The Board will consider, but is not bound by, any recommendation prior to determining which carrier, plan, coverage and/or levels of coverage the Board determines to provide.

### **SECTION 2. INSURANCE COSTS.**

All Member's, Employee; Employee/child(ren); Employee/Spouse and Family will pay no more than the following amounts listed below per pay for 26 pays yearly.

- A. Effective April 1, 2013 - \$18.13 per pay
- B. Effective April 1, 2014 - \$20.00 per pay

**SECTION 3. HEALTH INSURANCE OPT-OUT.** Pursuant to the cafeteria plan adopted by the Township pursuant to section 125 of the Internal Revenue Code, in the event that a Member (on behalf of both the Member and, if applicable, all eligible dependents) elects not to receive the health care insurance offered by the Township because the Member has health care insurance coverage from another source, the Member may elect to receive a monthly cash payment equal to twenty-five percent (25%) of the cost of premiums that would, otherwise, be paid by the Township for benefits for the Member under the current health care insurance plan and/or policy presently being offered by the Township. All Members electing to receive a cash payment in lieu of health care insurance shall comply with all the terms and conditions of any cafeteria plan and applicable resolutions adopted by the Township in order to be eligible for participation. In no event shall any payment to a Member pursuant to this Article exceed twenty-five percent of the costs of premiums (on behalf of both the Member and, if applicable, all eligible dependents) that would otherwise be paid by the Township for a Member under an offered policy, plan or contract. No cash payment in lieu of health care insurance shall be made unless the Member signs a statement affirming that the Member

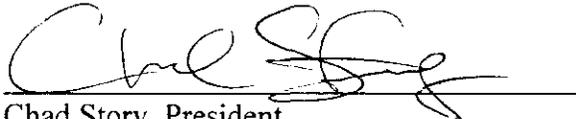
is covered under another health insurance policy, contract or plan. The Member shall also provide to the Township the name of the employer that sponsors the coverage, the name of the insurance carrier that provides the coverage, an identifying number of the applicable policy, plan or contract and any other information that the Township reasonably determines is relevant. The term "health care insurance" as used in this Article includes, but is not limited to, medical/hospitalization insurance, dental insurance, life insurance, vision insurance and any other form of insurance offered by the Township to Members as part of the Township health insurance coverage plans or policies.

The parties further agree to the following:

1. This Memorandum will become effective on the first day that Township employees and officials are provided benefits coverage under the Franklin County Cooperative Health Benefits Plan, which is anticipated to be April 1, 2013.

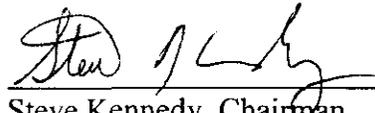
**IN TESTIMONY WHEREOF**, the authorized representatives of the parties have signed this Memorandum on or as of the date first stated above.

**FOR THE UNION:**



Chad Story, President,  
IAAF Local No. 2985

**FOR THE TOWNSHIP:**



Steve Kennedy, Chairman,  
Prairie Township Board of Trustees