

CITY OF FRESNO AND FRESNO POLICE OFFICERS ASSOCIATION WORKERS COMPENSATION ADR SAVINGS AGREEMENT

This Workers Compensation ADR Savings Agreement (hereinafter referred to as "Savings Agreement") is entered into by and between the City of Fresno (hereinafter referred to as "City") and the Fresno Police Officers Association (hereinafter referred to as "FPOA"), collectively referred to herein as "Parties".

Whereas, The Parties have negotiated a "Workers Compensation Alternative Dispute Prevention and Resolution Program Agreement" (hereinafter referred to as "ADR Agreement");

Whereas, the Parties have agreed that the savings generated by the ADR Agreement are to be allocated between the City and the FPOA; and

Whereas, it is the intent of the Parties to memorialize the terms and conditions of the methodology, calculation and allocation of savings.

NOW, THEREFORE IN CONSIDERATION OF THE TERMS AND CONDITIONS SET FORTH HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. Terms of ADR Agreement. The Parties hereby agree that the terms and conditions of the ADR Agreement contain the authority and agreed-upon terms and conditions under which this Savings Agreement shall be interpreted and implemented.

2. Authority of Parties. The Parties acknowledge and agree that the ADR Agreement provides for an organizational and management structure by which a Joint Committee controls the management, direction and implementation of the provisions of the ADR Agreement. The Parties further acknowledge and agree that the City and the FPOA are the exclusive parties to this Savings Agreement and retain full authority to enforce, amend and modify the terms of this Savings Agreement.

3. Actuarial Consultant. The City and FPOA have designated Perr and Knight as the actuary firm charged with the responsibility of evaluating the necessary factors and advising the parties of the actuarial determination of the savings generated pursuant to the ADR Agreement.

4. Calculation of Savings. At the end of each program year (July 1 to June 30), the actuary will calculate a number of claims experience statistics and other pertinent data and compare the results of a program year or years under the agreement to prior program years' experience for Police Department employees represented by the FPOA in bargaining units 4 and 9 at the same maturity; i.e. one year after inception of each of several prior program years. The objective of this comparison is to identify the amount of savings, net of program expenses, that have been incurred after implementation of the carve out program created by the ADR Agreement. The Parties shall evaluate the methodology and manner of calculating the savings on an ongoing basis.

5. Overtime. The Parties acknowledge that the calculation of savings as identified in Section 4 hereinabove, also contemplates savings from a reduction of overtime incurred by the Police Department. Specifically, the Parties have acknowledged that the cost of providing shift coverage for work related injuries has averaged approximately \$100,000 over the past three years. The City will provide the FPOA the base line data and supporting documentation for the overtime savings for the year prior to the commencement of the program. In the event that the data shows (after the first year of the program) that the assumption of a \$100,000 base line is not accurate, the Parties will undertake good faith efforts to recalibrate the assumption. It is anticipated that there will be a savings attributable to a reduction in this cost because of the ADR Agreement. The actuary will calculate that savings as part of his responsibility. The Parties will continue to evaluate the manner by which the overtime savings shall be calculated.

6. Delivery of Data. The City and the claims administrator will provide all necessary claims and statistical information to the actuary and Joint Committee (JC) no later than August 31 of each year following the program year. The City's Finance Department will perform a data check to insure the information transmitted to the actuary is without error. If the Finance Department finds errors they will instruct the City and/or third party administrator to make the necessary corrections and advise the Joint Committee (JC) accordingly. All of the prior history, statistical data and claims information related to the members of Units 4 and 9 that may be provided to the actuary, shall also be provided to the Joint Committee. The Parties will provide claims and statistical information to the actuary on an ongoing basis and all such information shall also be provided to the Joint Committee.

7. Allocation of Savings. The City and the FPOA have agreed that the savings, net of program expenses, will be shared equally by the City and FPOA.

8. Distribution of Savings. The total amount of savings credited to FPOA will be distributed equally amongst active members and participating retired members in bargaining units 4 and 9 on a pro-rata basis based upon their service time during the calculation period. The City and FPOA agree that the FPOA's portion of the savings will be paid to each participating member in a lump sum separate check by the first pay period in December following the program year.

9. Effective Date. The effective date of this Savings Agreement will be the date when it is executed by all parties and the ADR agreement is approved by the State of California.

10. Entire Agreement. This Savings Agreement contains the entire agreement of the Parties. No other agreement, statement, or promise made in relation to the subject of this Savings Agreement on or before the effective date are enforceable or binding upon the Parties. The Parties agree that this Savings Agreement is related to the ADR Agreement. However, the ADR Agreement controls on other issues related to the Workers' Compensation program.

11. Severability. If any provision of this Savings Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

12. Modification. This Savings Agreement may be modified by subsequent agreement of the Parties only if such agreement is in writing and agreed upon by both Parties.

13. Controlling Law. This Savings Agreement and any disputes arising therefrom, shall be governed and controlled by California law.

14. Term. Unless agreed to by the Parties, this Savings Agreement shall continue from year to year. The Parties further agree that this Savings Agreement may be terminated by either party in the event that the ADR Agreement is terminated by the terms set forth therein. In the event that the ADR Agreement is terminated for any reason, the savings allocation agreed upon herein, related to the ADR Agreement shall continue to be calculated and distributed for a period not to exceed twelve (12) months.

15. Dispute Resolution. In the event of a dispute concerning a claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity the parties shall submit such disputes to the ADR Director identified by the parties in the ADR Agreement. In the event that the dispute is not resolved by the ADR Director, then the matter shall be resolved by final and binding arbitration. The arbitrator shall be selected by alternative striking from a list provided by California State Mediation and Conciliation Service (CSMCS). The arbitration shall be venued in Fresno. The proceedings shall be confidential.

Executed at Fresno, California.

CITY OF FRESNO:

FRESNO POLICE OFFICERS
ASSOCIATION:

Dated: _____

Dated: _____

By: _____

By: _____

APPROVED AS TO FORM AND CONTENT:

APPROVED AS TO FORM AND CONTENT:

Dated: _____

Dated: _____

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