

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered between the City of Hollywood (“City”) and the Hollywood Professional Fire Fighters, Local #1375, IAFF (“IAFF”) (collectively referred to as the “Parties”).

WHEREAS, the City and the IAFF are in the process of negotiating a successor collective bargaining agreement (“CBA”); and

WHEREAS, the IAFF filed an unfair labor practice against the City, Public Employees Relations Commission (“PERC”) Case No. CR-2017-002 (Relates to CA-2011-101), contesting the City’s declaration of financial urgency and unilateral reduction of pay and pension benefits, and that case is ongoing; and

WHEREAS, the final order in Case No. CR-2017-002 is not expected to be issued for several months and may affect the benefits of bargaining unit members and the cost to the City; and

WHEREAS, the decision in Case No. CR-2017-002 may affect the Parties’ position concerning Article 28 (Pension and Pension Plans) of the current CBA; and

WHEREAS, the parties desire to address Article 6 (Wages), Article 28 (Pension Plans) and Article 31 (Life and Health Group Benefit Plan) prior to the conclusion of a negotiated successor agreement and not be delayed by the pending PERC case.

NOW, THEREFORE, in consideration for the promises contained herein, the parties agree as follows:

1. That the above noted recitals are true and correct and are incorporated as part of this MOU.
2. That all bargaining unit members shall receive a three percent (3%) across the board wage increase effective October 1, 2017.
3. That the City agrees to amend the Fire Pension Plan Ordinance no later than 60 days after the ratification of this MOU as follows:
  - a. Create a benefit to be known as the Reformed Planned Retirement Benefit. The Reformed Planned Retirement Benefit, as described below, will be effective upon the ratification of this MOU, and any employee actively employed by the City (and

not participating in DROP) on or after the date this MOU is ratified will be eligible for this benefit as provided in this MOU.

b. Allow employees, upon entering the Reformed Planned Retirement Benefit, to elect one of the following two options. The election shall be irrevocable.

i. While participating in the Reformed Planned Retirement Benefit, contribute 8% of compensation, as that term is defined in Section 33.035 of the City's Code of Ordinances, until termination of employment and upon termination, continue to have the three options currently allowed under Planned Retirement and set forth in Section 33.062(D) of the City's Code of Ordinances; or

ii. While participating in the Reformed Planned Retirement Benefit, contribute 0.5% of compensation, as that term is defined in Section 33.035 of the City's Code of Ordinances, and upon termination, only be provided with the first option set forth in Section 33.062(D) of the City's Code of Ordinances, which is taking a lump sum payment that would be valued based on the number of years the employee worked after electing to participate in Planned Retirement.

For employees who choose this option, investment earnings/losses applicable to any lump sum payment shall be calculated in arrears using the net investment rate earned/lost by the pension fund on its net assets for each month of creditable service worked during the planned retirement benefit participation period or reformed planned retirement benefit participation period and applied to the prior pension annuity balance including all prior months of creditable service, including prior monthly earnings. The investment earnings/losses will be compounded monthly to determine the amount of investment earnings/losses to be credited during each year of the planned retirement benefit participation period or reformed planned retirement benefit participation period. The aggregate value of the monthly investment earnings/losses calculations will determine the amount of investment earnings/losses to be credited for the planned retirement benefit participation period or the reformed planned retirement benefit participation period. Upon termination, employees will be allowed to leave the lump sum payment in the pension plan. The pension plan's actual

investment rates of return (whether positive or negative) shall be applied to the lump sum payment for as long as any portion thereof remains in the pension plan.

- c. An employee may enter the Reformed Planned Retirement Benefit at any time on or after reaching his/her normal retirement date.
- d. Employees currently in the Planned Retirement Benefit will be given 60 days from the implementation of the Reformed Planned Retirement Benefit to make their election. If they elect the new option, they will receive a refund of their contribution into Planned Retirement (7.5%) for the time spent in planned retirement that the employee elects to take as a lump sum upon termination.
- e. Employees electing to participate in Reformed Planned Retirement shall not exceed 33 years of service with the City, including any time participating in Planned Retirement, Reformed Planned Retirement or a combination of both.
- f. Participation in Planned Retirement Benefit, Reformed Planned Retirement Benefit or a combination of both shall be limited to 8 years.
- g. Any bargaining unit employee who elects to participate in the Planned Retirement Benefit or the Reformed Planned Retirement Benefit shall continue to be subject to termination from employment for just cause as provided in the collective bargaining agreement.
- h. An eligible employee who submits the written election to participate in the Reformed Planned Retirement Benefit may also elect to cash out his/her accrued sick leave, as provided in Article 10 (Unused Sick Leave), and accrued vacation leave, as provided in Article 14 (Vacations). This cash-out election may be made only one time on or after the NRD but before the employee-s separation from employment, but can be made either on the date the employee submits the written election to participate in the Reformed Planned Retirement Benefit or on any subsequent anniversary of the employee's NRD.
- i. The parties agree that to be eligible for the pension benefit enhancements provided in this MOU, the employee must be actively employed by the City (and not participating in DROP) on the date this MOU is ratified by both parties. The parties agree that the impact statement setting forth the estimated cost of the pension plan amendments must be completed by the pension plan actuary before this MOU will be submitted to the City Commission for ratification.

4. That effective upon the ratification of this MOU and continuing until September 30, 2018, all bargaining unit employees shall be required to pay only \$130.00 on a bi-weekly basis toward the cost of coverage for one dependent and only \$165.00 on a bi-weekly basis toward the cost of coverage for two or more dependents. The City waives payment of the additional \$40.00 on a bi-weekly basis that was previously imposed by the City pursuant to Article 31, Section 2, of the current CBA; provided, however that payment of the additional \$40.00 on a bi-weekly basis shall be automatically reinstated effective October 1, 2018.
  
5. The Parties signify their agreement with this MOU by affixing their signatures below.
  
6. This MOU shall become effective upon ratification by both the City and the IAFF.

WHEREFORE, the Parties acknowledge and understand the intent of this MOU and agree to be bound thereby, executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, between the City and the IAFF.

WITNESSES:

HOLLYWOOD PROFESSIONAL FIRE  
FIGHTERS, LOCAL #1375, IAFF

\_\_\_\_\_

\_\_\_\_\_  
President

\_\_\_\_\_  
As to the Hollywood Professional Fire  
Fighters, Local #1375, IAFF

Date: \_\_\_\_\_

WITNESSES:

CITY OF HOLLYWOOD, a municipal  
Corporation of the State of Florida

\_\_\_\_\_

BY: \_\_\_\_\_  
Mayor

\_\_\_\_\_  
As to the City

Attest:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Director of Financial Services

Approved: \_\_\_\_\_  
City Manager

\_\_\_\_\_  
Assistant City Manager

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY for the use and reliance of  
the City of Hollywood, only.

\_\_\_\_\_  
DOUGLAS R. GONZALES  
CITY ATTORNEY