

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered between the City of Hollywood ("City") and the American Federation of State, County and Municipal Employees, Supervisory Bargaining Unit ("AFSCME"), (collectively referred to as the "Parties").

WHEREAS, the City and AFSCME are parties to a Collective Bargaining Agreement ("CBA") for the period October 1, 2015 through September 30, 2018 covering the City's supervisory employees; and

WHEREAS, the CBA sets forth the Life and Health Group Benefits Plan that the City provides for each bargaining unit member;

WHEREAS, the parties have negotiated a number of changes to the Health Group Benefits Plan; and

WHEREAS, the Parties wish to amend Articles 16 and 30 of the CBA to reflect these changes;

NOW, THEREFORE, the below-signed representatives of the City and AFSCME acknowledge and agree as follows:

1. That the above noted recitals are true and correct and are incorporated herein as part of this MOU.
2. That Article 16, Section 2, of the CBA is hereby amended to read as follows:
Professional employees and their eligible dependents shall be provided with coverage in the City's health insurance plan. The contribution for the term of this agreement for active employees hired prior to October 1, 2002 and electing health coverage, on both the in-network only plan and the out-of-network plan, shall be as follows:
Employee coverage = \$55.00 bi-weekly
Employee +1 Dependent coverage = \$75.00 bi-weekly
Employee + Family coverage = \$85.00 bi-weekly
The employer will contribute 100% of the premium cost for employees electing single coverage on the in-network only plan. For employees adding dependents to the in-network only plan, the City will pay 90% toward the cost of the premium and the employee will be responsible for 10%.
3. That Article 16, Section 3, of the CBA is hereby amended to read as follows:
Except as otherwise provided in Section 11 below for the alternative health plan,
the ~~The~~ required employee co-pays shall be \$40.00.

4. That Article 16, Section 4, of the CBA is hereby amended to read as follows:
All employees hired after October 1, 2002 shall contribute the same as current employees for Employee coverage on both the in network only plan and the out of network plan and shall contribute the following amounts for dependent coverages, if elected, for the term of this agreement:

- i. Employee +1 Dependent coverage = \$130.00 bi-weekly
- ii. Employee + Family coverage = \$165.00 bi-weekly
- iii. New annual rates for dependent and family coverages for employees hired after October 1, 2002, will be established each year, and the employee contribution will be subject to a maximum increase of twenty dollars (\$20.00). with any increase in the contribution rate beginning as of January 1 each year.

The employer will contribute 100% of the premium cost for employees electing single coverage on the in-network only plan. For employees adding dependents to the in-network only plan, the City will pay 90% toward the cost of the premium and the employee will be responsible for 10%.

5. That Article 16, Section 5, of the CBA is hereby amended to read as follows:
Effective January 1, 2016, the City shall provide a Health Reimbursement Account (HRA) for each employee who is covered by a qualified medical plan, with the following amounts made available to each employee each calendar year thereafter: \$300 for single coverage; \$400 for single plus one dependent; and \$700 for single plus two or more dependents and shall discontinue funding FSAs (although each employee who is covered by City health insurance continues to have the right to maintain an employee-funded FSA) these amounts were increased to \$300, \$400 and \$700, respectively. Employees who are not covered by City health insurance shall have access only to the single coverage amount in an FSA. An employee who waives City medical insurance coverage because he or she is enrolled as a dependent on his or her spouse's City medical insurance will not be eligible for this benefit in 2018 and thereafter so long as he or she continues to waive City medical insurance coverage and be enrolled as a dependent on his or her spouse's City medical insurance coverage.

The annual amount shall be available on a “use it or lose it” basis to use for IRS approved unreimbursed medical expenses, with unused amounts being returned to the health fund for use in funding HRA FSA accounts the next year. The HRAs FSAs shall be subject to all applicable requirements and limitations set forth in federal laws and regulations. The City also agrees, however, that if the HRA FSA program for employees covered by the IAFF/Fire or PBA/Police bargaining unit agreements is changed to allow the unused annual amounts to “carry over” from year to year, then the City agrees that it shall make that same change to the HRA FSA program for AFSCME bargaining unit employees.

4. That Article 16, Section 11, of the CBA is hereby amended to read as follows:

The employer shall provide an alternative health plan that will not cover medical services provided by out-of-network medical providers, except as otherwise specified in the plan. The required co-pays for this plan shall be \$30.00 for primary care, \$40.00 for specialist care, and \$75.00 for urgent care. ~~A health insurance committee may be formed to study, review and monitor alternative health insurance plans that deliver health services to employees in the most cost effective manner. This committee shall issue a report recommending alternative health insurance plans. The committee’s recommendations shall not be binding upon the City. The committee will include an equal number of represented and non-represented employees. The represented members of this committee shall be appointed by the Union. Further, it is agreed that the time spent by Union employees during these meetings shall not count as Union Business for purposes of Article 6.~~

5. That Article 30, Section 2, of the CBA is hereby amended to read as follows:

Regularly scheduled non-seasonal part-time employees who average at least thirty (30) hours or more of work per week shall be eligible for the following benefits:

* * *

6. A Health Reimbursement Flexible Spending Account, provided the employee is covered by a qualified health insurance plan as provided in Article 16 to full-time employees.

* * *

6. That Article 30, Section 3, of the CBA is hereby amended to read as follows:

Regularly scheduled non-seasonal part-time employees who average more than 15 hours of work per week, but less than thirty (30) hours of work per week shall be eligible for the following benefits:

* * *

5. That certain combination insurance plan (hospital indemnity plus accident) offered to the City as AFLAC Option 3 or a plan that is substantially equivalent thereto ~~A Flexible Spending Account in the amount of \$500.00.~~

* * *

7. That Article 30, Section 4, of the CBA is hereby amended to read as follows: Effective upon the ratification of this 2015-2018 Agreement, health insurance, HRA and FSA eligibility shall be established as follows:

- New employees who the City anticipates will work 30 or more hours shall be initially eligible for health insurance, and if they are eligible for and actually covered by a qualified health insurance plan, they shall be initially eligible for an HRA FSA limits at the same time as regular full-time employees (first of the month after a 30-day waiting period). For eligibility for subsequent calendar years, their hours will be evaluated each October for a January 1 effective date.
- New employees who the City anticipates will work between 15 and 29 hours will have a 12-month look-back provision for health insurance eligibility. In other words, a newly hired employee's hours will be analyzed on his/her anniversary date to determine if he/she is eligible for health insurance for the next calendar year. If he/she is eligible, he/she will have the option of obtaining health insurance for the next calendar year. For years thereafter, their hours will be evaluated each October for health insurance eligibility for the next calendar year.

* * *

8. The Parties signify their agreement with this MOU by affixing their signature below.
9. This MOU shall become effective upon ratification by both the City and AFSCME.

WHEREFORE, the parties acknowledge and understand the basis and intent as set forth in this MOA, executed on this _____ day of _____, 2017, between the City and AFSCME.

CITY OF HOLLYWOOD:

AMERICAN FEDERATION OF STATE,
COUNTY AND MUNICIPAL EMPLOYEES

Print or Type Name and Title

Print or Type Name and Title

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGALITY
for the use and reliance of the
City of Hollywood, Florida, only

Jeffrey P. Sheffel, City Attorney