

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, Local 2432, 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, 2012 through September 30, 2015 covering the City's supervisory employees; and

WHEREAS, Article 17, Section 5 of the CBA sets forth the City's contributions into each bargaining unit employee's Flexible Spending Account (FSA) based on the number of dependents the bargaining unit employee has on the City's health plan; and

WHEREAS, IRS regulations require that any changes to the contribution levels of the FSA cards be made on or before each January 1st; and

WHEREAS, the Parties are in the process of negotiating a successor collective bargaining agreement and such agreement will not be in place prior to January 1, 2016; and

WHEREAS, the Parties wish to amend Article 17, Section 5 of the CBA so that the City can increase the contribution amount into the FSA cards for each bargaining unit employee starting on January 1, 2016, to: \$300 for single coverage and for those who are not covered by City health insurance; \$400 for single plus one dependent; and \$700 for single plus two or more dependents;

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 17, Section 5 of the CBA is hereby amended to read as follows:
Effective upon the ratification date of the 2013-2015 Agreement, the City shall create a Flexible Spending Account (FSA) for each employee, with the following amounts made available to each employee each calendar year thereafter, which will be based on the number of dependents the employee has on the City's health plan in January: \$200 for single coverage; \$300 for single plus one dependent; and \$500 for single plus two or more dependents. Effective January 1, 2016, these amounts shall be 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 (~~\$200~~) in an FSA. 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 FSA accounts the next year. The 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 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 FSA program for AFSCME bargaining employees.

3. The Parties signify their agreement with this MOU by affixing their signature below.
4. 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 MOU, executed on this _____ day of _____, 2015, 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