

MIAMI BEACH

City Commission Meeting

ADDENDUM MATERIAL 4

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive

July 17, 2013

Mayor Matti Herrera Bower
Vice-Mayor Edward L. Tobin
Commissioner Jorge R. Exposito
Commissioner Michael Góngora
Commissioner Jerry Libbin
Commissioner Deede Weithorn
Commissioner Jonah Wolfson

City Manager Jimmy L. Morales
City Attorney Jose Smith
City Clerk Rafael E. Granado

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ATTENTION ALL LOBBYISTS

Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.

ADDENDUM AGENDA

R7 - Resolutions

R7R A Resolution Ratifying A Three (3) Year Labor Agreement Between The City Of Miami Beach And The Miami Beach Fraternal Order Of Police (FOP), William Nichols Lodge No. 8, For The Period From October 1, 2012 Through September 30, 2015; And Authorizing The Mayor And City Clerk To Execute The Agreement.

(Human Resources)

R7S A Resolution Ratifying A Three-Year Labor Agreement Between The City Of Miami Beach and The International Association Of Fire Fighters/Local 1510 (IAFF), For The Period From October 1, 2012 Through September 30, 2015; And Authorizing The Mayor And City Clerk To Execute The Agreement.

(Human Resources)

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Condensed Title:

A Resolution Of The Mayor And City Commission Of The City Of Miami Beach, Florida, Ratifying A Three Year Labor Agreement Between The City and the Fraternal Order of Police (FOP), William Nichols Lodge No. 8, From October 1, 2012 Through September 30, 2015.

Key Intended Outcome Supported:

Control costs of payroll including salary and fringes/ minimize taxes/ ensure expenditure trends are sustainable over the long term.

Item Summary/Recommendation:

After 10 formal negotiation sessions and a number of informal discussions, the City and FOP successfully concluded negotiations and reached a tentative three (3) year labor Agreement covering the time period of October 1, 2012 through September 30, 2015. The concessions for existing employees include a zero Cost of Living Adjustment (COLA) for 24 months, the elimination of certain incentive pays and significant changes to pension benefits for current employees including: benefit multiplier of 3% for first 20 years and 4% thereafter; maximum pension benefit of 85%, 5 year vesting, FAME highest 3 years, normal retirement based on rule of 70 with minimum age 47 (age 48 for post-2010 hires) elimination of buyback of creditable service excluding military time, state imposed limitations of 300 hours of overtime and elimination of accrued leave to purchase additional benefits. In addition, FOP has also agreed to pension plan changes for future FOP employees that include an increase to the employee's pension contribution from 10% to 10.5% of pensionable pay; reduce additional pension benefit to 11% of employee's salary (consistent with IAFF) increasing the Final Average Monthly Earnings (FAME) from 3 highest to 5 highest years; and automatic membership into the pension plan upon hire. The pension changes will yield a savings of more than \$3.6 million in the first year and \$3.8 million in year two.

In exchange for adding an additional step to Police Officer, Sergeant and Lieutenant classifications effective April 1, 2015, FOP has agreed to employee concessions that will yield equivalent savings of approximately \$1 million annually as of September 30, 2015 in order to offset the annualized impact of the additional steps. These concessions include the elimination of State Accreditation pay; reduction of Commission of Law Enforcement Accreditation pay from \$40 to \$20 per pay period; reduction of shift differential pay by \$.25 per hour, reduction of court time minimum hours guarantee from 4 hours to 3.5 hours. The City has agreed to a 3% Cost of Living Increase on October 1, 2014, a non-pensionable hazardous duty payment of \$100 biweekly, a voluntary annual physical fitness assessment providing a \$500 incentive for a rating of "Good" or better that sunsets upon expiration of the contract, reimplementation of a Sick Sell Back Pilot Program that expires on September 30, 2015, implementation of Infectious Disease Presumption, changes to promotional testing for Sergeants and Lieutenants, a job audit for Detention Officer classification and establishment of Post Employment Health Program (PEHP) of \$25.00 per employee at no cost to the City.

Advisory Board Recommendation:

Budget Advisory Committee Pension Reform Initiative Recommendation Report August 2012

Financial Information:

Source of Funds:	Amount	Account
OBPI	1 FY 2012/13	Status Quo
	2 FY2013/14 (\$3,425,242)	Implementation of pension changes for current and future employees; Sick Sell Back Program; Implementation of voluntary annual fitness incentive program
	3 FY2014/15 (2,439,868)	Pension changes for current and future employees; Elimination of State Accreditation Pay; Reduction of Quality of Life from \$67.00 to \$26.00; Non-pensionable Hazardous Duty pay \$100 biweekly effective 4/1/15; Sick Sell Back Program, reduction of Accreditation of Law Enforcement pay from \$40 to \$20 biweekly; reduction of Court Overtime to 3.5 minimum hours; Shift Differential reduced by \$.25 per hour; Implementation of additional step effective 4/1/15 for Police Officer, Sergeant and Lieutenant; 3% salary COLA
	Total	(\$5,865,110)

Financial Impact Summary: The 3 year savings represents a per member impact of (\$16,854). In addition, these concessions will yield additional, recurring, long-term savings in future fiscal years. The net present value of savings over 30 years for both FOP and IAFF is \$145 million.

City Clerk's Office Legislative Tracking:

Sylvia Crespo-Tabak, Human Resources Director

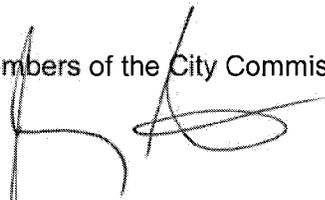
Sign-Offs:

Department Director	Assistant City Manager	City Manager
Sylvia Crespo-Tabak <i>Sylvia Crespo-Tabak</i>	Kathie G. Brooks <i>[Signature]</i>	Jimmy L. Morales <i>[Signature]</i>



COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jimmy L. Morales, City Manager 

DATE: July 17, 2013

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, RATIFYING A THREE (3) YEAR LABOR AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND THE FRATERNAL ORDER OF POLICE (FOP) WILLIAM NICHOLS LODGE NO. 8., FOR THE PERIOD FROM OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2015; AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE AGREEMENT**

ADMINISTRATIVE RECOMMENDATION

Adopt the Resolution.

BACKGROUND

The City's workforce is divided into seven salary groups: (1) those covered by the American Federation of State, County and Municipal Employees, Local 1554 (AFSCME) bargaining unit; (2) those covered by the Communications Workers of America, Local 3178 (CWA) bargaining unit; (3) those covered by the Government Supervisors Association of Florida/OPEIU, Local 100 (GSA) bargaining unit; (4) those covered by the Fraternal Order of Police, William Nichols Lodge No. 8 (FOP) bargaining unit; (5) those covered by the International Association of Fire Fighters, Local 1510 (IAFF) bargaining unit; (6) Unclassified; and (7) "Others" (classified service employees not represented by a bargaining unit).

During the October 1, 2009 – September 30, 2012, collective bargaining process the parties negotiated changes that resulted in employee givebacks of over \$15 million between Fiscal Year (FY) 2009/2010 and FY 2010/2011 and \$20 million when you include FY 2011/2012 (Unclassified and Others, although not represented by a union, also contributed to the employee giveback total). These givebacks included a number of pension changes applicable to current and future employees who participate in the Miami Beach Employees' Retirement Plan (MBERP) and resulted in reducing the City's pension contributions for the short and long-term.

Pension changes for the Fire and Police Pension Plan were negotiated for implementation in 2010; however, they were insufficient to address the short-term and increasing benefit cost which, in recent years, has represented the fastest growing cost in the City's budget.

The draft Valuation for the Fire and Police Pension Plan estimates the City's Annual Required

Contribution (ARC) payable October 1, 2014 to be \$41.5 million. This represents an increase of \$2.2 million in the Fire and Police Pension Plan when compared to last year.

In the adopted FY 2012/13 budget, employee givebacks represented \$3.782 million in savings (approximately \$3 million in the General Fund) which were to be allocated among the seven salary groups. The methodology to allocate the givebacks for each salary group was the proportionate share of the City's total costs for pension and health benefits for FY 2012/13, as in recent years these have been major personnel expenditure cost drivers. However, to date, no savings have been achieved for FY 2013/14 for FOP as negotiations focused on achieving major pension savings going forward.

ANALYSIS

The FOP collective bargaining agreement for October 1, 2009, through September 12, 2012, included employee concessions that provided a savings to the City's budget during the contract period. The employee concessions agreed to by the FOP generated enough savings to address the targeted employee givebacks established for the FOP for FY 2009/10 and FY 2011/12. However, the concessions that were negotiated with the FOP were implemented for an 18-month period and failed to provide the City with any significant recurring, long-term savings.

FOP's portion of the \$3.782 million in employee givebacks for the current fiscal year (FY 2012/13) was \$1,396,000. In addition, the Administration received direction from the City Commission to negotiate changes to the Fire and Police Pension Plan that would generate a savings of \$6 - \$8 million from the City's Annual Required Contribution (ARC) in the first year. In addition, any negotiated pension changes would need to yield recurring, annual savings from the City's ARC, as well as a reduction to the Unfunded Actuarial Accrued Liability (UAAL).

On September 30, 2012, the 2009-2012 FOP collective bargaining agreement expired. The City and FOP began meeting in September 2012, to negotiate a successor agreement. After ten formal negotiation sessions and several informal discussions, on July 5, 2013, the City and FOP reached a tentative three year agreement covering the period October 1, 2012, through September 30, 2015.

The City initially proposed the Budget Advisory Committee's (BAC) recommendation of a hybrid plan for new and non-vested employees in the Fire and Police Pension Plan. The BAC recommendation was anticipated to save \$2.5 million in year one and a \$74 million net present value over thirty years. The City actuary updated the estimated figures based on the October 1, 2011 Valuation with an estimated savings of \$3.6 million in year one.

The FOP leadership will schedule a ratification vote on the proposed agreement prior to July 31, 2013. If approved by the majority of the membership, the result of the membership vote will determine the effective date for ratification of the three year labor agreement.

Pension Adjustments/Changes

The tentative agreement between the FOP provides for several pension changes applicable to current and future employees, including the following:

- Final Average Monthly Earnings (FAME) – Effective September 30, 2013, the FAME for current FOP bargaining unit employees hired prior to ratification of the agreement will have

the average of the three (3) highest years; and future employees will have the average of highest of five (5) years.

- Maximum Benefit – Currently, the maximum pension benefit is 90 percent of pensionable earnings. Effective September 30, 2013, the maximum benefit will be reduced to 85 percent of pensionable earnings. Employees, who as of September 30, 2013, have attained a pension benefit of 85 percent or higher, are eligible to continue to earn the 90 percent maximum benefit.
- Vesting – The vesting period was reduced from ten to five years.
- Prior Creditable Service – Currently, upon completion of ten years of creditable service (vesting) with the City, employees can purchase prior creditable service of up to two years of full-time public safety service as a public safety officer prior to City employment, up to four years of military service and up to an additional six percent multiplier on the additional creditable service years purchased; however, the maximum benefit purchased shall not exceed twelve percent. Effective September 30, 2013, all bargaining unit employees will be limited to purchasing only military service for up to two years, at three percent each year for a maximum benefit of six percent. The employee will pay the equivalent of their employee contribution amount in effect at the time of purchase (10 percent per year of purchase for employees hired prior to ratification of this agreement and 10.5 percent per year of purchase for all new employees hired thereafter).
- Probationary Period and Contribution of Pensionable Earnings – All new hires will become members of the Fire and Police Pension Plan effective on their hire date and will contribute 10.5 percent of their pensionable earnings immediately.
- Overtime, Off-duty and Accrued Leave – In the past, employees were able to apply unused sick and/or vacation time for inclusion in their salary for pension purposes at the equivalent rate of their employee pension contribution. For example: for each \$100 of unused sick and/or vacation time (at the member's hourly rate), \$90 was applied toward their FAME and \$10 contributed to the pension fund.

As a result of recent changes in Florida statutes, accrued leave can no longer be used to increase pension benefits and the application of overtime toward their FAME is limited to 300 hours.

- Deferred Retirement Option Plan (DROP) and Retiree COLA – Currently bargaining unit employees hired prior to July 14, 2010, receive a 2.5 percent annual retiree COLA, unless they entered the DROP after September 1, 2012, and forfeited the Retiree COLA for years three and four in the DROP.

Bargaining unit employees hired on or after July 14, 2010, are eligible to receive a 1.5 percent annual Retiree COLA.

Any member who joins the DROP on or after September 30, 2013, will be eligible to receive a Retiree COLA each year that they participate in the DROP. The rate at which the member earns his/her annual Retiree COLA shall be based on hire date (2.5 percent for all pre-2010 members and 1.5 percent for all post-2010 members).

- *DROP and Leave Payouts* – Effective October 1, 2013, any bargaining unit member currently participating in the DROP, or who enters the DROP, may elect to request a full or partial payment of earned sick and vacation leave balances up to the maximum amount stipulated in the collective bargaining agreement and applicable pension ordinance. Eligible employees will have until June 30 of each year to exercise this option, and receive payment during the first pay period ending in October of the same year. Any amount paid out to an employee upon entering the DROP will be deducted from the cap for their maximum leave payout upon leaving the DROP.
- *Miami Beach Employees' Retirement Plan (MBERP) Service Transfer* – Upon ratification of the collective bargaining agreement, MBERP members will not be eligible to transfer creditable service time from MBERP to the Fire and Police Pension Plan if they are subsequently employed in a classification covered by the FOP bargaining unit.
- *Retirement Age* – Under the current contract, employees hired prior to July 14 2010, can retire at either the rule of 70 (age plus creditable years of service) or at age 50. Effective September 30, 2013, employees hired before July 14, 2010, may retire based on the rule of 70 with a minimum age of 47. Employees hired on or after July 14, 2010, may retire based on the rule of 70 with a minimum age of 48.

However, because some members who have already purchased additional creditable serviced may reach the maximum benefit of 85 percent prior to age 47, the City is exploring how to address these employees such as allowing them to cease their employee contribution to the pension plan during this period. These impacts, if any, will be presented during the first reading of the amendment to the pension ordinance, which we anticipate to be at the September 11, 2013, City Commission meeting.

- *Benefit Multiplier* – Effective September 30, 2013, the benefit multiplier for all bargaining unit members shall be three percent for year one through twenty, and four percent per year thereafter.

Changes for New Employees Hired on or after July 17, 2013

- Employee Pension Contribution = 10.5% of Pensionable Earnings
- FAME = 5 Highest Years
- Enter directly into the Fire and Police Pension Plan upon hire date (vs. currently enter upon successful completion of probationary period (12 months for Firefighter and 18 months for Police Officer).

The aforementioned changes that have been agreed to by both FOP and IAFF are projected to generate savings as follows, subject to actuarial confirmation by Buck Consultants, the Fire and Police Pension Board Actuary:

	ARC Savings (in Millions)	Unfunded Liability Savings (in Millions)
Year 1	\$5.666	\$24.37
Year 2	\$6.034	\$24.25
Year 3	\$6.391	\$23.55
Year 4	\$7.065	\$30.02
Year 5	\$7.988	\$34.56
Year 6	\$8.721	\$40.41

Further, the projected 30-year net present value savings for these changes is estimated at \$145 million. The draft Actuarial Impact Statement by Buck Consultants is provided as Attachment 1.

ECONOMIC PROVISIONS

In addition to the significant pension reform agreed upon for members of the Fire and Police Pension Plan, the following provides a summary of the remaining items tentatively agreed upon by the City and FOP. The entire tentative collective bargaining agreement is provided as Attachment 1 to this memorandum.

- Cost of Living Adjustment (COLA)
 - Effective October 1, 2012, there will be no across-the-board wage increases.
 - Effective October 1, 2013, there will be no across-the-board wage increases.
 - Effective October 1, 2014, there will be a three percent (3%) across-the-board wage increase that will extend the minimum and maximum of the salary ranges for all classifications covered by the FOP bargaining unit. The FY 2014/15 estimated impact to the City from the 3% COLA is \$811,156.

- Step Increases
 - Effective October 1, 2012, step increases will remain status quo for any employee who is eligible to receive a step on their anniversary date.
 - Effective April 1, 2015, there shall be an additional step added to the maximum of the pay scales for the classifications of Police Officer, Sergeant of Police and Lieutenant of Police. Effective April 1, 2015, any member who on April 1, 2014, was at the maximum of the range of their current classification, will have their salaries adjusted by being placed into the newly added step for their job classification. This step increase will adjust the employee's anniversary date to April 1. From thereafter, employees who reach the maximum of their current classification will be placed into the newly added step effective on their anniversary date. The estimated impact for FY 2014/15 is \$489,882. The annualized impact for FY 2015/16 is \$1,003,162. The implementation of the additional steps was subject to the FOP agreeing to concessions that would result in equivalent, recurring savings in order to offset the estimated annualized impact \$1,003,162.

- Concessions to Offset the Additional Step Added to the Maximum of the Range for Police Officer, Sergeant and Lieutenant Classifications Effective April 1, 2015
 - Elimination of State Commission for Florida Law Enforcement accreditation pay effective October 1, 2014 for all members. The estimated savings is (\$95,680) in FY 2014/15 and each year thereafter unless the benefit is renegotiated.
 - Reduction of Quality of Life Incentive Pay from \$67.00 biweekly to \$26.00 biweekly effective October 1, 2014. The estimated annualized savings is (\$392,288), in FY 2014/15 and each year thereafter unless the benefit is renegotiated.
 - Reduction of Commission on Accreditation of Law Enforcement Agencies (CALEA) pay from \$40.00 to \$20.00 effective September 30, 2015. The estimated annualized savings is (\$191,360) and will be realized in FY 2015/16 and each year thereafter unless the benefit is renegotiated.

- Reduction of Shift Differential Pay by \$.25 per hour (Midnight Shift reduced from \$1.00 per hour to \$.75 per hour and Afternoon Shift reduced from \$.75 per hour to \$.50 per hour effective September 30, 2015. The estimated annualized savings is (\$112,994) and will be realized in FY 2015/16 and each year thereafter unless the benefit is renegotiated.
- Court Time Compensation during an employee's off duty hours reduced from a four(4) hours minimum to three and one half (3.5) hours minimum effective September 30, 2015. The estimated annualized savings is (\$210,840) and will be realized in FY 2015/16 and each year thereafter unless the benefit is renegotiated.

* It is important to note that the above referenced concessions will remain as status quo upon the expiration of the FOP collective bargaining agreement on September 30, 2015. Therefore, the City will continue to recognize recurring savings based on these concessions unless the City and FOP collectively bargain changes to these concessions in a successor agreement.

- Annual Sick Sell Back Pilot Program – Effective October 1, 2013, the City will reinstitute a Sick Leave Sell Back Program. The purpose of this program is to provide an incentive for police officers to utilize less sick leave, increase the “show-up rate”, thereby decreasing the need for overtime during staffing shortages and reducing the amount of overtime paid due to sick call outs. The “show-up rate” has been identified as a significant driver of overtime costs in the Police Department. The Sick Leave Sellback Program would allow the sell back of up to ninety-six hours, payable in November of each year that the program is in effect, as long as the employee retains a minimum of 360 combined sick and vacation leave and meets other necessary requirements as outlined in the program. The maximum number of sick leave hours that may be sold back on each sell back date shall be reduced by one hour for each hour of sick leave the employee used during the applicable annual sell back period (e.g., if an employee uses ten hours of sick time, then he/she is only eligible to sell back eighty-six hours. Year 1 of the program will cover the period of October 1, 2013 through September 30, 2014, with payment to all qualifying participants in November 2014, and year 2 of the program will cover the period of October 1, 2014 through September 30, 2015, with payment to all qualifying participants in November 2015.

Based on historical participation patterns when the program was in effect during the 2006-2009 contract, a 50 percent participation assumption would yield a cost for the sellback of sick hours per participant of \$593,520, offset by a reduction in overtime of (\$660,000) in FY 2013/14, payable in November 2014; and a cost of \$669,402 for the sellback of sick hours per participant, offset by a reduction in overtime costs of (\$660,000) for FY 2014/15, payable in November 2015. The net anticipated impact for FY 2013/14 based on 50 percent participation, is a savings of (\$66,480) and FY 2014/15 represents a net estimated cost of \$9,402. This pilot program will sunset September 30, 2015, with final payments distributed in November 2015 for the October 1, 2014 through September 30, 2015 Sick Sell Back Program period.

The maximum exposure based on 100 percent participation in the program is a cost attributed to sellback of sick hours of \$1,187,040 in Year 1, offset by a maximum of overtime savings of (\$1,320,000). In Year 2, the maximum exposure based on 100 percent participation in the program is a cost attributed to sellback of sick hours of \$1,333,800, offset by a maximum of overtime savings of (\$1,320,000).

- *Hazardous Duty Pay* – Effective April 1, 2015, employees covered by the FOP collective bargaining agreement shall receive a biweekly non-pensionable payment of \$100. The impact for FY 2014/15 is \$473,200, with an annualized impact of \$946,400 beginning in FY 2015/16. In recent years the State of Florida Division of Retirement has become more flexible in interpreting language agreed to through the collective bargaining process. However, there is a risk that the State may determine that this pay must be pensionable.
- *Voluntary Physical Fitness Assessment Incentive Program* – In September 2014 and again in September 2015, the City will conduct a voluntary physical fitness assessment, utilizing Cooper's physical fitness standards. Participants who attain an overall rating of "Good" or above, shall receive a one-time, non-pensionable fitness incentive payment of \$500, payable in October of the corresponding year. The provisions of this program will sunset upon expiration of the 2012 – 2015 agreement. The estimated impact assuming all members would qualify for the payment is \$184,000 per year, representing a total impact of \$368,000 for the contract period.
- *Infectious Disease Presumption* – Effective October 1, 2013, the City will implement an infectious disease presumption whereby, current and future employees will be eligible to be covered for any condition or impairment of health caused by Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/Aids), Hepatitis, Pulmonary Tuberculosis or Meningococcal Meningitis provided that the member submits to either a post-employment medical screening for current employees or a pre-employment medical screening for future employees (tested at a medical facility selected by the City) that establishes baseline results and reveals no evidence of the aforementioned infectious diseases and that there is a requirement to document the exposure in the line of duty. The FOP Health Trust shall incur the costs associated with establishing a baseline medical screening for current employees covered by the Trust. Employees who are not members of the Health Trust, shall incur their own cost. For all future employees, the City will bear the cost and include the baseline testing as part of the pre-employment medical screening process. Currently, Worker's Compensation benefits that are provided by the City cover any member covered by the FOP collective bargaining agreement who becomes infected by any of the aforementioned diseases provided that the member must submit reasonable proof that they became infected in the line of duty. The City and FOP have agreed that contraction of any of the aforementioned diseases shall be presumed to have been accidental and to have been suffered in the line of duty, subject to having had a documented incident and other provisions as outlined in the proposed collective bargaining agreement.

NON-ECONOMIC PROVISIONS

- *Drug/Alcohol Testing – Last Chance Agreement* – The City has agreed to establish an opportunity for a Last Chance Agreement when a member tests positive for either alcohol or drugs under the City's drug/alcohol testing policies. The City Manager maintains sole discretion in determining if a Last Chance Agreement will be proffered. In addition, discipline can be administered concurrently.
- *Promotional Testing*
 - The City recognizes the value of post secondary education and has agreed with the FOP to implement a provision whereby points shall be added to an employee's passing promotional examination score for each completed credit of post secondary education from an accredited institution of higher learning.

- The current promotional process requires that a certified promotional eligibility list remain in effect for eighteen months, while requiring the City to offer a promotional exam twenty-four months from the date that the promotional eligibility list is certified. Based on this established process, there is a gap of six months from expiration of the certified promotional eligibility list to when a new promotional exam is offered to qualifying Police Officers and Sergeants of Police who wish to apply for a promotion within the Police Department. The City and FOP have agreed to extend the expiration of the certified promotional eligibility lists for Sergeants of Police and Lieutenants of Police from eighteen months to twenty-four months. In addition, the City shall commence the promotional testing process nine months prior to the expiration of the promotional eligibility list.
- Job Audit of Detention Officer Classification –The City has agreed to conduct a job audit of the classification of Detention Officer.
- Establishment of Post Employment Health Program (PEHP) – A Post Employment Health Program provides employees with a mechanism to establish a savings account for future medical costs when the employee retires. Effective October 1, 2013, all FOP bargaining unit members shall begin contributing \$25.00 per pay period toward a PEHP. In accordance with the guidelines of a PEHP, upon implementation, the established contribution rate shall be mandatory for all bargaining unit members. This benefit incurs no cost to the City, as any administrative fees/costs shall be incurred by the FOP Health Trust. Upon separation, the employee shall be required to contribute ten percent of the value of their leave balances to their PEHP.

CONCLUSION

The terms and conditions of the proposed three year labor agreement between the City and FOP assumes no financial impact for FY 2012/13; a savings of (\$3,425,242) for FY 2013/14; and (\$2,439,868) for FY 2014/15. The total estimated three year impact is (\$5.865) million.

The significant changes to pension benefits for current employees will result in long-term, recurring pension savings. Based on the Actuarial Impact Statement provided by Buck Consultants (Attachment 2), the total pension Plan savings for both Fire and Police which, include changes for future employees will yield a savings of (\$5.66 million) in FY 2013/14 and a savings of (\$6.034) in FY 2014/15, for a total savings of (\$11.694) million. Based on percent of payroll, the pension changes agreed to by FOP of result in a savings of (\$3.6 million) in FY 2013/14 and a savings of (\$3.84) in FY 2014/15, for a total savings of (\$7.45) million.

At the time of this writing, FOP has not scheduled the ratification vote of the proposed agreement for their membership. The Administration recommends adopting the resolution to ratify the three year labor agreement with the FOP bargaining unit for the time period covering October 1, 2012, through September 30, 2015, subject to the outcome of the ratification vote for the FOP membership. Exhibit A to the resolution is a copy of the contract language changes in substantial form. Since the results of the ratification vote will not be available for the July 17, 2013, City Commission meeting, the results will be provided to the City Commission as soon as the City receives the certified results.

Attachments

JLM/KGB/SC-T/CMG

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A Xerox Company

July 16, 2013

CONFIDENTIAL

Ms. Kathie Brooks
Assistant City Manager
1700 Convention Center Drive
Miami Beach, FL 33139

Dear Kathie:

Actuarial Impact of Proposed Plan Changes to the City Pension Fund for Police Officers and Firefighters in the City of Miami Beach

As requested, we have calculated the estimated impact of the proposed changes to the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach (Pension Fund).

Summarized below are the proposed plan changes and the cost impact of these changes.

A combination of the following changes to the Pension Fund:

- Amend the Plan's Final Average Earnings calculation, for participants hired prior to July 17, 2013, from the average of the highest 2 years of compensation to the average of the highest 3 years of compensation effective for fiscal years ending after September 30, 2015.
- Amend the Plan's Final Average Earnings calculation, for participants hired on or after July 17, 2013, from the average of the highest 3 years of compensation to the average of the highest 5 years of compensation effective for fiscal years ending after September 30, 2015.
- Extend the Benefit Accrual Rate of 3% per annum up from 15 years of service to 20 years of service with a 4% multiplier for service greater than 20 years, subject to a maximum pension benefit of 85% of Final Average Earnings. Participants exceeding 85% of their pension benefit at September 30, 2013 will be grandfathered at 90%.
- Amend the rule of 70 (age plus service) criteria to require participants to also attain age 47, for participants hired prior to July 15, 2010, with the exception of three members. These three members will not be subject to the minimum age requirement under the rule of 70. For participants hired after July 14, 2010 the rule of 70 (age plus service) will be amended to require participants to also attain age 48.

- Freeze the cost of living adjustment component for salary increases in fiscal years 2012/2013 and 2013/2014 and grant a cost of living adjustment of 3% in fiscal year 2014/2015.
- Change the vesting requirement from 10 years of service to 5 years of service.
- Eliminate the ability to purchase prior creditable service or additional multiplier except for prior military service up to 2 years at 3% each year for a maximum of 6%. The cost to the employee would be at 10% for those hired prior to July 17, 2013 and 10.5% for those hired on or after July 17, 2013.
- Reinstate the annual cost of living adjustment in all years for participants who enter the DROP on or after September 30, 2013.
- Eliminate the use of accrued leave to purchase additional benefits and cap the maximum overtime hours that can be used for pensionable pay at 300 hours per Florida statute.
- Eliminate the ability to transfer creditable service from the Miami Beach Employees Retirement Plan (MBERP) to the Miami Beach Fire and Police Pension Plan.
- Overtime, off-duty and unused sick and/or vacation leave for Police Officers that can be included in the computation of pensionable pay is limited to 11% of the highest annualized pay rate for the same salary rank of the member at the time of retirement.
- Eliminate the probationary period for new hires to become participants in the pension plan.
- Extension of Ranges for Firefighter I, Police Officer, Sergeant of Police and Police Lieutenant effective April 1, 2015 (Proposed Maximum includes the 3% COLA payable on October 1, 2014 and 5% additional Step effective April 1, 2015 for eligible members)

	Current Minimum	Current Maximum	Proposed Minimum	Proposed Maximum*
Firefighter I – Day Shift	45,139.11	74,745.85	45,139.11	80,837.64
Police Officer	53,309.01	75,033.33	53,309.01	81,148.55
Police Sergeant	78,748.42	86,852.71	78,748.42	93,931.21
Police Lieutenant	86,852.71	100,532.31	86,852.71	108,725.69

Ms. Kathie Brooks
July 16, 2013
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Cost Impact of Plan Changes:

The 30 year cost impact of the combined code changes outlined above is outlined in appendix A attached to this letter.

Data, assumptions, Methods and Plan Provisions:

The calculations contained in this study are based on the data, assumptions, methods and plan provisions used for the October 1, 2012 actuarial valuation of the System. The salary scale assumption has been reduced to reflect the cost of living freeze reference above. I am an Enrolled Actuary and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained in this letter.

Please note that any changes to Pension Fund would need to be documented in an impact statement and submitted to the State for acceptance. If you have any questions, please do not hesitate to contact me.

Sincerely,



Joseph L. Griffin ASA, EA, MAAA, FCA
Director, Consulting Actuary

cc: Mr. David Campbell – Buck Consultants/Atlanta
Mr. Steward Sainvil – Buck Consultants/Atlanta

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00995-0001 RET03

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach
Union Pricing Summary

	<u>Current Year</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
Scenario 1A:								
Increase/(Decrease) in Normal Cost	(1,479,000)	(1,574,000)	(1,673,000)	(1,630,000)	(1,897,000)	(1,877,000)	(1,782,000)	(1,794,000)
Increase/(Decrease) in Unfunded Accrued Liability	(24,366,000)	(24,252,000)	(23,554,000)	(30,018,000)	(34,561,000)	(40,411,000)	(46,633,000)	(52,628,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(5,666,000)	(6,034,000)	(6,391,000)	(7,065,000)	(7,988,000)	(8,721,000)	(9,423,000)	(10,215,000)
Net Present Value of 30 Year ARC Changes	(145,176,840)							

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach
Union Pricing Summary

	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>
<u>Scenario 1A:</u>								
Increase/(Decrease) in Normal Cost	(1,694,000)	(1,572,000)	(1,430,000)	(1,534,000)	(1,236,000)	(978,000)	(1,093,000)	(973,000)
Increase/(Decrease) in Unfunded Accrued Liability	(58,833,000)	(64,738,000)	(70,675,000)	(76,466,000)	(82,522,000)	(87,821,000)	(92,337,000)	(97,843,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(10,936,000)	(11,655,000)	(12,387,000)	(13,408,000)	(14,059,000)	(14,691,000)	(15,750,000)	(16,717,000)
Net Present Value of 30 Year ARC Changes								

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach

Union Pricing Summary

	<u>Year 16</u>	<u>Year 17</u>	<u>Year 18</u>	<u>Year 19</u>	<u>Year 20</u>	<u>Year 21</u>	<u>Year 22</u>	<u>Year 23</u>
<u>Scenario 1A:</u>								
Increase/(Decrease) in Normal Cost	(404,000)	(364,000)	209,000	461,000	999,000	1,410,000	991,000	1,185,000
Increase/(Decrease) in Unfunded Accrued Liability	(102,880,000)	(105,617,000)	(107,847,000)	(107,883,000)	(106,848,000)	(104,005,000)	(99,609,000)	(96,317,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(17,136,000)	(17,987,000)	(18,254,000)	(18,842,000)	(19,068,000)	(19,308,000)	(20,330,000)	(20,867,000)
Net Present Value of 30 Year ARC Changes								

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach
Union Pricing Summary

	<u>Year 24</u>	<u>Year 25</u>	<u>Year 26</u>	<u>Year 27</u>	<u>Year 28</u>	<u>Year 29</u>	<u>Year 30</u>
<u>Scenario 1A:</u>							
Increase/(Decrease) in Normal Cost	1,277,000	1,293,000	1,292,000	1,334,000	1,378,000	1,409,000	1,436,000
Increase/(Decrease) in Unfunded Accrued Liability	(92,780,000)	(88,647,000)	(83,961,000)	(78,545,000)	(72,022,000)	(64,214,000)	(55,154,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(21,455,000)	(22,090,000)	(22,693,000)	(23,190,000)	(23,573,000)	(23,869,000)	(24,111,000)
Net Present Value of 30 Year ARC Changes							

AGREEMENT

BETWEEN

CITY OF MIAMI BEACH, FLORIDA

and

MIAMI BEACH FRATERNAL ORDER OF POLICE

WILLIAM NICHOLS LODGE NO. 8

Period Covered

October 1, 2009~~12~~ through September 30, 201~~2~~15

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AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2013, by and between the CITY OF MIAMI BEACH, FLORIDA (herein called the "City"), and the MIAMI BEACH FRATERNAL ORDER OF POLICE, WILLIAM NICHOLS LODGE NO. 8 (herein called the "FOP").

PREAMBLE

WHEREAS, the FOP has been selected as the sole and exclusive bargaining representative by a majority of employees in the certified bargaining unit set forth in Article 1, and has been recognized by the City pursuant to the laws of the State of Florida as the sole and exclusive bargaining representative for said employees; and

WHEREAS, it is the intention of the parties to this Agreement to provide in manner which is binding and superior to ordinances and personnel rules of the City, for a salary schedule, fringe benefits, and conditions of employment of the employees covered by this Agreement, and to provide for the continued and efficient operation of the City's Police Department; and to provide for an orderly and prompt method of handling and processing grievances; and

WHEREAS, the FOP and the City agree to seek and maintain high standards for the operation of the Police Department;

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1
RECOGNITION

The City recognizes the FOP as the sole and exclusive bargaining representative for the purpose of wages, hours, and other terms and conditions of employment for employees in the following classifications in the Police Department (hereafter "employees"):

Trainees

Police Officers

Sergeants of Police

Lieutenant of Police

Detention Officers

All other employees in other existing classifications are specially excluded.

FOP - 2

ARTICLE 2
DEDUCTION OF DUES

Section 2.1 – Check-off

Upon receipt of a lawfully executed written authorization from an employee which is presented to the City by an official designated by the FOP in writing, the City agrees during the term of this Agreement to deduct biweekly FOP dues of such employees from their pay and remit such deductions to the FOP Treasurer within fourteen (14) calendar days however, such authorization is revocable at the employee's will upon thirty (30) days' written notice to the City and the FOP. The City shall deduct the dues from the FOP members who have authorized such a deduction in the following manner: Each member's biweekly wages shall be reduced by the amount equal to one and one half percent (1.5%) of the annual minimum of the pay range of the Police Officer Classification, divided by twenty-six (26) pay periods.

For example:

The current annual minimum for the Police Officer Classification is ~~\$51,756.36~~\$53,309.01.
 $\$53,309.01 \div 26 = \$2,050.3465$
 $\$2,050.3465 \times 0.015 = \30.7551975
 $\$30.7551975 \times 4 = \123.02079
 $\$123.02079 \times 7 = \861.14553
 $\$861.14553 \div 26 = \33.121
\$33.121 shall be deducted biweekly from the member's paycheck.

The FOP shall be responsible for advising the City of any change in the percentage of dues calculation in writing. The City shall revise the calculation for each authorized deduction whenever a change to the annual minimum of the pay range of the Police Officer Classification is made, or whenever so notified in writing by the FOP of a change in the percentage.

The City agrees to use diligence in making prompt delivery of monies owed to the FOP. The charge for dues deductions shall be calculated by multiplying one average run of check-offs by four (4) and multiplying the product by seven cents (\$0.07). The City shall notify the FOP of the amount owed no later than September 1 of each year. The FOP shall make payment to the City no later than September 30 of each year. The FOP will notify the City in writing of the exact amount of such uniform membership dues to be deducted. The FOP will notify the City thirty (30) days prior to any change in its dues structure or if there are additions or deletions to the established check-off list.

Section 2.2 – Legal Services Trust Fund

If the FOP establishes a Legal Services Trust Fund, upon receipt of a lawfully executed written authorization from an employee which is presented to the City by an official designated by the FOP in writing, the City agrees during the term of this Agreement to take biweekly deductions from such employees from their pay and remit such deductions to the Trustee within fourteen (14) calendar days; however, such authorization is revocable at the employee's will upon thirty (30) days' written notice to the City and the FOP. There will be no charge to the FOP for Legal Services Trust Fund deductions.

The FOP will notify the City in writing of the exact amount of such uniform Legal Services Trust Fund deductions. The FOP will notify the City thirty (30) days prior to any change in the deduction structure or if there are additions or deletions to the established Legal Services Trust Fund deduction structure.

Section 2.3 – Indemnification

The FOP agrees to indemnify and to hold the City harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article; provided, that the City will not be indemnified or held harmless for any intentional tort. This indemnification is not intended to cover claims made by, or on behalf of the FOP.

ARTICLE 3
GRIEVANCE PROCEDURE

Section 3.1 – Definition of Grievance and Time Limit for Filing

A grievance is a dispute involving the interpretation or application of the express terms of this Agreement, excluding matters not covered by this Agreement; or where Personnel Board rules and regulations are involved; provided that disciplinary actions, including discharges, may be grieved under this Article, as provided herein. See Section 3.7 (Election of Remedies) for procedures to be utilized in particular circumstances. No grievance shall be entertained or processed unless it is submitted within twenty (20) workdays (excluding Saturday, Sunday, or holidays recognized by the City) after the occurrence of the first event giving rise to the grievance or within twenty (20) workdays after the employee, through the use of reasonable diligence, should have obtained knowledge of the occurrence of the first event giving rise to the grievance.

Section 3.2 – Grievance Procedure

The FOP shall have the right to initiate and process grievances on its own behalf or on behalf of named members of the bargaining unit. However, the FOP shall have the right in its sole discretion not to process grievances on behalf of bargaining unit members who are not members of the FOP, provided it notifies said employee of its decision not to proceed. Grievances shall be processed, individually, as follows:

- Step 1:** The grievance shall be presented, in writing on the Grievance Form supplied by the City, to the employee's unit or division commander or a designated representative, who shall answer within five (5) workdays after such receipt. The employee will also provide the FOP with a copy of said grievance.

- Step 2:** If the grievance is brought by the FOP on its own behalf, or if the grievance is brought on behalf of an individual(s) and is not settled in Step 1 and an appeal is desired, it shall be referred in writing to the Police Chief or his designee. The Election of Remedy Form shall be completed and signed by the FOP and/or the grievant, and attached to the Step 2 grievance. The Police Chief shall discuss the grievance within ten (10) workdays with the employee and the FOP grievance committee at a time designated by the Police Chief. If no settlement is reached, the Police Chief shall give the City's written answer to the employee and the FOP grievance committee within five (5) workdays following their meeting.

- Step 3:** If the grievance is not settled in Step 2 and both the employee and FOP grievance committee desire to appeal, or if it is a class grievance filed by the FOP and at least one employee of the named class and FOP grievance committee desire to appeal, it shall be appealed in writing to the City Manager or his designee for Labor Relations within fifteen (15) workdays after the City's answer in Step 2. A meeting between the City Manager or his designee, the employee, and the FOP grievance committee shall

be held at the time designated by the City Manager within fifteen (15) workdays. If no settlement is reached, the City Manager shall give City's written answer to the employee and the FOP grievance committee within fifteen (15) workdays following the meeting.

Section 3.3 – Binding Arbitration

If the grievance is not resolved in Step 3 of the grievance procedure, the FOP grievance committee, with the concurrence of the employee who filed the grievance, or if it is a class grievance filed by the FOP, with the concurrence of at least one employee of the named class, or if it is a grievance filed by the FOP on its own behalf, may refer the grievance to binding arbitration within fifteen (15) after receipt of the City's answer in Step 3. The parties shall attempt to agree upon an arbitrator within fifteen (15) workdays after receipt of notice of referral and in the event the parties are unable to agree upon an arbitrator within said fifteen (15), the parties shall jointly request the Federal Mediation and Conciliation Service to submit a panel of five (5) arbitrators. Both the City and the FOP shall have the right to strike two names. The name remaining after the City strikes shall be the arbitrator. The arbitrator shall be notified of his selection within five (5) workdays by a joint letter from the City and the FOP requesting that he advise the parties of his availability for a hearing. The parties may select a permanent arbitrator in lieu of the selection procedure set forth in this section.

Section 3.4 – Authority of Arbitrator

The arbitrator shall have no right to amend, modify, ignore, add to, or subtract from the provisions of this Agreement. He shall consider and decide only the specific issue submitted to him in writing by the City and the FOP, and shall have no authority to make a decision on any other issue not so submitted to him. The arbitrator shall submit in writing his decision within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever is later, provided that the parties may mutually agree in writing to extend said limitation.

The decision shall be based solely upon his interpretation of the meaning or application of the express terms of this Agreement to the facts of the grievance presented. If the arbitrator acts in accordance with this Section, the decision of the arbitrator shall be final and binding.

Section 3.5 – Expenses of Arbitration

The fee and expenses of the arbitrator and the cost of a written transcript shall be divided equally between the City and the FOP; provided, however, each party shall be responsible for compensating its own representatives or witnesses.

Section 3.6 – Processing Grievances

All grievance discussions and investigations shall take place in a manner which does not interfere with the operation of the Police Department. Any time spent by the Grievance Committee of the FOP in

discussions or processing grievances at Step 1, 2, or 3 during their working hours shall not result in a loss of earnings or benefits.

Section 3.7 – Election of Remedies

Disciplinary actions may be grieved (1) under the grievance/arbitration provisions contained in this Article or (2) to a Hearing Examiner, who shall be selected by utilizing the procedures outlined in Section 3.3 of this Article. A grievance involving the interpretation or application of this Agreement may be grieved solely under the grievance/arbitration provisions contained in this Article. Grievances regarding certain non-disciplinary matters, such as disagreements as to the waiving or application of changes to personnel rules or other work rules or policies may be filed via the Personnel Board procedures.

The decision of the hearing officer shall be final & binding. The cost of a Hearing Examiner shall be borne by the City. Any proceedings before the Hearing Examiner shall be conducted pursuant to the attached Hearing Examiner Rules.

Section 3.8 – Probationary Period

Nothing herein shall in any way affect the discretion presently accorded the Police Chief with respect to employees in their probationary period following hire or in their probationary period following promotion. It is specifically understood by the parties that the exercise of the Police Chief's discretion in this regard shall not in any way be subject to the grievance procedure set forth herein.

Section 3.9 – FOP Grievance Committee

The FOP shall appoint a Grievance Committee of not more than three (3) members, and shall notify in writing the Police Chief and the City Manager's designee for Labor Relations of the name or names of the employee or employees serving on this committee and of any changes in the numbers of this committee. The members of this committee may not conduct any investigation while on duty without receiving the permission of the Police Chief, or in his absence, the duly authorized representative acting in his behalf; however, such permission shall not be unreasonably withheld. Department clerical personnel will not be used by the grievance committee in grievance matters. The grievance committee shall not unreasonably use other departmental resources for the purpose of conducting grievance-related work.

Section 3.10 – Waiver of Time Limitations or Steps

The parties may mutually agree in writing to extend any of the time limitations set forth above for the processing of grievances and may also waive any of the intermediate steps of the grievance procedure in writing.

ARTICLE 4
NO STRIKE AND NO LOCKOUT

Section 4.1 – No Strike

The parties hereby recognize the provisions of Chapter 447, Florida Statutes, which define strikes, prohibit strikes, and establish penalties in the case of a strike, and incorporate those statutory provisions herein by reference.

Section 4.2 – No Lockout

The City will not lockout any employees during the term of this Agreement as a result of a labor dispute with the FOP.

ARTICLE 5
MANAGEMENT RIGHTS

It is recognized that except as stated herein, the City shall retain all rights and authority necessary for it to operate and direct the affairs of the City and the Police Department in all of its various aspects, including, but not limited to, the right to direct the work force; to plan, direct, and control all the operations and services of the Police Department; to determine the methods, means, organizations, and personnel by which such operations and services are to be conducted; to assign and transfer employees; to schedule the working hours; to hire and promote; to demote, suspend, discipline or discharge for just cause, or relieve employees due to lack of work or for other legitimate reasons; to make and enforce reasonable rules and regulations; to change or eliminate existing methods, equipment, or facilities; provided, however, that the exercise of any of the above rights shall not conflict with any of the expressed written provisions of this Agreement and that a grievance may be filed alleging such a conflict.

The City shall not employ more than thirty-eight (38) Reserve Police Officers. No Reserve Police Officers will be authorized to perform off-duty work as a police officer, unless reasonable efforts to fill an off duty job with bargaining unit member fails. Reserve Officers shall be compensated one dollar (\$1.00) per fiscal year.

ARTICLE 6
POLICE EQUIPMENT

The City agrees to continue the current policy of issuing equipment which includes shirts, pants, footwear, leather, department issued weapons, ammunition, handcuffs, expandable batons, light and heavy jackets, rain gear and traffic templates. Additionally, the City will supply an initial issue whistle to all patrol officers. Replacement of whistles shall be at the officer's expense. To the extent that a flashlight is a required article of equipment, the City shall provide it. The City will reimburse employees for the cost of replacement of protective vests up to a maximum of \$550.00, when needed. However, effective upon ratification of this Agreement, as long as the City is a recipient of the U.S. Department of Justice Bulletproof Vest Partnership (BVP) Grant, the City will reimburse employees for the cost of replacement of protective vests up to a maximum of \$750.00, when needed. If the City is no longer a recipient of the BVP Grant, then the reimbursement rate shall revert back to the \$550.00 amount.

Necessary ammunition will be issued to each employee every twelve (12) months to guarantee reliability of the ammunition.

Retiree Service Weapon

A bargaining unit member who retires in good standing from the City shall receive his/her service firearm upon retirement provided that the member does not retire in lieu of termination. The Police Chief (or designee) shall have the right to deny this benefit for any justifiable reason to be approved in conjunction with the Human Resources Director (or designee).

All bargaining unit members who retire due to in-service connected injuries/disabilities regardless of creditable years of service with the City's Police Department shall be eligible to receive their service firearm.

ARTICLE 7
HOURS OF WORK AND OVERTIME

Section 7.1 – Purpose

This Article is intended to define the normal hours of work and to provide the basis for the calculation and payment of overtime. It shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week.

Section 7.2 – Normal Workweek

The normal workweek shall consist of forty (40) hours per week and such additional time (subject to Section 7.4 and 7.5 below) as may, from time to time, be required in the judgment of the City to serve the citizens of the City. The workweek shall begin with the employee's first regular shift each week. All hours scheduled in the normal workday will be consecutive. An employee called in early in advance of his normal shift starting time will not be sent home early on such day for the purpose of avoiding overtime unless such employee is in agreement with the request to leave early; provided, however, that except as limited by Section 7.3 below, the City shall retain its right to establish and modify normal work schedules.

Section 7.3 – Four-Day Workweek

The City shall extend the present policy of a four (4) day workweek to all employees in the bargaining unit except employees on light duty because of injuries or illness which are not service connected. Employees who suffered a service connected injury or illness and who are permitted to work light duty may work up to thirty-two (32) weeks, measured non-consecutively from the date of injury, on light duty on a 4-10 schedule, or to receive ISC payments for thirty-two (32) weeks, or a combination of both. Thereafter, the officer may be assigned to work a 5-8's shift in a light duty assignment during the pendency of his/her light duty.

Positions occupied by employees who are permitted to elect either a 4-10 or a 5-8 work schedule shall continue on that basis.

Detention Officers shall continue to work a 5-8 work schedule.

Section 7.4 – Weekly Overtime

For all hours actually worked in excess of forty (40) hours during an employee's workweek, the City will pay the employee one and one-half (1-1/2) times the employee's straight time hourly rate of pay. The current practice for calculating hours worked will remain in effect.

Section 7.5 – Distribution of Overtime Opportunity

a) Overtime is recognized as being of three (3) general types within the Police Department:

1. **Carry-over Overtime** – Overtime for work carried over from an employee's regular duty assignment (e.g., uniform officer on arrest; detectives' on-going investigations). "Carry-over Overtime" shall not be subject to equal distribution rules.
2. **Staffing Overtime** – Overtime due to staffing needs. Staffing Overtime shall be distributed on a rotating basis, as equally as practicably possible, among employees in the particular work unit who are qualified to perform the particular overtime work, by departmental seniority.

Employees who are not in the particular work unit or division will not be assigned to Staffing Overtime unless reasonable attempts to assign employees from within the work unit or division have failed.

3. **Special Event Overtime** – Overtime for planned events or assignments. Special Event Overtime shall be distributed on a rotating basis, as equally as practicably possible, among all sworn employees in the Department who are qualified to perform the particular overtime work, by departmental seniority.

b) Records for Staffing Overtime will be maintained at the Platoon or work section level. Records for Special Event Overtime will be maintained at the Department level.

c) Pay for overtime work will be paid no later than two (2) full pay periods following the pay period in which the overtime/court attendance slip is submitted and approved by the employee's supervisor.

Section 7.6 – No Pyramiding

Compensation shall not be paid more than once for the same hours with the exception of the assignment of "guaranteed minimum hours" provided for in Section 8.3, entitled Call in Pay; Section 8.10, entitled Court Time Compensation; and/or Off-Duty Assignments as outlined in the Department's Standard Operation Procedures (SOP's); or any other guaranteed minimum hours that are established during the term of this Agreement.

ARTICLE 8
WAGES AND FRINGE BENEFITS

Section 8.1 – Wages Across-the-Board Wage Increases

- a) Effective with the first pay period ending in October of 201~~200~~⁰⁹, there shall be no across-the-board wage increase.
- b) Effective with the first pay period ending in October of 201~~30~~³⁰, there shall be no across-the-board wage increase.
- c) Effective with the first pay period ending in October of 201~~44~~⁴⁴, there shall be a three (3%) no across-the-board wage increase. This across-the-board wage increase shall increase the minimums and maximums of the pay ranges for those classifications covered by this Agreement. ~~Effective with the first full pay period in April 2012, there shall be an across-the-board wage increase of three percent (3%).~~

Section 8.2 – Police Vehicle Policy

In an effort to reduce the long-term costs to the City in maintenance, repairs and liability, a take-home vehicle program will continue on a phased-in process to the extent that funds are available in compliance with State and Federal law from the Police Confiscated Fund.

Purchase Orders for the purchase of the vehicles for the take-home program shall be issued within 60 days after the receipt of the State of Florida contracted bid prices (estimated in January of each year). Bargaining unit members who are participants in the Take-Home Vehicle Program as of October 1, 1997, shall continue in the Take-Home Vehicle Program as prescribed by the City Commission approved Policy and the Department S.O.P. Thereafter, priority for allocation of take-home cars shall be given to all eligible personnel by Departmental seniority.

To defray the operating expense incurred by the City as a result of the non-official use of take-home vehicles, employees shall be assessed a user fee. The fee shall be based on the location of their primary residence as shown below:

LOCATION	BIWEEKLY FEE
Miami Beach	-0-
Dade County (other than Miami Beach)	\$25.00
Broward County	\$30.00
Palm Beach County (as limited below)	\$45.00 or \$75.00

Effective with the pay period upon ratification of this Agreement, employees will contribute an additional seven dollars (\$7.00) take-home vehicle user fee for an eighteen (18) month rolling period. The additional seven (\$7.00) contribution will be added to the take-home vehicle user fee amounts prescribed above. Upon the completion of the eighteen (18) month rolling period, the take-home user fee will revert back to the take-home vehicle user fee that is based on the location of the employee's primary residence as provided for above.

The take-home vehicle program shall be available to any sworn officer who was hired before July 18th, 2001 [the ratification date of 2000-2003 Agreement] who resides in Miami-Dade or Broward County. Except as stated in this section, the take-home vehicle program shall not be available to any sworn officer who is hired on or after July 18th, 2001 [the ratification date of the 2000-2003 Agreement] (except police applicants in the background process) and resides outside of Miami-Dade County but is available to a sworn officer who is living outside Miami-Dade County and moves back to Miami-Dade County.

As of July 2010, there were one hundred ten (110) cars allocated in the take home vehicle program for Broward County. Going forward, a number of vehicles to be determined (but no less than one hundred ten (110) vehicles) by the mutual agreement of the Police Chief and the FOP will be allocated for Broward County.

The four (4) police officers currently residing in Palm Beach County will be allowed to retain their take home cars and will continue to pay at their current rates (i.e., the \$45.00 or \$75.00 that applied to each of them respectively per the terms of the 2003-2006 Agreement) for their vehicles. When each one of these four (4) employees separate from City employment, the number of Palm Beach cars will be reduced as each employee leaves. Whenever one (1) of the four (4) Palm Beach County cars is eliminated, the number of Broward County take home cars will be increased by that same number. However, effective with the pay period upon ratification of this Agreement, these employees will contribute an additional seven dollars (\$7.00) take-home vehicle user fee for an eighteen (18) month rolling period. The additional seven dollar (\$7.00) contribution will be added to the take-home vehicle user fee amounts prescribed above. Upon the completion of the eighteen (18) month rolling period, the take-home user fee will revert back to the take-home vehicle user fee that is based on the location of the employee's primary residence as provided for above.

Employees may not park their cars in a location so as to circumvent the restrictions outlined in this section.

Section 8.3 – Compensation Plan

a) **Entry Level Pay - Hired on or after October 1, 1997**

1. Police Officer

- a) Non-Certified Hire - A newly hired, non-certified Police Officer will be placed in the Police Officer Trainee Step 1 rate of pay while attending the Police Academy and until he/she receives notification of passing the State Certification examination. The pay period following the notification of passing the State Certification examination the bargaining unit employee will be placed in Police Officer Trainee Step 2 rate of pay for the duration of his/her first year of service. Upon completing his/her first year of service, in accordance with Section 5 below, the bargaining unit employee shall be placed in Step A.

- b) Non-Florida Certified Hire Academy Required - A newly hired, Non-Florida certified Police Officer who is required to attend the Police Academy will be placed in the Police Officer Trainee Step 2 rate of pay while attending the Academy and until he/she receives notification of passing the State Certification examination. The pay period following the notification of passing the State Certification examination, the bargaining unit employee will be placed in Police Officer Trainee Step 3 rate of pay for the duration of his/her first year of service. Upon completing his/her first year of service, in accordance with Section 5 below, the bargaining unit employee shall be placed in Step A.
- c) Certified Hire with less than one (1) year of experience - A newly hired Police Officer with less than one (1) year of experience who is not required to attend the Police Academy shall be placed in the Police Officer Trainee Step 3 rate of pay for his/her first six (6) months of service and Step A for the duration of his/her first year of service.
- d) Certified Hire with or greater than one (1) year but less than three (3) years of experience - A newly hired Police Officer with or greater than one (1) year but less than three (3) years of experience shall be placed in Step A for the duration of his/her first year of service.
- e) Certified Hire with or greater than three (3) years of experience - A newly hired Police Officer with or greater than three (3) years of experience shall be placed in Step B for the duration of his/her first year of service.

2. Detention Officer

A newly hired Detention Officer will be placed in Step A of the pay scale for the duration of his/her first year of service.

- b) **State Certification Re-examination** – In the event a newly hired Police Officer who is required to take the State Certification examination fails to pass said examination, he/she shall be placed on a leave of absence without pay until such time as he/she passes the State Certification examination. Said bargaining unit employee shall sign up for the next scheduled examination in the State of Florida and take the examination at his/her expense. In the event the bargaining unit employee fails the re-examination, his/her employment with the City shall terminate.

Section 8.4 – Step and Longevity Increases

All step and longevity increases shall become effective on the payroll period commencing nearest the employee's anniversary date, as per current practice. A step increase shall be awarded based upon the employee receiving a satisfactory evaluation during that rating period, as per current practice.

Effective April 1, 2015, one (1) additional step shall be added to the maximum pay range for the classifications of Police Officers, Sergeants of Police and Lieutenants of Police. The additional step will

increase the maximum of the range for the aforementioned classifications by five percent (5%). The minimum pay range shall stay as is and there shall be no immediate pay increase for any employees. Those employees at the maximum of the range as of April 1, 2014, will move into the new step on April 1, 2015.

Section 8.5 – Shift Differential

At the time this Agreement was executed, the City maintained three standard shifts of work to-wit: a first shift starting at approximately 11:00 p.m.; a second shift (also called "Day Shift") starting at approximately 7:00 a.m.; and a third shift (also called "Afternoon Shift") starting at approximately 3:00 p.m.

~~For all work by the third shift performed after 3:00 p.m., effective October 1, 2006, the shift differential pay of forty-five cents (\$.45) per hour shall be increased to seventy-five cents (\$.75) per hour, which shall be added to the employee's hourly rate; and effective October 1, 2006, for all work by the first shift performed after 11:00 p.m., the shift differential pay of seventy-five cents (\$.75) per hour shall be increased to one dollar (\$1.00) per hour, which shall be added to the employee's hourly rate. If the City rearranges the shift scheduling or establishes any new shift, shift differential pay shall follow the above/below formula based on the time period in which a majority of hours are worked by the employee. Thus, if a majority of the non-standard shift hours are after 3:00 p.m., all the shift differential pay for all post 3:00 p.m. hours, effective October 1, 2006, shall be changed to seventy-five cents (\$.75) per hour. If a majority of the non-standard hours are after 11:00 p.m., all the shift differential pay for all post 11:00 p.m. hours, effective October 1, 2006 shall be changed to one dollar (\$1.00) per hour. However, effective September 30, 2015, if a majority of the non-standard shift hours are after 3:00 p.m., the shift differential pay for all post 3:00 p.m. hours shall be fifty cents (\$.50) per hour, which shall be added the employee's hourly rate; and if a majority of the non-standard hours are after 11:00 p.m., the shift differential pay for all post 11:00 p.m. hours shall be seventy-five cents (\$.75) per hour, which shall be added to the employee's hourly rate.~~

Section 8.6 – Hazardous Duty Pay

Effective April 1, 2015, all employees covered by this Agreement, shall be eligible to receive Hazardous Duty Pay in the amount of one hundred (\$100.00) dollars per pay period. Hazardous Duty Pay shall not be considered as pensionable earnings.

Section 8.67 – Holidays

Consistent with the City Commission holiday resolution and current department practices, the holiday benefits presently enjoyed by the employees covered by this Agreement shall continue. Employees shall be paid double time for all hours worked on a holiday. Employees whose day off falls on a holiday shall be given another day off if they work on that holiday.

The following holidays shall be recognized as follows:

<u>Holidays</u>	<u>Recognized Date</u>
New Years Day	January 1
Independence Day	July 4

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Section 8.78 – Vacation Benefits

Consistent with applicable ordinances, the vacation benefits presently enjoyed by the employees covered by this Agreement shall continue.

In the event an employee is not allowed to take a vacation because of scheduling by the City, he will, at the option of the City, either be paid in lieu of vacation time not used, or be allowed to accumulate into the next calendar year pursuant to existing rules governing accumulation. However, in no event shall an employee be penalized by losing accumulated vacation time because he was unable to use it because of departmental needs. This Section shall not apply to sick leave accumulation.

Section 8.89 – Sick and Vacation Leave Accrual and Payment on Termination

All employees covered by this Agreement shall, under applicable ordinances, rules, and regulations, be allowed to accrue no more than 500 hours on an annual basis, and, except in accordance with provisions for postponement of vacation leave as set forth in Article 8, Section 7, of this Agreement; be permitted to transfer sick leave in excess of 360 hours to vacation leave at the rate of two days' sick leave to one day vacation leave to be used in the pay period year when transferred; be permitted a maximum payment at time of termination, death, or retirement of, no more than 620 hours vacation leave and one half (1/2) of sick leave to a maximum of 600 hours.

- a) All members covered under this Agreement shall be entitled to a termination payout of one-half (1/2) of his/her accrued sick leave up to a maximum payout of 600 hours.

Section 8.10 – Sick Leave Sell Back Program

An annual sick leave sell back program (payable on a dollar for dollar basis) will be established and implemented as stated in this section. The annual sick leave "sell back period" shall cover ~~each of the following fiscal years: October 1, 2013⁰⁵ through September 30, 2014⁰⁶; and October 1, 2014⁰⁶ through September 30, 2015⁰⁷; October 1, 2007 through September 30, 2008; and October 1, 2008 through September 30, 2009.~~ The payments for each annual sick leave sell back period will be made in the last pay period in November after the close of the applicable sell back period. The sick leave sell back program shall terminate at the end of the ~~fourth-second~~ annual sell-back period in 2015⁰⁹ (i.e., after the last payment in November of 2015⁰⁹). The sick leave sell back program will allow a qualified employee to sell back up to a maximum of 50⁹⁶ hours of sick leave at the end of each sell back period (i.e., the "sell back date" shall be September 30 of each fiscal year sell back period). However, the maximum number of sick leave hours that may be sold back on each sell back date shall be reduced by one hour for each hour of sick ~~leave or emergency vacation~~ leave the employee used during the applicable annual sell back period (e.g., if an employee uses 10 hours of sick time he is only eligible to sell back forty (86⁴⁰) hours). In order to qualify for the sick leave sell back program, the employee must: (1) have been employed by the City throughout the entire sick leave sell back period being measured (e.g., the hire date must be

more than 12 months before the applicable sell back date), and (2) the employee must maintain at least 360 hours of combined accumulated accrual of sick and vacation leave after each sell back date (i.e., the sick leave hours sold back as part of this program cannot drop the employee below the combined total of 360 hours of accrued sick and vacation leave).

~~However, this program shall not be in place for the term of this Agreement (October 1, 2009 through September 30, 2012).~~

Section 8.911 – Bereavement

When there is a death in the immediate family (mother, father, grandparents, grandchildren, current spouse's parents, brother, sister, current spouse, children or stepchildren or domestic partner as defined in the Domestic Partner Leave Ordinance of an employee), he or she shall be allowed two (2) days off (or four (4) scheduled work days off per death if the funeral is held outside the State of Florida) for each death for the purpose of making arrangements and/or attending the funeral, without loss of pay and without charge to accrued sick leave or vacation days of said employee. In such circumstances, additional time off may be granted at the discretion of the Police Chief, and shall be chargeable to the accrued sick or vacation leave of such employee. Requests for additional time off shall be submitted in writing to the Police Chief.

Section 8.1240 – Court Time Compensation

For attendance at court during off-duty hours for purposes related to employment with the City, employees shall be provided with time and one-half pay for such time spent at court with the following minimum hourly guarantees:

- a) During an employee's off-duty hours, a minimum of four (4) hours per day shall be guaranteed until September 30, 2015, at which time the minimum hours per day shall decrease to three and one-half (3 ½) hours. However, if an employee's first court appearance begins within one (1) hour of the start of his/her shift or ends within one (1) hour after the end of his/her shift, a minimum of two (2) hours per day shall be guaranteed.
- b) For the employee's second off-duty appearance in the same day, an additional two (2) hour minimum shall apply after the expiration of four hours (or two hours if the initial two-hour minimum was in effect).
- c) For the employee's third off-duty appearance in the same day, an additional one (1) hour minimum shall apply after the expiration of six hours (or four hours if the initial two-hour minimum was in effect).
- d) No Pyramiding. Compensation shall not be paid more than once for the same hours.

Section 8.1113 – Out-of-Classification Pay

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When an employee is assigned by the shift commander to perform at the level of a higher rank, he shall be paid for the duration of the assignment at an hourly rate of pay of two dollars (\$2.00) higher than his/her regular rate; provided that this shall in no way constitute an obligation to assign an employee to a higher classification under any circumstances and it is recognized that the City retains the right to determine when and for how long an employee will be temporarily assigned to a higher classification.

Section 8.1214 – Standby Pay

When an employee is placed on standby during off-duty hours by order of the shift commander for the purpose of being available to return to duty to handle emergency crowd control or natural disasters, he will be paid one-half (1/2) of his regular base rate for all standby time up to a maximum of eight (8) full-time hours in a twenty-four (24) hour period, starting with the time he is notified to stand by. Standby remuneration shall cease at the earlier of sixteen (16) hours in a twenty-four (24) hour period or when the employee is notified by order of the shift commander that the standby order is rescinded. Standby hours shall not be considered as hours worked for purposes of overtime.

Section 8.1315 – Call-In Pay

An employee who is called in to work outside of his normal tour of duty will be paid a minimum of two (2) hours' compensation at a rate of time and one-half the regular hourly rate, except when contiguous to the employee's regular schedule.

Section 8.1416 – Sunglasses and Prescription Glasses

The City agrees to reimburse employees for the purchase or repair of sunglasses and prescription eyeglasses with a maximum allowable reimbursement of sixty (\$60.00) dollars per employee in a twelve (12) month period, when they are lost or damaged while the employee is engaged in active police work such as arrests, pursuit, physical conflict or vehicular accidents.

Section 8.1517 – Field Training Officer

When an employee who has completed the field training officer program is assigned to on-duty training of a trainee or new police officer, the field training officer will receive an additional \$1.00 per hour for each hour(s) he is assigned to train. However, effective the first pay period of October 2010, those officers assigned by the Police Chief (or his designee(s)) to a Field Training Officer assignment will receive an allowance of \$114.94 during each pay period that they are assigned to the Field Training Officer Program, in lieu of the current \$1.00/hour (as stated above). The Police Chief, or his designee, in his sole discretion, may assign Officers to Field Training Officer (FTO) assignment.

Section 8.1618 – Injury Service Connected (ISC)

For two (2) sixteen (16) week periods, the City agrees to compensate any member of the bargaining unit with the difference between the weekly disability workers' compensation benefit received or which the

employee is entitled to receive, and his or her regular rate of pay for any time lost from work due to injuries sustained under the following circumstances:

- a) While on duty and entitled to be paid by the City; or
- b) While reasonably exercising police officer functions within the City limits of Miami Beach while off duty; or while working a departmentally sanctioned off-duty job; or
- c) While exercising police officer functions when there is a physical danger to a person and the employee takes reasonable action off duty in the state of Florida; or
- d) When operating a City vehicle, being duly authorized to do so by the City; or while on a reasonably direct travel route to or from work and home in their private vehicle while within the City limits.
- e) In the circumstances described above (subparagraphs 1 through 4), the City agrees that it is and will consider itself the employer and the employee the City's employee.

After the advice and comments of the Police Chief and the FOP President, the City Manager, at his sole discretion, may extend the above described ISC payments beyond thirty-two (32) weeks. This decision is not subject to grievance or arbitration. The approvals for receipt of this compensation as presently required shall be continued.

Section 8.1719 – Special Assignment Allowance

Employees assigned on a permanent basis to motorcycles shall receive a special assignment pay of five percent (5%) in accordance with existing practice.

Employees assigned to work a 5-8 shift shall receive a special assignment pay of two and one-half percent (2 ½%). Employees who are on 5-8 light duty because of non-service connected injury or illness shall not receive the special assignment pay. Employees who are on 5-8 light duty because of service-connected injury or illness, where the City doctor approves a 40-hour work schedule, and who have demonstrated the ability to work a 40-hour workweek, shall receive the special assignment pay for all hours worked on 5-8's. If the injury service connected light duty employee takes off work and receives ISC payments, the employee will not receive the two and one-half percent (2-1/2%) special assignment pay for time not worked.

Section 8.1820 – Extra Weapon

Employees will be allowed to carry a concealed, extra weapon while on duty, as approved by the range master.

Section 8.1921 – Quality of Life

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The City agrees to continue a Quality of Life Program. The Quality of Life supplement pay shall be \$67.00 per pay period for those employees participating in the program, until the first full pay period beginning after October 1, 2014, when the supplement shall decrease to \$26.00 per pay period for those employees participating in the program. Effective September 30, 2015, the supplement pay shall decrease further to \$25.00 per pay period for all those employees participating in the program. Effective with the first full payroll period beginning after September 30, 2009, a supplement of \$57.60 per pay period for those employees participating in the program. Beginning with the first full payroll period after September 30, 2010, the supplement will be increased to a rate of \$67.00 per pay period for those employees participating in the program.

The Police Chief or his designee shall develop certification requirements which employees must meet to be eligible for any Quality of Life supplement payments. The Quality of Life supplement will be made available to all qualifying Bargaining Unit Members.

Section 8.2022 – Forced Holdover

If an employee is forced to stay beyond the hours of his/her regular shift, such additional hours will be paid at double the regular rate. This provision applies to minimum staffing purposes only and does not include unexpected or special events such as, hurricanes or other acts of God, demonstrations, holiday or special events, etc.

Section 8.2321 – Pension

The pension benefits as they currently exist shall continue for all Bargaining Unit Members (except Detention Officers who are members of the City's general employees pension plan), except that the City shall amend the pension plan upon ratification of this Agreement, to provide the following benefits for plan members who retire on or after September 30, 2013~~10~~ (except as otherwise specified below):

- a) Upon completion of ten (~~5~~¹⁰) years of creditable service under the pension system members may purchase additional creditable service under the ~~S~~system for up to two (2) years of full-time public safety service as a law enforcement officer prior to City employment, provided the member is not entitled to receive a benefit for such service under another pension plan, and further provided that the member may not purchase a combined total of more than four (4) years of creditable service for prior public safety service and prior military service up to an additional six percent (6%) multiplier, at ten (10) or ten-and-one-half percent (10.5%), whichever is applicable, of pensionable salary for each year of military service purchased. The cost for each year of creditable service for prior public safety service purchased shall be the same rate as provided in the plan for the purchase of military service, with the cost prorated for fractional years of service. For purposes of this purchase, an employee may use the value of accrued sick and/or annual leave, valued at the employee's hourly rate at the time of purchase.

- b) ~~Upon completion of 10 years of creditable service under the pension plan, members may also purchase up to an additional six percent (6%) multiplier, in increments of three percent (3%), provided the combined total of additional years of creditable service purchased pursuant to~~

~~paragraph (A), above, may not exceed two (2) years if a member purchases an additional six percent (6%) multiplier, or three (3) years if the member purchases an additional three percent (3%) multiplier. The cost for each additional three percent (3%) multiplier purchased shall be the same as the cost for each year of prior public safety service or military service. For purposes of this purchase, an employee may use the value of accrued sick and/or annual leave, valued at the employee's hourly rate at the time of purchase.~~

~~e)b) The purchase of additional service provided in subsection A, above, and the purchase of the additional multiplier provided in subsection B, above, must be completed within 36 months following September 30, 2010, or within 36 months following a member's completion of five (5) 10 years of creditable service under the pension plan, whichever occurs later for the member. If a member does not complete the purchase within the 36 month period, he/she shall not be eligible for the purchase in the future.~~

~~d) Upon reaching eligibility for normal retirement, a member may elect to apply unused sick and/or vacation time at 100% value (along with the 10% pension contribution) for purpose of calculating a member's final average monthly earning, not to exceed the caps presently specified in the Miami Beach Police and Fire Pension Ordinance.~~

~~e)c) Effective upon ratification of the 2009-2012 collective bargaining agreement between the City and the FOP, is contract, all compensation for work performed pursuant to Off-Duty Assignments, as outlines in the Department's Standard Operating Procedures (SOP's), shall be included in a member's salary for pension purposes, and shall be used in the calculation of member contributions and benefits. Provided, in no event shall the value of unused sick and/or vacation time, overtime pay, and/or off-duty pay, cannot exceed the caps presently specified in the Miami Beach Police and Fire Pension Ordinance.~~

DEFERRED RETIREMENT OPTION PLAN (DROP)

- 1. Eligibility** – Any active employee member of the Miami Beach Police and Firefighters Pension Plan may enter into the DROP on the first day of any month following the date upon which the employee first became eligible for a normal service retirement, subject to the conditions expressed herein or as modified from time to time.
- 2. Conditions of Eligibility** – Upon becoming eligible to participate in the DROP, an employee may elect to enter that program for a period not to exceed sixty 60 36 months. Notwithstanding, participation may not continue beyond the date when the employee's combined years of creditable service and time in the DROP equals 352 months (387 months for employees who were Plan members prior to July 1, 1976), except for those persons entering the DROP under the window period set forth in Paragraph 11 below. Employees who enter the DROP on or after September 1, 2012 shall be eligible to participate for a period not to exceed sixty (60) months. Notwithstanding, for those employees entering the DROP on or after September 1, 2012, participation may not continue beyond the date when the employee's combined years of creditable service and time in the DROP equals 376 months (390 376 months for members hired

after the ratification of this contract). Provided also that participation in DROP shall require the employee to complete and submit the following prior to start of DROP payments.

- a. Such forms as may be required by the Pension Board of Trustee's Plan Administrator. Election in the DROP is irrevocable once DROP payments begin.
- b. A waiver and an irrevocable resignation from employment with the actual date of termination being the date designated by the employee as the end of his/her DROP participation. The administration and timing of execution and delivery of the waiver and resignation forms shall meet the requirements of the Age Discrimination in Employment Act and the Older Worker's Benefits Protection Act, as same may be amended from time to time.

3. Conditions of Employment for DROP Participants – Employees shall be subject to termination of employment while in DROP, to the same extent as they were in their pre-DROP status. A person who has elected the DROP remains an employee during the DROP period and receives all the benefits of being an employee during the DROP period, except any form of pension contribution.

4. Effect of DROP Participation –

- a) An employee's credited service and his/her accrued benefit under the Pension Plan shall be determined on the date of his/her election to participate in the DROP first becomes effective.
- b) The employee shall not accrue any additional credited service while he/she is a participant in the DROP, or after termination of participation in the DROP.
- c) A DROP participant is not eligible for disability benefits from the Plan.
- d) An employee may participate in the DROP only once.
- e) Effective with the start date of an employee's DROP participation, contributions to the Pension Plan by the employee and the normal cost contribution to the Pension Plan by the City, on behalf of the employee, shall cease.

5. Payments to DROP Account – A DROP account shall be created for each member who elects to participate in the DROP. A DROP account shall consist of amounts transferred to the DROP from the Plan, which include the monthly retirement benefits, including any future cost of living increases, that would have been payable had the member elected to cease employment and receive a normal retirement benefit upon commencing participation in the DROP, and earnings on those amounts. Provided, employees who enter the DROP on or after September 1, 2012, through the ratification date of this agreement, shall continue to receive a zero percent (0%) cost

of living adjustment for the third (3rd) and fourth (4th) annual adjustment dates, regardless of whether the employee remains in the DROP for the maximum five (5) year period. Provided further, any employee who exits the DROP within six (6) months following the date of DROP entry, shall be eligible for the cost of living adjustment as otherwise provided in the current pension plan.

6. **DROP Account Earnings** – Members may direct their DROP money to any of the investment options offered and approved by the Board. Any losses incurred by the participant shall not be made up by the City or the Pension Plan. The selection of these programs shall be made by the participant on forms provided by the Board. Any and all interest and or earnings shall be credited to the participant's DROP account.

A member's DROP account shall only be credited or debited with earnings while the member is a participant in the DROP and, depending on the DROP Account Payment Options selected, after the member dies, retires, or terminates employment with the City of Miami Beach.

7. **Payment of DROP Account Funds** – Upon termination of a member's employment (for any reason, whether by retirement, resignation, discharge, disability, or death), the retirement benefits payable to the member or to the member's beneficiary shall be paid to the member or beneficiary and shall no longer be paid to the member's DROP account. No payments will be made from the DROP account until the member terminates employment.

8. **DROP Account Payment Options** – Following the termination of a participant's employment, the participant shall select one of the following options to begin to receive payment from his/her DROP account. Said selection shall occur no later than 30 days prior to the end of the DROP participation period or within 30 days following the termination of a participant's employment if said termination of employment occurs prior to the end of the DROP participation period:

Lump Sum - All accrued DROP benefits, plus interest, shall be paid from the DROP in a single lump sum payment.

Partial Lump Sum - A member designated portion of accrued DROP benefits, plus interest, shall be paid from the DROP in a partial lump sum payment with the remainder being directly rolled over into an eligible retirement plan.

Direct Rollover - All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible retirement plan.

Other method(s) of payment that are in compliance with the Internal Revenue Code and adopted by the Pension Board of Trustees.

9. **Death of DROP Participant** – If a DROP member dies before his/her account balances are paid out in full, the participant member's designated beneficiary shall have the same rights as the member to

elect and receive the pay-out options set forth in Paragraph 8, above. DROP payments to a beneficiary shall be in addition to any other retirement benefits payable to the beneficiary.

- 10. Administration of DROP Accounts** – The Pension Board of Trustees shall make such administrative rules as are necessary for the efficient operation of DROP, but shall neither create any rule that is inconsistent with the legislation creating the Drop, nor any rule that would be a mandatory subject of collective bargaining.

At all times, the DROP will be administered so that the Plan remains qualified under the Internal Revenue Code and is in compliance with the Internal Revenue Code and applicable laws and regulations.

- 11.** If any provision of this DROP should be found invalid, unlawful, or not enforceable by reason of any existing or subsequently enacted legislation, or by judicial authority, or by an IRS regulation/ruling, the City and the Union agree to meet within 30 days of such determination for the purpose of negotiating a resolution to the invalid provision(s).

In the event that provisions of the Internal Revenue Code operate to limit the benefit amount of employee coverage by the pension provision incorporated in this Agreement to an amount less than set forth in the pension Plan then the City and the Union shall negotiate a method to compensate the affected employee for the difference between the normal pension benefit and the limits allowed by the Internal Revenue Code provided that no such resolution shall jeopardize the exempt status of the Plan under the Internal Revenue Code.

12. A member who elects to participate in the DROP shall retain the earned balance of accrued sick and vacation leave as of date of entry into the DROP, and shall continue to earn sick and vacation leave during the DROP period, in accordance with the stipulations set forth in the collective bargaining agreement between the City and FOP. While in the DROP, the member shall have the one-time option of receiving payment for accrued sick and/or vacation leave, up to the maximum payout upon separation of employment allowed by the collective bargaining agreement between the City and FOP, provided that the employee shall retain at least one hundred twenty (120) hours of accrued sick leave after such payment. The one-time election to receive payment of leave balances shall be made in any one year of the DROP, by notifying the City no later than June 30 of that year. Payment will be made after the first pay period ending October of the same year. Upon final separation from employment with the City, a member who has participated in the DROP shall be eligible to receive payment for the balance of all accrued sick and vacation leave as of the date of final separation, up to the maximum provided in the collective bargaining agreement, as reduced by the prior payout, if any. In no event shall payments for accrued sick or vacation leave be included in a member's earnings for the purposes of the plan.

E. Pension benefits for employees hired prior to July 14, 2010; all changes effective September 30, 2013, unless otherwise specified:

1. The benefit multiplier shall be three percent (3%) for each year of creditable service for the first twenty (20) years of service, and four percent (4%) for each year of creditable service after twenty (20) years of creditable service.
2. The normal retirement date shall be as provided in the current pension plan, except that a member must attain the age of 47 to be eligible for "Rule of 70" retirement. Members who attain maximum benefit prior to reaching their minimum retirement age shall discontinue their contribution toward the plan upon reaching maximum benefit; the City's contribution toward the plan on behalf of said member shall simultaneously cease.
3. Effective September 30, 2015, the final average monthly earnings (FAME) shall be based on the member's three (3) highest paid years of creditable service, prior to retirement or separation from employment.
4. The retiree cost of living adjustment (COLA) shall be two and one half percent (2.5%) annually.
5. The maximum pension benefit shall be 85% of pensionable income, with the exception that any member who attains a benefit of 85% of pensionable income or higher, as of September 30, 2013, retains the maximum benefit of 90% of pensionable income.
6. Vesting shall be in five (5) years.
7. Ten percent (10%) employee pension contribution.

G. Pension benefits for employees hired after July 14, 2010, but prior to ratification of this collective bargaining agreement (includes new hires currently in the recruitment process); all changes effective September 30, 2013, unless otherwise specified:

1. The benefit multiplier shall be three percent (3%) for each year of creditable service for the first twenty (20) years of service, and four percent (4%) for each year of creditable service after twenty (20) years of creditable service.
2. The final average monthly earnings (FAME) shall be based on the Member's three (3) highest paid years of creditable service, prior to retirement or separation from employment.
3. The retiree cost of living adjustment (COLA) shall be one and one half percent (1.5%) annually.

4. The maximum pension benefit shall be 85% of pensionable income.
5. Vesting shall be in five (5) years.
6. Ten percent (10%) employee pension contribution.

H. Pension benefits for employees hired after ratification of this collective bargaining agreement (excluding new hires currently in the recruitment process):

1. The benefit multiplier shall be three percent (3%) for each year of creditable service for the first twenty (20) years of service, and four percent (4%) for each year of creditable service after twenty (20) years of creditable service.
2. The final average monthly earnings (FAME) shall be based on the Member's five (5) highest paid years of creditable service, prior to retirement or separation from employment.
3. The retiree cost of living adjustment (COLA) shall be one and one half percent (1.5%) annually.
4. The maximum pension benefit shall be 85% of pensionable income.
5. Vesting shall be in five (5) years.
6. Ten and one half percent (10.5%) employee pension contribution.

The pension breakdowns above are for illustrative purposes and do not encompass all pension benefits afforded to respective members. The full itemization of pension benefits is available in the plan summary for the Fire and Police Pension Plan, as well as the Fire and Police Pension Ordinance.

G. Pension Benefits for employees hired on or after ratification of this Agreement, shall be as provided in the current pension plan, except as follows:

- 1) The benefit multiplier shall be three percent (3%) for each year of credible service for the first 20 years of service, and four percent (4%) for each year of creditable service after 20 years of creditable service.
- 2) The normal retirement date shall be as provided for in the current pension plan, except that a member must attain age 48 to be eligible for "Rule of 70" retirement.
- 3) Final average monthly salary shall be based on the three (3) highest paid years or last three (3) years as the case may be, prior to retirement or separation from employment.
- 4) The cost of living adjustment shall be one and a half (1.5%) annually.

~~5) Employees who enter the DROP shall receive a zero percent (0%) cost of living adjustment for the third (3rd) and fourth (4th) annual adjustment dates, regardless of whether the employee remains in the DROP for the maximum five (5) year period. Provided further, any employee who exits the DROP within six (6) months following the date of DROP entry, shall be eligible for the cost of living adjustment as otherwise provided in Section 7.23 (G) (4).~~

Section 8.2422 – Premium Pay Supplement Contingent Upon the Department's Obtaining and Maintaining Certain Accreditations.

In recognition for obtaining and maintaining the accreditations described below, the following premium pay supplements will be paid under the following terms:

- a) All bargaining unit members shall be paid a premium pay supplement of \$40.00 per pay period for as long as the Police Department maintains Accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA). Effective September 30, 2015, this supplement pay shall be reduced to \$20.00 per pay period.
- b) Accreditation by the State Commission for Florida Law Enforcement. A separate conditional accreditation premium pay supplement in the amount of \$10.00 per pay period shall be paid to all bargaining unit employees in the Police Department for accreditation from the State Commission for Florida Law Enforcement, Inc. Effective October 1, 2014, this supplement pay shall be eliminated.

If either of the accreditations provided for in subsections (1) or (2) above are discontinued for reasons unrelated to the action or inaction of bargaining unit members, then the supplement shall continue.

Section 8.2523. Buyback of Probationary Time. ~~Employees hired prior to ratification of this agreement covered by this Agreement may elect, by written notice served on the Board of Trustees, to receive creditable pension service time for any or all of their time served as probationary police officers. In order to receive such creditable pension service time, employees should be allowed to purchase any or all of such time through the use of accrued annual leave, sick leave, cash or any combination thereof. In the event such purchase is not made within six months of successful completion of probationary period, the amount paid shall include interest at the rate of three percent (3%) per annum excluding first six (6) months.~~

Section 8.2624 – “Me Too” with the IAFF

The FOP reserves the right to a “me too” agreement with the IAFF should the City modify the IAFF agreement on parallel issues, with the exception of Court time and Alternate Holiday Pay.

Section 8.2725 – CJSTC Police Instructor Incentive Pay

Effective with the first full payroll period beginning after September 30, 2010, the City will pay, under the terms stated in this section, an incentive pay of two and one-half percent (2.5%) of the officer's base pay (as stated below) for up to a maximum of fifty (50) police officers who obtain and maintain certification from the Criminal Justice Standards and Training Council (CJSTC) as Police Instructors:

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- a) No more than fifty (50) FOP employees will be eligible to receive the two and one-half percent (2.5%) Police Instructor Certification pay.
- b) Additional FOP employees (up to the fifty (50) employee maximum) must be qualified for the incentive pay by meeting all of the following requirements: (1) a minimum of six (6) years of full-time experience as a certified law enforcement officer employed by a State, County or Municipal Police Department; and (2) passing the required CJSTC Police Instructor Training Course; and (3) have no record of disciplinary action during the twelve (12) month preceding the date of application for the benefit. FOP employees will qualify (not to exceed the fifty (50) employee cap) on a first come basis, based on the date of each employee's submission of the completed written request to the Police Chief or designee.
- c) Newly qualified FOP employees (up to the fifty (50) maximum limit), shall start receiving their two and one-half percent (2.5%) pay on the next payroll period beginning after the FOP employee has submitted to the Police Chief (or designee) a written request that includes a copy of the CJSTC Instructor Certification, and proof that he/she has met all other requirements as set forth in this section.
- d) Employees shall remain solely responsible for obtaining and maintaining a State Certified CJSTC Certificate. All costs involved in obtaining and/or maintaining the certification shall remain the responsibility of the employee. Failure to have a current certification shall constitute an automatic disqualification from the two and one-half percent (2.5%) incentive pay.
- e) The value of the two and one-half percent (2.5%) incentive pay shall be determined based upon only the base wage of the officer, i.e. no additional incentives or other extra payments or benefits are included in the two and one-half percent (2.5%) pay. The total incentive pay for the Police Instructor Certification benefit will remain at two and one-half percent (2.5%) regardless of any additional certifications that the FOP employee may receive through the CJSTC.

ARTICLE 9
FOP HEALTH TRUST

Section 9.1 –

For Calendar Year 2010, the City will continue to fund the current contribution amount for health care. Such contribution is currently:

Single: \$402.06

Family \$985.59

In future years, the City's contribution shall increase based on the Miami Beach Fraternal Order of Police Insurance Trust Fund's annual cost projections based on claims experience and administrative costs as determined by its qualified consultant and documents supporting the annual percent increase; however, the City's increase to the current contribution amount to the health trust shall not exceed the average of the straight line percentage** increase in premiums for the City's various medical plan options.

However, at the end of each calendar year, no later than February 1, the FOP will provide the actual cost increase for the FOP Trust for the prior year. Actual costs shall include all liabilities of the Trust inclusive of administrative costs. If the payments made by the City to the FOP Trust exceeded the actual FOP trust increase for the prior year, then the excess amount paid by the City for the prior year will be subtracted from any projected cost increase for the current year. If the payments made by the City to the FOP Trust do not exceed the actual increase to the FOP Trust for the prior year, then there will be no reduction made to any projected cost increase for the current year. If the payments made by the City to the FOP Trust are equal to the actual FOP Trust for the prior year, then there will be no reduction made to any projected cost increase for the current year. Cost reductions of the Trust attributable to design changes shall not be included for purposes of calculating any credit to the City. The City shall be notified in writing of all design changes and projected cost savings associated with those changes within 30 days of the effective date of the proposed changes. Any amount over the ten month reserve shall be credited to the City. In addition, there shall be no change to the formula used to calculate the ten month reserve amount. The "ten month reserve" shall mean the sum of ten (10) times the average of the most recent twelve (12) months, plus cost and liabilities.

Conversely, if the City's renewal rate is flat, or a negative percent, then the City's contribution to the health trust for that particular year will be based on the average percent increase of the actual cost increase for the Trust for the prior three (3) years, which shall not exceed the average of the City's straight line averages for those three (3) years.

Example #1	Example #2	Example #3
(City pays more than the actual cost)	(City pays less than the actual cost, but equal to the projected cost and the straight line cap)	(City pays the same as the actual cost)
FOP Projected Cost – 10%	FOP Projected Cost – 7%	FOP Projected Cost – 7%
City Straight line Average – 7%	City Straight line Average – 7%	City Straight line Average – 7%
City pays 7%	City pays 7%	City pays 7%
Actual FOP Cost – 5%	Actual FOP Cost – 10%	Actual FOP Cost – 7%
Credit to City – 2%	No change	No change

(The City's straight-line average is the cap in all cases.)

The City's contribution amounts will help fund the level of benefits provided under the current plan as of the date this contract is signed*. If plan design changes cause an increase in the Trust fund premium, the City is not required to increase its contribution as a result of the plan design change.

Financial disclosure reports are to be presented from the Trust to the City Manager's designee for Labor Relations no later than July 1st of each year. Such report must include the increase percent identified by the Trust's plan consultant for the following City fiscal year. The City understands that it will provide the final renewal rates prior to October 1st of each year. The Trust shall provide the report detailing the actual cost for the prior year no later than February 1st to the City Manager's designee for Labor Relations.

The City's designee for Labor Relations will be notified of the annual meeting at which benefit changes are under consideration and the City shall be allowed to send a representative to that meeting. Also, any consulting reports analyzing benefit changes will be provided to the City for purposes of that meeting.

*Upon ratification of this agreement, the parties shall supply each other with the current plan designs in effect for calendar year 2010.

**The straight line average is defined as the total of the percentage increase in premium for each of the City's medical plan options divided by the number of the City's medical plan options.

In addition:

- a) Effective July 1, 2010, or upon ratification of this Agreement, whichever is later, all bargaining unit employees shall contribute five percent (5%) of their gross compensation to offset the City's contributions to the Health Trust. This five percent (5%) contribution shall discontinue after eighteen (18) months.

- b) For all current retirees and active employees on the payroll as of the date of ratification of this Agreement, all employees presently in the DROP, and all eligible dependents under the current eligibility rules, the City contribution for those current retirees and current employees who become future retirees for health coverage shall be equal to the City's Health Trust contribution formula for active employees. Furthermore, the contributions for those current retirees and current employees who become future retirees and their eligible dependents shall be no less than the current value of the contributions for active employees and their eligible dependents. This Agreement shall be reduced to writing and made individual contracts and shall be vested benefit throughout retirement.
- c) Employees hired after the ratification of this Agreement, who elect to be covered by the Miami Beach Fraternal Order of Police Insurance Trust Fund Plan, to the extent they choose to have medical benefits provided to them and their dependents during retirement, shall receive a health insurance stipend in lieu of a City contribution to the Trust on behalf of those employees after their retirement. The stipend shall be a monthly payment equal to twenty-five dollars (\$25) per month for each year of creditable service, subject to an annual increase based on the Miami-Ft. Lauderdale All Urban Consumer Price Index (U-CPI) as of September 30th of each fiscal year.

Section 9.2 –

- a) All eligible employees and their dependents described in Section 7 shall be eligible to enroll in the FOP Health Trust Plan and shall not be eligible to participate in the City Plan during their employ or retirement for so long as the FOP Trust exists.
- b) A non-bargaining unit sworn police officer who elects to enroll in the FOP Health Plan may apply to the Trust and will be enrolled upon leave of the Trustees, and thereafter will be deemed to be a covered employee provided he or she meets the following criteria:
 - 1. Must be on the City Police Department Payroll at the time of enrollment;
 - 2. Must be an FOP member for two years (or length of time in Department if less than two years) prior to enrollment, and must maintain membership throughout the period of coverage;
 - 3. Must meet insurability criteria satisfactory to Trustees; and
 - 4. Must make the election within thirty (30) days after appointment out of the bargaining unit.

Section 9.3 –

- a) All covered employees and covered retirees shall be allowed to continue under the City's Dental Plan as it may exist.

- b) The City shall also contribute to the Trust the amount of premium it is paying for term life insurance for covered employees and covered retirees.

Section 9.4 –

The City's Insurance Plan shall be responsible for the runoff of all claims incurred prior to the time the FOP Health Trust Plan went into effect.

Section 9.5 –

The City shall be provided with a copy of the FOP Health Trust Plan booklet and the Trust Agreement, and any other information required by law and shall be apprised of any changes in the Trust Agreement and/or Plan benefits. Additionally, a copy of the Trust's annual C.P.A. audit report shall be sent to the City Manager's designee for Labor Relations and the Trust or their designee shall in a reasonable time period answer reasonable inquiries concerning the finances of the Trust.

Section 9.6 –

The FOP shall indemnify and hold the City harmless against any claim, demand, suit, or liability, and for all legal costs arising in relation to the implementation or administration of the FOP Health Insurance Trust and Plan, except if the City's acts or omission give rise to its own liability.

Section 9.7 –

Employees in the bargaining unit eligible for inclusion in the Health Trust Plan must be employed at least ninety (90) days and be on the City Police Department payroll.

Section 9.8 –

Employees covered by this Agreement who retire, resign, or are terminated by the City must be vested in the Police pension plan at the time of such retirement, resignation or termination in order to receive a contribution by the City towards his/her health insurance premium after such retirement, resignation or retirement.

Section 9.9 –

Employees in the bargaining unit shall be eligible to participate in the City's voluntary benefits plan, which may be modified by the City from time to time. The voluntary benefits plan shall be administered by the City.

Section 9.10 –

Post Employment Health Program (PEHP). Effective the first pay period ending in October 2013, all employees covered by this agreement shall contribute twenty-five dollars (\$25.00) biweekly to the Post Employment Health Program (PEHP). Upon separation of employment from the City, employees covered by this agreement shall contribute ten percent (10%) of their accrued leave payouts toward the PEHP. Any and all fees/costs associated with administering the PEHP shall be incurred by the FOP. In no event will the City incur any costs associated with this program.

ARTICLE 10
EDUCATIONAL LEAVE AND TUITION REFUND

Subject to applicable Personnel Rules, an employee may request an educational leave of absence without pay to take a course or courses in a field related to the work assignment of said employee. The City's tuition refund program shall be continued for the term of this Agreement.

ARTICLE 11
GENERAL PROVISIONS

Section 11.1 – Safety and Health

The City and the FOP shall cooperate in matters of safety and health affecting the employees covered by this Agreement.

To promote employee health and well-being, the City will throughout the term of this agreement, employees who attain an incentive score of good on the Law Enforcement Coopers Fitness Test will be eligible for a \$500 bonus. The Chief of Police will oversee implementation and at the end of the term of this agreement determine whether results justify continuing the program.

Section 11.2 – FOP Activity and Non-Discrimination

Neither the City nor the FOP shall discriminate against any employee due to that employee's membership, non-membership participation, lack of participation, or activities on behalf of, or his refraining from activity on behalf of the FOP.

No employee covered by this Agreement shall be discriminated against because of race, creed, national origin, religion, sex, sexual orientation, ethnic background or age in accordance with applicable State and Federal laws. The FOP agrees to cooperate with the City in complying with Federal, State and local laws requiring affirmative action to assure equal employment opportunity. The parties will comply with the Americans with Disabilities Act.

Section 11.3 – Reduction In Work Force

When there is a reduction in the work force, employees will be laid off in accordance with their length of time in grade service and their ability to perform the work available and applicable veteran's preference laws. When two or more employees have equal ability, the employee with the least amount of service will be the first one to be laid off. When the working force is increased after a layoff, employees will be recalled in the order of seniority, with employees with greater seniority recalled first. Notice of recall shall be sent to the employee at the last known address by registered mail or certified mail. If an employee fails to report to work within thirty (30) days from date of receiving notice of recall, he shall be considered to have quit. No new employee will be hired into the bargaining unit as long as any bargaining unit employee remains on lay-off status.

During the course of this Agreement, no employee will be laid off and no employee will be demoted (except for disciplinary demotions).

Section 11.4 – Uniforms and Clothing Allowance

The City will continue its present policy concerning uniforms. The uniformed personnel's' monthly maintenance allowance shall be sixty dollars (\$60.00) per month for a total of \$720.00 per year to be paid out in twenty-six (26) biweekly payments.

For those sworn employees assigned to work in civilian clothes, they shall receive a monthly allowance of eighty-five dollars (\$85.00) per month for a total of \$1,020.00 per year to be paid out in twenty-six (26) biweekly payments.

When transferred into the Criminal Investigation Unit or other unit requiring civilian clothes, the City will advance the employee, at his/her request, the sum of four hundred twenty five dollars (\$425.00) for the purchase of clothing. The employee affected shall agree to relinquish the eighty-five dollar (\$85.00) per month clothing allowance for the following five months, and shall also agree to reimburse the City for any pro-rata amount in the event of transfer, termination, resignation, or retirement prior to completion of five (5) months in the civilian clothes assignment. If the reimbursement is caused by a transfer, the reimbursable amount shall be collected at the rate of eighty-five dollars (\$85.00) per month.

Section 11.5 – Disclosure of Records

Employees will not have information contained within any of their files disclosed to persons other than managerial and supervisory employees unless the person requesting such information (including home telephone number, address, etc.) shall complete and sign a "Request for Information" form and present proper identification, provided, however, that information which is made confidential by State or Federal Statute shall not be disclosed except in accordance with the requirements of law. The request form shall have provision for the name, address, and telephone number of the person requesting the information and the reason for the request. A copy of any such request form completed shall be left in the employee's personnel file.

Section 11.6 – Transfers.

It shall be the sole right of the Police Chief or his designee to transfer employees of the Department. When a transfer is a change in an employee's unit assignment, reasonable advance notice as is practicable under the circumstances shall be given. If a transfer is a permanent change in an employee's shift or days off schedule, the employee shall be notified no less than five (5) workdays prior to the transfer in order that the employee may arrange for an orderly change.

The five (5) day notice may be waived by the employee and it need not be given when unforeseen needs of the Department or emergency conditions require that temporary changes be made with little or no advance notice.

Section 11.7 – Meeting Between Parties

At the reasonable request of either party, the FOP President, or his representative, and the City Manager, or his designee for Labor Relations, shall meet at a mutually agreed upon time and place to discuss matters that require immediate discussion.

Section 11.8 – Negotiating Sessions

Time and dates for negotiating sessions shall be mutually agreed upon. Up to three (3) on-duty FOP representatives shall be permitted to attend negotiating sessions without loss of pay or benefits if they were otherwise scheduled to work.

Section 11.9 – Job Descriptions

It is understood by the parties that the duties enumerated in the job description promulgated by the City are not always specifically described and are to be construed liberally. The City agrees to notify the FOP of any change in the job description of any classification in this bargaining unit.

Section 11.10 – Defense of Members

In the event any action for civil damages is brought against a member of the bargaining unit hereunder individually, and the City is not made a party to any such action, and if the employee hereunder is found liable and a judgment for damages is rendered against him, the City will itself or through insurance pay such damages and counsel fees for the employee providing the employee's liability results from action of the employee arising out of and in the course of his employment hereunder, and further providing that such judgment against the employee does not result from the wanton and willful action of the employee.

Section 11.11 – Personnel Rules and Departmental Manual

Copies of the Personnel Rules and Regulations will be kept by Majors and Captains whose copies will be available to members of the bargaining unit upon request.

A copy of the manual of the Police Department is provided to all employees in the department and proposed changes in said manual will be supplied to the President of the FOP or his designated representative before implementation and an opportunity to discuss the changes will be afforded. Any changes to SOP's shall contain a detailed legislative style description of the proposed changes.

Section 11.12 – Incorporation of Personnel Rules

Any personnel rules agreed upon by the parties for incorporation in this collective bargaining agreement shall be set forth in an addendum to this Agreement.

Section 11.13 – Medical Leave of Absence

After this Agreement is ratified, any employee requesting time off without pay as a Medical Leave will be granted the time requested up to one (1) month, or longer at the Police Chief's discretion. Employees may use any accumulated leave time or comp time during this leave.

ARTICLE 12
SEPARABILITY

If any provision of this Agreement is held to be in conflict with any law as finally determined by a court of competent jurisdiction, that portion of the Agreement in conflict with said law shall be inoperative and subject to immediate renegotiation for a replacement provision, but the remainder of the Agreement shall continue in full force and in effect.

ARTICLE 13
TIME BANK

A Time Bank shall be authorized by the City of Miami Beach, whereby members of the bargaining unit may voluntarily donate accrued annual leave and sick leave to an FOP Time Bank to be used as follows: (a) the President, or his designee(s), may draw from such Time Bank, thereby detaching said person(s) from the normal course of their City assigned duties in order that they may be permitted to perform duties in keeping with the obligations of the FOP to its membership, and/or (b) by FOP members pursuant to Ordinance No. 1335, and pursuant to rules and regulations to be established by the FOP that is not otherwise inconsistent with this article or Ordinance No. 1335. The FOP President, along with the Police Chief (or designee) will establish a committee of three (3) members whose purpose is to create the rules and regulations mentioned in subpart b herein. The composition of the Time Bank Committee shall be determined as follows: the FOP President shall appoint one (1) individual to serve on the Time Bank Committee; the Police Chief (or designee) shall appoint one (1) individual that shall serve on the Time Bank Committee and both the FOP President and the Police Chief shall jointly appoint one (1) active FOP bargaining unit member to serve on the Time Bank Committee. The Time Bank shall not be utilized for the purpose of attending collective bargaining sessions between the FOP and the City of Miami Beach.

Time will be deposited into the Time Bank only after the contributor voluntarily signs an authorization card detailing the type and amount of time to be donated. After review by the FOP President or his representative, these cards are to be forwarded on a quarterly basis to the Police Chief for his review, and if appropriate, approval. If approved, the Police Chief will then forward this material to the Support Services Division, who shall take appropriate action to implement the provisions of this section.

Time deposits shall be in hourly increments, with three (3) hours being the minimum amount accepted.

The President, in his own behalf or on behalf of his designee(s), shall fill out the appropriate form to be supplied by the city for each employee authorized to draw from the Time Bank. Said form shall be submitted by the President at least five (5) days in advance of anticipated use. This form shall also include the statement that:

"Upon deduction of time by the City, the undersigned officer agrees to hold the City harmless for any error or omissions in making said deduction or allocating the deducted time to the time pool."

This request shall be reviewed by the Police Chief, or his designee, and approved subject to the manning requirements of the department. Such approval shall not be arbitrarily withheld. Such approval, once having been authorized, may be rescinded subject to the manning requirements of the department.

Time donated to the Time Bank shall be converted to the salary dollar equivalent of the donor(s), and time used shall be in salary dollar equivalents of the employee(s) using the pool time. Time donations shall not increase in value. For purposes of computation, only base pay and longevity will be used. Time donated but not used will not be retrievable and will remain in the Time Bank for so long as this provision is effective. In the event the Time Bank is discontinued, the FOP shall be entitled to use the hours remaining pursuant to the provisions of this section.

Any injury received or any accident incurred by an employee whose time is being compensated by the FOP Time Bank, shall not be considered a line-of-duty injury, nor shall such injury or accident be considered to have been incurred in the course and scope of the employee(s) employment by the City of Miami Beach within the meaning of Chapter 440, Florida Statutes, as amended.

ARTICLE 14
DRUG TESTING

a) Upon reasonable belief, based upon objective factors, that an employee has used an unlawful drug, the Police Chief or, in his absence, the Assistant Police Chief, may direct the employee to submit to a urinalysis for detection of drugs. In the case of a drug test, the following conditions will be applicable:

1. A split sample of the urine will be obtained so that two different laboratories to be selected by prior agreement of the City and the FOP may test the urine if desired.
2. If the employee claims that there is not a reasonable belief, based on objective factors, that the employee has used an unlawful drug, the urine will be frozen pending an expedited arbitration held before whichever of the three pre-agreed upon local arbitrators (to be selected by the City and the FOP) is first available on a rotating basis.

The sole issue before the arbitrator shall be whether there was reasonable belief to direct a test as set forth above.

3. If the arbitrator finds there is not reasonable belief, the urine specimens shall not be tested and shall be discarded.
4. If the arbitrator finds there is reasonable belief, or if no challenge to the reasonable belief basis has been made, then one urine specimen shall be tested by the laboratory selected by the parties.
5. All tests for an unlawful drugs will be by an agreed upon gas chromatography/mass spectrometry method, and the other specimen will be tested by the second agreed-to laboratory, if the employee requests.
6. In the case of either or both urine tests, the cutoff shall be the nanogram threshold which shall be established by prior agreement between the parties in the Random Drug Testing Agreement.

b) Last Chance Agreement

Effective upon ratification of this Agreement, in the event an employee tests positive for either drugs or alcohol as the result of a random or reasonable suspicion drug/alcohol test, the following shall apply:

At the sole discretion of the City Manager, in consultation with the Police Chief, the employee may be offered a last chance agreement; said agreement does not preclude concurrent disciplinary action. If a last chance agreement is extended to the employee, after he/she is cleared to return to work by the Substance Abuse Professional, the employee shall be subject to unannounced testing administered by the City's Human Resources Department, for a period of no less than two (2)

years. An employee may only be eligible for one last chance agreement during his/her employment with the City. Employees who test positive a second time for drugs or alcohol as the result of an unannounced, random or reasonable suspicion drug/alcohol test, shall be terminated from employment with the City.

If an employee who is offered a last chance agreement loses his/her certification through the Florida Department of Law Enforcement, he/she shall immediately be terminated from employment with the Miami Beach Police Department and shall have no right to grieve, oppose the termination, and no right to any other position with the City.

ARTICLE 15
HEART DISEASE PRESUMPTION

a) Heart Disease Presumption

Any condition or impairment of health of any detention or sworn officer caused by heart disease resulting in total or partial disability or death shall be presumed to have been accidental and to have been suffered in the line of duty unless the contrary be shown by satisfactory evidence; provided, however, that such detention or sworn officer shall have successfully passed a physical examination upon entering into such service as a detention or sworn officer, which examination failed to reveal any evidence of heart disease. If at any time this Section is placed before an arbitrator for interpretation or application, what is "satisfactory evidence" shall be determined by the arbitrator. If rights of detention or sworn officers are placed before the Bureau of Workers Compensation, then what is "satisfactory evidence" will be determined by the Bureau in accordance with Workers Compensation law. Nothing herein shall be construed to be a waiver or limitation of any benefit provided under Florida Statute 112.18.

b) Infectious Disease Presumption

Effective October 1, 2013, any documented post-exposure condition or impairment of health caused by Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome (HIV/AIDS), Hepatitis C, Pulmonary Tuberculosis or Meningococcal Meningitis shall be presumed to have been accidental and to have been suffered in the line of duty, subject to the following conditions, unless the contrary be shown by competent evidence.

To qualify for the presumption, the following criteria must be met:

1. There must be an on-the-job documented exposure that meets scientific standards or criteria. That there was an significant on-the-job exposure must be stated, in writing, by a licensed medical doctor. For example, contact with blood is not an exposure unless the employee's skin, where the contact occurred, is not intact. Additionally, the person whose blood came into contact with the employee's broken skin must have one of the blood borne infectious diseases considered herein.

Current Employees

1. Current employees must undergo a post-employment medical examination, administered by the City's health facility physician, and the results must reveal no evidence of the Human Immunodeficiency Virus, AIDS, Hepatitis, Pulmonary Tuberculosis or Meningococcal Meningitis. Employees who refuse to comply with this post-employment examination requirement shall not be eligible for the presumption.
- 4-2. Current employees shall be required to sign a City- approved medical release form authorizing the physician to provide the examination results directly to the City.

New Employees

1. New employees, hired after ratification of this agreement, must complete a pre-employment medical examination, administered by the City's health facility physician, and the results must reveal no evidence of the Human Immunodeficiency Virus, AIDS, Hepatitis, Pulmonary Tuberculosis or Meningococcal Meningitis.
2. New employees whose test results reveal evidence of any of the aforementioned infectious diseases, shall not be eligible for the presumption for the disease for which they tested positive.

All current and new employees shall be tested at the City's chosen health facility physician. The FOP Health Trust shall incur the cost associated with testing all current employees who are members of the Health Trust, and those employees who are not members of the Health Trust shall incur cost of their testing. The City shall incur the cost of testing all employees hired after the ratification of this agreement.

All medical exam results from the City's health facility, for both current and new employees, shall be released to the City of Miami Beach Risk Manager in the Risk Management Division of Human Resources.

ARTICLE 16
PROMOTIONS

Section 16.1 –

Advancement to the ranks of Sergeant and Lieutenant shall be by examinations that measure the knowledge, skills, and ability of personnel and by seniority. A promotional examination will be given every two (2) years, unless the FOP President and the City Manager or his designee for Labor Relations mutually agrees to some other schedule. Effective with the first test given after ratification, the following revisions to Article 16 shall apply.

Section 16.2 –

Eligible applicants for the promotional examination for Sergeant and Lieutenant shall be given a two-part examination, consisting of a validated, written test, which shall comprise fifty percent (50%) of the final examination score, and ~~an Assessment Center or a mutually agreed upon~~ behavioral assessment component. The Assessment levels shall have a weight of fifty percent (50%) of the total score. The written portion shall be given first and applicants for Sergeant or Lieutenant positions must successfully pass the written test with a raw score of seventy percent (70%) to be eligible, at a later date, to take the Assessment Center or the behavioral assessment component portion of the examination. Passing scores for the Assessment Center or the behavioral assessment component shall be set by the test consultant. If there are not a significant number of minorities promoted after the next round of promotional testing after the effective date of this Agreement, the parties will meet to review the respective weights and renegotiate the Article, if necessary.

Section 16.3 –

All police officers who on the written test date have four (4) years of seniority from date of appointment to Police Officer or Police Officer Trainee, and performance evaluations of satisfactory or above for the preceding twenty-four (24) month period shall be eligible to take the Sergeant's test. All Sergeants who on the written test date have two (2) years seniority from the date of appointment as Sergeant and performance evaluations of satisfactory or above for the preceding twenty-four (24) month period shall be eligible to take the Lieutenant's test. Applicants must, in both cases, apply on or before the application cutoff date and time in accordance with Personnel Rules.

The City Manager or his designee for Human Resources, may refuse to permit an applicant to take the examination on the grounds of conduct disgraceful to the Department and his/her officer status; or refused advancement from probationary status. In the latter case, if at least three (3) years have elapsed since such failure of probationary advancement, such candidate will be considered qualified. Should any applicant, so disqualified for any of these alleged reasons, contest such disqualification, he shall have access to the grievance procedure under this contract.

Section 16.4 –

The City Manager or his designee for Human Resources shall cause to be developed validated examinations which closely measure the knowledge, skills, and abilities of a Miami Beach ~~Police~~ Sergeant of Police and a Miami Beach Police Lieutenant, administer such examinations, and prepare a promotional register, one for Sergeants and one for Lieutenants, containing the names of persons who have passed the test, ranked in the order of such examination scores. Promotions shall be by rank order.

The FOP shall facilitate participation of bargaining unit employees in providing information in order to conduct the job analyses and develop the tests within the time frames requested by the process; provided that such participation shall be on duty time.

Section 16.5 – Seniority Points

- a) 0.2 point shall be added to an employee's Sergeant's passing examination score for each completed year of service, to a maximum of 25 years.
- b) 0.25 points shall be added to an employee's Lieutenant's passing examination score for each completed year in grade as a Sergeant.

Section 16.6 – Education Points

- a) 0.02 points shall be added to an employee's Sergeant's passing examination score for each completed credit of post secondary education from an accredited institution of higher learning.
- b) 0.02 points shall be added to an employee's Lieutenant's passing examination score for each completed credit of post secondary education from an accredited institution of higher learning.

Section 16.67 – Book Committee

A committee of five (5) incumbents selected by the Police Chief shall select the books and test material from which technical knowledge questions on the written test and behavioral assessment component will be drawn. Final selection shall be made after consultation with the test developer.

Such selection or changes therein, shall only be made after a representative of the FOP shall have a reasonable opportunity to meet and provide input on the selection process.

The test material chosen for the written test and for the behavioral assessment component shall be described and announced by the City to the FOP and its members at least three (3) months before such test.

Overview, Orientation, and Preparation sessions for the written test and ~~for the Assessment Center test or~~ the behavioral assessment test shall be given at least thirty (30) days prior to each test.

Section 16.78 – Written Test Scoring

Within 24 hours after the administration of the written test, an applicant scoring session will be conducted. Each examinee will be able to review a copy of his/her own answer sheet and the scoring key (for his/her use during the review session only), with the correct response, the name of the reading source and location from which each written test question was drawn.

Challenges will be written and submitted to the test developer during a minimum of two (2) post-test review sessions occurring on separate days, and conducted within ten (10) calendar days of test completion. The test developer shall conclusively decide all challenges based upon standard industry techniques.

Section 16.89 – ~~Assessment Center Test or~~ Behavioral Assessment Test Challenges

Upon completion of the determination of a score for the ~~Assessment Center Test or the~~ behavioral assessment test, each examinee shall be furnished with his/her test result. Human Resources shall establish a reasonable time period within which each examinee may review ~~his/her~~ ~~their~~ examinations at a post-test review appointment. Challenges regarding the components of this portion of the examination must be made in writing to the test developer within ten (10) calendar days after the post-test review appointment. The test developer shall conclusively decide all challenges based upon standard industry techniques. For each examinee who submitted a challenge, each examinee's own challenge and response will be available no later than eight (8) weeks after the date of the last examinee's submission of challenges.

Section 16.910 –

~~Effective upon ratification of this Agreement, all promotional exams shall be administered nine (9) months prior to the expiration of the certified promotional list. Formal examination scores and a promotional list shall be certified and posted within two (2) weeks after completion of all challenges in Section~~ § 16.8 above. Promotional lists shall expire ~~twenty-four (24) months, eighteen (18) months~~ after the certification and posting of the results of the promotional examination.

Section 16.1011 –

In the event of same day promotions, seniority rank in the new position shall be determined, in the order of standing on the promotional list. If there is a tie in the final scores that places more than one examinee in the same position on the promotional list, these examinee's ranking order on the promotional list shall be determined in the order of the examinee's seniority in the rank that they presently hold (i.e., a tie score between two (2) sergeants will be determined by awarding the highest ranking to the examinee with the most seniority as a sergeant, and a tie score between two (2) officers will be determined by awarding the higher ranking to the examinee with the most seniority as an officer, etc.).

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ARTICLE 17
FOP PRESIDENT

Section 17.1 –

The Miami Beach Fraternal Order of Police, William Nichols Lodge No. 8, Lodge President shall have the option, for each fiscal year, of closed "D.D." (Detached Duty), as outlined in Section 17.2 below, or to conduct union business (under the conditions described in Section 17.2 below), through the use of a time bank. For fiscal year 2006-2007, the time bank shall be 1500 hours, covering the period October 1, 2006 through September 30, 2007. The FOP President shall notify the Police Chief in writing by September 15, 2006, whether he elects to utilize the 1500 hour time bank provision or the D.D. provisions contained in Section 17.2 below. For fiscal year 2007-2008, the time bank shall be 1500 hours, covering the period October 1, 2007 through September 30, 2008. The FOP President shall notify the Police Chief in writing, by September 15, 2007, whether he elects to utilize the 1500 hour time bank provision or the D.D. provision contained in Section 17.2 below. For fiscal year 2008-2009, the time bank shall be 1500 hours, covering the period October 1, 2008 through September 30, 2009. The FOP President shall notify Police Chief, in writing, by September 15, 2008, whether he elects to utilize the 1500 hour time bank provision or the D.D. provisions contained in Section 17.2 below. Unused time bank hours from one contract year shall rollover to the next contract year, not to exceed a total maximum of 3000 hours per contract year. Time for attendance at negotiations for a successor agreement is addressed in Article 11.8 of this Agreement.

Section 17.2 –

The Miami Beach Fraternal Order of Police, Lodge No. 8, Lodge President shall be released and detached from full time duties as a police officer while serving as Lodge President and shall be carried full-time in a pay status to be shown on the payroll as "D.D." (Detached Duty). The following conditions shall apply:

- a) For the purpose of recording time, the Lodge President will notify the Police Chief of all absences, including vacations, sick leave, meeting attendances, out of town trips, etc. The Lodge President shall be required to work a 40-hour workweek.
- b) The Lodge President will be available at the FOP office currently located at 999 11th Street, Miami Beach, Florida 33139, for consultation with the Police Department Management or the City Administrators between normal working hours.
- c) Should the Lodge President wish to change offices, (s)he will notify the Police Chief, in writing, at least five (5) working days prior to the proposed change. Said notice will include the address and the telephone number of the new office for the FOP Lodge President.
- d) In the absence of the Lodge President, the Lodge President's designee may represent the Fraternal Order of Police.

- e) The FOP will not send additional employees in a pay status to attend City Commission or Personnel Board meetings without approval of the Police Chief or his designee.
- f) All applicable Miami Beach Police Department rules, regulations and order shall apply to the person who is the President of the Lodge and on D.D.

Section 17.3 –

The Management of the Miami Beach Police Department or the City Administration reserves the right to rescind the provisions of this Article in the event that it is found to be illegal. Canceling the Article shall not preclude further discussions of any Lodge Presidents' release for Union business.

ARTICLE 18
REOPENER/DETENTION OFFICERS

Following ratification of this Agreement, the City shall conduct an audit of the Detention Officer classification, ~~there shall be an immediate reopener for negotiations for the purposes of discussing and implementing changes to Article 16, entitled, Heart Disease Assumptions and Article 16, entitled, Promotions.~~

ARTICLE 19
ENTIRE AGREEMENT

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the City and the FOP, for the duration of this Agreement, except as provided in the Florida Statutes, or as specifically excepted by provisions of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter referred to, or with respect to any subject or matter not specifically referred to, or covered in this Agreement, even though such subject or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement. This Article shall not be construed to in any way limit or restrict the parties from negotiating, as provided in the Florida Laws, or any succeeding agreement to take effect upon the termination of this Agreement or any succeeding term of this Agreement.

ARTICLE 20
TERM OF AGREEMENT

This Agreement shall be effective as of the 1st day of October, ~~2009-2012~~ and shall remain in full force and effect until the 30th day of September, ~~2012~~2015.

It shall be automatically renewed from year to year thereafter unless either party shall notify the other in writing at least thirty (30) days prior to the anniversary date that it desires to modify this Agreement. In the event that such notice is given, negotiations shall begin promptly.

EXECUTED by the parties hereto on this ____ day of _____, ~~2013~~2014.

MIAMI BEACH FRATERNAL ORDER
OF POLICE, LODGE NO. 8

CITY OF MIAMI BEACH

By: _____
ALEJANDRO BELLO
FOP PRESIDENT

By: _____
JIMMY L. MORALES
CITY MANAGER

By: _____
KEVIN MILLAN
FOP SECRETARY

By: _____
MATTI HERRERA BOWER
MAYOR

Approved by vote of the City Commission
On the ____ day of _____, ~~2013~~2014.

ATTEST:

ROBERT PARCHERRAFEL E. GRANADO
CITY CLERK

Date: _____

City Attorney

Date

FRATERNAL ORDER OF POLICE
FOP LODGE NO. 8
ELECTION OF REMEDY FORM

Grievance No. _____

1. _____ I/We elect to utilize the Grievance Procedure contained in the current Contract between the City of Miami Beach, Florida, and the FOP. In making this election, I/we understand that selection of another forum, as defined by the FOP Contract, shall bar any consideration of the Grievance under the FOP collective bargaining agreement.

2. _____ I/We elect to utilize another forum for my/our grievance, and in doing so, I/we understand that this election shall bar any consideration of this matter under the FOP collective bargaining agreement.

Signature

Date

Subject of Grievance/Appeal: _____

Addendum: Hearing Examiner Rules

HEARING EXAMINER RULES

SECTION 1: REQUEST FOR HEARING: Any member of the bargaining unit may appeal from disciplinary action within ten (10) days after the delivery or mailing to him/her of such written notice, by filing a written request for a hearing to the Hearing Examiner or his/her designee. If the tenth day falls on a Saturday or Sunday, he/she will have the ability to file for an appeal on the following Monday.

SECTION 2: DISCIPLINARY HEARINGS:

- (a) The City Manager or his/her designee not later than ten (10) days after receipt of such appeal, shall fix a place and time for holding a public hearing within a reasonable time thereafter. Written notice of such time and place shall be delivered or mailed promptly to both the Appellant and the Appointing Officer.

Only the Hearing Examiner may grant a continuance to either party for good and sufficient cause. No continuance shall be granted to either party unless such request for continuance is received in writing by the City Manager or his designee at least ten (10) days prior to the date of said scheduled hearing of appeal.

- (b) The Hearing Examiner may, at the request of the Appointing Officer or the Appellant, call or request any person or records for the purpose of ascertaining the facts.
- (c) The Appointing Officer or a representative designated by him/her, shall have the right to be present at such hearing and to be represented by the City Attorney.
- (d) The Appellant shall have the right to be present at such hearing and to be represented by an attorney of his/her choice.

Said attorney shall be an attorney duly admitted and licensed to practice in the State of Florida. In the event that the Appellant does not retain an attorney, said Appellant may have an advisor of his/her choice present. Such advisor shall not have the right to interrogate any witnesses or to enter objections to any testimony or evidence presented to the Hearing Examiner, nor may such advisor speak in the Appellant's behalf.

- (e) The findings of the Hearing Examiner shall be based upon competent substantial evidence of record.
- (f) The Appointing Officer shall have the burden of presenting evidence to support the truth of the charges as contained in the written notice.

- (g) The Appellant shall have the right to present evidence to refute the charges brought against him/her.
- (h) The Appellant shall have the right to be confronted by his/her accuser, and the Appellant and the Appointing Officer shall each have the right to cross-examine the witnesses of the other.
- (i) After both the Appointing Officer and the Appellant shall have presented their testimony and evidence, the Hearing Examiner shall receive argument in summation. The Appointing Officer shall have both the opening and closing argument.
- (j) After the completion of closing oral argument, the Hearing Examiner shall consider the testimony and evidence presented before the Hearing Examiner to determine the truth or untruth of the charges.
- (k) Within five (5) working days after the completion of the hearing, the Hearing Examiner shall issue his or her findings as to the truth or untruth of the charges in writing. The City Manager or his/her designee shall promptly deliver or mail a copy of such findings to the Appointing Officer and to the Appellant.
- (l) A copy of the written statement given the officer or employee, a copy of any reply thereto, and a copy of the findings of the Hearing Examiner shall be filed as a Public Record in the Human Resources Department.

**APPENDIX A
COMPENSATION PLAN**

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City of Miami Beach Compensation Plan											
Effective with the first full pay period beginning in April October 2012 through September 30, 2012:											
Longevity 1=2.5% 2=5.0% 3=7.5% 4=10% 5=11%											
Job Classification (Range)	1	2	3	A	B	C	D	E	F	G	H
5305	41,614.94	42,863.67	44,150.46	45,473.76	46,838.57	48,244.12	49,691.56	51,183.20	1,803.89	1,961.04	24.51
	1,594.44	1,642.29	1,691.59	1,742.29	1,794.58	1,848.43	1,903.89	1,961.04	23.80		
	19.93	20.53	21.14	21.78	22.43	23.11	23.80	24.51			
5009								86,852.71	91,132.39	95,746.84	100,532.31
								3,327.69	3,491.66	3,668.46	3,851.81
								41.60	43.65	45.86	48.15
5011	53,309.01	55,951.38	58,764.02	61,804.57	64,843.97	68,108.99	71,429.72	75,033.33	2,609.54	2,736.77	2,874.84
	2,042.49	2,143.73	2,251.50	2,367.99	2,484.44	2,609.54	2,736.77	2,874.84	32.62	34.21	35.94
	25.53	26.80	28.14	29.60	31.06	32.62	34.21	35.94			
8001	45,312.72	47,978.14	50,643.58								
	1,736.12	1,838.24	1,940.37								
	21.70	22.98	24.25								
5010									78,748.42	82,686.80	86,852.71
									3,017.18	3,168.08	3,327.69
									37.71	39.60	41.60

City of Miami Beach Compensation Plan												
Effective with the first full pay period beginning in April <u>October 2014</u> 2012 through September 30, 2012												
Longevity 1=2.5% 2=5.0% 3=7.5% 4=10% 5=11%												
Job Classification (Range)	STEP	1	2	3	A	B	C	D	E	F	G	H
5305	Detention Officer				42,863.39	44,149.58	45,474.97	46,837.97	48,243.73	49,691.44	51,182.31	52,718.70
					1,642.28	1,691.55	1,742.34	1,794.56	1,848.42	1,903.89	1,961.01	2,019.87
					20.53	21.14	21.78	22.43	23.11	23.80	24.51	25.25
5009	Lieutenant of Police								89,458.29	93,866.36	98,619.25	103,548.28
									3,427.52	3,596.41	3,778.52	3,967.37
									42.84	44.96	47.23	49.59
5011	Police Officer				54,908.28	57,629.92	60,526.94	63,658.71	66,789.29	70,152.26	73,572.61	77,284.33
					2,103.77	2,208.04	2,319.04	2,439.03	2,558.98	2,687.83	2,818.87	2,961.09
					26.30	27.60	28.99	30.49	31.99	33.60	35.24	37.01
8001	Police Officer Trainee	48,072.26	50,900.02	52,162.89								
		1,841.85	1,950.19	1,998.58								
		23.02	24.38	24.98								
5010	Sergeant of Police									81,110.87	85,167.40	89,458.29
										3,107.70	3,263.12	3,427.52
										38.85	40.79	42.84

The April~~October~~ 2012~~4~~ Compensation Plan reflects a three percent (3%) across-the-board wage increase effective October 1, 2014, from the current compensation plan on the hourly, biweekly, and annual salary rates for each of the classifications represented by the FOP. This is in accordance with the Wages Provision in Section 8.1 of the 2012~~09~~-2015~~2~~ FOP Contract.

RESOLUTION TO BE SUBMITTED

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Condensed Title:

A Resolution Of The Mayor And City Commission Of The City Of Miami Beach, Florida, Ratifying A Three Year Labor Agreement Between The City and the International Association of Fire Fighters (IAFF), From October 1, 2012 Through September 30, 2015.

Key Intended Outcome Supported:

Control costs of payroll including salary and fringes/ minimize taxes/ ensure expenditure trends are sustainable over the long term.

Item Summary/Recommendation:

After 11 formal negotiation sessions and a number of informal discussions, the City and IAFF successfully concluded negotiations and reached a tentative three (3) year labor Agreement covering the time period of October 1, 2012 through September 30, 2015. The concessions for existing employees include a zero Cost of Living Adjustment (COLA) for 24 months, the elimination of certain incentive pays and significant changes to pension benefits for current employees including: benefit multiplier of 3% for first 20 years and 4% thereafter; maximum pension benefit of 85%, 5 year vesting, FAME highest 3 years, normal retirement based on rule of 70 with minimum age 47 (age 48 for post-2010 hires) elimination of buyback of creditable service excluding military time, state imposed limitations of 300 hours of overtime and elimination of accrued leave to purchase additional benefits. In addition, IAFF has also agreed to pension plan changes for future IAFF employees that include an increase to the employee's pension contribution from 10% to 10.5% of pensionable pay; increasing the Final Average Monthly Earnings (FAME) from 3 highest to 5 highest years; and automatic membership into the pension plan upon hire. The pension changes will yield a savings of almost \$2.1 million in the first year and almost \$2.2 million in year two.

In exchange for adding an additional step to the Fire Fighter I classification effective April 1, 2015, IAFF has agreed to reduce holiday pay for 24-hour shift personnel from 9 to 6 hours per holiday in order to help offset the annualized impact of the additional step. The City has agreed to a 3% Cost of Living Increase on October 1, 2014, a non-pensionable hazardous duty payment of \$100 biweekly, reimplementaion of a Sick Sell Back Pilot Program that expires on September 30, 2015, changes to promotional testing, take-home vehicles for day shift (3 employees), increase in on-call supplement for Fire Investigators and the PIO effective 10/1/12, increase in the rollover hours for the union time bank from 500 to 750 hours per year, paramedic pay recertification \$200 flat rate for eligible employees on 10/1/12 and an increase from \$300 to \$500 effective 10/1/13 on a biennial basis and establishment of Post Employment Health Program (PEHP) of \$25.00 per employee at no cost to the City.

Advisory Board Recommendation:

Budget Advisory Committee Pension Reform Initiative Recommendation Report August 2012

Financial Information:

Source of Funds:	Amount	Account
OBPI	1 FY 2012/13 \$6,000	On-call supplement increase from \$100-\$300 for Fire Investigators and PIO effective 10/1/12.
	2 FY2013/14 (\$1,977,771)	Implementation of pension changes for current and future employees; Sick Sell Back Program; Union time bank rollover; Take-home vehicle assignment; On-call supplement; Paramedic certification pay from \$300-\$500 for those eligible in FY 2012/13
	3 FY2014/15 (1,010,815)	Pension changes for current and future employees; 3% salary COLA; Increase step of Firefighter I on 4/1/15, Sick Sell Back Program; Union time bank rollover, Take-home vehicle assignment, On-call supplement, Paramedic certification pay from \$300-\$500 for those eligible in FY 2014/15
	Total	(\$2,982,586)

Financial Impact Summary: The 3 year savings represents a per member impact of (\$15,698). In addition, these concessions will yield additional, recurring, long-term savings in future fiscal years. The net present value of savings over 30 years for both FOP and IAFF is \$145 million.

City Clerk's Office Legislative Tracking:

Sylvia Crespo-Tabak, Human Resources Director

Sign-Offs:

Department Director	Assistant City Manager	City Manager
Sylvia Crespo-Tabak	Kathie G. Brooks 	Jimmy L. Morales 



COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: July 17, 2013

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA RATIFYING A THREE-YEAR LABOR AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS/LOCAL 1510 (IAFF), FOR THE PERIOD FROM OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2015; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE AGREEMENT.**

ADMINISTRATION RECOMMENDATION

Adopt the Resolution.

BACKGROUND

The City's workforce is divided into seven salary groups: (1) those covered by the American Federation of State, County and Municipal Employees, Local 1554 (AFSCME) bargaining unit; (2) those covered by the Communications Workers of America, Local 3178 (CWA) bargaining unit; (3) those covered by the Government Supervisors Association of Florida/OPEIU, Local 100 (GSA) bargaining unit; (4) those covered by the Fraternal Order of Police, William Nichols Lodge No. 8 (FOP) bargaining unit; (5) those covered by the International Association of Fire Fighters, Local 1510 (IAFF) bargaining unit; (6) Unclassified; and (7) "Others" (classified service employees not represented by a bargaining unit).

On September 30, 2012, the three-year collective bargaining agreement between the City of Miami Beach and the IAFF (covering the period of October 1, 2009 through September 30, 2012) expired. Negotiations for a successor agreement began on September 19, 2012. After ten formal negotiation sessions and several informal discussions, on June 26, 2013, the City and IAFF reached a tentative three-year labor agreement covering the time period of October 1, 2012 through September 30, 2015. The IAFF leadership will schedule a ratification vote on the proposed agreement prior to July 31, 2013. If approved by a majority of the membership, the result of the vote will determine the ratification effective date.

During the October 1, 2009 – September 30, 2012, collective bargaining process the parties negotiated changes that resulted in employee givebacks of over \$15 million between Fiscal Year (FY) 2009/2010 and FY 2010/2011 and \$20 million when you include FY 2011/2012 (Unclassified and Others, although not represented by a union, also contributed to the employee giveback total). These givebacks included a number of pension changes applicable to current and future employees who participate in the Miami Beach Employees' Retirement Plan (MBERP) and resulted in reducing the City's pension contributions for the short and long-term.

Pension changes for the Fire and Police Pension Plan were negotiated for implementation in 2010; however, they were insufficient to address the short term and increasing benefit cost which, in recent years, has represented the fastest growing cost in the City's budget.

The draft Valuation for the Fire and Police Pension Plan estimates the City's Annual Required Contribution (ARC) payable October 1, 2014 to be \$41.5 million. This represents an increase of \$2.2 million in the Fire and Police Pension Plan when compared to last year.

In the adopted FY 2012/13 budget, employee givebacks represented \$3.782 million in savings (approximately \$3 million in the General Fund) which were to be allocated among the seven salary groups. The methodology to allocate the givebacks for each salary group was the proportionate share of the City's total costs for pension and health benefits for FY 2012/13, as in recent years these have been major personnel expenditure cost drivers. However, to date, no savings have been achieved for FY 2013/14 for IAFF as negotiations focused on achieving major pension savings going forward.

ANALYSIS

The IAFF collective bargaining agreement for October 1, 2009, through September 12, 2012, included employee concessions that provided a savings to the City's budget during the contract period. The employee concessions agreed to by the IAFF generated enough savings to address the targeted employee givebacks established for the IAFF for FY 2009/10 and FY 2011/12. However, the concessions that were negotiated with the IAFF were implemented for an 18-month period and failed to provide the City with any significant recurring, long-term savings.

IAFF's portion of the \$3.782 million in employee givebacks for the current fiscal year (FY 2012/13) was \$900,000. In addition, the Administration received direction from the City Commission to negotiate changes to the Fire and Police Pension Plan that would generate a savings of \$6 - \$8 million from the City's Annual Required Contribution (ARC) in the first year. In addition, any negotiated pension changes would need to yield recurring, annual savings from the City's ARC, as well as a reduction to the Unfunded Actuarial Accrued Liability (UAAL).

On September 30, 2012, the 2009-2012 IAFF collective bargaining agreement expired. The City and IAFF began meeting in September 2012, to negotiate a successor agreement. After eleven formal negotiation sessions and several informal discussions, on June 26, 2013, the City and IAFF reached a tentative three year agreement covering the period October 1, 2012, through September 30, 2015.

The City initially proposed the Budget Advisory Committee's (BAC) recommendation of a hybrid plan for new and non-vested employees in the Fire and Police Pension Plan. The BAC recommendation was anticipated to save \$2.5 million in year one and a \$74 million net present value over thirty years. The City actuary updated the estimated figures based on the October 1, 2011 Valuation with an estimated savings of \$3.6 million in year one.

The IAFF leadership will schedule a ratification vote on the proposed agreement prior to July 31, 2013. If approved by the majority of the membership, the result of the membership vote will determine the effective date for ratification of the three year labor agreement.

Pension Adjustments/Changes

The tentative agreement between the IAFF provides for several pension changes applicable to current and future employees, including the following:

- Final Average Monthly Earnings (FAME) – Effective September 30, 2013, the FAME for current IAFF bargaining unit employees hired prior to ratification of the agreement will have the average of the three (3) highest years; and future employees will have the average of highest of five (5) years.
- Maximum Benefit – Currently, the maximum pension benefit is 90 percent of pensionable

earnings. Effective September 30, 2013, the maximum benefit will be reduced to 85 percent of pensionable earnings. Employees, who as of September 30, 2013, have attained a pension benefit of 85 percent or higher, are eligible to continue to earn the 90 percent maximum benefit.

- Vesting – The vesting period was reduced from ten to five years.
- Prior Creditable Service – Currently, upon completion of ten years of creditable service (vesting) with the City, employees can purchase prior creditable service of up to two years of full-time public safety service as a public safety officer prior to City employment, up to four years of military service and up to an additional six percent multiplier on the additional creditable service years purchased; however, the maximum benefit purchased shall not exceed twelve percent. Effective September 30, 2013, all bargaining unit employees will be limited to purchasing only military service for up to two years, at three percent each year for a maximum benefit of six percent. The employee will pay the equivalent of their employee contribution amount in effect at the time of purchase (10 percent per year of purchase for employees hired prior to ratification of this agreement and 10.5 percent per year of purchase for all new employees hired thereafter).
- Probationary Period and Contribution of Pensionable Earnings – All new hires will become members of the Fire and Police Pension Plan effective on their hire date and will contribute 10.5 percent of their pensionable earnings immediately.
- Overtime, Off-duty and Accrued Leave – In the past, employees were able to apply unused sick and/or vacation time for inclusion in their salary for pension purposes at the equivalent rate of their employee pension contribution. For example: for each \$100 of unused sick and/or vacation time (at the member's hourly rate), \$90 was applied toward their FAME and \$10 contributed to the pension fund.

As a result of recent changes in Florida statutes, accrued leave can no longer be used to increase pension benefits and the application of overtime toward their FAME is limited to 300 hours.

- Deferred Retirement Option Plan (DROP) and Retiree COLA – Currently bargaining unit employees hired prior to July 14, 2010, receive a 2.5 percent annual retiree COLA, unless they entered the DROP after September 1, 2012, and forfeited the Retiree COLA for years three and four in the DROP.

Bargaining unit employees hired on or after July 14, 2010, are eligible to receive a 1.5 percent annual Retiree COLA.

Any member who joins the DROP on or after September 30, 2013, will be eligible to receive a Retiree COLA each year that they participate in the DROP. The rate at which the member earns his/her annual Retiree COLA shall be based on hire date (2.5 percent for all pre-2010 members and 1.5 percent for all post-2010 members).

- DROP and Leave Payouts – Effective October 1, 2013, any bargaining unit member currently participating in the DROP, or who enters the DROP, may elect to request a full or partial payment of earned sick and vacation leave balances up to the maximum amount stipulated in the collective bargaining agreement and applicable pension ordinance. Eligible employees will have until June 30 of each year to exercise this option, and receive payment during the first pay period ending in October of the same year. Any amount paid out to an employee upon entering the DROP will be deducted from the cap for their maximum leave payout upon leaving the DROP.

- Miami Beach Employees' Retirement Plan (MBERP) Service Transfer – Upon ratification of the collective bargaining agreement, MBERP members will not be eligible to transfer creditable service time from MBERP to the Fire and Police Pension Plan if they are subsequently employed in a classification covered by the IAFF bargaining unit.
- Retirement Age – Under the current contract, employees hired prior to July 14 2010, can retire at either the rule of 70 (age plus creditable years of service) or at age 50. Effective September 30, 2013, employees hired before July 14, 2010, may retire based on the rule of 70 with a minimum age of 47. Employees hired on or after July 14, 2010, may retire based on the rule of 70 with a minimum age of 48.

However, because some members who have already purchased additional creditable serviced may reach the maximum benefit of 85 percent prior to age 47, the City is exploring how to address these employees such as allowing them to cease their employee contribution to the pension plan during this period. These impacts, if any, will be presented during the first reading of the amendment to the pension ordinance, which we anticipate to be at the September 11, 2013, City Commission meeting.

- Benefit Multiplier – Effective September 30, 2013, the benefit multiplier for all bargaining unit members shall be three percent for year one through twenty, and four percent per year thereafter.

Changes for New Employees Hired on or after July 17, 2013

- Employee Pension Contribution = 10.5% of Pensionable Earnings
- FAME = 5 Highest Years
- Enter directly into the Fire and Police Pension Plan upon hire date (vs. currently enter upon successful completion of probationary period (12 months for Firefighter and 18 months for Police Officer).

The aforementioned changes that have been agreed to by both FOP and IAFF are projected to generate savings as follows, subject to actuarial confirmation by Buck Consultants, the Fire and Police Pension Board Actuary:

	ARC Savings (in Millions)	Unfunded Liability Savings (in Millions)
Year 1	\$5.666	\$24.37
Year 2	\$6.034	\$24.25
Year 3	\$6.391	\$23.55
Year 4	\$7.065	\$30.02
Year 5	\$7.988	\$34.56
Year 6	\$8.721	\$40.41

Further, the projected 30-year net present value savings for these changes is estimated at \$145 million. The draft Actuarial Impact Statement by Buck Consultants is provided as Attachment 1.

In addition to the significant pension reform agreed upon for members of the Fire and Police Pension Plan, the following provides a summary of the remaining items tentatively agreed upon by the City and IAFF.

ECONOMIC PROVISIONS

In addition to the significant pension reform agreed upon for members of the Fire and Police Pension Plan, the following provides a summary of the remaining items tentatively agreed upon by the City and IAFF. The entire tentative collective bargaining agreement is provided as Attachment 1 to this memorandum.

- Cost of Living Adjustment (COLA)
 - Effective October 1, 2012, there will be no across-the-board wage increases.
 - Effective October 1, 2013, there will be no across-the-board wage increases.
 - Effective October 1, 2014, there will be a three percent (3%) across-the-board wage increase that will extend the minimum and maximum of the salary ranges for all classifications covered by the IAFF bargaining unit. The FY 2014/15 estimated impact to the City from the 3% COLA is \$558,223.

- Step Increases
 - Effective October 1, 2012, step increases will remain status quo for any employee who is eligible to receive a step on their anniversary date.
 - Effective April 1, 2015, there shall be an additional step added to the maximum of the pay scales for the classifications
 - Effective April 1, 2015, the Firefighter I classification salary range will be extended by one additional step (Step I), which will result in a five percent increase to the maximum of the range. The estimated impact for FY 2014/15 is \$91,000. The annualized impact for FY 2015/16 is \$319,505. The implementation of the additional step was subject to the IAFF agreeing to recurring concessions that would offset the impact of the additional step.

- Concessions to Offset the Additional Step Added to Maximum of the Range for Fire Fighter I
 - Reduction in Hours of Holiday Pay – To help offset the increase in the Firefighter I classification salary range, effective April 1, 2015, holiday pay for all 24-hour personnel shall be reduced from nine to six hours. The estimated impact for FY 2014/15 will yield a savings of approximately (\$62,242), with an estimated annualized savings of (\$207,500).

Other Economic Provisions

- Sick Sell Back Pilot Program

Effective October 1, 2013, the City will reinstitute a Sick Leave Sell Back Program. The purpose of this program is to provide an incentive for police officers to utilize less sick leave, increase the “show-up rate”, thereby decreasing the need for overtime during staffing shortages and reducing the amount of overtime paid due to sick call outs. The “show-up rate” has been identified as a significant driver of overtime costs in the Police Department. The Sick Leave Sellback Program would allow the sell back of up to one hundred forty-four hours for 24-hour shift personnel and ninety-six hours for day shift personnel, payable in November of each year that the program is in effect, as long as the employee retains a minimum of 400 hours of combined sick and vacation leave for 24-hour shift personnel and 300 hours of combined sick and vacation leave for day shift personnel and meets other necessary requirements as outlined in the program. The maximum

number of sick leave hours that may be sold back on each sell back date shall be reduced by one hour for each hour of sick leave the employee used during the applicable annual sell back period (e.g., if an employee uses ten hours of sick time, then he/she is only eligible to sell back eighty-six hours. Year 1 of the program will cover the period of October 1, 2013 through September 30, 2014, with payment to all qualifying participants in November 2014, and year 2 of the program will cover the period of October 1, 2014 through September 30, 2015, with payment to all qualifying participants in November 2015.

Based on historical participation patterns when the program was in effect during the 2006-2009 contract, a 50 percent participation assumption would yield a cost for the sellback of sick hours per participant of \$587,812 offset by a reduction in overtime of (\$321,253) for each year of the program. The net anticipated impact for FY 2013/14, payable in November 2014, based on 50 percent participation, is a cost of 266,559 for each year, representing a total cost of \$533,118 for the duration of the two year program. This pilot program will sunset September 30, 2015, with final payments distributed in November 2015 for the October 1, 2014 through September 30, 2015 Sick Sell Back Program period.

The maximum exposure based on 100 percent participation in the program is a cost attributed to sellback of sick hours of \$1,150,000 in Year 1, offset by a maximum of overtime savings of (\$642,522) for each year, for a total maximum cost of \$1,014,956.

The pilot program automatically sunsets upon expiration of the collective bargaining agreement on September 30, 2015.

- Hazardous Duty Pay – Effective April 1, 2015, bargaining unit employees will receive \$100 per pay period of non-pensionable hazardous duty pay. The estimated impact for FY 2014/15 is 247,000, with an annualized cost of \$494,000. In recent years the State of Florida Division of Retirement has become more flexible in interpreting language agreed to through the collective bargaining process. However, there is a risk that the State may determine that this pay must be pensionable.
- Paramedic Recertification Pay – Effective October 1, 2013, the recertification pay will increase from \$300 to \$500. In addition, there will be a retroactive one-time payment of \$200 to retroactively compensate eligible employees who received recertification pay in FY 2012/13. The annual estimated impact is a cost of \$37,200, for a total cost of \$74,400 for the contract period.
- Union Time Bank – Effective October 1, 2013, the annual union time rollover increased from 500 to 750 hours. The annual estimated impact is a cost of \$14,250, for a total cost of \$28,500 for the contract period.

Non-economic Provisions

- Post-employment Health Plan – Effective the first pay period ending in October of 2013, bargaining unit members will contribute \$25 per pay period toward a post-employment health plan and ten percent of the combined leave payouts upon separation from the City. IRS regulations require that all bargaining unit members participate and the City agreed to facilitate the transactions as long as there were no costs to the City. The IAFF, Local 1510 will be fully responsible for selecting a plan administrator and the City shall have no involvement, cost or liability.
- Fire/Rescue Recreation Fund – This section was deleted from the collective bargaining

agreement.

- Implementation of Reorganization – This section was deleted from the collective bargaining agreement.
- Promotional Lists – The parties agreed to reduce the active life of promotional lists from 36 to 30 months.
- Domestic Partnership Tax Credit – The parties agreed that upon ratification of this agreement and for as long as the federal tax code imposes a heavier tax burden upon City employees with domestic partners who elect to purchase dependent medical and dental health insurance over that of their married counterparts, the City will reimburse those employees for the additional tax assessed. The parties further agreed that this reimbursement is non-pensionable income to the employees.

CONCLUSION

The terms and conditions of the proposed three year labor agreement between the City and IAFF assumes a \$6,000 impact for FY 2012/13; a savings of (\$1,998,000) for FY 2013/14; and (\$1,010,815) for FY 2014/15. The total estimated three year impact is (\$2.99) million.

The significant changes to pension benefits for current employees will result in long-term, recurring pension savings. Based on the Actuarial Impact Statement provided by Buck Consultants (Attachment 2), the total pension Plan savings for both Fire and Police which, include changes for future employees will yield a savings of (\$5.66 million) in FY 2013/14 and a savings of (\$6.034) in FY 2014/15, for a total savings of (\$11.694) million. Based on percent of payroll, the pension changes agreed to by IAFF result in a savings of (\$2.06) million in FY 2013/14 and a savings of (\$2.19) million in FY 2014/15, for a total savings of (\$4.25) million.

At the time of this writing, IAFF has not scheduled the ratification vote of the proposed agreement for their membership. The Administration recommends adopting the resolution to ratify the three year labor agreement with the IAFF bargaining unit for the time period covering October 1, 2012, through September 30, 2015, subject to the outcome of the ratification vote for the IAFF membership. Exhibit A to the resolution is a copy of the contract language in substantial format. Since the results of the ratification vote will not be available for the July 17, 2013, City Commission meeting, the results will be provided to the City Commission as soon as the City receives the certified results.

Attachments

JLM/KGB/SC-T/CMG

buckconsultants

A Xerox Company

July 16, 2013

CONFIDENTIAL

Ms. Kathie Brooks
Assistant City Manager
1700 Convention Center Drive
Miami Beach, FL 33139

Dear Kathie:

Actuarial Impact of Proposed Plan Changes to the City Pension Fund for Police Officers and Firefighters in the City of Miami Beach

As requested, we have calculated the estimated impact of the proposed changes to the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach (Pension Fund).

Summarized below are the proposed plan changes and the cost impact of these changes.

A combination of the following changes to the Pension Fund:

- Amend the Plan's Final Average Earnings calculation, for participants hired prior to July 17, 2013, from the average of the highest 2 years of compensation to the average of the highest 3 years of compensation effective for fiscal years ending after September 30, 2015.
- Amend the Plan's Final Average Earnings calculation, for participants hired on or after July 17, 2013, from the average of the highest 3 years of compensation to the average of the highest 5 years of compensation effective for fiscal years ending after September 30, 2015.
- Extend the Benefit Accrual Rate of 3% per annum up from 15 years of service to 20 years of service with a 4% multiplier for service greater than 20 years, subject to a maximum pension benefit of 85% of Final Average Earnings. Participants exceeding 85% of their pension benefit at September 30, 2013 will be grandfathered at 90%.
- Amend the rule of 70 (age plus service) criteria to require participants to also attain age 47, for participants hired prior to July 15, 2010, with the exception of three members. These three members will not be subject to the minimum age requirement under the rule of 70. For participants hired after July 14, 2010 the rule of 70 (age plus service) will be amended to require participants to also attain age 48.

- Freeze the cost of living adjustment component for salary increases in fiscal years 2012/2013 and 2013/2014 and grant a cost of living adjustment of 3% in fiscal year 2014/2015.
- Change the vesting requirement from 10 years of service to 5 years of service.
- Eliminate the ability to purchase prior creditable service or additional multiplier except for prior military service up to 2 years at 3% each year for a maximum of 6%. The cost to the employee would be at 10% for those hired prior to July 17, 2013 and 10.5% for those hired on or after July 17, 2013.
- Reinstate the annual cost of living adjustment in all years for participants who enter the DROP on or after September 30, 2013.
- Eliminate the use of accrued leave to purchase additional benefits and cap the maximum overtime hours that can be used for pensionable pay at 300 hours per Florida statute.
- Eliminate the ability to transfer creditable service from the Miami Beach Employees Retirement Plan (MBERP) to the Miami Beach Fire and Police Pension Plan.
- Overtime, off-duty and unused sick and/or vacation leave for Police Officers that can be included in the computation of pensionable pay is limited to 11% of the highest annualized pay rate for the same salary rank of the member at the time of retirement.
- Eliminate the probationary period for new hires to become participants in the pension plan.
- Extension of Ranges for Firefighter I, Police Officer, Sergeant of Police and Police Lieutenant effective April 1, 2015 (Proposed Maximum includes the 3% COLA payable on October 1, 2014 and 5% additional Step effective April 1, 2015 for eligible members)

	Current Minimum	Current Maximum	Proposed Minimum	Proposed Maximum*
Firefighter I – Day Shift	45,139.11	74,745.85	45,139.11	80,837.64
Police Officer	53,309.01	75,033.33	53,309.01	81,148.55
Police Sergeant	78,748.42	86,852.71	78,748.42	93,931.21
Police Lieutenant	86,852.71	100,532.31	86,852.71	108,725.69

Ms. Kathie Brooks
July 16, 2013
Page 3

Cost Impact of Plan Changes:

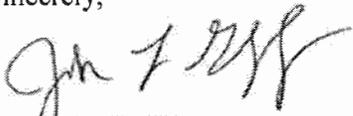
The 30 year cost impact of the combined code changes outlined above is outlined in appendix A attached to this letter.

Data, assumptions, Methods and Plan Provisions:

The calculations contained in this study are based on the data, assumptions, methods and plan provisions used for the October 1, 2012 actuarial valuation of the System. The salary scale assumption has been reduced to reflect the cost of living freeze reference above. I am an Enrolled Actuary and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained in this letter.

Please note that any changes to Pension Fund would need to be documented in an impact statement and submitted to the State for acceptance. If you have any questions, please do not hesitate to contact me.

Sincerely,



Joseph L. Griffin ASA, EA, MAAA, FCA
Director, Consulting Actuary

cc: Mr. David Campbell – Buck Consultants/Atlanta
Mr. Steward Sainvil – Buck Consultants/Atlanta

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach

Union Pricing Summary

	<u>Current Year</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
Scenario 1A:								
Increase/(Decrease) in Normal Cost	(1,479,000)	(1,574,000)	(1,673,000)	(1,630,000)	(1,897,000)	(1,877,000)	(1,782,000)	(1,794,000)
Increase/(Decrease) in Unfunded Accrued Liability	(24,366,000)	(24,252,000)	(23,554,000)	(30,018,000)	(34,561,000)	(40,411,000)	(46,633,000)	(52,628,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(5,666,000)	(6,034,000)	(6,391,000)	(7,065,000)	(7,988,000)	(8,721,000)	(9,423,000)	(10,215,000)
Net Present Value of 30 Year ARC Changes	(145,176,840)							

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach
Union Pricing Summary

	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>
<u>Scenario 1A:</u>								
Increase/(Decrease) in Normal Cost	(1,694,000)	(1,572,000)	(1,430,000)	(1,534,000)	(1,236,000)	(978,000)	(1,093,000)	(973,000)
Increase/(Decrease) in Unfunded Accrued Liability	(58,833,000)	(64,738,000)	(70,675,000)	(76,466,000)	(82,522,000)	(87,821,000)	(92,337,000)	(97,843,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(10,936,000)	(11,655,000)	(12,387,000)	(13,408,000)	(14,059,000)	(14,691,000)	(15,750,000)	(16,717,000)
Net Present Value of 30 Year ARC Changes								

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach
Union Pricing Summary

	<u>Year 16</u>	<u>Year 17</u>	<u>Year 18</u>	<u>Year 19</u>	<u>Year 20</u>	<u>Year 21</u>	<u>Year 22</u>	<u>Year 23</u>
<u>Scenario 1A:</u>								
Increase/(Decrease) in Normal Cost	(404,000)	(364,000)	209,000	461,000	999,000	1,410,000	991,000	1,185,000
Increase/(Decrease) in Unfunded Accrued Liability	(102,880,000)	(105,617,000)	(107,847,000)	(107,883,000)	(106,848,000)	(104,005,000)	(99,609,000)	(96,317,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(17,136,000)	(17,987,000)	(18,254,000)	(18,842,000)	(19,068,000)	(19,308,000)	(20,330,000)	(20,867,000)
Net Present Value of 30 Year ARC Changes								

Appendix A

City Pension Fund for Firefighters and Police Officers in the City of Miami Beach

Union Pricing Summary

	<u>Year 24</u>	<u>Year 25</u>	<u>Year 26</u>	<u>Year 27</u>	<u>Year 28</u>	<u>Year 29</u>	<u>Year 30</u>
<u>Scenario 1A:</u>							
Increase/(Decrease) in Normal Cost	1,277,000	1,293,000	1,292,000	1,334,000	1,378,000	1,409,000	1,436,000
Increase/(Decrease) in Unfunded Accrued Liability	(92,780,000)	(88,647,000)	(83,961,000)	(78,545,000)	(72,022,000)	(64,214,000)	(55,154,000)
Increase/(Decrease) in Annual Required Contribution (ARC)	(21,455,000)	(22,090,000)	(22,693,000)	(23,190,000)	(23,573,000)	(23,869,000)	(24,111,000)
Net Present Value of 30 Year ARC Changes							

AGREEMENT

BETWEEN

CITY OF MIAMI BEACH, FLORIDA

and the

**FIRE FIGHTERS OF MIAMI BEACH
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS**

LOCAL 1510

AFL-CIO-CLC

Period Covered

October 1, 2012 through September 30, 2015

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AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2013 by and between the City of MIAMI BEACH, FLORIDA (herein called the "City"), and the FIRE FIGHTERS OF MIAMI BEACH INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, LOCAL 1510, AFL-CIO-CLC (herein called the "Union").

SCOPE

It is the intention of this Agreement to provide for salaries, fringe benefits, and other terms and conditions of employment. It is further the intention of this Agreement to prevent interruption of work and interference with the efficient operation of the City and to provide for an orderly, prompt and just manner in handling grievances.

Within the context of this Agreement, the use of masculine-gender terms shall be considered gender-neutral and are freely interchangeable with the corresponding female-gender terms.

ARTICLE I

Recognition

The City recognizes the Union as the sole and exclusive bargaining representative for the purpose of negotiations over wages, hours, and other terms and conditions of employment for the following classifications in the Fire Department:

Firefighter I

Firefighter II,

Fire Lieutenant,

Fire Captain, and

all probationary employees serving in these classifications.

All other employees in other present classifications, including Fire Chief, Assistant Chief, Division Chief, Battalion Chief and any other classifications established by the City, are excluded.

ARTICLE 2

DEDUCTION OF UNION DUES

2.1. Checkoff. Upon receipt of a lawfully executed written authorization from an employee, which is presented to the City by an official designated by the Union in writing, the City agrees during the term of this Agreement to deduct the uniform biweekly Union dues of such employees from their pay and remit such deductions to the Union Treasurer, together with a list of the employees for whom deductions were made; provided, however, that such authorization is revocable at the employee's will upon thirty (30) days written notice to the City and the Union. The Union will notify the City in writing of the exact amount of such uniform membership dues to be deducted. The Union will notify the City in writing thirty (30) days prior to any change in its dues structure. In January of each year of this Agreement, the Union will remit to the City \$400.00 as an administrative fee for the collection of dues by the City.

2.2. Indemnification. The Union agrees to indemnify and hold the City harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

ARTICLE 3

GRIEVANCE PROCEDURE

3.1. Definition of Grievance and Time Limit for Filing. A grievance is a dispute involving the interpretation or application of the express terms of this Agreement, excluding matters not covered by this Agreement; or where Personnel Board rules and regulations are involved; provided that disciplinary actions, including discharges, may be grieved under this Article, as provided herein. See Section 3.4 (Election of Remedies) for procedures to be utilized in particular circumstances. No grievance shall be entertained or processed unless it is submitted within fifteen (15) weekdays (excluding Saturday, Sunday, or holidays recognized by the City) after the occurrence of the first event giving rise to the grievance or within fifteen (15) weekdays after the employee, through use of reasonable diligence, should have obtained knowledge of the occurrence of the first event giving rise to the grievance.

3.2. Definition of Weekday. The term “weekday”, as used herein shall be defined as any day, Monday through Friday, excluding holidays, recognized by the City.

3.3. Grievance Procedure. Grievance shall be processed as follows:

Step 1: Any employee who believes he/she has a grievance shall present it in writing, on the Grievance Form provided by the City, to his/her Division Chief, or other person designated for that purpose, who shall give his/her answer within six (6) weekdays after such presentation. The employee will also provide the Union with a copy of said grievance. If the City form is not available through the Division Chief's office, the time limit for filing shall be waived until such time as the form is provided to the grieving party.

Step 2: If the grievance is not settled in Step 1 and the Union Grievance Committee desires to appeal, it shall be referred in writing by the Union to the Fire Chief within six (6) weekdays after the City's answer in Step 1. The Election of Remedy Form shall be completed and signed by the IAFF and/or the grievant, and attached to the Step 2 grievance. The Fire Chief, or his/her representative,

shall discuss the grievance within six (6) weekdays with the Union Grievance Committee at the time designated by the City. If no settlement is reached, the Fire Chief, or his /her representative, shall give the City's written answer to the Union Grievance Committee within six (6) weekdays following their meeting.

Step 3: If the grievance is not settled in Step 2 and the Union Grievance Committee desires to appeal, it shall appeal in writing to the City Manager or his/her designee for Labor Relations within six (6) weekdays after the City's answer in Step 2. A meeting between the City Manager, or his/her designee for Labor Relations, and the Union Grievance Committee shall be held within fifteen (15) weekdays. The City Manager, or his/her designee for Labor Relations, shall give the City's written answer to the Union Grievance Committee within ten (10) weekdays following the meeting.

Any untimely filing of a grievance at any step will be considered withdrawn. Upon mutual agreement of the parties, grievances may be consolidated or grouped, and may also be commenced at Step 3 of the procedure.

Section 3.4. Election of Remedies. Disciplinary actions may be grieved (1) under the grievance/arbitration provisions contained in this Article or (2) as set forth in Article 3.9 to a Hearing Examiner, who shall be selected by utilizing the procedure outlined in Section 3.5 of this Article. A grievance involving the interpretation or application of this Agreement may be grieved solely under the grievance/arbitration provisions contained in this Article. Grievances regarding certain non-disciplinary matters, such as disagreements as to the waiving or application of changes to personnel rules or other work rules or policies may be filed by the bargaining agent via the Personnel Board procedures.

The decision of the Hearing Examiner shall be final and binding. The cost of a Hearing Examiner shall be borne by the City. Any proceedings before the Hearing Examiner shall be conducted pursuant to the attached Hearing Examiner Rules.

3.5. Binding Arbitration. If the grievance involves a difference of opinion with respect to the interpretation or application of the express terms of this Agreement and said grievance has not been settled in accordance with the foregoing procedure, the Union Grievance Committee may

refer the grievance to binding arbitration within six (6) weekdays after receipt of the City's answer in Step 3. The parties shall attempt to agree upon an arbitrator within six (6) weekdays after receipt of notice of referral and, in the event the parties are unable to agree upon an arbitrator within said six (6) weekday period, the parties shall immediately jointly request the Federal Mediation and Conciliation Service to submit a panel of five (5) arbitrators. Both the City and the Union shall have the right to strike two (2) names from the panel. The party requesting arbitration shall strike the first two names; and the other party shall then strike two names. The remaining person shall be the arbitrator. The arbitrator shall be notified of his/her selection within six (6) weekdays by a joint letter from the City and the Union requesting that he set a time and place for the hearing, subject to the availability of the City and Union representatives.

3.6. Authority of Arbitrator. The arbitrator shall have no right to amend, modify, ignore, add to, or subtract from the provisions of this Agreement. He shall consider and decide only the specific issue submitted to him in writing by the City and the Union, and shall have no authority to make a decision on any other issue not so submitted to him. The arbitrator shall submit in writing his/her decision within thirty (30) days following close of the hearing or the submission of briefs by the parties, whichever is later, provided that the parties may mutually agree in writing to extend such limitation. The decision shall be based solely upon his/her interpretation of the meaning or application of the express terms of this Agreement to the facts of the grievance presented. If the arbitrator acts in accordance with this section, the decision of the arbitrator shall be final and binding.

3.7. Expenses. All costs of arbitration, including the arbitrator's fees and expenses, shall be divided equally between the City and the Union provided, however, that each party shall be responsible for compensating its own representatives or witnesses. Either party desiring a copy of the transcript shall bear the cost of same.

3.8. Processing Grievance. All grievance discussions and investigations shall take place in a manner which does not interfere with the operation of the Fire Department. Any time spent by the Grievance Committee of the Union in discussions or processing grievances at Step 1, 2 or 3 during their working hours, shall not result in loss of earnings or benefits.

3.9. Suspensions, Reductions in Pay or Class, or Removal. Any dispute concerning an employee who has completed his/her probationary period, and who is suspended, reduced in pay, or classification, or removed, shall be processed through the Hearing Examiner procedure governing such appeals, or under this contractual grievance procedure upon the election of the employee within ten (10) days of the event giving rise to the dispute. An election of one procedure shall foreclose any resort to the other procedure. If the employee elects to utilize this contractual grievance procedure, it shall commence at Step 3.

3.10. Probationary Period. Nothing herein shall in any way affect the discretion presently accorded the Fire Chief with respect to employees in their probationary period following hire, or in their probationary period following promotion. It is specifically understood by the parties that the exercise of the Fire Chief's discretion in this regard shall not in any way be subject to the grievance procedure set forth herein.

3.11. Union Grievance Committee. The Union shall appoint a Grievance Committee of not more than three (3) members, and shall notify in writing the Fire Chief and the City Manager's designee for Labor Relations of the name or names of the employee or employees serving on his committee, and of any changes in the members of the committee. The members of this committee may not conduct any investigation while on duty without receiving the permission of the Fire Chief; however, such permission shall not unreasonably be withheld.

3.12. Waiver of Time Limitations. The parties may mutually agree in writing to extend any of the time limitations set forth above for the processing of grievances.

ARTICLE 4

NO STRIKE AND NO LOCKOUT

4.1. No Strike. The parties hereby recognize the provisions of Chapter 447 of the Florida Statutes which define strikes, prohibit strikes, and establish penalties in the case of a strike and incorporate those statutory provisions herein by reference. The parties further agree that the City shall have the right to discharge or otherwise discipline any employee(s) who engage(s) in any activity defined in Section 447.203(6) of the Florida Statutes, at its discretion, provided that an employee may grieve and have arbitrated the question of whether or not he engaged in the prohibited conduct.

4.2. No Lockout. The City will not lock out any employees during the term of this Agreement as a result of a labor dispute with the Union.

ARTICLE 5

MANAGEMENT RIGHTS

It is recognized that, except as stated herein, the City shall retain whatever rights and authority are necessary for it to operate and direct the affairs of the City and the Fire Department in all of its various aspects, including, but not limited to, the right to direct the working forces; to plan, direct, and control all the operations and services of the Fire Department; to determine or change the methods, means, organization, and personnel by which such operations and services are to be conducted; to assign and transfer employees; to schedule or reschedule the working hours, to hire and promote; to demote, suspend, discipline or discharge for just cause, or relieve employees due to lack of work or for other legitimate reasons, subject to the Personnel Rules of the City; to make, change, and enforce reasonable rules and regulations; to change or eliminate existing methods, equipment or facilities; provided, however, that the exercise of any of the above rights shall not conflict with any of the express written provisions of this Agreement.

ARTICLE 6

GENERAL PROVISIONS

6.1. No Discrimination. In accordance with applicable federal, state, and local law, the City and the Union agree not to discriminate against any employee on the basis of any protected classification.

6.2. Union Activity. The City and the Union agree not to interfere with the right of employees to become or not to become members of the Union, and further, that there shall be no discrimination or coercion against any employee because of Union membership or non-membership. It is understood that the Union specifically retains any rights it has arising out of Chapter 447, Florida Statutes, with regard to its representational activities.

6.3. Seniority List. The City shall, on March 1st of each year, prepare a seniority list by time in rank or grade of all employees covered by this Agreement and immediately thereafter post such list in each fire station. Such seniority list shall stand as posted unless an objection is reported to the Fire Chief within forty (40) calendar days after posting.

6.4. Relief at Fire. In the event of a fire or fires, or other emergencies requiring employees to work longer than their regular tour of duty, the officer in charge shall attempt to relieve these employees by the oncoming tour as soon as feasible.

6.5. Exchange of Time. The Fire Chief, or designee may grant a request of any two (2) employees to exchange shifts if the City will not incur any overtime costs as a result thereof.

6.6. Protection of City Property and Equipment. It shall be the responsibility of any employee having custody of any equipment and property to see that it is properly cared for, kept clean, and returned to its place of storage. The City agrees to provide designated areas for the storage of bunker gear.

6.7. Uniforms. The City agrees to provide the following uniforms annually as its expense for the employees covered by this Agreement:

For Combat Division: one (1) dress uniform; three (3) sets of work uniforms; one (1) pair footwear (dress shoes, or boots; employee's choice); two (2) jumpsuits; one (1) work belt; four (4) t-shirts.

For Rescue Division: one dress uniform; three (3) jumpsuits; two (2) sets of work uniforms; one (1) pair of footwear (dress shoes, boots; employee's choice); one (1) work belt; four (4) t-shirts.

For both Divisions: every three (3) years the City shall provide jacket.

The City shall supply one (1) radio holster per radio and shall replace on an as needed basis.

All employees working on day shift shall receive a combination of uniforms as selected by the employee not to exceed the value provide to that of a Rescue Division employee.

All uniformed employees covered by this agreement shall receive \$50.00 per month for uniform cleaning and maintenance.

6.8. Meetings between Parties. At the reasonable request of either party, the Union President, or his/her representative, and the City Manager, or his/her designee for Labor Relations, shall meet at a mutually agreed to time and place to discuss matters of mutual concern.

6.9. Union Time Bank. The IAFF and its designees or other members of the Executive board as determined by the President, shall have the right to conduct union business (under the conditions described in this Section), through the use of a time bank. For each fiscal year, the union time bank shall be 500 hours with the Union President detached. If the Union President elects not to be full time detached then the Union time bank will be 2,996 hours total, covering the contract period October 1, through September 30.

The Union President shall be assigned to the Support Services Division. On an annual basis, at the time of bid, he or she shall make an election to either: (1) be detached full time; or (2) not to be detached and bid an assignment according to seniority. Effective June 1, 2012, the Union President shall not be counted against minimum staffing for staffing purposes. In addition, for

promotional purposes the Union President shall not be counted against the Table of Organization. Unused Union time bank hours, not more than a maximum of 500 hours, shall be rolled over from one contract year to the next. Effective October 1, 2013, the maximum amount of unused Union time bank hours that may be rolled over from one contract year to the next shall be increased to from 500 to 750 hours. Use of the time bank shall be limited to the IAFF Executive Board (any exceptions to this may be granted by the Fire Chief or his/her designee provided that the request shall not be unreasonably denied). No more than two (2) employees per shift may be granted union time bank leave at any one time. The President of the IAFF shall provide a minimum of twenty-four (24) hours notice to the Fire Chief for any leave to be granted. Time for attendance at negotiations for a successor agreement is addressed in Article 7.10 of this Agreement. In addition, administrative time which has been provided in the past (as determined by the Fire Chief), to the President, other members of the Executive Board or other IAFF members, shall to provided for attendance at two (2) mutually agreed upon conferences each year of this agreement and such events shall not be included in the union leave time bank. All other union convention time other than these two conferences shall be part of the union time bank.

6.10. Line of Duty Injuries. The City agrees that the program for payment of medical and hospitalization expenses incurred as a result of injuries in the line of duty, which is currently in effect as set forth in Section 6.15 of this agreement shall be continued.

6.11. Change in Shifts. The City agrees to give employees covered by this Agreement notice prior to any change in shifts, such notice to be at least seven (7) days prior to the change unless circumstances do not permit.

6.12. Fire and Rescue Off Duty Services. It is recognized that members of the bargaining unit are offered the opportunity from time to time to perform services utilizing their expertise and training for the benefit of private persons or entities, or public organizations or entities other than the City of Miami Beach. In such cases, the rate for the performance of these off-duty jobs shall be at a uniform hourly rate established by the Fire Chief in consultation with the President of the Union. The parties recognize and agree that the performance of these off-duty jobs or details do not constitute employment by the City of Miami Beach and that payment for these services will be made by and is the responsibility of, the other employer. Performance of this work shall be on a voluntary basis and there shall be lists of persons who wish to volunteer established on a basis which is mutually agreeable to the Chief and the President of the Union.

Pay for off-duty services is pensionable subject to the cap provisions set forth in Section 7.24. Off-duty hours worked do not count as hours worked for purposes of computing overtime.

6.13. Promotional Examinations and Appointments.

- A.** Upon ratification, all current Fire Captain and Fire Lieutenant promotional lists shall expire on February 28, 2015. All future promotional lists shall remain active for a period of thirty (30) months, effective with the March 1, 2015 lists, from the effective date of each list. Promotional examinations for the position of Fire Captain and Fire Lieutenant will be given at least once every thirty (30) months, in such fashion as to provide continuously active promotional lists. The City agrees to begin the process no later than nine (9) months prior to expiration of the lists. In the event that a promotional examination is delayed, the eligible candidate for that examination shall be those candidates who would have been eligible had the examination been administered in proper sequence. The promotional list developed from a delayed promotional examination shall be retroactive to the date of the expiration of the previous promotional list and shall expire thirty (30) months from the retroactive effective date.
- B.** In the absence of an active promotional list, if there is a budgeted promotional vacancy that the City intends to fill, the City will temporarily fill the budgeted vacancy through temporary assignments. Personnel used to fill budgeted vacancies through temporary appointments shall be selected from the expired promotional list, shall be assigned for a period not to exceed ninety (90) days, and shall receive all appropriate wages and benefits afforded the position for the duration of their temporary assignment. Except in cases of exigent circumstances (i.e. hurricanes or other acts of God and delay of process by other parties), where it is clear that through no fault of its own the City fails to provide a promotional examination and eligibility list at the time of expiration of the prior list, any promotional appointments to vacancies created during the period when no eligibility list existed shall be retroactive back to the date of the vacancy. The City shall provide retroactive compensation and seniority to those individuals who are so appointed. However, in cases where a vacancy occurs and the current eligibility list has been exhausted with no eligible candidates remaining to be appointed to a vacancy, the promotion, compensation and seniority of an eligible candidate off the new promotional

list shall be retroactive back to the first day following the expiration of the previous list, subject to the conditions above.

- C. A list of authoritative sources from which technical knowledge for the behavioral assessment component and the written test questions will be compiled by a Book Committee consisting of the Human Resources Director, Fire Chief, the Union President and the test developer or their designees, along with two incumbents, one designated by the Fire Chief and one designated by the union president. Without exception, no member of the Book Committee shall be a candidate for the promotional examination for which the list is compiled. These committee members will be responsible for the authoritative sources for Fire Lieutenant and Fire Captain promotional processes. It is the intent of the City and Union that all sections of the promotional processes will be complete with standing lists ready to post upon expiration of the current three (3) year lists. At least ninety (90) days prior to the scheduled date of the written promotional examination; a final notice will be posted containing a list of authoritative sources from which the technical knowledge, for the behavioral assessment component and the written test questions will be drawn. The technical knowledge for the behavioral assessment component shall be based on written standard operating procedures (SOP)/ standard operating guidelines (SOG) that are job related and rank specific selected by the established Book Committee and/or agreed upon authoritative sources.
- D. Candidates meeting the time in grade service requirements on the date the register expires are eligible to apply to take the promotional examination for their next higher rank. All Firefighter I's who on the date the register expires have five (5) years of seniority from their date of appointment to Firefighter I, are State certified paramedics, and have performance evaluations of satisfactory or above for the preceding twenty-four (24) month period shall be eligible to take the Fire Lieutenant test. All Fire Lieutenants who on the date the register expires have three (3) years regular status from their date of appointment as Fire Lieutenant and have performance evaluations of satisfactory or above for the preceding twenty-four (24) month period shall be eligible to take the Fire Captain's test. For the Fire Captain and Fire Lieutenant promotional process, an Associate's degree or equivalent in Fire Science, Fire/Business/Public Administration, or a closely related area from an accredited college or university may

substitute for one (1) year of experience (five (5) semester credits equals one (1) month experience). Coursework meeting the State Fire Marshall's requirements for the "Firefighter Supplemental Compensation Program" (Florida Statutes 633.382) will be acceptable. All applicants must have a valid Florida driver's license. Applicants must, in all cases, apply on or before the application cutoff date and time in accordance with Personnel Rules.

- E. There shall be at least two (2) post-test review/scoring sessions conducted on separate days and occurring within fourteen (14) calendar days of the administration of the written examination. Each examinee will review their results when off duty, and will be able to review a copy of his own answer sheet and the scoring key (for use only during the review session) containing the correct response, the name of the reading source and the location from which each test question was drawn. Challenges will be written and submitted to the test developer during the post-test review sessions. The test developer, the City's Manager's designee for Human Resources and the Union President or his designee shall conclusively decide all challenges by a majority vote.

Upon completion of the determination of a score for the behavioral assessment component of the examination, each examinee shall be furnished with their result. Each examinee may review his behavioral assessment component of the examination at a post-test review session for a time period of twice the duration of the behavioral assessment component of the examination. Each examinee will review their results when off duty. Challenges regarding the behavioral assessment component must be in writing and submitted to the test developer either during the post-test review session, or at an optional challenge session scheduled within ninety-six (96) hours of the post-test review session. There will be no review of the behavioral assessment component during the optional challenge session. However, an applicant can review their individual behavioral assessment component during the post-test review and submit challenges during the optional session. Applicants may not take any written notes or test materials from the post test review. The test developer, the City Manager's designee for Human Resources and the Union President or his designee shall conclusively decide all challenges by a majority vote. For each examinee who submitted a challenge, each examinee's own challenge and response will be available no later than eight (8) weeks after the date of the optional challenge session.

F. For written promotional examinations for Fire Lieutenant, and Fire Captain, the raw passing score will be seventy percent (70%) after all challenges have been resolved by the test developer. Assessment components will be used for promotions to Fire Lieutenant and Fire Captain. After consultation with the Union President, the City will select an independent, qualified service provider to furnish and administer validated behavioral assessment components that are mutually agreeable to the parties. The City will offer behavioral assessment component preparation, orientation, and overview to all qualified applicants. The written examination given for Fire Lieutenant and Fire Captain will constitute fifty percent (50%) and the behavioral assessment components will constitute fifty percent (50%) of the examinee's combined score. Promotional test results will be expressed as percentage points. For Fire Lieutenant and Fire Captain promotional processes, seniority and education percentage points, in accordance with the following specifications, will then be added to the combined score after the candidate has successfully passed all components for the promotional examination. Veteran's Preference points will be added (after the addition of seniority and education percentages points in accordance with state law).

Fire Lieutenant/Fire Captain:

(Written Examination Raw Score *0.50) + (Behavioral Assessment Component Score *0.50 + Education points + Seniority points + Veterans Preference Points = Final Score.

For example: a candidate achieved a 76% score on the written examination, achieved a 68% score on the behavioral assessment component, achieved the maximum points in both the education and seniority areas, and had no Veterans' Preference points. The calculation of the candidates' score would be as follows:

$$(76 * 0.5) + (68 * 0.50) + 3.6 + 2.4 + 0 = 78.0$$

PROMOTIONAL CREDIT

Promotional credit shall be limited to a maximum value of six (6) points, divided between two (2) components – seniority and education.

Seniority

Seniority shall be determined using the following formula:

Lieutenant: $LS \times 0.36 = S$

Captain: $LS \times 0.24 = S$

LS shall be defined as length of service with the Miami Beach Fire Department. S shall be defined as Seniority and shall be given a maximum value of 3.6 points.

Education

Education shall be determined using the following formula:

College credit hours non-related (CCNR) x .01 = _____ (max 1.2)

College credit hours related (CCR) x .02 = _____ (max 1.2)

Associate degree in EMS or FS @ 1.2 _____ (max 1.2)

Associate degree in EMS or FS plus additional CCNR or CCR _____ (max 2.4)

Bachelor degree in EMS or FS @ 2.4 _____ (max 2.4)

Paramedic Certification @ .84 _____ (max .84)

The paramedic certification will not be counted as either technical training hours or college credit hours and will be assigned a value of .84 percentage points. College credit hours non-related (CCNR) shall be credit hours documented by transcript or other acceptable evidence from an accredited college or university not related to the degree track for a degree in Fire Science (FS) or Emergency Medical Services (EMS) as designated from an accredited college or university. College credit hours related (CCR) shall be credit hours documented by transcript or other acceptable evidence from an accredited college or university in the degree track for that college or university's Fire Science (FS) or Emergency Medical Services (EMS) degree program excluding credits earned as part of the paramedic program. College credit hour values are based on semester hours and will be pro-rated for other systems (trimesters, quarters, etc.) Associate degree in Fire Science (FS) or Emergency Medical Services (EMS) shall be a degree received from an accredited college or university with supporting transcript or other acceptable evidence. Bachelor degree in Fire Science (FS) or Emergency Medical Services (EMS) shall be a degree received from an accredited college or

university with supporting transcript or other acceptable evidence. Only one degree, either associate's or bachelor's, shall count toward educational credit, however, additional credit hours may be added to the associate degree up to the maximum allowed value, with related and non-related definition as set forth above.

In order to accurately reflect promotional points for all documents submitted, the City will assign mandatory individual appointments for each promotional applicant for document submission and review. The deadline for submission for all documents required to substantiate the educational promotional credit will be 5:00 p.m. fourteen (14) calendar days after the pass/fail notification is provided by Human Resources to Fire Administration. All applicants must be present during the entire document review process to confirm documents and answer questions. Applicants must submit the Promotional Credit Formula (above) for each document that they would like considered. Stapled to the back of each Promotional Credit Formula **must** be an *original or certified copy* of each document the candidate would like considered. Each attachment must indicate the number of college credits the course is worth. The applicant may verify hours by a) indication on a certified transcript, b) indication on the certified copy of the certificate or c) an official letter from the institution stating the hours. If the hours are not indicated in one of these ways, the certificate will not be included for any point calculation. All documents must also include the course title, and the date the course was completed.

Credit hours may not be counted twice. Therefore, classes that were counted towards a degree may not be used again as either technical or college credit hours.

A promotional list for each promotional process will then be created listing examinees in descending numerical order of final score including any education, seniority or Veterans' Preference calculations. The Fire Chief will appoint from these promotional lists. Skip-overs may result from an examinee being rated unsatisfactory in two (2) or more evaluations within the last twenty-four (24) months; being issued three (3) or more written reprimands/suspensions within the last twenty-four (24) months; serving under a Last Chance Agreement; or being physically/mentally unqualified to perform the essential functions of the position.

Promotions shall be made by rank order provided that the ranking examinee's documented performance and/or discipline history are not significantly inferior to that of the next ranking candidate.

The IAFF shall facilitate participation of bargaining unit employees in providing information in order to conduct the job analyses and develop the tests within the time frames requested by the process; provided that such participation shall be on duty time.

The parties agree to review the formula for promotional credit and to implement such revisions as the parties may agree upon in writing.

6.14. Light Duty Assignments. If an employee is temporarily unable to perform the essential functions of the employee's job classification due to a non-job related injury/illness, he may make a written request to the Fire Chief for a light duty assignment. The Chief shall determine if there are any necessary functions which could be performed by a light duty employee. If there are such opportunities, the Chief shall inform the employee in writing of any light duty assignments and the physical capabilities required for their performance.

The employee shall present this light duty assignment information to his/her treating physician and obtain, at his/her expense, a written evaluation of his/her capacity to perform the functions of the assignment. The medical evaluation must be in sufficient detail to satisfy the Chief. The Chief reserves the right to a second opinion from a City-appointed physician. The establishment, duration, work hours, and content of light duty assignments are at the sole discretion of the Fire Chief and may be modified or ended at any time.

6.15. Injury Service Connected (ISC). For two (2) sixteen (16) week periods, the City agrees to compensate any member of the bargaining unit with the difference between the weekly disability Workers' Compensation benefit received or which the employee is entitled to receive, and his/her regular rate of pay for any time lost from work due to a service-connected injury. "Service-connected injuries" shall be defined as injuries sustained under the following circumstances:

- a) while on duty and entitled to be paid by the City; or

- b) while reasonably exercising Firefighter functions within the City limits of Miami Beach while off duty; or while working a departmentally sanctioned off-duty job; or
- c) while exercising Firefighter functions when there is a physical danger to a person and the employee takes reasonable action off duty in Miami Dade County, Monroe County, Broward County, or Palm Beach County, excluding any injury incurred while performing duties as a member of any other fire or emergency service; or
- d) when operating a City vehicle, being duly authorized to do so by the City; or while on a reasonably direct travel route to or from work and home in their private vehicle while within the City limits; or
- e) while participating in organized fire service training that is approved in writing by the Fire Chief after consultation with the City Manager's designee for Risk Management.

In the circumstances described above (sub-paragraphs a through e), the City agrees that it is and will consider itself the employer and the employee the City's employee.

After the advice and comments of the Fire Chief and the IAFF President, the City Manager, at his/her sole discretion, may extend the above described ISC payments beyond thirty-two (32) weeks. This decision is not subject to grievance or arbitration. The approvals for receipt of this compensation as presently required shall be continued. The Union and the City agree to meet to discuss options and alternatives to the current ISC practices to cure abuses (if found), and ensure streamlined and efficient provision, administration, and use of ISC.

6.16. Jury Duty. Bargaining unit personnel who are summoned to jury duty shall be covered by the following:

- a) Personnel who are released from jury duty and who are not required to return for jury duty the following day will be required to report to work and complete the remainder of their assigned tour of duty.
- b) Personnel who are required to return to a jury pool or to jury duty on the date following their scheduled shift will be allowed to take off the second half of their

assigned shift (8:00 p.m. to 8:00 a.m.) without being charged to annual leave or sick leave time. If the employee is released from jury duty before 5:00 p.m., he/she is required to return to his/her regularly scheduled shift.

6.17. Reduction in Work Force. For the term of this Agreement, there shall be no layoffs or demotions of bargaining unit members except for disciplinary demotions, suspensions, or terminations, which are not included for the purposes of no layoffs or demotions.

6.18. Infectious Disease Presumption. Any condition or impairment of health caused by Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS), Hepatitis, Pulmonary Tuberculosis or Meningococcal Meningitis shall be presumed to have been accidental and to have been suffered in the line of duty unless the contrary be shown by competent evidence. The City will maintain a confidential list of employees who have taken the required medical examinations. Employees will be added to the City's confidential list subject to the following conditions:

- a. New hires shall acquire the presumption entitlement after completing a pre-employment or post conditional offer of employment medical exam that tests for and fails to reveal any evidence of AIDS, Hepatitis, Pulmonary Tuberculosis, or Meningococcal Meningitis.
- b. Employees who refuse to take the pre-employment or post-offer testing related to presumptions mentioned in this Section shall not be eligible for the presumptions.

6.19. Seniority Bid System. It is understood by the parties that the current bid system in effect at the ratification of this agreement shall remain in effect. Any change to the bid system will be agreed upon through the Labor Management process.

6.20. Minimum Staffing. It is agreed that the staffing of the Department shall be in accordance with the minimum staffing ordinance of the City which may be amended from time to time in the City's discretion, subject to the Union's right to request impact bargaining as provided under Article 13 of this agreement.

ARTICLE 7

WAGES AND FRINGE BENEFITS

7.1. Wage Increases.

- a. Effective with the first pay period ending in October of 2012, there shall be no across-the-board wage increase.
- b. Effective with the first pay period ending in October of 2013, there shall be no across-the-board wage increase.
- c. Effective with the first pay period ending in October of 2014, there shall be an across-the-board wage increase of three percent (3%).
- d. Merit and longevity increases shall become effective on the payroll period commencing nearest the effective date, provided that the employee's performance has been rated as satisfactory for the prior year.

7.2. Suppression Division. One (1) Firefighter I or Firefighter II, also certified as an Air Room Technician, per shift (for a total of three (3) employees), shall be assigned to the Suppression Division. The three (3) employees assigned as Air Room Technicians shall receive 2.5% Air Room Technician incentive pay. Effective on or after February 1, 2012, with the bid change, in addition to the Firefighter I (DE) regularly assigned driver to Station 2, there shall be one additional Firefighter I (DE) certified as an Air Room Technician assigned to Station 2 per twenty-four (24) hour shift, for a total of three (3) employees. Each one of the three (3) twenty-four (24)_hour shift employees shall be assigned to the Support Services Division (1240), and also be entitled to the five percent (5%) driver/engineer incentive pay.

7.3. Assignment Pay. Any employee assigned outside of 1210 (Suppression Division) will received 10% assignment pay.

The only exception to this will be twenty four hour (24 hour) shift officers (i.e., Lieutenants and Captains) assigned to the Rescue Division (1220), who shall receive five percent (5%) assignment pay effective September 30, 2012.

7.4. Paramedic and EMT Pay. Employees who hold a Paramedic certificate shall receive a ten percent (10%) supplemental calculated on their base pay. Employees

who hold an EMT certification shall receive a one and one half percent (1.5%) supplemental calculated on their base pay. Employees shall not receive pay supplements for both EMT and Paramedic certifications.

7.5. Certification Pay. In addition to “assignment pay” stated in Section 7.3, and Paramedic/EMT pay stated in Section 7.4, the following divisions will provide certification pay:

A. Fire Prevention Division:

1) Employee shall receive an additional five percent (5%) supplement upon receipt of a State Fire Inspector Certificate and shall continue to receive such supplement until the Certificate expires, regardless of his/her divisional assignments. Employees shall remain solely responsible for maintaining a State Fire Inspector Certificate, unless assigned to the Division. Such costs involved in maintaining a State Fire Inspector Certificate shall remain the responsibility of the employee.

2) In order to bid into the Fire Prevention Bureau, employee must possess a current State Fire Inspector certification.

B. Support Services Division: Employees shall receive an additional two and one-half percent (2½%) supplement upon receipt of a State Fire Instructor Certificate and shall continue to receive such supplement until the Certificate expires, regardless of his/her divisional assignment. Employees shall remain solely responsible for obtaining and maintaining a State Fire Instructor Certificate, unless assigned to the Division. Such costs involved in obtaining and/or maintaining a State Fire Instructor Certificate shall remain responsibility of the employee.

7.6. Paramedic Training.

For the purpose of this program, the focus will be on bargaining unit personnel who were hired on or after March 30, 1987. Seniority in rank will be the initial factor used to determine selection of students that will be allowed to apply to Miami-Dade College or other designated educational institution for acceptance into their paramedic program. The department will allow a minimum of two (2) bargaining unit personnel to enroll in

the program each year. However, this number may be increased at the sole discretion of the Fire Chief, based upon staffing requirements, budget, class availability, etc. The Fire Chief will also determine the appropriate number of bargaining unit employees within each rank that will be considered for enrollment. The City will pay for the paramedic course, lab fees, required textbooks, and related medical exam and vaccinations.

Prior to the beginning of the school semester, bargaining unit personnel who have been accepted into the program will be transferred to a shift that allows them the opportunity to attend required classes on duty. This attendance will be governed by policies developed by the Fire Chief, including but not limited to, dress code, travel time, schedules, etc. The Fire Department shall not be responsible for additional on-duty time or expenses for bargaining unit personnel who are required to repeat portions of the paramedic course for graduation.

Bargaining unit personnel eligible for participation in this program will be allowed to submit a written request for a one-time deferment upon notification by the Fire Chief that they are being processed for the next available class. Any requests for deferment must be directed to and received by the Fire Chief within fifteen (15) days from the date of notification to ensure that there will be an adequate number of students available for entry into this program.

An employee granted a deferment will not be considered eligible for participation for a period of one (1) year from the date of deferment, at which time he/she will be required to make application to Miami-Dade College or other designated educational institution for acceptance into the next available Paramedic Training Program.

While attending paramedic school, bargaining unit personnel will not be permanently assigned to any division that would require payment above base salary. For example, personnel will not be permanently assigned to the Fire Rescue Division, Fire Prevention Division, or the Support Services Division. However, they may be assigned temporarily as the need arises.

7.7. Driver Incentive Pay:

- a) Effective on June 1, 2011, there shall be a Driver Engineer (DE) incentive pay established. In order to be eligible for the Driver Engineer incentive pay, a Firefighter I shall successfully complete Fire Apparatus/Equipment and Fire Hydraulics/Equipment courses or similar curriculum. Those Firefighter I employees who meet these qualifications and are assigned to the Suppression Division (1210) as a Driver Engineer who bid into the Driver Engineer assignment pursuant to the annual bid process shall receive a five percent (5%) Driver Engineer incentive pay.
- b) Effective September 30, 2012, any Firefighter I assigned to the Rescue Division (1220) shall receive a three percent (3%) driver incentive pay.

7.8. Work Out of Classification. When the City assigns a Firefighter I, Firefighter II, Lieutenant, or Captain to work in a higher position for more than one hour, he/she shall receive an increase of two dollars (\$2.00) per hour for all hours during which the assignment continues on that shift.

After the implementation set forth in Section 6.21, no Firefighter I shall be assigned to work out of class as a Fire Lieutenant on a Combat Unit unless he/she is on an active Fire Lieutenant promotional list. A Firefighter I may be assigned to work out of class as a Fire Rescue Lieutenant provided that any Firefighter I on an active Fire Lieutenant promotional list has the right of first refusal.

After the implementation set forth in Section 6.21, no Firefighter I shall be assigned to work out of class as a Driver Engineer unless he/she meets the qualifications set forth in 7.7 (a).

No probationary employee shall be assigned to work out of classification.

7.9. Overtime. Any member of the bargaining unit required to perform work outside of his/her normal shift shall receive pay at time-and-one-half their current hourly rate. Hourly rates shall be determined using the definitions in Article 7.16, Hours of Work. Upon implementation of the new average pay period provision for 24-hour shift personnel, all vacation and sick leave accrual rates and existing accrued amounts for

24-hour shift personnel shall be revised to reflect this change (i.e. 1.5 hours for each hour).

The Fire Chief will make available to the International Association of Fire Fighters, Local 1510 (IAFF) a report or the database of the overtime worked by the bargaining unit members. Such information will be furnished to the IAFF on an as needed basis.

7.10. Call-in Guarantee. A member of the bargaining unit who is called in to work outside of his/her normal shift will be guaranteed four (4) hours of pay to be computed at the rate of time-and-one-half, except when contiguous to the employee's regular schedule. If a call-in occurs on a holiday, the member will receive holiday pay for the four (4) hour guarantee and all additional hours worked on the holiday. If an employee does not perform available work as assigned, he shall not be entitled to any pay.

7.11. Holidays. The following holidays shall be granted to all members of the bargaining unit accordingly:

<u>Holidays</u>	<u>Designated Date</u>
New Years Day	January 1 st
Martin Luther King, Jr. Day	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	1 st Monday in September
Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday in November
The Day after Thanksgiving	4 th Friday in November
Christmas	December 25 th
Employee's Birthday*	
Three (3) Floating Holidays**	

* Birthday shall be twenty-four (24) hours for 24-hour shift employees and eight (8) or ten (10) hours for 8/10 hour shift employees.

** Three (3) floating holidays of ten (10) hours or eight (8) hours for 8/10 hour shift employees, and two (2) 24-hour floating holidays for 24-hour shift employees.

- a. Floating holidays are to be selected by the employee, subject to the Fire Chief or designee's approval, during each 26 pay period year.
- b. Bargaining unit members shall be eligible to use Floating Holidays and Employee Birthday after six (6) months of continuous employment with the City.
- c. 8/10 hour shift employees get the same holidays as other City Employees.
- d. Bargaining unit members shall receive holiday pay (double time) for all hours worked on holidays. Double time pay does not apply to 24-hour shift employees, except when working overtime on a Holiday.
- e. Any additional holidays so designated by official action of the City Commission shall be added to the above list.
- f. Twenty-four (24) hour shift personnel whose R day or regular day off falls on a holiday will receive pay for nine (9) hours at the employee's regular straight time rate of pay. The shift that is ending at 8 a.m. on the holiday and the shift that starts at 8 a.m. on the holiday, shall both receive nine (9) hours holiday pay at the regular straight time rate of pay. Effective April 1, 2015, the aforementioned nine (9) hours of holiday pay shall be reduced to six (6) hours of holiday pay at the regular straight time rate of pay.

7.12. Vacation Benefits. Consistent with applicable ordinances, the vacation benefits presently enjoyed by the employees covered by this Agreement shall continue for the term of this Agreement.

7.13. Negotiation Pay. The Union's Negotiation Committee, said Committee shall be composed of not more than five (5) members of the bargaining unit selected by the Union. Four (4) committee members, not more than two (2) of whom are on the same tour of duty, shall be allowed time off with pay to participate in any negotiations conducted pursuant to Chapter 447 of the Florida Statutes on any day or days on which negotiations are held during their regularly scheduled tour of duty. Employees shall not be paid for time spent in negotiations on off-duty days. The Union shall notify in writing the Fire Chief and the City Manager's designee for Labor Relations of the names of the members of the Negotiations Committee and of any changes in the members of said Committee.

7.14. Sick and Vacation Leave Accrual and Maximum Payment of Termination.

The present policy concerning sick leave (including the policy for payment upon termination, retirement, or death), accrued sick and vacation time combined, up to a maximum of one year's salary, shall continue for all employees hired before October 1, 1978.

Effective October 1, 1978, all new employees covered by this Agreement shall, under applicable ordinances, rules and regulations, be allowed no accumulation of vacation leave, except in accordance with provision for postponement of vacation leave as set forth in Article 7, Section 7.10, of this Agreement; be permitted to transfer sick leave in excess of 360 hours to vacation leave at the rate of two days sick leave to one day vacation leave to be used in the pay period year when transferred. The Must Use Cap on vacation accrual is 460 hours (690 for 24-hour shift employees).

Employees shall be entitled to schedule and use at least one year's worth of their annual leave per year, if they participate in the Fire Department's vacation leave application process in a timely manner.

Effective with the first pay period ending in October of 2006, the maximum amount of accrued, combined sick and vacation leave paid upon retirement, termination or death shall not exceed 820 hours for non-shift personnel and shall not exceed 1,230 hours for 24 hour day shift personnel.

The value of the combined accumulated sick leave hours and vacation hours upon termination, retirement or death shall be one hundred percent (100%), up to the maximum as stated above.

7.15. Sick Leave Sell Back Program. An annual sick leave sell back program, payable on a dollar for dollar basis, has been established and implemented as stated in this section, effective October 1, 2013. The annual sick leave sell back periods shall cover each of the following fiscal years: October 1, 2013, through September 30, 2014; and October 1, 2014, through September 30, 2015. Payments for each annual sick leave sell back period will be made in the last pay period in November after the closing of the

applicable sell back period. The sick leave sell back program, inclusive of all provisions stipulated in this section, shall terminate on the expiration date of this Agreement.

The sick leave sell back program will allow qualified employees to sell back their annual sick leave accrual during the sell back period, minus any sick and emergency vacation leave utilized during the same period, to be reduced on an hour for hour basis. Leave utilized under the Family and Medical Leave Act (FMLA) shall not reduce the sick leave sell back amount.

In order to qualify for participation in the sick leave sell back program, employees must: (1) Have been employed by the City throughout the entire sick leave sell back period being measured; and (2) Maintain at least four hundred (400) hours of combined accumulated sick and vacation leave, after each sell back date, for shift personnel, and three hundred (300) hours for non-shift personnel. The sick leave hours sold back as part of this program cannot cause the employee's accumulated sick and vacation leave to descend below the aforementioned minimum established thresholds.

7.16. Hours of Work.

- a. The average pay period for twenty-four (24) hour shift personnel covered by this agreement will be 96 hours in a 14 day period and the three (3) shift (A,B,C) schedule of twenty four (24) hours on duty and forty eight (48) hours off duty shall continue for the duration of this agreement. Every seventh shift, currently known as an R-day, shall be a day off so as to comply with the average pay period described above.
- b. The average pay period for 8/10 hour shift personnel covered by this agreement shall be eighty (80) hours in a fourteen (14) day period, with scheduled shifts consisting of eight (8) ten (10) hour or ten (10) eight (8) hour days per pay period. 8/10 hour shift personnel shall not be eligible to receive or accrue R-days.

7.17. Health Trust Contributions:

For Calendar Year 2013, the City's monthly contributions are:

Single:	\$ 482.92	(\$ 464.38 Medical + \$17.54 Dental)
Emp. + 1:	\$1,174.15	(\$1,139.95 Medical + \$34.20 Dental)
Family:	\$1,191.80	(\$1,139.95 Medical + \$51.85 Dental)

On a monthly basis, the City will be provided with the actual premium cost to the Florida Firefighters Insurance Trust Fund (herein after referred to as TRUST) as determined by its qualified consultant with those supporting documents reflecting the TRUST'S costs per participant. This actual cost shall include all liabilities of the TRUST inclusive of administrative fees, claims costs, reserves and stop loss not to exceed the maximum expense to the TRUST and supporting this annual percentage increase.

The City's annual calendar year contribution will be based on a true-up process as described below. (It is understood and agreed that the numbers used in the foregoing examples are fictional and for illustrative purposes only.)

Example #1: Trust's actual calendar year percentage premium increase is less than the City's actual contribution – a refund is calculated:

If the City's actual monthly contribution exceeds the TRUST'S monthly premium contribution, then the difference shall be recorded and refunded to the City by reducing the City's first following calendar year premium payment to the TRUST by the total amount of the dollars to be refunded. This refund will be based on the dollars determined each month. In addition, the City's base premium rate will be adjusted to reflect this annual percentage decrease in cost. The City's premium rate for December of the preceding calendar year will be adjusted to reflect this percentage decrease in premium cost and then the City's current straight line average increase will be added to this base premium.

1. City's monthly contribution for calendar year 2006 = \$100,000/month
2. City's monthly contribution for calendar year 2007 = \$106,000 (2006 average straight line increase 6%)
3. Trust's actual monthly premium for calendar year 2007 = \$104,950.50 (this is 1% less than #2)

4. Therefore, the City overpaid the Trust by \$1,049.50 each month, which means the City would receive a credit of \$12,594 ($\$1,049.50 \times 12$) to be taken off of the first premium contribution in 2008.
5. The City's straight line average for 2008 has been set at 6%.
6. Before adding this new straight line average of 2008, the current monthly contribution will need to be adjusted to reflect the true costs of 2007 (Dec 06 base premium + 5% (The true increase for TRUST in 2007)). This establishes the new base premium for 2007.
7. Therefore, the City's monthly contribution for 2008 would be $\$105,000$ (2007 adjusted premium) \times 6% (2008 straight line average) = \$111,300

Example #2: If the payments made by the City to the TRUST do not exceed the actual increase for prior year, then there will be no reduction made in the current year.

Trust's actual calendar year percentage premium increase is greater than the City's actual contribution – no refund is calculated:

1. City's monthly contribution for calendar year 2006 = \$100,000/month
2. City's monthly contribution for calendar year 2007 = \$106,000 (2006 average straight line increase 6%)
3. Trust's actual monthly premium for calendar year 2007 = \$110,000 (this is more than the City's actual payment)
4. Therefore, the Trust's premium was more than the City's actual contribution for 2007. No credit is due to the City and there will be no monies deducted from the first premium in 2008.
5. There will be no reduction to the City's current monthly contribution.
6. The City's straight line average for 2008 has been set at 6%.
7. The 2008 rate will then be determined as follows:

$$\$106,000 \text{ (2007 rate)} \times 6\% \text{ (2008 straight line average)} = \$112,360$$

Example #3: If the payments made by the City to the TRUST are equal to the actual increase to the TRUST for the prior year, then there will be no reduction made in the current year.

Trust's actual calendar year percentage premium increase is equal to the City's actual contribution – no refund is calculated:

1. City's monthly contribution for calendar year 2006 = \$100,000 month
2. City's monthly contribution for calendar year 2007 = \$106,000 (2006 average straight line increase 6%)
3. Trust's actual monthly premium for calendar year 2007 = \$106,000
4. Therefore, the Trust's premium was equal to the City's actual contribution for 2007, no credit is due to the City and there will be no monies deducted from the first premium in 2008.
5. There will be no reduction to the City's current monthly contribution.
6. The City's straight line average for 2008 has be set at 6%
7. The 2008 rate will then be determined as follows:

$$\$106,000 \text{ (2007 rate)} \times 6\% \text{ (2008 straight line average)} = \$112,360$$

If the City's renewal rate if flat, or a negative percent, then there will be no change made to the City's annual calendar year contribution to the TRUST.

The City's contribution amount will help fund the level of benefits provided by the current plan as of the date this contract is signed* and will help fund the level of benefits provided by the TRUST not to exceed the maximum expense to the TRUST for said benefits. If plan design changes cause an increase in the TRUST'S monthly premium, the City is not required to increase its contribution as a result of the plan design change. The City shall be notified in writing of all plan design changes within thirty (30) days of the effective date of any proposed change.

Deadlines:

- a. First Week of Each Calendar Month:

Monthly premium billing reports shall be provided from the TRUST to the City Manager's designee for Labor Relations and Human Resources/Benefits Administration no later than the 1st week of each calendar month the premium is due. This premium

billing report shall reflect the monthly premium costs based on the claims experience and administrative costs of the TRUST as determined by its qualified consultant and documents reflecting the TRUST'S costs per participant per month for administrative fees, claims costs, stop loss and reserves supporting the annual percent increase, and shall be broken down by average for that month per participant.

b. In addition, the City of Miami Beach Firefighters Insurance Trust Fund shall provide the financial statements from the TRUST CPA reflecting Miami Beach's actual premium contributions for the prior calendar year to the City Manager's designees for Labor Relations and Human Resources/Benefits Administration. Audited financial reports will be provided as soon as available each calendar year.

c. The City Manager's designee for Labor Relations will provide the final renewal rates to the Miami Beach Firefighters Insurance Fund prior to the beginning of the new plan year.

d. The City's designees for Labor Relations and Human Resources/Benefits Administration will be notified of the annual meeting at which benefit changes are under consideration and the City shall be allowed to send representatives to that meeting. Also, any consulting reports analyzing benefit changes will be provided to the City for the purposes of that meeting.

*Upon ratification of this agreement, the parties shall supply each other with the current plan designs in effect for calendar year 2013.

**The straight line average is defined as the total of the percentage increase in premium for each of the City's medical plan options divide by the number of the City's medical plan options and in the same manner for dental plans.

In addition:

- a) For all current retirees and active employees on the payroll as of the date of ratification of this contract, all employees presently in the DROP, and all eligible dependents under the current eligibility rules, the City contribution for those current retirees and current employees who

become future retirees for health coverage shall be equal to the City's Health Trust contribution formula for active employees. Furthermore, the contributions for those current retirees and current employees who become future retirees and their eligible dependents shall be no less than the current value of the contributions for active employees and their eligible dependents. This agreement shall be reduced to writing and made individual contracts and shall be vested benefit throughout retirement.

- b) Employees hired after the ratification of this Agreement who elect to be covered by the Firefighters Plan to the extent they choose to have medical benefits provided to them and their dependents during retirement shall receive a health insurance stipend in lieu of a City contribution to the Trust on behalf of those employees after their retirement. The stipend shall be a monthly payment equal to twenty-five dollars (\$25) per month of each year of service, subject to an annual increase based on the Miami-Ft. Lauderdale all urban consumer CPI as of September 30th of each fiscal year.
- c) All members of the bargaining unit who have worked at least ninety (90) days from date of appointment will not be covered by City-provided medical and dental benefits and will instead be covered by the Florida Firefighters Insurance Trust Fund (Firefighters Plan). Covered employees if they choose, will have the options of coverage as set forth in that Plan. Non-bargaining unit State certified firefighter employees in the Fire Department have the option of coverage under the City-provided plan or Firefighters Plan, but not both, provided they meet the TRUST's eligibility as defined in the plan document.
- d) All members of the bargaining unit who were members of the Union on September 1, 1986, and who retire on or after October 1, 1986, and non-bargaining unit employees who opt for the Firefighters Plan and who retire on or after October 1, 1986, shall be covered by the

Firefighters Plan to the extent they choose to have medical benefits provided to them and their dependents during retirement.

- e) The City shall be provided with a copy of the Firefighters Plan booklet and the Trust Agreement, and any other information required by law and shall be apprised of any changes in the Trust Agreement and/or Plan benefits.
- f) Employees covered by this Agreement who retire, or are terminated by the City must be vested in the Police/Fire pension plan at the time of such retirement, resignation or termination in order to receive a contribution by the City towards his/her health insurance premium after such retirement, resignation or retirement.
- g) Employees in the bargaining unit shall be eligible to participate in the City's voluntary benefits plan, which may be modified by the City from time to time. The voluntary benefits plan shall be administered by the City.
- h) Effective the first pay period ending in October of 2013, all employees covered by this agreement shall contribute twenty-five dollars (\$25.00) biweekly to the Post Employment Health Program (PEHP). Upon separation of employment from the City, employees covered by this agreement shall contribute ten percent (10%) of their accrued leave payouts toward the PEHP. Any and all fees/costs associated with administering the PEHP shall be incurred by the plan participants. In no event shall the City incur any costs.
- i) Effective upon ratification of this agreement, and for so long a period as the federal tax code imposes a heavier tax burden upon City employees with domestic partners who elect to receive family medical and dental coverage over that of their married counterparts, the City will reimburse those employees with domestic partners who pay this heavier tax burden by adding to their biweekly pay the additional amount withheld from the employees' pay and the amount of the additional tax assessed

by the federal government upon this reimbursement. Reimbursement under this subsection shall not be considered to be pensionable income. In order to qualify, eligible employees must have registered domestic partnerships in accordance with the applicable provisions of the Miami-Dade County Code of Ordinances and the City of Miami Beach Code of Ordinances.

7.18. Recertification. Time spent while off duty in classroom (including the test) or lab settings to obtain recertification in accordance with State of Florida requirements is not time worked and will not be compensated by the City. Books and tuition for such courses will be paid for by the City. Under present state recertification procedures, the City will provide a \$300 paramedic recertification pay. Effective the first full pay period in October 2013, the City shall make a one-time payment of \$200 to retroactively compensate eligible employees who received recertification pay during FY 2012/13. Effective the first full pay period in October 2013, paramedic recertification pay shall be increased to \$500. Non-paramedic employees who are required to obtain EMT recertification shall be provided with the state required instruction while on duty.

7.19. Court Time. When an employee is required to appear in court or at a deposition by the State Attorney, public defender, or a federal agency, or is required to appear in court or at a deposition in a civil matter which involves the employee's employment with the City, (except when the employee is a Plaintiff in any litigation against the City, when the litigation involves one employee who is suing another employee, and/or when the employee is a Plaintiff or Defendant in a lawsuit where the employee is not on the same side as the City, this Section shall not apply) he/she will be paid a minimum of four (4) hours at the overtime rate if the court appearance or deposition is not contiguous to the regular duty shift. If the court appearance or deposition is contiguous to the regular duty shift, the minimum guarantee shall be two (2) hours at the overtime rate.

7.20. On-Call. Employees who are placed in an on-call status as primary respondents for periods of one month at a time will be paid \$100 for each such month. Effective October 1, 2012, on-call pay shall be increased to \$300 for each month the employee is on call.

7.21. Shift Training Coordinator. One employee on each operating shift will be given a \$300.00 annual bonus for holding and maintaining a State of Florida Fire Instructor certificate, and for performing as the shift training coordinator. This training certificate holder bonus is not pensionable for purposes of retirement calculation.

7.22. Pension Pick-Up. The City agrees subject to and in accordance with IRS code and regulation that pension contributions, although designated as employee contributions, will be paid by the employer in lieu of contributions by the employee.

7.23. Rescue Out of Class (ROC). When the City temporarily assigns an employee covered by this Agreement to work in Fire Rescue for more than one hour he/she shall receive an additional two dollars (\$2.00) per hour for all hours during which the assignment continues on that shift.

7.24. Pension. The pension benefits as they currently exist shall continue, except that the City shall amend the pension plan upon ratification of this Agreement, to provide the following benefits for plan members who retire on or after September 30, 2013 (except as otherwise specified below):

- A. Upon completion of five (5) years of creditable service under the pension system, members may purchase additional creditable service under the system for up to two (2) years of prior military service, up to an additional six percent (6%) multiplier, at ten percent (10%) or ten and one half percent (10.5%), whichever is applicable, of pensionable salary for each year of military service purchased, with the cost prorated for fractional years of service. For purposes of this purchase, an employee may use the value of accrued sick and/or annual leave, valued at the employee's hourly rate at the time of purchase.
- B. The purchase of additional service must be completed within twenty-four (24) months following a member's completion of five (5) years of creditable service under the pension plan. If a member does not complete the purchase within the twenty-four (24) month period, he/she shall not be eligible for the purchase in the future.

C. Effective upon ratification of the 2009-2012 collective bargaining agreement between the City and the IAFF, all compensation for work performed pursuant to section 6.12 (off duty services) shall be included in a member's salary for pension purposes, and shall be used in the calculation of member contributions and benefits. Provided, in no event shall the value of unused sick and/or vacation time, overtime pay, and/or off-duty pay, exceed the caps presently specified in the Miami Beach Police and Fire Pension Ordinance. Effective upon ratification of this agreement, overtime in excess of 300 hours per year or payments for unused sick and and/or vacation leave may not be included in compensation for pension purposes.

D. DEFERRED RETIREMENT OPTION PLAN (DROP)

1. **Eligibility** – Any active employee member of the Miami Beach Police and Firefighters Pension Plan may enter into the DROP on the first day of any month following the date upon which the employee first became eligible for a normal service retirement, subject to the conditions expressed herein or as modified from time to time.

2. **Conditions of Eligibility** – Upon becoming eligible to participate in the DROP, an employee may elect to enter that program for a period not to exceed sixty (60) months. Notwithstanding, participation may not continue beyond that date when the employee's combined years of creditable service and time in the DROP equals 408 months . Provided also that participation in DROP shall require the employee to complete and submit the following prior to start of DROP payments.
 - a. Such forms as may be required by the Pension Board of Trustee's Plan Administrator. Election in the DROP is irrevocable once DROP payments begin.
 - b. A waiver and an irrevocable resignation from employment with the actual date of termination being the date designated by the employee as the

end of his/her DROP participation. The administration and timing of execution and delivery of the waiver and resignation forms shall meet the requirements of the Age Discrimination in Employment Act and the Older Worker's Benefits Protection Act, as same may be amended from time to time.

3. **Conditions of Employment for DROP Participants** – Employees shall be subject to termination of employment while in DROP to the same extent as they were in their pre-DROP status. A person who has elected the DROP remains an employee during the DROP period and receives all the benefits of being an employee during the DROP period, except any form of pension contribution.

4. **Effect of DROP Participation**

- a. An employee's credited service and his/her accrued benefit under the Pension Plan shall be determined on the date of his/her election to participate in the DROP first becomes effective.
- b. The employee shall not accrue any additional credited service while he/she is a participant in the DROP, or after termination of participation in the DROP.
- c. A DROP participant is not eligible for disability benefits from the Plan.
- d. An employee may participate in the DROP only once.
- e. Effective with the start date of an employee's DROP participation, contribution to the Pension Plan by the employee and the normal cost contribution to the Pension Plan by the City, on behalf of the employee, shall cease

5. **Payments to DROP Account.** A DROP account shall be created for each member who elects to participate in the DROP. A DROP account shall consist of amounts transferred to the DROP from the Plan, which include the monthly retirement benefits, including any future cost of living increases, that would have been payable had the member elected to cease employment and receive a normal retirement benefit upon commencing participation in

the DROP, and earnings on those amounts. Provided, employees who enter the DROP on or after September 1, 2012, through the ratification date of this agreement, shall continue to receive a zero (0%) cost of living adjustment for the third (3rd) and fourth (4th) annual adjustment dates, regardless of whether the employee remains in the DROP for the maximum five (5) year period. Any employee who exits the DROP within six (6) months following the date of DROP entry, shall be eligible for the cost of living adjustment as otherwise provided in the current pension plan.

6. DROP Account Earnings

- a. Members may direct their DROP money to any of the investment options offered and approved by the Board. Any losses incurred by the participant shall not be made up by the City or the Pension Plan. The selection of these programs shall be made by the participant on forms provided by the Board. Any and all interest and or earnings shall be credited to the participant's DROP account.
- b. A member's DROP account shall only be credited or debited with earnings while the member is a participant in the DROP and, depending on the DROP Account Payment Options selected, after the member dies, retires, or terminates employment with the City of Miami Beach.

7. Payment of DROP Account Funds – Upon termination of a member's employment (for any reason, whether by retirement, resignation, discharge, disability, or death), the retirement benefits payable to the member or to the member's beneficiary shall be paid to the member's DROP account. No payments will be made from the DROP account until the member terminates employment.

8. DROP Account Payment Options – Following the termination of a participant's employment, the participant shall select one of the following options to begin to receive payment from his/her DROP account. Said selection shall occur no later than 30 days prior to the end of the DROP participation period or within 30 days following the termination of a

participant's employment if said termination of employment occurs prior to the end of the DROP participation period:

- a. **Lump Sum** – All accrued DROP benefits, plus interest, shall be paid from the DROP in a single lump sum payment.
 - b. **Partial Lump Sum** – A member designated portion of accrued DROP benefits, plus interest, shall be paid from the DROP in a partial lump sum payment with the remainder being directly rolled over into an eligible retirement plan.
 - c. **Direct Rollover** – All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible retirement plan.
 - d. Other method(s) of payment that are in compliance with the Internal Revenue Code and adopted by the Pension Board of Trustees.
9. **Death of DROP Participant** – If a DROP member dies before his/her account balances are paid out in full, the participant member's designated beneficiary shall have the same rights as the member to elect and receive the pay-out options set forth in Paragraph 8, above. DROP payments to a beneficiary shall be in addition to any other retirement benefits payable to the beneficiary.

10. **Administration of DROP Accounts**

- a. The Pension Board of Trustees shall make such administrative rules as are necessary for the efficient operation of DROP, but shall neither create any rule that is inconsistent with the legislation creating the DROP, nor any rule that would be a mandatory subject of collective bargaining.

- b. At all times, the DROP will be administered so that the Plan remains qualified under the Internal Revenue Code and is in compliance with the Internal Revenue Code and applicable laws and regulations.
11. If any provision of this DROP should be found invalid, unlawful, or not enforceable by reason of any existing or subsequently enacted legislation, or by judicial authority, or by an IRS regulation/ruling, the City and the Union agree to meet within 30 days of such determination for the purpose of negotiating a resolution to the invalid provision(s).

In the event that provisions of the Internal Revenue Code operate to limit the benefit amount of employee coverage by the pension provision incorporated in this Agreement to an amount less than set forth in the pension Plan then the City and the Union shall negotiate a method to compensate the affected employee for the difference between the normal pension benefit and the limits allowed by the Internal Revenue Code provided that no such resolution shall jeopardize the exempt status of the Plan under the Internal Revenue Code.

12. A member who elects to participate in the DROP shall retain the earned balance of accrued sick and vacation leave as of date of entry into the DROP, and shall continue to earn sick and vacation leave during the DROP period, in accordance with the stipulations set forth in the collective bargaining agreement between the City and IAFF. While in the DROP, the member shall have the one-time option of receiving payment for accrued sick and/or vacation leave, up to the maximum payout upon separation of employment allowed by the collective bargaining agreement between the City and IAFF, provided that the employee shall retain at least one hundred twenty (120) hours of accrued sick leave after such payment. The one-time election to receive payment of leave balances shall be made in any one year of the DROP, by notifying the City no later than June 30 of that year. Payment will be made after the first pay period ending October of the same year. Upon final separation from employment with the City, a member who has participated in the DROP shall be eligible to receive payment for the

balance of all accrued sick and vacation leave as of the date of final separation, up to the maximum provided in the collective bargaining agreement, as reduced by the prior payout, if any. In no event shall payments for accrued sick or vacation leave be included in a member's earnings for the purposes of the plan.

E. Pension benefits for employees hired prior to July 14, 2010; all changes effective September 30, 2013, unless otherwise specified:

1. The benefit multiplier shall be three percent (3%) for each year of creditable service for the first twenty (20) years of service, and four percent (4%) for each year of creditable service after twenty (20) years of creditable service.
2. The normal retirement date shall be as provided in the current pension plan, except that a member must attain the age of 47 to be eligible for "Rule of 70" retirement.
3. Effective September 30, 2015, the final average monthly earnings (FAME) shall be based on the member's three (3) highest paid years of creditable service, prior to retirement or separation from employment.
4. The retiree cost of living adjustment (COLA) shall be two and one half percent (2.5%) annually.
5. The maximum pension benefit shall be 85% of pensionable income, with the exception that any member who attains a benefit of 85% of pensionable income or higher as of September 30, 2013, retains the maximum benefit of 90% of pensionable income.
6. Vesting shall be in five (5) years.
7. Ten percent (10%) employee pension contribution.

G. Pension benefits for employees hired after July 14, 2010, but prior to ratification of this collective bargaining agreement (includes new hires currently in the recruitment process); all changes effective September 30, 2013, unless otherwise specified:

1. The benefit multiplier shall be three percent (3%) for each year of creditable service for the first twenty (20) years of service, and four percent (4%) for each year of creditable service after twenty (20) years of creditable service.

2. The normal retirement date shall be as provided in the current pension plan, except that a member must attain the age of 48 to be eligible for "Rule of 70" retirement.
3. The final average monthly earnings (FAME) shall be based on the Member's three (3) highest paid years of creditable service, prior to retirement or separation from employment.
4. The retiree cost of living adjustment (COLA) shall be one and one half percent (1.5%) annually.
5. The maximum pension benefit shall be 85% of pensionable income.
6. Vesting shall be in five (5) years.
7. Ten percent (10%) employee pension contribution.

H. Pension benefits for employees hired after ratification of this collective bargaining agreement (excluding new hires currently in the recruitment process):

1. The benefit multiplier shall be three percent (3%) for each year of creditable service for the first twenty (20) years of service, and four percent (4%) for each year of creditable service after twenty (20) years of creditable service.
2. The normal retirement date shall be as provided in the current pension plan, except that a member must attain the age of 48 to be eligible for "Rule of 70" retirement.
3. The final average monthly earnings (FAME) shall be based on the Member's five (5) highest paid years of creditable service, prior to retirement or separation from employment.
4. The retiree cost of living adjustment (COLA) shall be one and one half percent (1.5%) annually.
5. The maximum pension benefit shall be 85% of pensionable income.
6. Vesting shall be in five (5) years.
7. Ten and one half percent (10.5%) employee pension contribution.

The pension breakdowns above are for illustrative purposes and do not encompass all pension benefits afforded to respective members. The full itemization of pension benefits is available in the plan summary for the Fire and Police Pension Plan, as well as the Fire and Police Pension Ordinance.

“Me Too” with the FOP. The IAFF reserves the right to a “me too” agreement with the FOP should the City modify the FOP agreement on parallel issues. Any such discussions shall not exceed a period of 90 days from the date of the first meeting, and in no event shall the discussions continue beyond the contract expiration date.

7.25. Buyback of Probationary Time. Employees hired prior to ratification of this agreement may

elect, by written notice served on the Board of Trustees, to receive creditable pension service time for any or all of their time served as probationary firefighters. In order to receive such creditable pension service time, employees should be allowed to purchase any or all of such time through the use of accrued annual leave, sick leave, cash or any combination thereof. In the event such purchase is not made within six months of successful completion of probationary period, the amount paid shall include interest at the rate of three percent (3%) per annum excluding first six months. Effective upon ratification, all newly hired employees, including new hires currently in the recruitment process, shall participate in the pension plan upon date of hire.

7.26. Voting Time. Given the availability of alternatives such as absentee ballots, the past practice of allowing paid time off for voting shall be discontinued.

7.27. Commission on Fire Accreditation International Pay Supplement (CFAI).

Bargaining unit members shall receive fifty dollars (\$50.00) per pay period. The union agrees to work with the City in order to attain accreditation through the Commission on Fire Accreditation International. After attainment of accreditation, (CFAI) payments required herein shall be contingent upon maintenance of the accreditation provided however that payment shall continue if loss of accreditation is due to action or inaction by the City/Administration and unrelated to actions of the bargaining unit members.

7.28. Compensation Plan.

- a) Trainee – All non-certified hires will start at Step 1.

- b) All Florida certified Firefighters will start at Step 3. After 6 months at Step 3, the employee will move to Step A for the duration of their first year.
- c) Effective April 1, 2015, one (1) additional step, Step I, shall be added to the Firefighter I classification range. The additional step will increase the maximum of the range for the Firefighter I classification by five percent (5%). Any Firefighter I at the maximum step of the range, Step H, shall be eligible to proceed to Step I upon reaching his or her anniversary date following the effective date of this provision.

7.29. Shift Fire Investigator. Three (3) Firefighter I employees will be assigned to the Suppression Division (1210) in the position of Shift Fire Investigator. There shall be one (1) Fire Investigator per 24-hour shift for a total of three (3). To be eligible to hold the position, the Firefighter I must be a State certified Fire Investigator II. The three (3) fire investigators will perform their normal Firefighter I shift duties, and may be dispatched solely for Fire Investigative duties.

The three (3) Firefighter I Shift Fire Investigators shall maintain their 10% assignment pay as if they were still assigned to the Fire Prevention Bureau (FPB) Division (1230) and shall maintain their current take home vehicles.

7.30. Hazardous Duty Pay. Effective April 1, 2015, all employees covered by this agreement shall be eligible to receive hazardous duty pay in the amount of one hundred dollars (\$100) biweekly. Hazardous duty pay shall not be considered as pensionable earnings.

ARTICLE 8

JOINT OCCUPATIONAL SAFETY AND HEALTH COMMITTEE

8.1. Committee Make-up and Responsibilities. In recognition of the City's and the Union's desire to maintain the highest standards of health and safety in the Fire Rescue Department, a Joint Occupational Safety and Health Committee will be established. This committee shall consist of three (3) members of management selected by the Fire Chief, and three (3) members of the Union appointed by the Union President.

- a. The Committee shall recommend rules and procedures for the promotion of health and safety among Firefighters.
- b. The Committee shall make inspections of Fire Department facilities on a semi-annual basis or by special request.
- c. The Committee shall keep minutes of each meeting.
- d. The Committee shall meet on a regular basis at mutually agreed times. Four (4) members of the Committee shall constitute a quorum, providing that equal representation is available, at a scheduled and posted meeting.
- e. The Safety and Health Committee established by this Agreement shall evaluate changes in specifications for bids for protective clothing, equipment, tools, appliances, and apparatus, and shall issue its recommendations in a report to the Fire Chief.
- f. The Safety and Health Committee will evaluate the types of helmets, gloves, breathing apparatus, and protective clothing on a semi-annual basis. A report of this evaluation will be made to the Fire Chief.
- g. A separate City-Wide or Departmental Safety Committee will review and analyze all reports of accidents, deaths, injuries, and illnesses.
- h. The Safety and Health Committee shall review on the job accidents and injuries and make recommendations to the Fire Chief about prevention efforts and/or remediation needed.

8.2. Personal Equipment. Personnel will be issued personal equipment one time, in new condition, to be maintained in serviceable condition. If the gear is damaged

or destroyed at no fault of the employee, it will be replaced by the City. If it has been damaged, destroyed, or lost due to the employee's negligence, the employee will pay for the replacement.

Negligence will be determined by a majority vote of four (4) members of the Occupational Safety and Health Committee and the Fire Chief. Two (2) of the Committee members shall be Union appointees and two (2) shall be Management appointees.

8.3. Ladder Testing. The City shall pay for the inspection and testing of the structural integrity and safety of its aerial devices, using recognized test procedures by an independent test company other than the original manufacturer, at a time to be determined by management, but on no longer than a bi-annual basis. A copy of the test results will be supplied to the Safety and Health Committee.

8.4. Air Quality Evaluations. The City agrees that air quality evaluations as presently made will be made by the Dade County Health Department or other suitable testing facility on the compressed air utilized in department Self-Contained Breathing Apparatus (SCBA) and Self-Contained Underwater Breathing Apparatus (SCUBA) on a quarterly basis.

8.5. SCBA Repair. Only personnel who have been trained and certified by the manufacturer will be permitted to perform repairs or supervise the performance of repairs on Self-Contained Breathing Apparatus (SCBA).

ARTICLE 9

LEAVE OF ABSENCE

9.1. Educational Leave and Tuition Refund. Subject to applicable Personnel Rules, an employee may request an educational leave of absence without pay to take a course or courses in a field related to the work assignment of said employee. The City's tuition refund program shall be continued for the term of this Agreement.

9.2. Bereavement. Where there is a death in the immediate family (mother, father, grandparents, grandchildren, current spouse's parents, brother, sister, current spouse, children, or stepchildren) of an employee he shall be allowed two (2) days off (twenty-four (24) hours a 24-hour shift employee), for the purpose of making arrangements and/or attending the funeral, without loss of pay and without charge to accrued sick leave or vacation days of said employee. In such circumstances, additional time off may be granted by the Fire Chief or designee, and shall be chargeable to the accrued sick or vacation leave of such employee. Such additional time shall not count against the employee for the purposes of performance evaluation, or for participation in the sick leave sell back program. Requests for additional time off shall be submitted in writing to the Chief.

ARTICLE 10

TRANSFER OF SERVICES

10.1. Notice. The City agrees to keep the Union advised concerning any plans for, or implementation of, a transferal of any services presently being performed by bargaining unit members.

10.2. Discussions. The City agrees to hold discussions with representatives of the Union upon request of the Union, for the purpose of permitting the Union an opportunity to comment upon any proposed transferal of services and/or suggest alternatives to all or any portion of the plan for transferal.

ARTICLE 11

DRUG/ALCOHOL TESTING

Section 11.1. Selection. In an effort to identify and eliminate on-duty or off-duty controlled substance/alcohol abuse, urinalysis/breathalyzer tests shall be administered as provided herein. Employees shall be advised of their contractual rights relative to this Article any time a urinalysis/breathalyzer alcohol test is required. Employees refusing to submit to a urinalysis/breathalyzer test under the provisions set forth herein shall be dismissed.

- a. **Annual Screening:** Effective October 1, 1998, all employees shall be required to submit to urinalysis once per calendar year. Employees shall be selected using a random selection process agreed to by the Union and the City, and shall be tested during their normal tour of duty.

- b. **Random Screening:** It is important to the safety and welfare of employees and the public that bargaining unit members not be impaired by alcohol while on duty nor use illegal drugs. The Human Resources Department will administer the drug testing program. Thirty (30) days after the contract ratification by the IAFF, employees whose sick leave bank falls below 133 hours (200 hours for shift personnel), shall be subject to the random drug test screening for 180 calendar days. The 180 calendar day period will begin with the pay period after the employee's leave balance falls below 133 hours (2000 hours for shift personnel). Effective October 1, 2007, employees whose sick leave bank falls below 200 hours (300 hours for shift personnel), shall be subject to the random drug test for 180 calendar days. The 180 calendar day period will begin with the pay period after the employee's leave balance falls below 200 hours (300 hours for shift personnel). If at any time after the 180 calendar days has expired, the employee's sick leave bank falls below the 133 hours (200 for shift personnel) (or on/after October 1, 2007, 200 hours [300 for shift personnel]), the employee shall be immediately subject to random drug testing for an additional 180 calendar day period (as described above). New hires are exempt from the

random screening provisions until they have been employed for a total of thirty-six months. After thirty-six months from the date of hire, all provisions will apply.

- c. **Reasonable Belief Screening:** Employees may be tested under the following criteria:
1. When a Division Chief or above has reasonable belief, based on objective factors that the employee has possession of, or is using, dispensing, or selling any illegal drug or controlled substance which is not prescribed by a licensed physician.
 2. When a Division Chief or above has reasonable belief based on objective factors that the employee is under the influence of alcohol on duty, or on an off-duty detail, or traveling to or from same in a City vehicle, or while in a status where injury would be covered by Workers' Compensation and/or I.S.C.

Section 11.2 Screening.

- a. Employees shall take a breathalyzer test in the case of suspected alcohol abuse, and/or give a urine sample for suspected substances abuse, as determined by the City, at either a hospital or an accredited testing lab, as chosen by the City. The hospital or accredited testing lab shall include sufficient safeguards to ensure that a proper chain of custody is enforced. When a sample is required to be submitted under any of the above circumstances, a portion of the first sample shall be retained, and the employee may choose to submit a second, separate sample as described in b) below. All positive tests for controlled substance(s) shall be confirmed by Gas Chromatography Mass Spectrometry (GCMS) or equivalent testing method. Testing shall be performed by an accredited, State licensed clinical lab.
- b. Except in the case of alcohol testing, if the employee chooses to submit a second, separate sample it shall be collected at either a hospital or accredited, State licensed clinical lab, chosen by the City, within four (4) hours of the time the initial sample is submitted. If the employee declines to submit a second,

separate sample or is unable to submit a second, separate sample within the four (4) hour time period, the retained portion of the initial test shall be used for any additional confirming tests. Any additional confirmation testing shall only be conducted following a positive result from the initial test, and shall be performed at a second, separate State licensed clinical lab of the City's choice. All additional confirmation testing shall be by GCMS or equivalent testing method.

- c. For purposes of reasonable belief screening criteria under Section 11.1(b)(2), employees shall be deemed alcohol impaired if their blood/alcohol level is measured at .04 or above. The following concentrations shall be applicable for determining whether samples are positive for the drugs or classes of drugs tested in the initial or additional confirmation process. A positive result shall be a concentration as set forth in NIDA (National Institute of Drug Abuse) five (5) panel screening standards.
- d. Employees shall be notified of a positive test result within a reasonable time from the time a sample is submitted. Such notice may be served either verbally to the employee or by a representative of the Department delivering notice to the employee's last recorded residence shown on the Department's personnel roster. The Union shall be advised of positive or negative test results to the extent that the release of such information is consistent with Federal, State, or local laws regarding the privacy of test results, unless the employee does not want the results released to the Union.
- e. Employees ordered back to duty for testing shall be compensated under Article 7, Section 7.7, Call-In Guarantee.
- f. Disputes regarding the consistent application of the reasonable belief criteria cited herein shall be handled under Section 11.3, Expedited Arbitration. Employees shall comply with the order to submit a sample and simultaneously file a protest with the communicator of the order.
- g. Employees who test positive for drug use and wish to attribute causation to a prescribed drug may present evidence to the City Manager's designee for

Human Resources and the laboratory's Medical Review Officer. The decision of the Medical Review Officer will be conclusive.

- h. Employees shall authorize release of drug/alcohol testing to the City.

Section 11.3. Expedited Arbitration.

- a. Following ratification of this Agreement and prior to October 1, 1998, the President of the Union and the City Manager's designee for Labor Relations shall select two (2) permanent Arbitrators certified by the American Arbitration Association (AAA) or other similar certifying agency, to hear employee drug grievances. The Arbitrators will alternate, hearing only grievances where the employee alleges a violation of Section 11.1(b), paragraphs 1 or 2, and limited to whether or not there was reasonable belief based on objective factors to require the grievant to submit to a controlled substance/blood alcohol test.
- b. Samples submitted under Reasonable Belief Screening criteria and grieved shall not be tested until the Arbitrator has ruled affirmatively that there was reasonable belief to test the employee.
- c. Any grievance must be in writing and submitted by fax or hard copy to the Division Chief or above on the same day as the test or no later than the next weekday following the test.
- d. Any costs associated with the Arbitrator's ruling shall be borne by the City if the Arbitrator rules there was not reasonable belief to test the employee, and the sample(s) shall be properly discarded. Costs associated with the Arbitrator's ruling shall be borne by the Union if the Arbitrator rules that there was reasonable belief to test the employee, and the sample(s) shall be tested as outlined in this Article.
- e. An expedited hearing shall be held before the Arbitration using the American Arbitration Association rules of expedited arbitration and no post hearing briefs shall be filed. The drug grievance shall be submitted directly to arbitration and

shall be heard at a mutually convenient time after the employee was required to submit to the controlled substance/blood alcohol test. The Arbitrator shall rule at the close of the hearing and an oral response from the Arbitrator shall be sufficient to settle the grievance.

- f. The Arbitrator shall serve from year to year and shall be appointed by letter, jointly signed by the Union President and the City Manager's designee for Labor Relations. Should the City and the Union choose to remove an Arbitrator, the Arbitrator shall be notified and the parties shall agree on a replacement. If they are unable to agree, each party shall put two (2) names into a hat and the name drawn shall be the replacement for one (1) year.

Section 11.4. Rehabilitation. In the event that the results of the urinalysis/blood alcohol test are positive, the following shall apply:

- a. At the discretion of the Fire Chief, the employee may be immediately relieved of duty however, he shall first be allowed to utilize all of his/her accrued annual and sick leave, if appropriate, and then shall be relieved without pay. The employee shall not be disciplined until a positive test result is communicated to the City. However, if the employee's conduct in connection with the alleged substance abuse amounts to conduct for which the City might otherwise discipline the employee, the City may take disciplinary action prior to knowing of a positive test result.
- b. The employee shall, at his/her own cost, within seventy-two (72) hours of a positive test notification (excluding weekends and holidays) enter into a substance abuse treatment program approved by the City and the Union and remain in the program until the employee has successfully completed the program, including any required aftercare. If the employee fails to enter, participate in, and/or successfully complete any part of the rehabilitation program, including any aftercare, he shall be terminated from his/her employment with the City.

- c. Employees cleared to return to work by the Substance Abuse Program Administrator shall be subject to random urinalysis/breathalyzer test(s) for a period of two (2) years. The City shall be limited to six (6) random urinalysis breathalyzer tests per twelve (12) month period, beginning from the date the employee is cleared to return to work. Each employee shall be entitled to one (1) chance for rehabilitation during their employment with the City. Employees who test positive a second time under the provisions outlined in Section 11.2 of this Article or this Section shall be terminated from employment with the City.

ARTICLE 12

SAVINGS

If any provision of this Agreement is subsequently declared by the proper legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable statutes or ordinances all other provisions of this Agreement shall remain in full force and effect for the duration of this Agreement. Upon issuance of such a decision or declaration which is not appealed by either party, the parties shall, following a request by either party, negotiate in good faith on a substitute article, section, or portion thereof.

ARTICLE 13
WAIVER AND ENTIRE AGREEMENT

The Union acknowledges that during negotiations resulting in this Agreement, it had the right and opportunity to make demands and proposals with respect to any and all subjects not removed by law from the area of collective bargaining and that the complete understanding and agreements arrived at by the parties after exercise of that right and opportunity are set forth in this Agreement.

Therefore, the Union waives the right, during the term of this Agreement, to bargain collectively with respect to any subject or matter referred to or covered by this Agreement, and it particularly waives the right to bargain over the City's exercise of any of its management's rights set forth in Article 5 of this Agreement, e.g., changing work hour schedule, transferring employees, laying off employees, etc. The parties intend that this Agreement shall constitute the sole source of their rights and obligations from and to each other for its term either by specific provision or by silence. If the Agreement does not prevent it, the City may take any action (or fail to take any action) it desires and shall have no obligation to bargain with the Union concerning the taking, or not, of the action; but may take unilateral action at the time it desires. The Union does not waive, and shall retain its right, to bargain with the City over the impact of any action taken by the City not set forth in this Agreement, but such impact bargaining shall not serve to delay management's action until agreement or impasse is resolved concerning the impact at issue.

This Agreement may be amended by mutual agreement of the parties but any amendment must be in writing and signed by duly authorized representatives of the parties before it will be effective.

ARTICLE 14
TERM OF AGREEMENT

This Agreement shall be effective as of its ratification by both parties, and shall remain in force and effect until September 30, 2015. It shall be automatically renewed from year to year thereafter, unless either party shall notify the other in writing at least sixty (60) days prior to the anniversary date that it desires to modify this Agreement. In the event that such notice is given, negotiations shall begin no later than thirty (30) days prior to the anniversary date. This Agreement shall remain in full force and effect during the period of negotiations, unless either party gives the other party at least ten (10) days written notice of its desire to terminate this Agreement, provided that such notice may not be given earlier than ten (10) days prior to the anniversary date.

RESOLUTION TO BE SUBMITTED