



MEMORANDUM

DATE: April 7, 2025
TO: City Commission
FROM: Jennifer Merino, City Attorney 
SUBJECT: Normal Retirement Definition Issue- Police and Fire Pension

ISSUE

The Pension Board attorney for the Police and Fire Pension issued an opinion finding that a former member would be eligible to obtain normal retirement benefits, with no early retirement penalties, under the following facts:

- a) Vested in plan with at least 10 years of service
- b) prior to reaching the age of 52
- c) Less than 25 years of credited service, (this assumes the former member left employment with the City prior earning 25 years of credited service).

According to the Pension Board Attorney, they read the plan to allow a former member in the above circumstances to be eligible for normal retirement benefits on the date that they would have reached 25 years of credited service if they had remained employed with the City. The opinion is attached hereto as Exhibit A.

The above interpretation by the Pension Board Attorney is contrary to the manner in which the actuary has interpreted and priced the plan since its inception. Currently, absent adoption of the above interpretation by the Pension Board, a member who leaves the City's employment prior to earning 25 years of credited service would need to wait until age 52 to start collecting normal retirement benefits. Early retirement benefits are allowed prior to age 52, but only with specified penalties.

The estimated cost of the change has been priced by the actuary and is attached hereto as Exhibit B. The cost was priced out at three different turnover rates. The first, A, is the current assumed turnover rate of the plan based on the most recent experience study. The second and

third are speculative elevated turnover rates requested by the Pension Board for informational purposes, but have no relationship with any known data or statistics. They are based on the assumption that if members can collect earlier than they have previously thought they could collect, they would leave more often than they currently do.

In the discussion following the City's objection to the proposed interpretation, the Board asked if the City would be willing to entertain an agreement allowing the above interpretation for fire members only. Previously, the City entered into a close-out memorandum of understanding with its former fire union, attached hereto as Exhibit C, during the negotiation to outsource.

ANALYSIS

The section at issue is Sec. 21-335(b): "A member who shall leave the service of the city prior to eligibility for normal service retirement or early service retirement, but who has completed ten years of creditable service shall be entitled to receive retirement benefits **commencing at the regular NORMAL SERVICE RETIREMENT DATE.**" The memo correctly states that Normal Service Retirement is service retirement as defined in 21-329 and Sec 21-333(a). Sec 21-333(a) states that a member may retire (start collecting benefits) on the earlier of "the date upon which the member completes 25 years **of CREDITED SERVICE**, regardless of age; or the date upon which the member attains age 52 with ten years of **CREDITED SERVICE.**"

Essentially, the Board attorney has interpreted the above to permit normal retirement when the former member would have completed 25 years of credit service, a complete rewriting of a very clear and plain phrase that allows retirement for a member under 52 only when he or she "completes 25 years of credited service." Therefore, the answer to this dispute is found in the definition of "credited service." Can it include years wherein the member was not employed by the City and did not purchase credit pursuant to other provisions?

The plain text of the plan makes it clear that active membership in the plan, by way of employment by the City, is required to attain "credited service". The plan contains definitions for "credited service", and "service," which further reference other defined terms. These definitions in Section 21-329 are clear and unambiguous. True, it can get complicated to read terms with interrelated definitions, but that does not render them vague or ambiguous. Here, it appears that the analysis stopped short of considering the definitions of the terms being referenced, as none of the definitions are mentioned in the opinion of the Board's attorney.

The following definitions apply:

"Credited service shall mean membership credit upon which a member's eligibility to receive benefits under the retirement plan is based or upon which the amount of such benefits is to be determined." → "Member shall mean a police officer or firefighter actively employed by the city for whom contributions to the retirement plan are made as required by this division."

"Service shall mean active service as an employee." → "Employee shall mean a firefighter or police officer presently employed by the city."

At every level of the definition the term “Credited Service” explicitly requires membership and employment by the City. It is therefore impossible for someone to “complete 25 years of credited service,” the exact requirement for normal retirement prior to age 52, if one has not been employed by the City for 25 years (excluding the purchase of credit under other provisions not at issue here).

As stated above, the opinion is essentially interpreting “regular normal service retirement date” as the date the former member “would have reached 25 years of credited service.” However, I note that where the plan means to say “*would have* reached 25 years of credited service” it says just that. (Section 21-333(f)(1) regarding which date to use to calculate what would have been the normal retirement date for early retirement). Thus, if section Section 21-335 meant the date a former member “would have reached 25 years of credited service,” it would have used those words instead of “the regular normal retirement service date”, which has CREDITED SERVICE requirements rather than “would be” service requirements. But it does not.

There would also be a number of illogical results from the interpretation proposed. For example, current employees cannot normally retire without penalty until they reach 52 or have worked 25 years of credited service, but this interpretation would allow a 44 year old (hypothetically hired at 19 and separated after 10 years) to start collecting on his 10 years without any penalty at 44.

As a business matter, this may promote increased turnover. The possibility has been discussed with the Police Chief and the City Manager. On the Police side, greater turnover is not a desirable result operationally. Hiring officers has become increasingly difficult and the department has historically suffered from stubborn vacancy rates. Training costs are high for young officers and increasing the chances of losing them once they become experienced is contrary to the City’s operational objectives as it results in lower levels of service at higher costs. On the Fire side, while the City is currently contracting with BSO for fire services, any future determination to provide the services directly will be subject to the same operational concerns as those for police. CM does not recommend accepting the proposed interpretation for either police or fire.

EXHIBIT A



LEGAL MEMORANDUM

To: City of Hallandale Beach Police Officers & Firefighters
Personnel Retirement Trust

From: Klausner, Kaufman, Jensen & Levinson

Date: January 17, 2024

Re: Normal Service Retirement

BACKGROUND:

A member with nineteen (19) years of service who has purchased AAS time wishes to retire prior to turning age forty-five (45). The following questions were posed: whether if a member retires under age 45, can they receive benefits before age 52 or do they have to wait until turning 52? How does early retirement apply for a member who is under age 45? How does AAS service apply when a member retires? What is normal service retirement?

SUMMARY ANSWERS:

Once vested, if a member does not qualify for early retirement they can receive benefits on the date which they would have completed 25 years of service or upon attaining age 52 with ten (10) years of credited service, whichever is earlier. Sec. 21-333(a), Sec. 21-335(b), Hallandale Beach City Code.

Early retirement is only available to members who have attained age 45 AND

completed 10 years. Sec.21-333(e)¹.

Purchased AAS service is credited to the member in accordance with how many years are purchased. If the member purchases the maximum of five (5) years, they receive an enhanced multiplier of three and two-tenths percent, for a total multiplier of six and four-tenths percent for each completed year during the 16th through 20th years of service. If the member purchases less than five (5) years, the enhanced multiplier is applied during the final years of service corresponding with the number of years purchased. AAS time increases the multiplier for the years purchased. It does not count for vesting purposes. Sec. 21-335(h).

Normal Service Retirement is service retirement as per the definition in Sec. 21-329 and Sec. 21-333(a): 25 years of service, regardless of age, or age 52 with 10 years of service.

DISCUSSION:

Members who have completed ten (10) years of creditable service and leave the service of the City prior to eligibility for normal service retirement (25 years or age 52 with 10 years of service) or early service retirement (age 45 with 10 years of service), are entitled to receive retirement benefits commencing at the regular normal service retirement date. Normal Service Retirement is detailed in Section 21-333, *Service Retirement Benefits*, subsection (a), as the completion of 25 years of credited service, regardless of age; or the date upon which the member reaches 52 years of age with 10 years of creditable service. Further, pursuant to Section 21-329, *Definitions*, service

¹ Section 21-333(f)(1) provides that a deferred retirement takes effect on the earlier of the date a member would have reached age 52 with 10 years of service or the date the member would have completed 25 years of service. An early retirement with an actuarial reduction is available at age 45 with 10 years of service under 21-333(e).

retirement is defined as “a member's retirement from active service under circumstances permitting payment of a retirement allowance without reduction because of age or length of service and without special qualifications such as disability. **Service retirement shall be considered normal retirement.**” (Emphasis added).

It is a well-established principle that pension plans are liberally in favor of coverage. See *Greene v. Gray*, 87 So.2d 504 (Fla. 1956), where the court stated that acts providing for public pensions “should be liberally construed in favor of the grantee.”

Most recently, the Court reiterated its commitment to liberal construction of pension statutes in favor of the grantee. See *Scott v. Williams*, 107 So.3d 379 (Fla. 2013) (“pension statutes are to be liberally construed in favor of the intended recipients.” *Bd. of Trustees of Town of Lake Park Firefighters' Pension Plan v. Town of Lake Park*, 966 So.2d 448, 451 (Fla. 4th DCA 2007) (citing *Greene v. Gray*, 87 So.2d 504, 507 (Fla.1956)”). In applying the *Greene* and *Williams* rationale, it follows that the provisions of the Trust must be liberally construed in favor of the plan participants.

The dominant purpose of the Trust is to provide retirement benefits to the police officers and firefighters of the City of Hallandale Beach. Sec. 21-328. Inclusive in those benefits is the members’ ability, once vested, to receive benefits upon completing 25 years of service or attaining age 52, if they leave the service of the City prior to eligibility for normal or early service retirement.



November 13, 2024

Board of Trustees
City of Hallandale Beach
Police Officers' and Firefighters' Personnel Retirement Trust

Re: City of Hallandale Beach
Police Officers' and Firefighters' Personnel Retirement Trust
Normal Retirement Date for Vested, Terminated Members – Updated for Experience Study

Dear Board:

As requested, we have updated our August 12, 2024 cost study regarding the eligibility date for members who terminate vested, but prior to Normal or Early Retirement eligibility. This update reflects assumption changes adopted by the Board at the October 16, 2024 meeting, based on results disclosed in our August 14, 2024 Experience Study Report (including a reduction in the investment return assumption from 7.25% to 7.10%). Also as requested, this update reflects a split out of the impact separately for Police and Fire.

Background

It is currently assumed that vested members who terminate employment prior to eligibility for Normal or Early Retirement cannot commence benefits prior to attainment of Age 52. This cost analysis assumes commencement of benefits based on the earlier of a) attainment of Age 52 with the completion of 10 years of Credited Service, and b) the completion of 25 years of Credited Service, regardless of age, determined as if the member had continued employment after termination of employment. This is based on the January 17, 2024 legal opinion offered by the Board attorney (attached). Additionally, this updated analysis considers a potential increase in turnover associated with an earlier commencement date for benefit payments. For this purpose, we have included increases in the assumed termination rates from 2% to 3% and 4% per year for members with 10 or more years of Credited Service.

The impact on Plan's funding requirements, determined as of October 1, 2023 (as applicable for the funding year beginning October 1, 2024), are provided on the attached schedules.

This analysis is based on the same data and methods utilized in the October 1, 2023 actuarial valuation, in addition to the above referenced assumption changes from the August 12, 2024 Experience Study and increases in the assumed termination rates for members with 10 or years of Credited Service.

In reviewing the results presented in this study, it should be noted there are risks that may not be inherently apparent to the reader that should be carefully considered. For key risks, please see the Discussion of Risk section of the October 1, 2023 actuarial valuation report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the analysis, we did not perform an analysis of the potential range of such future measurements.

The undersigned is familiar with the immediate and long-term aspects of pension valuations, and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of the October 1, 2023 valuation, August 12, 2024 Experience Study Report, and this report are considered an integral part of the actuarial opinions.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Enclosures

City of Hallandale Beach
Police Officers' and Firefighters' Personnel Retirement Trust

Actuarial Analysis of Proposed Change to Retirement Eligibility for Vested Terminated Members
Determined as of October 1, 2023

Combined Police and Fire using August, 2024 Experience Study Assumptions

Benefit/Assumption Scenario	Minimum Required Contribution	Turnover Assumption for Members with 10+ yrs	UAAL	Funded Ratio ²	Expected City Contribution ³	
					Dollars	Increase
Current ¹	13,034,070	2.00%	62,708,653	79.2%	10,359,887	n/a
A	13,174,947	2.00%	63,430,052	79.0%	10,500,764	140,877
B	13,102,094	3.00%	63,412,108	79.0%	10,427,911	68,024
C	13,028,891	4.00%	63,369,012	79.0%	10,354,708	(5,179)

¹ Based on all recommended assumptions from the August, 2024 Experience Study, including a 7.10% investment return assumption.

² Ratio of Actuarial Asset Value to Entry Age Normal Accrued Liability.

³ Reflects State Monies received during Calendar Year 2024 (\$1,094,831).

Explanation of Proposed Benefit Commencement Date for Current and Future Vested Terminated Members (applies to all above Scenarios):

A Normal Retirement Eligibility for Current and Future Vested Terminated Members based on the earlier of a) Age 52 and the completion of 10 years of Credited Service, and b) the completion of 25 years of Credited Service, regardless of age, determined as if employment had continued. Currently, it is assumed that the Normal Retirement Date is the first of the month following attainment of Age 52 for members who terminate employment with less than 25 years of Credited Service.

City of Hallandale Beach
Police Officers' and Firefighters' Personnel Retirement Trust
Actuarial Analysis of Proposed Change to Retirement Eligibility for Vested Terminated Members
Determined as of October 1, 2023

Police only using August, 2024 Experience Study Assumptions

Benefit/Assumption Scenario	Minimum Required Contribution	Turnover Assumption for Members with 10+ yrs	UAAL	Funded Ratio ²	Expected City Contribution ³	
					Dollars	Increase
Current ¹	13,034,070	2.00%	62,708,653	79.2%	10,359,887	n/a
A	13,115,808	2.00%	63,134,825	79.0%	10,441,625	81,738
B	13,062,638	3.00%	63,120,455	79.0%	10,388,455	28,568
C	13,009,786	4.00%	63,092,138	79.1%	10,335,603	(24,284)

¹ Based on all recommended assumptions from the August, 2024 Experience Study, including a 7.10% investment return assumption.

² Ratio of Actuarial Asset Value to Entry Age Normal Accrued Liability.

³ Reflects State Monies received during Calendar Year 2024 (\$1,094,831).

Explanation of Proposed Benefit Commencement Date for Current and Future Vested Terminated Members (applies to all above Scenarios):

A Normal Retirement Eligibility for Current and Future Vested Terminated Members based on the earlier of a) Age 52 and the completion of 10 years of Credited Service, and b) the completion of 25 years of Credited Service, regardless of age, determined as if employment had continued. Currently, it is assumed that the Normal Retirement Date is the first of the month following attainment of Age 52 for members who terminate employment with less than 25 years of Credited Service.

City of Hallandale Beach
Police Officers' and Firefighters' Personnel Retirement Trust
Actuarial Analysis of Proposed Change to Retirement Eligibility for Vested Terminated Members
Determined as of October 1, 2023
Fire only using August, 2024 Experience Study Assumptions

Benefit/Assumption Scenario	Minimum Required Contribution	Turnover Assumption for Members with 10+ yrs	UAAL	Funded Ratio ²	Expected City Contribution ³	
					Dollars	Increase
Current ¹	13,034,070	2.00%	62,708,653	79.2%	10,359,887	n/a
A	13,093,209	2.00%	62,994,422	79.1%	10,419,026	59,139
B	13,073,526	3.00%	63,000,306	79.1%	10,399,343	39,456
C	13,053,175	4.00%	62,985,528	79.1%	10,378,992	19,105

¹ Based on all recommended assumptions from the August, 2024 Experience Study, including a 7.10% investment return assumption.

² Ratio of Actuarial Asset Value to Entry Age Normal Accrued Liability.

³ Reflects State Monies received during Calendar Year 2024 (\$1,094,831).

Explanation of Proposed Benefit Commencement Date for Current and Future Vested Terminated Members (applies to all above Scenarios):

A Normal Retirement Eligibility for Current and Future Vested Terminated Members based on the earlier of a) Age 52 and the completion of 10 years of Credited Service, and b) the completion of 25 years of Credited Service, regardless of age, determined as if employment had continued. Currently, it is assumed that the Normal Retirement Date is the first of the month following attainment of Age 52 for members who terminate employment with less than 25 years of Credited Service.

EXHIBIT C

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF HALLANDALE BEACH, FLORIDA AND THE
HALLANDALE BEACH PROFESSIONAL FIRE FIGHTERS, METRO BROWARD
LOCAL 3080, DISTRICT 10**

This Memorandum of Understanding ("MOU") is entered into this 12 day of December 2019, by and between the City of Hallandale Beach, Florida (the "City") and the Hallandale Beach Professional Fire Fighters, Metro Broward Local 3080, District 10 (the "Union").

WHEREAS, the Union represents a bargaining unit consisting of the City's firefighters, driver/engineers, fire inspectors and fire captains;

WHEREAS, the parties are subject to a collective bargaining agreement covering the period October 1, 2015 to September 30, 2018 (the "CBA");

WHEREAS, the parties are in the process of negotiating a successor agreement to the CBA;

WHEREAS, the City has been in negotiations with the Broward Sheriff's Office (hereinafter, the "BSO") to provide fire/rescue services to the City;

WHEREAS, should the City contract with the BSO to provide fire/rescue services to the City, the parties intend that the City employees in the bargaining unit represented by the Union will become employees of the BSO; and

WHEREAS, in the event the City enters into an Agreement with the BSO to provide fire/rescue services to the City, the parties must memorialize their agreement as to the terms of employee transition to the BSO.

NOW, THEREFORE, the parties agree to the following terms should the City enter into an Agreement with the BSO to provide fire/rescue services to the City:

1. **Transition of Employees.** All City employees in the bargaining unit represented by the Union shall be transitioned to and employed by the BSO (hereinafter, "Transitioned Employees") on the date of transition as agreed to by the City and the BSO ("Transition Date"). Transitioned Employees shall be entitled to the BSO's compensation and benefits package for employees in accordance with the applicable collective bargaining agreement between Local 4321 of the International Association of Fire Fighters and the BSO (the "BSO CBA") and the Sheriff's Policy Manual (the "SPM"). City will include a requirement of minimum rank-for-rank transition for Transitioned Employees.

2. **Incentive to Enroll in the Florida Retirement System.** Upon becoming employees of the BSO, Transitioned Employees will have the option to remain in the City's Police and Fire Pension Plan (the "City Plan") or to enroll in the Florida Retirement System for future service at the BSO. Transitioned Employees who elect to enroll in the Florida Retirement System will receive the following:

- a. Transitioned Employees with less than 5 years of service in the City Plan as of the Transition Date will receive a one-time payment of \$1,000 per year of credited service (partial years to be prorated) in City plan plus a refund of their employee contributions with interest. The one-time payment will be made within 30 days following the City's receipt of the employee's completed FRS election ballot.
- b. Transitioned Employees with more than 5 years of service but less than 10 years of service in the City Plan as of the Transition Date will receive a one-time payment of \$5,000 per year of credited service (partial years to be prorated) in City Plan plus a refund of their employee contributions with interest. The one-time payment will be made within 30 days following the City's receipt of the employee's completed FRS election ballot.
- c. The one-time payments made under a and b above may be made into a qualified plan if allowable pursuant to Internal Revenue Service regulations.
- d. Transitioned Employees with 10 or more years of service in the City Plan as of the Transition Date will be entitled to draw a benefit from the City Plan at normal retirement (25 years of combined service with HBFR and BSO, including AAS credited service, or age 52 with 10 years of service) based on their best five years of earnings (including City, BSO or a combination of the two agencies). These Transitioned Employees will be entitled to receive an in-service distribution of benefits from the City Plan upon reaching normal retirement, with no requirement of separation from BSO employment; or upon disability retirement from City Plan, which will require separation from BSO sworn firefighter employment.

3. **Prospective Changes to City Pension Plan.** For those Transitioned Employees who elect to remain in the City Plan, the City Plan will be amended to provide as follows for service in the City Plan beyond the Transition Date:

- a. Employee contributions increase to 10.75% upon adoption of a new pension ordinance in accordance with this agreement and increased to 11.25% on January 1, 2022.

- b. The Multiplier for all future service after the transition date will be 3.00% per year of service, up to the maximum cap in paragraph 3f below.
- c. Average Final Compensation (“AFC”) will be based on the highest 5 years of the last 10 years of service, but the AFC for firefighters hired before August 7, 2013 will be no less than the average of the 2 most recent calendar years of employment as of January 1, 2020.
- d. Normal Retirement will be the earlier of attainment of age 52 with 10 years of service or attainment of 25 years of service regardless of age or upon reaching the maximum benefit accrual percentage once the member has completed the terms of their AAS agreement.
- e. The Pension Cap will increase to \$100,000 upon adoption. On January 1, 2021 and every other year thereafter, the Pension Cap will increase by two percent, until it reaches \$125,000, at which point it will no longer increase. The 80%/75% of AFC cap will continue to apply; provided in no event will a member’s normal retirement benefit, including the health care stipend, be less than 2.75% for all years of credited service, to include AAS once the member has completed the terms of their AAS agreement.
- f. All Tier 1 Transitioned Employees who enter the Deferred Retirement Option Plan (“DROP”) on or after January 1, 2020, will earn annual interest credits equal to the net market rate of return on City Plan investments during the preceding plan year, with a minimum of zero and a maximum of 6%.
- g. Tier 1 Transitioned Employees will receive a prorated 2% annual COLA on the accrued benefit based on credited service before August 7, 2013. They will receive eight annual COLAs on the benefit accrued between August 7, 2013 and January 1, 2020. Transitioned Employees will not receive a COLA for any benefit earned on and after January 1, 2020. Tier 2 members (firefighters hired on or after August 7, 2013) are not eligible for a COLA.
- h. All earnings considered pensionable by FRS will be considered pensionable under the City Plan, except no more than 300 hours of overtime per year may be treated as pensionable earnings, payments for accrued unused sick and vacation time or payouts shall not be included as pensionable earnings, and wages earned for details shall not be pensionable.
- i. Those employees eligible for normal retirement under the City Plan within twenty-five months of the Transition Date may elect to retain the current retirement plan benefits (plan as written, not as amended by legal opinions dated 2016-2018) if they complete an irrevocable retirement application,

submitted to the City within 30 days of the Transition Date, for retirement no later than the first date of normal retirement eligibility. The City and Union to agree to a list of the eligible individuals prior to the Transition Date.

- j. Members may receive an in-service distribution of benefits from the City Plan upon reaching normal retirement, with no requirement of separation from BSO employment.

4. Pension Board.

- a. The Union agrees that all Ch. 175 premium tax revenues will continue to be used to offset City pension contributions.
- b. The Pension Ordinance shall be amended in accordance with Florida Statutes Ch. 175 and 185 to state the following:

The Board shall not amend the provisions of the Plan without the approval of the Hallandale Beach City Commission. The Board of Trustees will administer the pension plan in accordance with the pension ordinance as written. Nothing in this Agreement shall otherwise diminish or impair the authority of the Board of Trustees to exercise the exclusive authority of the Board to administer the Plan.

The Board shall provide the City written notice of any action it intends to take that may be reasonably expected to increase the City's contribution thirty (30) days prior to the effective date of any such action. Such notice shall specifically describe the action, the reason for the action and an estimate from the actuary of the anticipated cost. This notice requirement does not apply to 1) board action approving a change to the actuarial assumptions mandated by statute or regulation, 2) investment-related board action, 3) adoption of an assumed rate of return, or 4) board action affecting only one member.

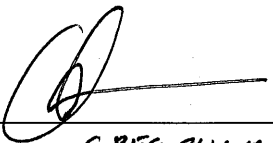
- c. In the event the City's annual contribution, as determined by the annual actuarial valuation, increases by \$125,000 or more due to an action or directive of the Pension Board, the employee contribution will be increased by up to 5% of pensionable earnings to offset the increase until the issue is resolved. The maximum increase of 5% is cumulative of all increases and in no event shall the total number of increases pursuant to this paragraph exceed 5%.

- d. Paragraph 4C does not apply to increases resulting from changes to actuarial assumptions mandated by statute or regulation the Division of Retirement, increases resulting from investment losses, increases resulting from changes to the assumed rate of return, increases resulting from action of the Pension Board that affects only one member, or adoption of the annual actuarial valuation.
 - e. To resolve the current litigation between the City and Pension Board for the City Plan, the parties agree to jointly request that the Pension Board approve the Plan amendments outlined above, which are attached as an exhibit to this MOU. It is understood and agreed that this MOU and the City's agreement to transition its fire/rescue service to the BSO are contingent on the Pension Board's approval of the Plan amendments and a court approved settlement of the current litigation.
5. **Sick Leave Accruals.** All accrued sick leave accrued up to the Transition Date for Transitioned Employees will be transferred to the BSO. No sick leave buyback will be paid for 2019.
6. **Vacation Leave Accruals.** Calendar year 2019 unused vacation accruals will be transferred to the BSO as follows: up to 300 hours will be accepted by BSO assuming an October 1, 2019 transition, and prorated for a later transition date. Transitioned Employees will be permitted to carry over up to 360 hours of vacation leave into calendar year 2020. All vacation scheduled for Transitioned Employees before the Transition Date for 2019 will be honored by the BSO.
7. **VEBA.** The City will pay the full VEBA amount owed for the 2018-19 contract year. Further, the City will make a prorated payment to the VEBA, at the CBA rate of 2%, for every month from October 1, 2019 until the Transition Date.
8. **Uniform Allowance.** All payments due for uniform allowance pursuant to Article 25 of the CBA are hereby waived. The Transitioned Employees shall be entitled to Uniform Benefits pursuant to the BSO CBA.
9. **Retirement Health Account.** All Transitioned Employees will be vested in their Retirement Health Account as of the Transition Date.
10. **Cessation of City Benefits.** Effective on the Transition Date, Transitioned Employees will no longer be entitled to any compensation or benefits from the City, including but not limited to any compensation or benefits set forth in the CBA, except to the extent specifically set forth in this MOU. This provision does not apply to future

payments for compensation or damages for which legal liability accrued prior to the Transition Date.

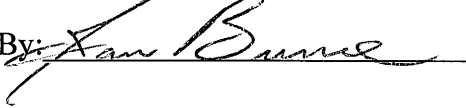
This Agreement is contingent upon an Agreement with the BSO to provide fire/rescue services to the City and shall become effective on the later of: (1) the date of full execution by the parties' bargaining representatives; and (2) the Transition Date.

City of Hallandale Beach, Florida

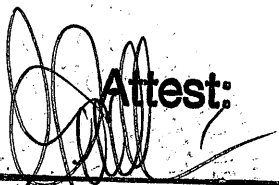
By: 
GREG CHAVARRIA,
CITY MANAGER

Dated: 12.12.19

**The Hallandale Beach Professional Fire
Fighters, Metro Broward Local 3080,
District 10**

By: 
By: 

Dated: 12/12/19


Attest:
City Clerk