



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:	1 st Reading	2 nd Reading	
5/6/2026	26-184	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
			Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
			Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
			Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):		Funding Source:	Project Number:	
\$22,320	Salary Savings		512000	N/A	
Contract Required:	P.O. Required:	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	Dr. Jeremy Earle, City Manager	City Manager's Office	
Strategic Plan Focus Areas:					
<input checked="" type="checkbox"/> Fiscal Stability	<input type="checkbox"/> Resident Services	<input type="checkbox"/> Public Safety	<input type="checkbox"/> Infrastructure & Mobility	<input type="checkbox"/> Economic Development & Affordable Housing	
Implementation Timeline:					
Estimated Start Date: 10/1/2025			Estimated End Date: 9/30/2028		

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH RATIFYING A COLLECTIVE BARGAINING AGREEMENT (CBA) BETWEEN THE CITY OF HALLANDALE BEACH AND THE HALLANDALE BEACH MUNICIPAL EMPLOYEES LOCAL 2009, AFFILIATED WITH FLORIDA PUBLIC EMPLOYEES COUNCIL #79 OF THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES RELATING TO RELATIONS BETWEEN EMPLOYER AND MUNICIPAL EMPLOYEES OF THE CITY OF HALLANDALE BEACH; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

The proposed Collective Bargaining Agreement (CBA) between the City of Hallandale Beach and the Hallandale Municipal Employees Local 2009, affiliated with Florida Public Employees Council #79 of the American Federation of State, County and Municipal Employees (AFSCME), establishes wages, benefits, and working conditions for bargaining unit employees for the period October 1, 2025 through September 30, 2028.

The agreement reflects the results of negotiations between the City and the AFSCME bargaining team and has been ratified by union membership. City Commission approval is required pursuant to Chapter 447.309, Florida Statutes.

Background:

The City and AFSCME engaged in collective bargaining negotiations for a successor agreement following the expiration of the prior agreement on September 30, 2025. A new three-year agreement has been successfully negotiated covering the period October 1, 2025 through September 30, 2028.

On April 22, 2026, the agreement (Exhibit A) was presented to union membership and ratified unanimously (93-0).

The agreement includes the following key changes:

1. Article 3 – Payroll Deduction of Dues – Updates union dues provisions to comply with State law (SB 256), eliminating payroll deduction of union dues by the City and establishing related administrative requirements.
2. Article 5 – Longevity - Revised longevity provisions increase bonus amounts for eligible employees, including higher payments for both pre- and post-1993 hires.
3. Article 6 – Wages

10/01/2025 3.00% wage Increase

10/01/2026 3.00% wage Increase

10/01/2027 3.00% wage Increase

4. Article 10 – Hours of Work and Overtime - Increases midnight shift differential pay to \$200 per pay period for designated classifications.
5. Article 15 – Sick Leave - Clarifies sick leave payout eligibility based on years of service and good standing, including tiered payout percentages. Defines conditions under which employees are considered not in good standing and therefore ineligible for sick leave payout.
6. Article 16 – Paid Leave - Increases emergency duty compensation from four (4) to five (5) hours per day during declared emergencies.
7. Article 18 – Vacation Time - Requires new employees to complete two (2) years of service to be eligible for payout of accrued vacation leave upon separation.
8. Article 19 - Holidays - Provides additional compensatory time for employees required to work on the Juneteenth holiday.
9. Article 27 – Terminating Employment - Requires a minimum two-week resignation notice to qualify for payout of accrued leave, unless waived due to extenuating circumstances.
10. Article 34 – Retirement Pension Plan - Implements a limited retirement window for eligible employees in the legacy defined benefit pension plan, allowing qualified participants to elect early retirement under specified criteria.

11. Article 35 – Uniforms and Protective Clothing - Established a reimbursement process of up to \$150 for non-negligent prescription eyeglass damage occurring during job duties.
12. Article 36 - Other Allowances - Increases the annual tool allowance for eligible mechanics and increases the monthly cell phone stipend for designated classifications.
13. Article 40 – Safe Driving - Expands eligibility for the safe driving program to include additional positions operating City vehicles or equipment.

Current Situation:

On April 22nd, 2026, the AFSCME negotiation Team presented the agreement to its union members to obtain a ratification vote for approval. The union members voted unanimously 93-0 in favor of ratifying the three-year contract.

Why Action is Necessary:

Action is needed to set forth and formalize the terms of the agreement including wages, benefits, and terms of conditions of employment for employees in the bargaining unit represented by the AFSCME, and to authorize the City Manager to execute the agreement, pursuant to Chapter 447.309 of the Florida Statutes, which states that “any agreement signed by the chief executive officer and the bargaining agent shall not be binding on the public employer until such agreement has been ratified by the public employer and by public employees who are members of the bargaining unit.” In addition, pursuant to Chapter 447.309 of the Florida Statutes, this Resolution will authorize the City Manager to appropriate the budgeted funds to implement the provisions of the agreement.

Cost Benefit:

The executed CBA will define the wages, benefits, and terms of employment for employees currently represented by AFSCME for the effective period of October 1st, 2025 through September 30th, 2028. For FY26, the estimated cost is approximately \$474,802, out of which \$452,491 was allocated with the FY26 budget. The approximate additional cost of \$22,320 for FY26 will be obtained from salary savings.

As part of the CBA, a proposed pension window negotiated in Section 34.4 of the CBA would be offered to 26 of the City’s 39 currently active members participating in the legacy General Employees’ defined benefit pension plan, representing a significant majority of the remaining active participants and maximizing the effectiveness of this one-time opportunity. While not all of these individuals are current AFSCME members, each was, at some point in their employment, eligible for enrollment in the legacy pension plan.

In support of this provision, the City’s actuary has completed an Actuarial Impact Statement dated March 20, 2026 (Exhibit 2), evaluating the financial implications of implementing an Early Retirement Window (ERW).

The analysis indicates that the City’s annual required pension contribution is expected to increase by approximately \$516,174 beginning in FY 2027 as a result of the proposed window.

More importantly, the overall financial impact of the pension window is reflected in the increase in unfunded liabilities. As outlined in Section C of the actuarial report, the implementation of the window results in an increase in the Unfunded Actuarial Accrued Liability (UAAL) from approximately \$15.8 million to \$20.3 million, representing an increase of approximately \$4.5 million.

While the implementation of the pension window carries a measurable fiscal impact, there are also significant offsetting benefits to the City:

- Florida Retirement System (FRS) savings:
 - Approximately \$1.9 million assuming 100% participation in the 5-year Deferred Retirement Option Plan (DROP)
 - Approximately \$1.4 million assuming 75% participation in the 5-year DROP, with a corresponding 25% reduction in cost impact
 - Approximately \$1 million assuming 50% participation in the 5-year DROP, with a corresponding 50% reduction in cost impact
- Long-term pension savings
 - By allowing eligible employees to retire earlier and lock in their pension benefits now, the City avoids higher pension liabilities that would result from continued service and salary growth over the next 2–10 years. This is estimated to generate approximately \$431,000 in annual pension savings. It should be noted that this estimate assumes only a 3% annual cost-of-living adjustment (COLA); however, given potential salary increases and career progression, the likelihood of significantly higher future pension obligations is substantial, further increasing the value of these long-term savings to the City.
- Plan de-risking
 - The pension window supports the City's long-term financial strategy by reducing exposure to future liability growth, salary inflation, and demographic risk. Encouraging earlier retirements helps stabilize the plan and improve predictability of future pension obligations. In addition, given the plan's current asset allocation of approximately 50% equities and 50% fixed income, the reduction in long-term liabilities presents an opportunity for the investment manager to reevaluate the plan's risk posture. With a shorter liability horizon and reduced uncertainty, the City may consider transitioning toward a more conservative investment strategy, potentially lowering exposure to market volatility and preserving funded status over time. This alignment between liabilities and a more conservative asset allocation can further strengthen the plan's financial stability and reduce the risk of future contribution volatility.
- Salary savings from workforce transition
 - To the extent employees elect to separate from employment rather than participate in the DROP for up to five (5) years, the City would realize additional savings by hiring replacement employees at lower starting salaries, further reducing overall personnel costs.
- Organizational benefits
 - The window supports workforce transition, succession planning, and fulfillment of negotiated labor commitments.

AFSCME 2009 - CBA CONTRACT NEGOTIATIONS - 10/30/2025 - 09/30/2028	Estimated FY26 Cost	Estimated 3-Year Contract Cost
Article 36.2 Cell Phone Allowance	\$3,900	\$11,700
Article 5 – Longevity	\$3,928	\$11,784
Article 6.1: Wages		
10/01/2025 - 3.00% Wage Increase		
10/01/2026 - 3.00% Wage Increase		
10/01/2027 - 3.00% Wage Increase	\$452,491	\$1,357,474
Article 10.8 - Hours of Work and Overtime	\$12,766	\$38,299
Article 36.1 Tool Allowance	\$1,717	\$5,153
Article 34.4 - Retirement Pension Plan	\$0	\$1,032,348
Total Estimated Cost:	\$474,802	\$2,456,758

PROPOSED ACTION:

Staff recommends the City Commission adopt the attached Resolution ratifying a collective bargaining agreement between the City and AFSCME relating to relations between employer and the general employees of the City of Hallandale Beach and to establish a pension window for those members participating in the legacy pension plan; authorizing the City Manager to execute the agreement and to utilize budgeted funds to implement the provisions of the agreement; and providing an effective date.

ATTACHMENT(S):

- Exhibit 1 – Proposed Resolution
- Exhibit A – 2025-2028 AFL-CIO AFSCME CBA
- Exhibit 2 – Actuarial Impact Statement dated March 20, 2026 – 445661 Hallandale General ERW study

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Reviewed By: Noemy Sandoval
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 Assistant City Manager