



INTEROFFICE MEMORANDUM
Office of the City Manager

DATE: August 23, 2018 **FILE:** CM-18-023

TO: Dr. Wazir A. Ishmael
City Manager

FROM: George R. Keller, Jr CPPT
Assistant City Manager for Public Safety 

SUBJECT: Labor Relations/Negotiations Regarding Restoration of Pension Benefits

Issue:

Labor Relations/Negotiations Regarding Restoration of Pension Benefits

Explanation:

The City is currently at a critical juncture in time, facing very important decisions in the near future on budget, labor negotiations, pensions, CRA, elections, special elections, health insurance, litigation, etc. The decisions and positions taken on these major issues, many of them intertwined with each other, will drive the future direction, opportunities, and success of the City. There is a great deal of discussion occurring on these issues, and in some cases confusion, misinformation and conflation; hence the desire to establish a clear record for decision making. One of those major issues is Labor Relations/Negotiations regarding the restoration of pension benefits lost by existing employees during Financial Urgency in 2011.

All five labor units in Hollywood, represented by AFSCME, IAFF, and PBA collectively are currently open and actively being negotiated now and during this past year. Police and Fire are already working out of contract, with MOU's having been executed on limited issues; General Employees' current contract expires in just over one month. From the very outset of negotiations, the labor unions have made it abundantly clear their number one priority that must be addressed, before anything can be accomplished, is the restoration of pension benefits lost by employees in 2011 due to the City's financial urgency crisis. Their positions include the following:

- City employees represented by the labor unions were not responsible for the City's fiscal crisis.
- The City's fiscal crisis was balanced by reducing employees' salaries, benefits, and pensions.
- Many City employees' futures, finances, families, homes, relationships, were seriously damaged
- Many of the salaries and benefits lost have been restored but pension benefits remain
- City employees and their representatives have waited for seven years and believe that is long enough

So, in a City with many challenges and needs, and not enough resources to address all of them all at once; why should the restoration of pension benefits lost by City employees be supported? Careful and appropriate management of the City is at best a difficult act of balancing many challenging issues at the same time, following are some important facts for decision making.

1. Employees are asking to return pension benefits they had taken away, nothing new or added
2. "Promise Made Promises Kept", the employees kept theirs, they ask the City to keep its promise
3. Damage done to employees remains as a bitter, divisive cloud retarding the progress of the City
4. In order to move forward, this large remaining impediment must be removed as an obstacle
5. The environment, reputation, and image of the City is impacted by labor relations issue
6. Morale, production, customer service, recruitment and retention of employees is at stake
7. The City has important priorities that must be accomplished in negotiations
8. Without the restoration of pension benefits, impasse/deteriorated labor relations is likely
9. Making employees "whole again" will help make the City a stronger organization and community
10. It is "The Right Thing To Do"

It is understood that the restoration of pension benefits lost in 2011 for employees hired prior to that date, vary amongst the different groups and tenures, additional details will be provided for each as required. It is also understood that it is not financially possible at this time to restore all pension benefits to all pre 2011 financial urgency employees, but now is the time and opportunity to start in increments.

It is therefore our strong recommendation, serving as the senior negotiator representing the City's Labor Negotiations Team, that sufficient funds in the FY 2019 budget be supported and allocated to the restoration of City employees' pension benefits lost in the 2011 fiscal crisis.

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c: Mayor, Vice Mayor, and City Commissioners
Assistant City Managers
Director, Human Resources and Risk Management Department
Director, Financial Services Department