



# Compensation & Benefits Review Ad Hoc Committee

*Members:*

*Commissioner Barbara J. Jordan, Chairperson*

*Commissioner Jean Monestime*

*Commissioner Jose "Pepe" Diaz*

*Commissioner Esteban L. Bovo, Jr.*

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**Thursday, December 13, 2012 at 10:30 a.m.  
Government Center / Stephen P. Clark Center  
111 NW First Street  
18<sup>th</sup> Floor Conference Room 4**

## **AGENDA**

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|------|--|-----------------------------------|
| I.   | Call to Order & Opening Statement              | The Hon. Barbara J. Jordan, Chair |
| II.  | Approval of Summary Minutes – December 6, 2012 | Ad Hoc Committee Members          |
| III. | Committee Recommendations                      | Committee Members                 |
| IV.  | Adjournment                                    |                                   |

**CLERKS SUMMARY AND OFFICIAL MINUTES  
COMPENSATION AND BENEFITS REVIEW AD HOC COMMITTEE  
December 6, 2012**

**I. Call to Order & Opening Statement**

The Compensation and Benefits Review Ad Hoc Committee (CBRAHC) convened a meeting on the 18<sup>th</sup> Floor Conference Rooms 3 & 4 of the Stephen P. Clark Government Center (SPCGC) on December 6, 2012, at 9:28 a.m. County Commissioner Barbara J. Jordan, Chairwoman; and Commissioners Esteban L. Bovo, Jr., and Jose “Pepe” Diaz were present. Also present were Assistant County Attorney Eric Rodriguez; Internal Services Department Assistant Director Mary Lou Rizzo, Division Director Arleene Cuellar, Division Director Michael Snyder, Commission Auditor Charles Anderson; and Deputy Clerk Alan Eisenberg.

Chairwoman Jordan noted Commissioner Monestime notified her that he would not be attending today’s meeting. She expressed her appreciation to her colleagues for their continued dedication and to staff for preparing and presenting information pertaining to the compensation and benefits process. Chairwoman Jordan said today’s meeting would begin with a staff presentation of follow-up information from the last meeting and then Committee members would have the opportunity to develop final recommendations to present to the County Commission. She acknowledged members of County unions for attending Committee meetings, noting she would ask the County Attorney whether it was appropriate for union representatives to address the Committee.

**II. Approval of Summary Minutes**

It was moved by Commissioner Bovo that the October 18, 2012 Compensation and Benefits Review Ad Hoc Committee meeting minutes be approved. This motion was seconded by Commissioner Diaz, and upon being put to a vote, passed by a vote of 3-0 (Commissioner Monestime was absent).

**III. Review of follow-up items from last meeting**

Ms. Mary Lou Rizzo, Assistant Director, Internal Affairs Department, presented the following follow-up items.

- **Part-Time Employee Utilization**

Ms. Rizzo said a countywide survey was conducted to determine the reason for using part-time employees from which twenty-three responses were received. She said that as of November 2, 2012, a total of 2,237 part-time or seasonal workers were employed in 25 departments; that 63.7 percent of these workers were employed for fewer than two years; that they were scheduled to work approximately 56 hours bi-weekly; and that they were not eligible for County benefits. Ms. Rizzo said departments primarily used part-time workers due to the nature of the work, such as an operational need at a particular time or

to satisfy contractual obligations. She commented that cost savings was not a primary reason for using part-time workers. Ms. Rizzo said the top five departments using part time workers were listed on Table 1; the reasons for part-time and seasonal employee utilization on Chart 1, and a more detailed departmental analysis on Table 2.

Chairwoman Jordan questioned the County's policy on integrating temporary employees into the workforce and whether a similar policy existed for part-time employees.

Ms. Rizzo responded that a review was conducted after six months as to whether the need for a temporary employee still existed, and if so, the use of that employee could be extended for one year pursuant to an Administrative Order. She noted that the department should work with the Budget Office to establish a permanent position for that function if the need continued to exist. Ms Rizzo said that should the recruitment for a permanent position be restricted to County employees only, the temporary employee would be able to compete for that position. She clarified that this policy only applied to temporary employees and that a similar policy did not exist for part-time employees.

Chairwoman Jordan noted the average employment for part-time workers was two years and proceeded to question the percentage of part-time employees working more than two years.

Ms. Rizzo noted the information requested by Chairwoman Jordan would be compiled. She said that a new provision existed in the American Federation of State, County and Municipal Employees (AFSCME) Local 199 Agreement giving part-time employees preference to fill vacancies.

- **Leave Policies**

Ms. Rizzo commented that many employers usually paid employees for accrued annual leave because the benefit was perceived to have been earned; however, policies varied when considering sick leave payout.

Ms. Rizzo explained that Miami-Dade County employees could maintain a maximum of 500 hours Annual leave and were eligible to receive payout of this time if unused. She said this number of hours was the same as the maximum number of annual hours applied toward the County's average final compensation, pursuant to the Florida Retirement System guidelines. Ms. Rizzo further explained that sick leave accrual had no limit while an employee was working; however, they were eligible for sick leave payout only after ten years of continuous service. She said an employee with ten years of continuous service would receive 25 percent of their sick leave balance with a maximum payout of 1,000 hours depending upon the number years of service. Ms. Rizzo noted an employee completing 30 years or more of service was eligible for payout of all accrued sick leave, in excess of the 1,000 hours.

Ms Rizzo noted leave policies of various organizations representing populations in excess of 1.5 million residents were compared which showed that payout policies varied widely

according to employer. She said often organizations had no limit on accrual; however, the policy for pay out and rate of pay out for sick leave varied.

In response to Chairwoman Jordan's request regarding County policy toward sick and annual leave accrual for part-time employees, Ms. Rizzo responded that part-time employees accrued sick and annual leave; however, they were not eligible for holiday pay.

Ms. Rizzo responded to Commissioner Bovo's request to clarify the payout in excess of 1,000 hours of sick leave and the rate of payout. She explained that an employee with 29 years of service would receive 95 percent of accrued sick leave hours and this amount was capped at 1,000 hours. Ms. Rizzo noted that an employee with 30 years of service was eligible for 100 percent of accrued sick leave hours and eligible for full payout even if that amount exceeded 1,000 hours. She said that the total payout was determined at the hourly rate the employee earned at the time of separation.

Commissioner Bovo inquired about the maximum number of sick leave hours paid to an employee as well as the number of employees with service in excess of twenty five years to which Ms. Arlene Cuellar, Division Director, Internal Services said this information would be compiled and provided to Committee members. He said he was not interested in changing policy for current County employees with over five years service; however, newly hired employees and those employed under a certain number of years should be considered differently. Commissioner Bovo noted the payout should be based upon the rate at the time which the benefit was earned rather than at the employees' final rate of pay.

Ms. Rizzo said a workforce distribution would be compiled and provided to Committee members depicting the total number of employees at each year of longevity.

- **Fire Department Efficiencies Achieved through Collective Bargaining and Management Change**

Mr. Scott Mendelsberg, Assistant Director, Miami-Dade Fire Rescue Department, explained that the recent Collective Bargaining Agreement provided opportunities to work with labor partners to obtain recurring savings and efficiencies that would help reduce overtime costs and holiday hours, as well as change the method used to calculate hazardous duty pay. He said that overtime was reduced by 80,000 hours from Fiscal Year (FY) 2011 to FY 2012 as depicted in his handout. Mr. Mendelsberg noted the Department realized savings in excess of the \$20 million target; reduced spending by \$25 million; reduced total operating expenses by \$37.9 million; and reduced salary and fringe benefits by \$17.1 million. He said a concerted effort to reduce sick pay costs was implemented and a 10–15 percent reduction in sick hours was realized. Mr. Mendelsberg said the Department balanced its budget, met its savings target, achieved labor savings, and carried over funds in excess of \$10.5 million.

Commissioner Bovo commented that he appreciated the Fire Rescue Department's effort to achieve savings; however, noted that departments should be able to realize savings without being pressured to do so.

#### **IV. Additional Items**

Chairwoman Jordan noted the following pending items were previously identified as possible recommendations for review:

- **Whether Community Action Agency employees exempt from Civil Service status be included**

Chairwoman Jordan inquired whether Community Action Agency (CAA) employees were exempt because they were grant funded.

Ms. Rizzo noted that she believed CAA was not merged into the classified service because of its funding source.

Chairwoman Jordan commented that CAA, and any other exempt department, should be treated the same in terms of civil service, and the number of years of service be grandfathered in, rather than considering employees as new employees and subject to being the first laid off.

Ms. Rizzo said that the two previous mergers (Office of Transportation Administration and Exempt Service Study) were accomplished by ordinance and employees were credited with one year of classified service status, thus merged with permanent status. She noted personnel rules emanating from County ordinance provided that exempt time shall not be credited toward civil service time.

Chairwoman Jordan noted the existing ordinance could be changed to eliminate the one year provision.

Ms. Rizzo noted this would become a collective bargaining issue and may impact other employees and departments that were previously impacted by departmental consolidation. She said the consolidation of CAA and Human Services had the greatest impact; however, other employees in the workforce were affected by the restructuring with status issues that may need to be considered at the same time.

Chairwoman Jordan said that all exempt employees should be considered to be included in classified service rather than isolating one department.

- **Increased Years of Service Requirement for Employees Receiving Tuition Reimbursement**

Chairwoman Jordan noted the requirement for the number of years of service to the County after an employee receiving tuition reimbursement was reduced from three years to one. She said this requirement needed to be increased.

Commissioner Bovo questioned the rationale for reducing the required number of years.

Ms. Rizzo was not aware of the reason for the reduction.

Commissioner Bovo noted a five year commitment was in order. He proceeded to question whether this was a collective bargaining issue, and, if so, whether the County Commission had the right to set policy and direct the Mayor to negotiate based upon that policy.

Assistant County Attorney Eric Rodriguez responded that directing the Mayor how to negotiate could constrain the ability of the Mayor to negotiate tradeoffs. He said that the Commission had the ability to establish parameters; however, he noted that caution should be exercised in order to give the administration the ability to negotiate. Assistant County Attorney Rodriguez noted that keeping the tuition reimbursement requirement at one year may be acceptable provided that a significant number of employees did not leave County employment in less than that amount of time. He clarified if this was an insignificant number, the benefit may not need to be given up in union negotiations by requiring an additional number of years of service and taking away a bargaining chip that did not cost the County much money but was important to the union.

Chairwoman Jordan commented that perhaps a prorated scale could be used to pay back after a pre-determined minimum period.

Ms. Rizzo noted that the Administrative Order could be reviewed.

Commissioner Diaz questioned whether the County Commission had the ability to direct the Mayor what to do in relation to employees under a Strong Mayor form of government.

Assistant County Attorney Rodriguez responded that the Charter restrictions were about directing particular matters with employees. He said this discussion was related to the County Commission giving the Mayor a directive about what should be in a collective bargaining agreement. Assistant County Attorney Rodriguez noted the County Commission had the authority and was the sole authority for approving the collective bargaining agreements, subject to the Mayoral veto.

Commissioner Diaz noted he was previously advised by County Attorney Robert Cuevas that the County Commission could not direct the Mayor. He said he did not want to go through the process of developing recommendations only to be told the County

Commission could not do so. Commissioner Diaz noted it was the Administration's responsibility to direct employees, and the County Commission could only direct the Administration as a body through a vote.

Commissioner Bovo said he believed any changes should be made for newly hired employees and not impact those employed for many years. He said County Commissioners were ultimately responsible to represent the taxpayers' interest. Commissioner Bovo said the County Commission needed to set parameters for the Mayor to use to negotiate with the unions, rather than the Mayor negotiating a deal and saying he could not get what the Commission wanted.

Commissioner Diaz noted it would be up to the unions whether to accept Commissioner Bovo's proposal.

Ms. Rizzo noted it was possible to structure a proposal that would become a mandatory subject of collective bargaining directed toward newly hired employees or employees who had not already vested in the benefit. She said under this option, current employees would have one treatment and newly hired employees another.

Commissioner Diaz commented that collective bargaining negotiations occur over a the period of a year, however, the final agreement was provided to the County Commission only a couple of days before voting on that agreement. He said giving the County Commission a greater role in the process would make the process clearer and more benefits would be realized.

Assistant County Attorney Rodriguez clarified that the County Commission could not communicate with collective bargaining unit members once declaring a Declaration of Impasse. He responded to Commissioner Diaz that negotiations without a Declaration of Impasse must occur in an open Sunshine meeting. Assistant County Attorney Rodriguez said that union representatives could come and talk with a Commissioner; however, they could not negotiate with a commissioner outside of the Sunshine requirements.

Chairwoman Jordan clarified that communicating with collective bargaining unit members was no different from a Commissioner communicating with an employee and then during the course of that conversation it was interpreted that the Commissioner was giving the employee a directive. She pointed out a commissioner could listen to an employee and obtain information but not direct the employee to perform a specific action. Chairwoman Jordan noted union representatives often presented their issues and concerns with commissioners prior to an impasse.

Commissioner Diaz expressed concern that he could not be engaged in the process ahead of time. He said he thought the County Commission could work with administration and get more information before a decision needed to be made out of this Committee process. Commissioner Diaz commended Mayor Gimenez for doing an excellent job providing up-front information about the FY 2012 – 2103 budget.

- **Pay Steps and Cost of Living Adjustment**

Chairwoman Jordan questioned the rationale behind establishing five percent steps in the County's pay plan and for the cost of living adjustment to become a negotiated item.

Ms. Rizzo explained that the County adopted a stepped pay plan structure and within the pay plan the differential was established between pay steps. She noted the range varied from 4.8 percent to a smaller percentage depending upon the job classification. Ms. Rizzo said most bargaining unit classification contracts referred to pay steps and in certain contracts an open range was negotiated as well as the value of the pay step.

Chairwoman Jordan continued to inquire regarding the rationale behind establishing a 4.8 percent rate for pay steps and whether that rate could be another amount. .

Ms. Rizzo explained that the pay plan was adopted by the County Commission by a resolution after being developed by the Administration. She said that no directive existed that established a certain differential between pay steps and this amount was determined by the Administration as they developed pay steps for a particular job class.

Chairwoman Jordan noted her primary objective was to find ways to stop the payroll from growing by eight to nine percent annually because this practice would prevent the County from providing necessary governmental services. She suggested limiting merit increases and cost of living increases to five percent combined. Chairwoman Jordan noted previously being informed by staff that setting parameters on pay supplements complicated the collective bargaining negotiation process and it would be better for the County Commission to give the Administration the flexibility to negotiate the dollar amount. She proceeded to ask Assistant County Attorney Rodriguez to clarify this process.

Assistant County Attorney Rodriguez responded that in developing the FY 2012-13 budgets, the Mayor needed to come up with a method to reduce the budget by \$240 million and he then directed the collective bargaining units to determine methods to achieve the required five percent savings.

Commissioner Jordan inquired whether the County Commission could set parameters to direct the Mayor to develop a pay plan or pay range that would not increase the pay plan by more than five percent annually, including the cost of living increase and merit increase.

Ms. Rizzo responded that open pay ranges would be needed in order to accommodate Chairwoman Jordan's request.

Chairwoman Jordan said a policy or ordinance should be adopted that would limit the growth of the County's payroll to no more than five percent annually and this decision should not be revisited annually.



Ms. Rizzo noted that wages were a major subject of collective bargaining; therefore, she did not believe this could be accomplished in perpetuity.

Chairwoman Jordan noted the 4.8 percent increase was now being applied in perpetuity.

Ms. Rizzo responded that the 4.8 percent increase was negotiated with the collective bargaining units and that the structure of pay ranges could be a subject of negotiation.

Chairwoman Jordan said the pay plan was presented to the County Commission annually for approval and that she was not aware that the pay plan was negotiated. She noted pay steps were already set in perpetuity and the Commission did not change pay steps annually. She suggested a policy be adopted to stop increasing the payroll.

Ms. Rizzo said the cost of living increase was negotiated with each contract term, noting the current collective bargaining agreements had no increases for the next three years. She said the pay plan rates were incorporated into each collective bargaining agreement and any changes to the pay steps would need to be negotiated.

Chairwoman Jordan said the pay structure and pay plan needed to be addressed because the County was growing the budget without growing revenue. She noted the County could not continue terminating employees and telling the community it was delivering the same level of services.

## **V. Committee Recommendations**

Commissioner Bovo suggested that another meeting be scheduled in order to include Commissioner Monestime, and that the meeting should be more of a dialogue amongst Committee members with no additional reports from staff.

Chairwoman Jordan noted she would honor Commissioner Bovo's request.

Commissioner Diaz concurred with the request for another meeting to dialogue with Committee members. He stressed the importance that Committee recommendations be vetted and be doable items.

Chairwoman Jordan asked Committee members to place preliminary recommendations on the record to be discussed at the next meeting in order to allow staff the opportunity to opine whether doable or not.

Commissioner Diaz recommended the following items:

- Reduce the number of classifications for positions and number of pay steps.
- Negotiate caps on annual leave.
- Step increase should be merit based and not automatic.
- Salary caps / merit increase
- Establish a policy for newly hired employees without affecting current workforce.

Ms. Rizzo clarified that a cap currently existed on annual leave; that an employee could not carry more than 500 hours of annual leave annually; and that sick leave accrued in perpetuity. She also clarified that the performance evaluation system was merit based and employees must have a minimum of a satisfactory evaluation before receiving an increase.

Commissioner Bovo recommended the following items:

- Sick and annual leave payout at the rate when earned rather than at the highest rate.
- Pay plan classification consolidation.
- Calculations used for determining the retirement rate.
- Threshold levels for calculations need to be established which impact newly hired employees and those employed less than five years.

Chairwoman Jordan recommended the following items:

- Maximum five percent increase to include both cost of living and merit increase.
- One time bonus in lieu of cost of living and merit increases that would be implemented when declaring a fiscal hardship.
- New pay plan for newly hired employees entering County government that would be two pay steps lower than the current entry level.
- Establish consistent policies for part time and temporary employees.
- Grandfathering in time served for all exempt employees converted to civil service.
- Employees to remain in County service for up to three years after receiving tuition reimbursement and a prorated share be paid back for less time.

In response to Commission Diaz' question about the tuition reimbursement program, Ms. Rizzo responded that the program was previously changed from two years of service to one. She also noted that the course of study was supposed to be related to the employee's career path and any degree which appeared to be excessive or extraneous to the employee's job duties would not be approved for reimbursement. Ms. Rizzo noted the Administrative Order should be reviewed in its entirety to address reimbursement and course of study issues.

Chairwoman Jordan noted Ms. Rizzo was retiring and her last day of work would be January 4, 2013; therefore, a Committee meeting needed to be scheduled before December 20, 2012. Upon consensus of Committee members, it was agreed that the next meeting would be held on Thursday, December 13, 2012, immediately following the Zoning meeting, no later than 12:00 noon.

## **V. Adjournment**

There being no further business, the Compensation & Benefits Review Ad Hoc Committee adjourned at 11:12 a.m.

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Barbara J. Jordan, Chair