




Memorandum
Commissioner Barbara J. Jordan

To: Honorable Rebeca Sosa, *Chairwoman*
Board of County Commissioners

From: 
Barbara J. Jordan, *Committee Chairperson*
Compensation & Benefits Review Ad Hoc Committee

Date: March 20, 2013

Subject: Final Report – Compensation & Benefits Review Ad Hoc Committee

On behalf of the members of the Compensation & Benefits Review Ad Hoc Committee, it is with great satisfaction that we hereby submit the Compensation & Benefits Review Ad Hoc Committee Final Report with this Committee's recommendations and suggestions to the Board of County Commissioners (BCC). Over the period of eight months, many issues were discussed at length, and we wholeheartedly believe that our recommendations and suggestions will contribute significantly to streamlining the County's pay plan to make it more sustainable.

We extend special thanks to former Chairman Joe A. Martinez for creating this Committee, as well as fellow Committee members for their valuable input. In particular, we thank the Human Resources Division of the Internal Services Department, the Office of the Commission Auditor, the County Attorney's Office, and the Clerk's Office for their support and contributions to the Committee during this period.

I request that a discussion item be placed on the April 2nd, 2013 BCC agenda to discuss the committee recommendations and select those that we would like to see moving forward.

Attachment

c: Honorable Carlos A. Gimenez, Mayor
Honorable Lynda Bell, Vice Chairwoman
and Members, Board of County Commissioners
R. A. Cuevas, County Attorney
Charles Anderson, Commission Auditor
Edward Marquez, Deputy Mayor
Lester Sola, Director, Internal Services Department
Christopher Agrippa, Division Chief, Clerk of the Board

Compensation and Benefits Review Ad Hoc Committee

Final Report

In a memorandum dated April 20, 2012, previous Chairman Joe A. Martinez requested the creation of a panel with the specific purpose of reviewing the County's pay plan in great depth and to provide a report with findings and recommendations to the Board of County Commissioners (BCC). The Compensation and Benefits Review Ad Hoc Committee was comprised of the following Commissioners: Barbara J. Jordan, Chairperson; Esteban L. Bovo, Jr.; Jose "Pepe" Diaz; and Jean Monestime. In addition, the following County staff assisted the Committee throughout the process: Charles Anderson, Commission Auditor; Eric Rodriguez, Assistant County Attorney; Edward Marquez, Deputy Mayor; Mary Lou Rizzo, Assistant Director, Internal Services Department; and Alan Eisenberg, Deputy Clerk.

The Committee held nine (9) meetings from May 1, 2012 through December 13, 2012 (all Union representatives were extended an invitation). A plethora of issues was discussed at length, to include pay plan design, pay supplements, executive benefits, temporary and part-time employees, and leave provisions. Below are the final recommendations/items submitted by the Committee for consideration by the BCC:

Recommendations:

1) Reduce the number of job classifications

The panel discussed reducing the number of classifications and aligning different classifications to uniform pay ranges, therefore creating a more sustainable pay plan that promotes cost containment.

2) Cap yearly salary increases (attributed to merit increases and Cost of Living Increases (COLA) to a maximum of 5% annually.

Currently, eligible employees, who are not at the maximum of the range, receive an average of 4.3% as part of their yearly merit increase. COLA amounts vary, as negotiated with the multi-year collective bargaining agreements. Historically, when cost of living adjustments (COLA) were granted, employees would potentially be eligible for up to 8% - 9% annual increase. This recommendation would provide employees with a maximum combined yearly total of 5% (merit + COLA).

3) Evaluate long-term, part-time employees on an annual basis to determine whether a full-time position would be more cost effective, unless otherwise prohibited by collective bargaining agreement

Existing Miami-Dade County part-time employees do not receive the following benefits that are provided to full-time employees, even though part-time employees could be working in excess of 40 hours weekly: holidays and insurance benefits (if scheduled hours are fewer than 60 hours in the pay period). The Committee recommended the establishment of a policy similar to that for temporary employees, whereas the need for a permanent position is reviewed after one (1) year. The Committee noted that the funding source sustainability of the position should be reviewed.

- 4) **Restructure the pay plan with open ranges and reduce the new hire rate by approximately 9-10% (2 steps), thus implementing an additional tier to the County's already existing multi tier pay plan**

The Committee proposed that new employees should be hired at a new rate up to 10% lower than the current new hire rate.

- 5) **For New Hires Only - Limit sick leave payouts to a maximum of 600 hours and calculate the payout rate at an average of the employee's total earnings, rather than at the rate earned at separation**

Currently, employees can accrue an indefinite amount of sick hours; however, employees are limited in the number of sick hours that could be compensated upon separation. Employees with less than 30 years of service are eligible for up to 1,000 hours of sick leave payout, based on a sliding scale of years employed. Employees with 30+ years of service are eligible to receive payment for all sick hours accrued. All payments are made based on the employee's current rate of pay at the time of separation.

Suggestions/Menu Items:

- 1) **For New Hires Only - Reduce bankable annual leave from 500 to 300 hours**
The current policy provides that employees can accrue a maximum of 500 annual/vacation hours per year. Hours in excess of 500 are forfeited if not utilized.
- 2) **Provide employees with a one-time bonus, in lieu of a COLA and/or merit increase, during times of fiscal hardships and/or once the maximum rate of the pay plan is reached**
- 3) **Negotiate changes to the current layoff policy, to provide civil service credit for exempt service**
- 4) **Review the pay plan every three (3) years with comparable governments/entities to remain competitive and/or conduct market research.**

To the extent any of these recommendations/menu items impact employees in collective bargaining units, such recommendations require collective bargaining.

Additional information, minutes and presentations for the Compensation and Benefits Review Ad Hoc Committee can be located at the following website

<http://www.miamidade.gov/auditor/compensation-benefits.asp>