Memorandum

MIAMI-DADE COUNTY

Date: September 2, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Agenda Item No. 12(A)(1)

From: George M. Burgess
County Manager

Subject: Resolution Approving the Finance Department Credit and Collections Memorandum of Understanding

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RECOMMENDATION

It is recommended that the Board of County Commissioners (BCC) approve the attached resolution adopting the Finance Department Credit and Collections Memorandum of Understanding (MOU) (attached) between management and the employees of the Finance Department Credit and Collections Section. This MOU is a successor agreement to the current MOU that expires September 30, 2008.

SCOPE

The Credit and Collections Section of the Finance Department provides debt collection services for the following departments within the County:

Animal Services	Building Department
Jackson Memorial Hospital	Aviation Department
Medical Examiner	Consumer Services
Fire Rescue	Parks and Recreation
Water and Sewer	Solid Waste Management
Police Department	Bad Checks (various departments)

FISCAL IMPACT / FUNDING SOURCE

The MOU will provide employees with financial incentives for generating collections revenue, and incentive payouts are contingent upon achieving monthly revenue targets.

Gainsharing bonuses, if any, will be funded solely from the net revenues collected by the Credit and Collections Section.

MONITOR

Staff from the Finance Department and the Office of Strategic Business Management will be responsible for monitoring the agreement.

BACKGROUND

The Credit and Collections Section of the Finance Department provides collection services on debts owed to various departments throughout the County, including Jackson Memorial Hospital, Fire Rescue and Water and Sewer, for example. The MOU continues a gainsharing program in which monthly bonus payments are awarded to employees when revenue targets are exceeded. These targets are based on national data for collectors and collection agencies, as well as historical collections by the

section. The new MOU will be effective for a three-year period commencing October 1, 2008 and can be extended by mutual consent of the parties for up to two additional one-year periods. The MOU provides financial incentives for individual collectors and supervisors who achieve gross monthly collections in excess of a revenue target. The MOU also provides financial incentives for support staff and the Section Manager for exceeding a monthly net revenue target based on the Section's annual revenue budget. Payments to collectors, supervisors and the Section Manager are capped at $4,800 per year, while payments to support staff are limited to $2,400 annually.

The results of the ongoing Credit and Collections Section MOU have been impressive. Since the introduction of the MOU in April 2004, the Credit and Collections Section has generated over $14.1 million in gross collections and the average gross monthly collections per collector have risen by an impressive 62%.

This program embodies our *Results Oriented Government* philosophy by quantifying performance and rewarding results. I am proud of the Credit and Collections Section employees for their outstanding performance during the last five years and with this proposed MOU I am challenging and encouraging them to continue to *Deliver Excellence Every Day.*

FOR

Cynthia Curry
Senior Advisor to the County Manager

Attachments

cmo20208

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: September 2, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 12(A)(1)

Please note any items checked.

_____ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

_____ 6 weeks required between first reading and public hearing

_____ 4 weeks notification to municipal officials required prior to public hearing

_____ Decreases revenues or increases expenditures without balancing budget

_____ Budget required

_____ Statement of fiscal impact required

_____ Bid waiver requiring County Manager's written recommendation

_____ Ordinance creating a new board requires detailed County Manager's report for public hearing

_____ Housekeeping item (no policy decision required)

_____ No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 12(A)(1)
9-2-08

RESOLUTION NO. _____

RESOLUTION APPROVING THE FINANCE DEPARTMENT CREDIT AND COLLECTIONS MEMORANDUM OF UNDERSTANDING

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated by reference; and

WHEREAS, the Credit and Collections Section provides collection services on debts owed to various departments throughout the County; and

WHEREAS, the County desires to have this service provided in the most effective, efficient and competitive manner possible, while providing excellent customer service and complying with all federal, state, and local rules and regulations; and

WHEREAS, the attached Memorandum of Understanding commits the Credit and Collection Section collectors to a level of productivity commensurate with the private sector,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the Finance Department Credit and Collections Section Gainsharing Program as outlined in the accompanying Memorandum of Understanding, in substantially the form attached, a copy of which is incorporated herein.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz
Carlos A. Gimenez
Joe A. Martinez
Dorrin D. Rolle
Katy Sorenson
Sen. Javier D. Souto
Audrey M. Edmonson
Sally A. Heyman
Dennis C. Moss
Natacha Seijas
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of September, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan

MIAMI-DADE COUNTY
FINANCE DEPARTMENT
CREDIT AND COLLECTIONS SECTION

MEMORANDUM OF UNDERSTANDING

I. PREAMBLE

This Memorandum of Understanding (MOU) memorializes an agreement between the County Manager on behalf of Miami-Dade County, the Director and Assistant Director of the Office of Strategic Business Management, the Director of the Finance Department, and the employees of the Finance Department's Credit and Collections Section, hereafter referred to as "the parties".

II. SCOPE

This Productivity and Revenue Generation Program commits the parties to the goals contained within this MOU relating to revenue generation and gainsharing. The primary responsibility of the Credit and Collections Section is to perform collection work on debts owed to various departments throughout the County, while adhering to State and Federal Laws regarding the collection of debt. Debt collection services are currently provided for the following departments within the County:

- Animal Services
- Jackson Memorial Hospital
- Medical Examiner
- Fire Rescue
- Water and Sewer
- Police Department
- Solid Waste Management
- Bad Checks (various departments)
- Building Department
- Aviation Department
- Consumer Services
- Housing Agency
- Parks and Recreation

The scope of this Productivity and Revenue Generation Program will also include collection services for other departments within the County, as well as municipalities outside the control of the County. While there are no agreements currently in place with outside municipalities, agreements are anticipated during the term of this agreement. Additionally, the Section oversees the collection of certain delinquent accounts by private agencies and provides billing services for off-duty police services.

The program is designed to provide an incentive to employees to generate revenue in an amount commensurate with private sector providers, while meeting budgetary requirements and maintaining the integrity and professionalism required in a customer service environment. The revenue targets presented in this document, if achieved, will

represent a substantial growth in revenues to the County, and within the Credit and Collections Section of the Finance Department. While gainsharing in the County has historically been done on an annual basis, collection of debt requires a much more immediate reward system; therefore, this agreement is based on monthly goals and rewards. The budget for the incentive program has been built into the Credit and Collections budget since FY 2003-04, and incentive payouts are contingent upon achieving individual revenue targets. Revenues generated above and beyond the Section's budgetary requirements will be utilized to assist in the funding of other Sections within the Finance Department.

It is the intent of this agreement to comply with the Miami-Dade Countywide Gainsharing Guidelines.

III. SERVICE LEVELS AND REVENUE TARGETS

This MOU is a commitment to operating the Credit and Collections Section effectively, efficiently, and in a manner commensurate with quality customer service. The revenue target for collectors reflects a level of competitive performance commensurate with private collection service providers.

A. Service Levels

All service methods and procedures implemented to meet the objectives of the Productivity and Revenue Generation Program will be developed under the premise that core service functions must be maintained at current standards or better, and comply with all State and Federal laws and guidelines. Credit and Collection customers are defined as the departments that assign debts for collection to the Section, as well as the individuals or entities that owe a debt to the County.

B. FY 2007-08 Revenue target

Production Staff

The in-house collections revenue target shall be equivalent to the six-month average monthly gross collections per collector, exclusive of the high and low collector totals each month. For the third quarter of Fiscal Year 2007-08, this represents a minimum of $17,700 gross per month, per collector. However, the change in the collector target will be capped at 5% per quarter, in either direction, provided that in no case will the target be less than 95% of the previous six month average (discounting the high and low each month). This target is commensurate with private sector collection standards regarding the ratio of collection income to collector salaries. The amount is inclusive of down payments, initial payments and pre-arranged partial payments of $200 or more, and excludes partial payments of less than $200.

The revenue target for Partial Payment Account (PPA) collectors shall be equivalent to the six-month average monthly gross collections per collector, exclusive of the high and

low collector totals each month. However, the change in the collector target will be capped at 5% per quarter, in either direction, provided that in no case will the target be less than 95% of the previous six month average (discounting the high and low each month). For the third quarter of Fiscal Year 2007-08, this represents a minimum of $52,300 gross per month, per collector. The amount is inclusive of pre-arranged partial payments of $200 or less, settlements, and payments-in-full on accounts assigned to the PPA collector and excludes partial payments of more than $200.

The revenue target for supervisors shall be equivalent to the individual collector target, multiplied by the number of participating collectors assigned to the supervisor (excluding Partial Payment Account collectors).

Management and Support Staff

Two revenue targets shall apply to management and support staff.

The first revenue target for management and support staff shall be equivalent to the individual collector target, multiplied by the number of participating collectors in the Section.

The second revenue target shall apply to a rolling six month average of total Section net revenues, exclusive of transfers to other sections of the Department, and shall be equivalent to half of the previous year's actual net revenues, exclusive of transfers. The target for Fiscal Year 2007-08 is $525,100.

Gross collections revenue targets for production, management and support staff shall be adjusted on a quarterly basis. The net revenue target for management and support staff shall be adjusted annually.

C. Treatment of New Hires

For the purpose of calculating the monthly revenue targets for supervisors and management and support staff, a collector hired within the previous three months shall not be counted unless (s)he achieves the individual revenue target in that month.

D. Term and Option Years

This MOU is valid for Fiscal Year 2008-09 through Fiscal Year 2010-11, and can be extended by mutual consent of the parties for up to two (2) additional one (1) year periods.

IV. Employee Gainsharing Distributions and Eligibility

A. Monthly gainsharing distributions shall be based on the revenue targets identified above, as follows:

1. **Production Staff**

   a. Each Finance Collection Specialist and Paralegal Collection Specialist will receive a base-level payout of $250 for each month in which (s)he collects at least the minimum gross collections target. Additionally, for every gross $1,000 collected above the minimum target, the employee will earn an incremental payout of $20, up to the maximum payout of $400 per month and $4,800 per fiscal year.

   b. Each Partial Payment Account (PPA) Collector achieving the monthly minimum gross collections target will receive a base-level payout of $250. Additionally, for every gross $1,000 collected above the minimum target, the employee will earn an incremental payout of $10, up to the maximum payout of $400 per month and $4,800 per fiscal year.

   c. Credit and Collection Supervisors achieving the monthly minimum gross collections target shall receive a base-level payout of $250. Additionally, for every gross $1,000 collected above the revenue goal by the workgroup, the Supervisor will earn an incremental payout of $10, up to the maximum payout of $400 per month and $4,800 per fiscal year.

2. **Management and Support Staff**

   a. Should the Section achieve the monthly minimum gross collections target revenue target, the Accounting Supervisor and Systems Analyst Programmer will each receive a base-level payout of $125. Additionally, for every gross $1,000 collected above the revenue goal by the Section, the Accounting Supervisor and Systems Analyst Programmer will earn an incremental payout of $10, up to a maximum payout of $150 per month. Should the Section achieve the monthly minimum net revenue target, the Accounting Supervisor and Systems Analyst Programmer will receive a flat monthly bonus amount of $150. The maximum total bonus is $300 per month and $3,600 per fiscal year.

   b. Should the Section achieve the monthly minimum gross collections target, other support staff will receive a flat payout of $100. Should the Section achieve the monthly minimum net revenue target, other support staff will receive a flat payout of $100. The maximum total bonus amount is $200 per month and $2,400 per fiscal year.

   c. Should the Section achieve the monthly minimum gross collections target, the Credit and Collection Manager will receive a base-level payout of $125. Additionally, for every gross $1,000 collected above the revenue goal by the Section, the Manager will earn an incremental payout of $10,

up to a maximum payout of $200. Should the Section achieve the monthly minimum net revenue target, the Credit and Collection Manager will receive a flat monthly bonus amount of $200. The maximum total bonus is $400 per month and $4,800 per fiscal year.

B. Gainsharing Eligibility

1. General Eligibility Rules:

   - Award recipients should be County employees regardless of employment status (i.e. full-time, part-time, temporary, substitute, probationary, exempt, etc.) or temporary employees paid by the County.

   - Employees who are delinquent in court-ordered payments will have their Awards garnished according to state law.

2. Part-Time Employees:

   - Distributions to part-time employees will be prorated to reflect the portion of a month worked in relation to a full-time employee. The revenue goal of a part-time Finance Collection Specialist or Paralegal Collection Specialist will be similarly prorated.

3. Months Partially Worked:

   a. For Collectors:

   - Finance Collection Specialists, Partial Payment Account Collectors and Paralegal Collection Specialists who worked only a portion of the month but still exceeded the monthly goal will be entitled to gainsharing according to the schedule detailed in Attachment I. However, the revenue goal for these employees will not be prorated or reduced, regardless of the reason for the absence.

   b. For Supervisors, Support Staff and Managers:

   - New hire employees who worked only a portion of the month will not be entitled to any gainsharing for that month.

   - Employees, who separate from the County, retire or transfer to another department or section will not be entitled to any gainsharing for that month.

   - Employees who are out of pay status, on family leave, leave without pay, or extended sick or injury leave for an entire month or a portion of a month exceeding two (2) weeks in duration will not be eligible for gainsharing for that month.

- Earned and accrued sick leave and annual leave of less than two (2) weeks in duration will not affect the payout of an individual's gainsharing distribution. If the cumulative total of leave used exceeds two (2) weeks in a given month, the employee will not be eligible for gainsharing for that month.

4. Impact of Employee Performance, Disciplinary Actions, and Other Actions:

   a. Performance Measures:

      - The Finance Department may propose non-financial performance targets that Section employees will be required to achieve in order to be eligible for gainsharing. Performance measures should be reasonable, reflective of efficient service levels, and equitably applied. Measures are subject to the advance approval of the Office of Strategic Business Management, Management Planning and Performance Analysis Division and must be clearly communicated to the affected employees prior to the month in which they are initially applied.

   b. Job Evaluations:

      - If an employee receives an annual performance evaluation that is below satisfactory, the employee will be suspended from the Gainsharing program for a minimum of three months. If the employee's performance becomes satisfactory or better in a subsequent month following the mandatory suspension, the employee may be reinstated to the Gainsharing program at the discretion of the Credit and Collections Manager. The Director of the Finance Department will make an effort to ensure that evaluations are completed in a timely manner.

      - Employees appealing a job evaluation will have their award set aside until the appeal is resolved.

   b. Counseling and Disciplinary Actions:

      - An employee's award may be held in suspension pending the annual performance evaluation as a result of:

        - Informal employee counseling;
        - Formal Records of Counseling; or
        - Disciplinary Action.

11

The award will be granted if the subsequent annual performance evaluation is satisfactory or above.

- Employees dismissed for disciplinary reasons will not be eligible for a gainsharing award for that month, unless a hearing examiner or an arbitrator overturns the dismissal.

- Employees appealing a DAR that contributed to an unsatisfactory monthly and/or annual evaluation will have their distribution held until the appeals process is concluded. If the employee wins on appeal or subsequently receives an annual performance evaluation of satisfactory or above, the award will be paid for the month in which the DAR was given, and for subsequent months during which the employee's performance was satisfactory or above.

d. Other Actions:

- Employees with demotions that are voluntary or not due to disciplinary reasons are eligible for a full share of any award(s).

- Employees under criminal indictment or investigation for a work-related offense will be eligible for monthly awards only if the matter is resolved in the employee's favor. Any award(s) will be held until the outcome is determined.

- Employees suspended for disciplinary or other reasons, including as a result of a grand jury indictment per Section 2-42 (22) of the Code of Miami-Dade County, will have their award held in suspension pending the annual performance evaluation.

V. ADMINISTRATION OF AGREEMENT

A. Performance Monitoring

- The Director of the Finance Department, in conjunction with the Credit and Collections Section, will provide the County Manager with mid-year and annual Performance Reports indicating revenues collected and incentive payouts by month, by staff member. The Performance Reports shall be delivered no later than 30 days following the end of the second and fourth quarters. Additionally, the Director of the Finance Department, together with the Credit and Collections Section and the Office of Strategic Business Management (OSBM), will review the revenue targets to determine whether any adjustments are required during an annual close-out process. Gross collections revenue targets for production, management and support staff shall be adjusted on a quarterly basis. The net revenue target for management and support staff shall be adjusted annually.

B. Uncontrollable Events/Changes in Law

The Productivity and Revenue Generation Program has been based on reasonable assumptions of projected costs and savings. However, the parties understand and acknowledge that extraordinary unforeseen events, beyond the reasonable control of the Credit and Collection Section employees and management, may result in costs and/or savings that could significantly affect their ability to meet the stated objectives.

To protect and promote the Program, the parties agree that cost impacts associated with extraordinary and unforeseen events may lead to adjustments of the revenue targets for purposes of assessing performance under this program. Such events may include, but are not limited to:

- Major changes to the adopted budget, including but not limited to:
  - The assignment of new accounts or cancellation of existing accounts in the Credit and Collection Section
  - Major changes in the type and/or frequency of debts assigned to the Credit and Collection Section
  - Major changes in the contingency fees earned through the collection of debts assigned to the Credit and Collection Section
- Catastrophic breakdowns of major equipment or capital
- Catastrophic Acts of Nature

Any other events beyond the reasonable control of the Credit and Collection Section, including changes in law that have a material effect upon costs or the ability of the Credit and Collection Section to perform under this MOU and corollary service agreements may have the effect of re-opening negotiations to make appropriate adjustments to the revenue target.

"Changes in law" means generally any of the following events which occur after the agreement date:

- The promulgation, modification or written change in interpretation by a controlling authority of any applicable law unless the Finance Department had notice or should have had notice of such change as of the date of this agreement; or
- The order or judgment of any court or other controlling authority as long as it was not the result of a willful or negligent act or lack of reasonable diligence by a party to this agreement.

"Changes in law" shall not include a change in any tax or similar law.

The Director of the Miami-Dade County Finance Department, in collaboration with OSBM, shall be responsible for investigating uncontrollable events/changes in law to determine materiality, as detailed above. Upon such findings, the Director, with the concurrence of the County Manager or designee, shall issue notice to the parties of this

agreement stating the cost and consequence of the event. Depending on the nature of the event and findings, the parties of this agreement may reconvene to renegotiate the revenue target in light of the event. In this case, only the revenue target of this agreement related to the specific event shall be reopened; all other terms and conditions shall remain unchanged.

C. Labor / Management Cooperation

The parties acknowledge that cooperative labor/management relations, as typified by the relationship established in developing the Productivity and Revenue Generation Program and this agreement, are critical to meeting the competitive challenge and objectives detailed in this document. The parties commit to maintaining the momentum, energy, and good will of this effort.

D. Relationship with Labor Contracts

It is the intent of the parties that this agreement be interpreted in harmony and compliance with the comprehensive labor contracts between Miami-Dade County and authorized employee organizations representing Credit and Collection Section employees. All rights and benefits of the parties under existing and future labor contracts are preserved. Any labor disputes related to Collective Bargaining agreements shall be resolved through the applicable use of established processes within labor agreements in effect at the time of the dispute.

E. Applicable Law

In the event that any condition, covenant, or provision of this MOU is held to be invalid or void by any court of competent jurisdiction, or is deemed to be contrary to the law or any covenant or condition or provision of any contract to which the County is a party, the same shall be deemed severable from the remainder of this MOU and in no way shall affect any other covenant, condition, or provision. If any covenant, condition, or provision of this MOU is deemed to be invalid due to scope or breadth, such covenant, condition, or provision shall be deemed valid to the extent the scope or breadth is permitted by law.

F. Monthly Closeout

At the conclusion of each fiscal month, the Credit and Collection Manager will assess the performance of the Credit and Collection Section in meeting the revenue targets and will recommend any gainsharing payments according to the schedule detailed in Attachment I and the eligibility criteria detailed in Section IV above. The Finance Department Director or designee shall authorize the payments. It shall be the responsibility of the Credit and Collection Manager to maintain performance and payout data in an auditable spreadsheet format, to be reviewed during annual closeout.

G. Successor Agreement

The parties recognize that insofar as it is in the public and the parties' mutual interest and insofar that the terms and conditions of this and corollary service agreements are met, it will be the option of the parties to negotiate a new agreement or extension of the existing

agreement at the conclusion of the term and option years of this agreement. The new agreement will be reflective of competitive private sector alternatives.

This agreement shall be effective only after the ratification of all parties listed below as evidenced by their respective signatures and approval of the Board of County Commissioners.

IN WITNESS WHEREOF, the undersigned agree to the revised terms and conditions specified in this MOU.

DATE:

Miami-Dade County

George M. Burgess,
County Manager

Jennifer Glazer-Moon,
Director
Office of Strategic Business Management

Service Provider

Rachel Baum,
Director
Finance Department

Lucien Hope,
Manager
Credit and Collections Section

Richard Ellis,
President
Government Supervisors Association of Florida

Robert Glover,
President
AFSCME Local 199

15