

# Memorandum



**Date:** October 20, 2009

**To:** Honorable Chairman Dennis C. Moss  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager 

**Subject:** Recommendation for Resolving the Collective Bargaining Impasse between Miami-Dade County and the American Federation of State, County and Municipal Employees (AFSCME), Local 1542, Aviation Employees

Agenda Item No. 9(A)(1)

**This substitute differs from the original in that it adds paragraph 7 of Article 25 and Article 32, Group Health Insurance to the recommendation. The substitute also edits one whereas clause in the accompanying Resolution to list two additional issues for impasse as approved by the Board at the September 17, 2009 Budget Hearing. These are, the flex dollar benefits and the \$50 biweekly pay supplement which were also added to the background section of this memorandum. The fiscal impact was revised to include the impact of these changes and Exhibit 1 was also revised to reflect the additional articles.**

## **Recommendation**

It is recommended that the Board of County Commissioners resolve the Collective Bargaining Impasse between Miami-Dade County and the American Federation of State, County and Municipal Employees (AFSCME), Local 1542, Aviation Employees, by accepting the attached proposed Article 25, Special Wage Provisions, Paragraphs 2, 6, and 7, Article 29, Wages, and Article 32, Group Health Insurance for the successor 2008 to 2011 Collective Bargaining Agreement between Miami-Dade County and the American Federation of State, County and Municipal Employees (AFSCME), Local 1542, Aviation Employees, such Articles attached as Exhibit 1.

## **Scope**

The impact of this agenda item is countywide.

## **Fiscal Impact/Funding Source**

The savings associated with freezing all merit increases and longevity bonuses and eliminating flex dollar benefits and the \$50 biweekly pay supplement beginning in September 2009 plus reducing employees' salaries by five percent in FY 2009-10 is approximately \$209 million across all sources of funds for FY 2009-10. This cost reduction recurs annually for each applicable year of the contract as it resets the base from which future salary and benefits growth is determined.

The cost of living adjustment has a recurring yearly impact on expenses of approximately \$21.2 million across the entire County for every one percent increase.

**Track Record/Monitor**

The Director of Employee and Labor Relations monitors and oversees the administration of the County's collective bargaining agreements.

**Background:**

As you know, we have spent more than a year in good-faith negotiations over collective bargaining agreements with the County's ten bargaining units, replacing contracts that expired September 30, 2008. This government has always demonstrated a sincere appreciation for its employees' excellent work and a heartfelt determination to provide those employees with wages and working conditions that are necessary to maintain healthy and successful communities. Even between friends, however, such negotiations are never easy. In every case, the Board will have final authority to determine the terms and conditions of these labor agreements, as well as the obligation to adhere to the timelines and rules mandated by law.

Three AFSCME bargaining units (Local 199 – General Employees, Local 1542 – Aviation, and Local 3292 – Solid Waste) have agreed in writing to waive a hearing before a special magistrate and go directly to the Board, as authorized by Florida law. The administration has continued good-faith bargaining in an effort to narrow the issues that will come before the Board.

The Administration's recommendation will be similar to those accepted in our successful negotiations with the two units represented by the Government Supervisor Association of Florida (GSAF), OPEIU Local 100, which resulted in new three-year agreements approved by the Board at the Special Meeting of July 23, 2009. For the first fiscal year, The GSAF agreed to accept the same wage adjustments and freezes to merit pay and longevity bonuses that are received by other bargaining units. The GSAF also agreed to a wage increase of one percent effective the last pay period in September 2010, and an increase of two percent effective the last pay period in September 2011. These agreements reflect a change from our previous practice of enacting wage increases in July of each year. This delay to late September will result in considerable savings if applied to all County bargaining units.

A five percent pay reduction, a freeze on merit increases and longevity bonuses, and eliminating flex dollar benefits and the \$50 biweekly pay supplement are recommended for all County employees effective the last pay period in September 2009. As stated in the cover memorandum to the FY 2009-10 Proposed Budget (page 21), this is an incredibly difficult recommendation but ultimately preferable to additional layoffs and reductions to critical public-safety and community-support services. The savings associated with freezing all merit increases and longevity bonuses and eliminating flex dollar benefits and the \$50 biweekly pay supplement beginning in September 2009, in addition to reducing employees' salaries by five percent in FY 2009-10 is approximately \$209 million countywide.

The language in the attached impasse articles reflects the need to enact any freeze or suspension of merit increases and longevity bonuses, and eliminating flex dollar benefits and the \$50 biweekly pay supplement prior to the end of the first fiscal year of the successor agreement. Under Florida law, if the bargaining unit fails to ratify the action taken by the Board at impasse, the decision of the Board would only apply to the first fiscal year of the agreement. In such event, what takes effect during the first fiscal year of the agreement becomes the status quo for future resolution, whether through negotiation and settlement or through further impasse hearings. While the recommendation is to apply the freeze on merit increases and longevity bonuses for one year, the

Board may choose any period of time that is fair and equitable to all County employees, or may choose to suspend merit increases and/or longevity bonuses for the duration of the agreement.

It is important to note that the County remains unsettled with every remaining bargaining unit, despite continuing good-faith negotiations. Impasse has been declared with each of them and those organizations have not agreed to waive a hearing before a special magistrate. If they adhere to that decision, the special magistrate's recommendation is unlikely to reach the Board before December. Additional delays are always possible; in fact, delays are more likely this year because the economy has created budget challenges across the state and prompted far more public entities reach impasse with labor unions – a situation which stretches thin the state's roster of magistrates.

In closing, I want to place these negotiations within the context of the adopted Budget for the fiscal year just begun. The Budget adopted by the Board following the public hearing on September 17 imposes significant constraints on the ability of the Board to consider alternative options in resolving the issues surrounding the County's labor costs. We believe the County will have little choice but to resolve these issues in any way other than what is recommended.

  
Assistant County Manager



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners **DATE:** October 20, 2009

**FROM:** R. A. Cuevas, Jr. County Attorney **SUBJECT:** Agenda Item No. 9(A)(1)

Please note any items checked.

- "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
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor

Agenda Item No. 9(A)(1)  
10-20-09

Veto \_\_\_\_\_

Override \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RESOLVING COLLECTIVE BARGAINING  
IMPASSE BETWEEN MIAMI-DADE COUNTY AND THE  
AMERICAN FEDERATION OF STATE, COUNTY AND  
MUNICIPAL EMPLOYEES, LOCAL 1542, AVIATION  
EMPLOYEES

**WHEREAS**, Miami-Dade County and the American Federation of State, County and Municipal Employees (AFSCME) Local 1542, Aviation Employees, have negotiated for a reasonable period of time on a successor collective bargaining agreement to the agreement that expired September 30, 2008; and

**WHEREAS**, the parties have reached an impasse in their negotiations; and

**WHEREAS**, the parties have jointly agreed in writing to waive the appointment of a special magistrate and proceed directly to resolution of the impasse by the Board of County Commissioners; and

**WHEREAS**, this Board has conducted a public hearing at which the parties were required to explain their positions regarding the impasse in negotiations; and

**WHEREAS**, this Board, pursuant to Fla. Stat. Sec. 447.403, is required to take such action as it deems to be in the public interest, including the interest of the public employees involved, to resolve the disputed impasse issues; and

**WHEREAS**, the issues at impasse are wages, merit pay increases, longevity bonuses, >>flex dollar benefits and the \$50 biweekly pay supplement<<<sup>1</sup>

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board approves and ratifies the County Mayor's recommendations for settling the collective bargaining impasse for

<sup>1</sup> The differences between the substitute and the original item are indicated as follows: words stricken through and/or [[double bracketed]] shall be deleted, words underscored and/or >>double arrowed<< constitute the amendment proposed.

the reasons set forth in the County Mayor's Memorandum. The County Mayor and AFSCME Local 1542 shall reduce to writing an agreement which includes those issues previously agreed to by the parties and the disputed impasse issues resolved herein. The written agreement shall be signed by the County Mayor and submitted to the bargaining unit for signature and ratification. If the bargaining unit fails to ratify the agreement, the action taken in this resolution shall take effect as of the date of this resolution and shall be effective for the first fiscal year that was the subject of negotiations (October 1, 2008 to September 30, 2009).

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:

Dennis C. Moss, Chairman	
Jose "Pepe" Diaz, Vice-Chairman	
Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 20<sup>th</sup> day of October, 2009. 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.

WXL

Lee Kraftchick

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**Exhibit 1**

**Article 25 SPECIAL WAGE PROVISIONS**

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2. **LONGEVITY BONUS:** Employees with fifteen (15) years of continuous full-time service shall receive a longevity bonus on their anniversary date and each year thereafter. Deferment for leave of absence shall be deductible and not considered as a break in service.

The annual longevity bonus payments will be paid in accordance with the following schedule:

<u>Years of Completed Full-Time Continuous County Service</u>	<u>Percentage Payment of Base Salary</u>
15	1.5%
16	1.6%
17	1.7%
18	1.8%
19	1.9%
20	2.0%
21	2.1%
22	2.2%
23	2.3%
24	2.4%
25	2.5%
26	2.6%
27	2.7%
28	2.8%
29	2.9%
30 or more	3.0%

Effective the beginning of the last pay period in September 2009, the payment of longevity bonuses shall be suspended.

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6. ENTRANCE PAY RATES: For all employees hired into the County Service on or after November 1, 1991, the entrance pay rate for all bargaining unit classifications shall be pay step 1 of the appropriate pay range provided in the Miami-Dade County Pay Plan. Progression from the entrance level pay of step 1 to step 2 shall be at six (6) months (13 pay periods) based upon satisfactory or above satisfactory job performance. Progression from step 2 to the maximum step in the pay range shall be at one (1) year (26 pay periods) intervals thereafter based upon satisfactory or above satisfactory job performance. Effective the beginning of the last pay period in September, 2009, progression from any one pay step to the next pay step shall be suspended.

~~7. PAY SUPPLEMENT: Full time bargaining unit employees will be eligible to receive a \$50.00 biweekly pay supplement.~~

**Article 29 WAGES**

First Year 2008 – 2009

Effective the beginning of the last pay period in September 2009, all employees in bargaining unit classifications shall receive a five percent (5%) decrease, with pay ranges and steps adjusted downward accordingly.

Second Year 2009 - 2010

Effective the beginning of the last pay period in September 2010, all employees in bargaining unit classifications shall receive a one percent (1%) wage increase.

Third Year 2010 - 2011

Effective the beginning of the last pay period in September 2011, all employees in bargaining unit classifications shall receive a two percent (2%) wage increase.

Effective the beginning of the last pay period in September 2009, merit increases shall be suspended. Effective the beginning of the last pay period in September 2009, the payment of longevity bonuses shall be suspended.

## ARTICLE 32 GROUP HEALTH INSURANCE

The County's contribution for group health insurance shall not exceed the amount it contributes toward single employee coverage and no contribution shall be made for dependent coverage.

The parties agree that bargaining unit employees will be afforded the opportunity to become members of a qualified Health Maintenance Organization pursuant to law and in accordance with all rules, regulations and procedures pertaining thereto prescribed by the County and the qualified Health Maintenance Organization.

The County's flexible benefits program will remain in effect during the term of this collective bargaining agreement. The parties agree that bargaining unit employees will be offered the opportunity to participate pursuant to law and in accordance with all rules, regulations, and procedures pertaining thereto prescribed by the employer and the Internal Revenue Code.

4. The County's Group Health Medical Insurance will ~~be~~ include a Point of Service Managed Health Care Group Insurance Plan.

~~2. The County will provide a \$5.00 biweekly contribution to the Flexible Benefits Plan to employees enrolled in the JMH Health Plan HMO or the individual practice association model HMO currently administered by AV-MED~~

~~3. The County will provide a \$10.00 biweekly contribution to the Flexible Benefits Plan to employees enrolled in the group/staff model HMO with the lowest employer contribution per employee.~~

~~4. The County will provide an annual \$1,000 contribution, to the Flexible Benefits Plan paid in biweekly increments, for County to employees eligible for group health insurance or the Flexible Benefits Plan.~~

5. All employees enrolled in the County's Point of Service/Managed Health Care Group Insurance Plan shall be required to pay three percent (3%) of the cost of single coverage of this plan.