

increase in their compensation. I expressed my concern at the time that in order to pay the increases recommended by then-Mayor Carlos Alvarez, the County would have to raise taxes or lay off County employees. I do not need to remind everyone of the reaction of our community and the ultimate results of the property tax increase later that year and subsequently.

When I was elected Mayor six months ago, I was very straightforward with my intent to roll back last year's tax increase. It was a promise I made to this community and I have every intention of keeping my promise. Only by keeping our word will we be able to restore public confidence in County government.

My proposed budget, which reduced taxes to FY 2009-2010 levels, required filling an approximate \$400 million gap from the previous year. Throughout the process the message was clear and consistent, whether in public meetings or in individual meetings with Commissioners, that the proposed tax rates and budget would require shared sacrifice and significant concessions by all of our labor unions. On June 30, 2011, as Mayor-elect, I sent a letter to County union leaders that made clear my intention to reverse the raises they had received in their previous contracts.

At the July 19, 2011 meeting this Board approved, my recommendation to roll back the preliminary millage rate to FY 2009/2010 levels by a vote of 9 to 1. I was very concise on what that would require: whatever the individual bargaining unit received in their contract would need to be returned and an additional five (5) percent contribution to healthcare or a four (4) percent reduction in their base pay would need to be implemented. I stated, "This budget is largely predicated on employee concessions."

I was also forthcoming at the time that in all likelihood the issue of concessions would be ultimately decided by the Board and that without concessions the layoffs required to balance the budget could have an effect on essential services, including public safety. Throughout the budget hearings this point was continuously repeated and, in fact, Commissioners' comments reflect that. One Commissioner stated, "The reality is that when we voted on the preliminary budget and we set the millage rate, we knew that sacrifices had to be made." I have also been consistent in pressing this point in all of my written communications to this Board. In a memo dated December 15, 2011, I advised that, "Should any of the remaining labor contract agreements not be approved by the Board prior to January 2012, either higher prospective adjustments with the affected bargaining unit or employee layoffs will be necessary to compensate for losses incurred beyond the first quarter of the fiscal year."

I am very proud of the progress we were able to make working cooperatively with our PBA partners. In four months, both sides bargained in good faith and came to agreement on the majority of issues totaling \$53.7 million for this unit. I held to my commitment that the Administration would consider alternative cost-saving measures as long as they met the following criteria: the proposed savings had to be verifiable; the proposed savings had to be recurring; the proposed savings could not have already been a part of the budget; and the proposed savings could not require a reduction in essential services.

The only outstanding issue that remained was the additional five percent contribution to employee healthcare worth \$16.5 million. The Administration offered alternatives, but those were rejected by the union. I want to make clear that both management and the union declared impasse and agreed to submit to the Board the issue of the five percent additional contribution. Management did not unilaterally submit a proposal to impose the five percent additional contribution to the Board. Any assertion by the PBA that the five percent additional contribution is illegal is disingenuous at best and at worst an acknowledgement on their part of an unfair labor practice.

In fact, the language in the collective bargaining agreement that refers to the contribution to healthcare states, "upon ratification of this agreement, all bargaining unit members shall be required to contribute ten percent (10%) of base wages towards the County's cost of healthcare." The language does not specify whether the contribution is in pre-tax or post-tax dollars. The Administration will not engage in any action that would put the County or its employees in conflict with the Internal Revenue Service tax code or incur any tax liability. Additionally, the Board, via Resolution No. R-752-11, authorized the County to hire Foley & Lardner LLP to provide legal opinions addressing the tax implications of mandatory pre-tax employee salary contribution towards the County's group health plan. Their opinion received confirmed that the contribution to healthcare could be pre-tax. Our County Attorney has affirmed that the opinion is legally sufficient.

CLOSING

This veto is not just about the \$16.5 million in unrealized savings incorporated in the Board-approved budget that this resolution represents. This veto is about a \$65 million budget gap.

The two PBA bargaining units combined create an almost \$18 million budget gap, which ~~translates into layoffs of approximately 300 police and corrections officers.~~ The Board must understand that cuts cannot be made in other areas to offset this shortfall. Without these labor concessions, the layoffs required to balance the budget will have an effect on essential services, including public safety. I have instructed Police Director Loftus to structure the necessary cuts to have the least impact on direct services to our residents and to move as many people as possible from administrative and supervisory functions to patrolling our community.

On January 5, 2011, the Board also approved two Government Supervisors Association of Florida (GSAF) impasse items, which do not require an additional five (5) percent contribution to healthcare. That generates an additional \$17 million gap, for a total of \$35 million for these four units alone.

There are still four unions with issues pending: AFSCME 121 – Water and Sewer and AFSCME 3292 – Solid Waste have ratified their contracts, but have impasse items regarding the additional five (5) percent contribution coming to the Board, which total \$5.5 million. AFSCME

199 – General Employees has scheduled a ratification vote for their contract, with an impasse item to come to the Board for the five (5) percent additional contribution which is valued at \$18.3 million. TWU 291 has not yet negotiated a contract to take to their membership, but the five (5) percent healthcare contribution is \$ 6.3 million. These all total almost \$30 million. Given the precedent set by the Board on January 5th, the Administration must be prepared to address those possible unrealized savings, which brings the overall total to \$65 million.

Families throughout Miami-Dade County have been hard hit by this economic downturn and have had to make difficult decisions about their own budgets. With that said, I understand these concessions are not easy for our employees and their families and they are not easy for me to recommend. It should be noted that non-bargaining employees under my purview have been making their shared sacrifice since July 11, 2011 when I mandated that they pay an additional five (5) percent towards healthcare costs. Additionally, AFSCME 1542 – Aviation and IAFF 1403 have ratified collective bargaining agreements that meet their targeted goals, respectively. There is no doubt that these cuts are difficult, but they are necessary to avoid layoffs and service reductions.

As it has from the outset, my Administration stands ready to work with the unions and the Board as we strive to make decisions that are in the very best interest of those whom we serve, the residents of Miami-Dade County.

Memorandum



Date: January 5, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Recommendation for Resolving the Collective Bargaining Impasse between Miami-Dade County and the Dade County Police Benevolent Association – Rank and File Unit

Amended
Agenda Item No. 8(F)(4)

R-02-12

Recommendation

It is recommended that the Board of County Commissioners resolve the collective bargaining impasse between Miami-Dade County and the Dade County Police Benevolent Association (PBA), by accepting the proposed additional five percent (5%) contribution of employees' base wages to the County's cost of health care as specified in Article 35 Wages of the successor 2011-14 Collective Bargaining Agreement between Miami-Dade County and the Dade County Police Benevolent Association – Rank and File Unit (Attachment 1).

Scope

The impact of this agenda item is countywide.

Fiscal Impact/Funding Source

The FY 2011-12 Adopted Budget was predicated upon reducing labor costs for employees represented by PBA Rank and File by \$70.257 million. A separate agenda item has been provided to ratify a collective bargaining agreement with the PBA which will generate savings of \$53.74 million. Both parties worked collaboratively to identify both contractual and non-contractual savings in order to reach a fiscally responsible agreement that achieves those savings (Attachment 2). These identified savings recur for each applicable year of the contract.

The Administration proposed in negotiations that the remaining amount (\$16.517 million) of savings needed to balance the budget come from an additional five percent (5%) contribution to the County's health care costs. The Union disagrees with this proposal. The parties have agreed to submit their dispute directly to the Board of County Commissioners as an impasse item for resolution in accordance with State law. An additional five percent (5%) contribution to group health insurance represents \$87.6 million of the total savings associated with collective bargaining concessions included in the FY 2011-12 Adopted Budget.

Track Record/Monitor

The Director of Labor Management and Compensation monitors and oversees the administration of this collective bargaining agreement.

5

Background

Although the parties have reached an agreement regarding all other articles and provisions in the successor 2011-14 contract, which was submitted to Board for ratification on December 6, 2011, they have arrived at impasse regarding the County's proposal to require an additional five percent (5%) of employees' base wages as a health care contribution from PBA members. The parties have agreed to waive the special magistrate process and submit their dispute directly to the County Commission for resolution. As such, we are presenting to the Board our recommendation to approve the contribution of an additional five percent (5%) of employees' base wages, for a total of ten percent (10%), to defray the County's cost of health care.

This recommendation is not made lightly. The additional five percent (5%) contribution will have a serious impact on employees but is absolutely necessary to balance the budget and avoid additional service cuts and associated layoffs. The budget approved by this Board assumes a ten percent (10%) contribution to health care from all County employees. The Union has agreed to a five percent contribution only. If the additional five percent contribution the administration proposes and the budget contemplates is not adopted, savings will have to be generated from other sources to ensure a balanced budget. Because this contribution toward health care (or savings of a similar amount from other sources) is expected of all employees, rejection of the administration's proposal will have a substantial financial impact on the entire County. If the additional five percent contribution is not adopted for this bargaining unit and other bargaining units are treated similarly, the County must reduce expenditures by \$87.6 million which will require significant service reductions. The cuts necessary to fill this gap will be devastating to the provision of services.

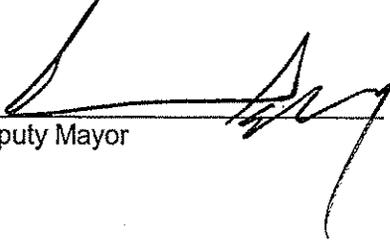
The parties have agreed to work collaboratively during the term of this agreement to examine health plan features and identify opportunities to reduce overall premium costs. It is anticipated that a new, more affordable health plan will be in place for calendar year 2013. Contingent upon the success of this endeavor and prevailing economic conditions, the employee contribution to the cost of health care will be discontinued for calendar year 2014. This sunset provision, however, provides the County the option to reopen this issue for negotiations if it deems that this or a similar reduction needs to be continued. The parties have agreed to bring this matter directly to the Board as an impasse item if they fail to come to agreement at that time (end of calendar year 2013).

A timely resolution of this impasse is required to ensure uninterrupted service delivery to our community. If we are unable to realize these projected savings, additional reductions in personnel and concurrent service reductions would be an inevitable outcome. The County's FY 2011-12 Adopted Budget incorporates this cost saving measure and projected operational expenditures include the savings from the increased health care contribution. Delays in implementing this measure may result in additional reductions in pay and layoffs. It is recognized that maintaining a sufficient staffing level on the streets is imperative for the safety of both our uniform personnel and the community they serve. This potential can be mitigated by adopting this impasse resolution.

Under Florida law, the action taken by the Board will be presented to the bargaining unit members for another ratification vote. A successful ratification vote will result in the application of the increased health care contribution for the term of the three-year, 2011-14 collective bargaining agreement. 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, the terms and provisions of the first fiscal year of the agreement become the status quo and remain in effect until changed through subsequent negotiation and settlement or through further impasse hearings.

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
Page 3

Because we are in the insulated period between waiver of the special magistrate hearing and final resolution of the impasse by the Board, representatives of the Union and representatives of the administration are unable to engage in ex-parte communications regarding resolution of the impasse with members of the Board or their staff in advance of the hearing.


Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: January 5, 2012

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

SUBJECT: Amended
Agenda Item No. 8(F)(4)

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
Veto _____
Override _____

Amended
Agenda Item No. 8(F)(4)
1-5-12

RESOLUTION NO. _____

RESOLUTION RESOLVING COLLECTIVE BARGAINING
IMPASSE BETWEEN MIAMI-DADE COUNTY AND THE DADE
COUNTY POLICE BENEVOLENT ASSOCIATION – RANK AND
FILE UNIT

WHEREAS, Miami-Dade County and the Dade County Police Benevolent Association – Rank and File Unit, have negotiated for a reasonable period of time on a successor collective bargaining agreement to the agreement that expired on September 30, 2011; and

WHEREAS, the parties have reached an impasse in their negotiations on one item, an additional five percent (5%) of employee's base wages towards the County's cost of health care ; 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 issue at impasse is wages, Article 35 of the Dade County Police Benevolent Association – Rank and File Unit, October 1, 2011 to September 30, 2014 agreement,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board ratifies and settles the collective bargaining impasse by determining that there shall be no additional contribution to the County's cost of health care. The County Mayor and the Dade County Police Benevolent Association shall reduce to writing an agreement which includes those issues previously agreed to by the parties and the disputed impasse issue 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, 2011 to September 30, 2012).

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:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of January 2012. 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.



Lee A. Kraftchick