Memorandum

MIAMI-DADE COUNTY

Date:	September 17, 2013
To:	Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners
From:	Carlos A. Gimenez Mayor
Subject:	Resolution Approving Memorandum of Understanding Regarding County's Gainsharing Collection Program

Agenda Item No. 8(D)(1)

Recommendation

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution approving a Memorandum of Understanding (MOU) regarding the gainsharing collection program for the Finance Department's Credit and Collection Section (Section). This MOU replaces the current Memorandum of Understanding that expires September 30, 2013.

Scope

The Credit and Collection Section of the Finance Department provides debt collection services for various County departments. Therefore, the impact of this item is countywide.

Fiscal Impact / Funding Source

The MOU is designed to have a positive fiscal impact to the County. It will provide participating employees with financial incentives for generating collection revenues on behalf of Miami-Dade County departments. Monthly and annual incentive payouts to the employees will be contingent upon achieving specific revenue targets and are subject to certain caps set forth in the MOU. Gainsharing payouts will be funded solely from the net revenues collected by the Section.

Monitor

Staff from the Section in the Finance Department and the Office of Management and Budget will be responsible for monitoring the MOU.

Background

The Section provides collection services for debts owed to various departments throughout the County. For the first six months of FY 2012-13, the Section has collected $3.76 million on behalf of its clients. Some of the Section's biggest clients are Animal Services, Fire Rescue and Water and Sewer.

The MOU continues a gainsharing program which has been in place since 2004. It 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 managerial and support staff for exceeding a monthly net revenue target based on the Section's annual revenue budget. The monthly targets included in this MOU are based on national data for collectors and collection agencies, as well as on actual Section collections. The targets are adjusted throughout the year to make sure they are challenging yet attainable through diligent collections effort.

The following table displays data from the last three years of activity under the current MOU and cumulative figures from the inception of the MOU through the end of the fiscal year ending September 30, 2012.

Credit and Collection Performance Under MOU				
	FY 2009-10	FY 2010-11	FY 2011-12	Since Inception*
Total Collections by Unit	$10.9 million	$4.6 million	$6.0 million	$87.4 million
Gross MOU Collections**	2.7 million	3.5 million	4.4 million	31.5 million
Revenues Retained by Finance	1.7 million	1.8 million	2.1 million	22.7 million
Total Gainshare Awarded for Unit***	$34,940	$46,450	$47,400	$417,805

* The MOU was established in April 2004.
** This amount refers to certain types of collections used to calculate gainsharing awards.
*** This amount refers to the collective gainshare award for all participating employees including managers, supervisors, collectors and administrative staff.

To promote enhanced collections and greater teamwork, the attached MOU contains two additional incentives. First, the current MOU provides collectors that meet certain collection targets with a monthly incentive payout of up to $400. The updated MOU will provide these collectors with an additional incentive of $150 if they are able to collect twice the amount that would have generated the payout of $400. This additional monthly incentive is designed to encourage collectors to seek large collections, and to continue their efforts when they have achieved their targets early in a month. Second, an annual end-of-year team incentive payout will be shared equally among all participating employees should the Section exceed the previous fiscal year's actual net revenue, exclusive of transfers, by more than $100,000. For each $100,000 increment above the previous year's actual net revenue, each eligible employee will receive $500 up to a maximum of $1,000 for this end of year team incentive payout.

The MOU is between the County's Administration and representatives, including the unions, representing the employees participating in the gainsharing program. Because of the collective bargaining agreements, approval of the unions is necessary.

The new MOU will be effective for a three-year period and can be extended by mutual consent of the parties for up to two additional one-year periods.

Attachments

Edward Marquez
Deputy Mayor

Mayor08413

MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: September 17, 2013

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

SUBJECT: Agenda Item No. 8(D)(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 Mayor'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 _____

Agenda Item No. 8(D)(1)
9-17-13

RESOLUTION NO. _____

RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING REGARDING FINANCE DEPARMENT'S CREDIT AND COLLECTION SECTION'S GAINSHARING COLLECTION PROGRAM

WHEREAS, the County's Finance Department's Credit and Collection Section (the "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, to provide such level of service, the Section instituted a gainsharing collection program in 2004 in which participating employees receive financial incentives for achieving certain collection goals which has been very successful; and

WHEREAS, the Section and the unions representing the employees participating in the gainsharing collection program previously entered into a Memorandum of Understanding with the Administration regarding the gainsharing collection program which expires on September 30, 2013; and

WHEREAS, in order to continue the gainsharing collection program and to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated in this Resolution by reference, this Board wishes to approve a new Memorandum of Understanding ("MOU"),

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the MOU is approved in substantially the form attached to this Resolution as Exhibit A and the County Mayor or County Mayor's designee is authorized to execute and deliver it.

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:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro	Esteban L. Bovo, Jr.
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 17th day of September, 2013. 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 COLLECTION SECTION

MEMORANDUM OF UNDERSTANDING

I. PREAMBLE

This Memorandum of Understanding (MOU) memorializes an agreement between the Administration for Miami-Dade County and representatives of the employees of the Finance Department's Credit and Collection Section participating in the Productivity and Revenue Generation Program, hereafter referred to as "the parties".

II. SCOPE

This Productivity and Revenue Generation Program commits the parties to the goals contained within this MOU related to revenue generation and gainsharing. The primary responsibility of the Credit and Collection 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
- Public Works and Waste Management
- Bad Checks (various departments)
- Regulatory and Economic Resources Department
- Aviation Department
- Public Housing and Community Development
- Parks, Recreation, and Open Spaces

The scope of this Productivity and Revenue Generation Program may also include collection services for other departments within the County, as well as municipalities outside the control of the County. Additionally, the Section oversees the collection of certain delinquent accounts by private agencies.

The program is designed to provide an incentive to employees to generate revenue 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 result in revenues to the County, and within the Credit and Collection 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 includes monthly goals and rewards. Furthermore, a portion of the Section's net revenues in excess of $100,000

over the prior year's net revenue will be shared equally by all employees in the form of an end of year team incentive payout. The actual net revenues used in this calculation will be exclusive of transfers within the department. The budget for the incentive program has been built into the Credit and Collection budget since FY 2003-04, and monthly 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.

The Miami-Dade County Gainsharing Guidelines will be used to assist in resolving issues not specifically addressed in this MOU.

III. SERVICE LEVELS AND REVENUE TARGETS

This MOU demonstrates the parties' commitment to operating the Credit and Collection 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 2013-14 Revenue target

Production Staff

The in-house collections revenue target, adjusted quarterly, 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 2012-13, this represents a minimum of $29,404 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.

Management, Supervisors and Support Staff

The revenue target for supervisors shall be equivalent to the individual collector target, multiplied by the number of participating collectors assigned to the supervisor.

Two monthly revenue targets shall apply to management and support staff.

The first monthly 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 monthly 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 2012-13 is $131,405.

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.

Section as a Whole

Beginning with the revenues collected in FY2013-14, an additional target is based on exceeding the Section's previous year's actual net revenues by $100,000, exclusive of transfers. The target shall apply to production, supervisory, managerial and support personnel equally.

At the conclusion of every fiscal year under this agreement, the target will continue to be based on exceeding the previous year's actual net revenue by $100,000.

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 2013-14 through Fiscal Year 2015-16, 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. **Monthly Production Staff Incentive Payout**

   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, and that the average monthly gross collections amount for the most recent four months was equal to or greater than $15,000. Additionally, for every gross $1,000 collected above the minimum

target, the employee will earn an incremental payout of $20, up to $400 per month. Should the Finance Collection Specialist or the Paralegal Collection Specialist collect twice the amount that would have generated a $400 payout, the employee will receive an additional $150.

2. **Monthly Management, Supervisors and Support Staff Incentive Payout**

   a. 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.

   b. Should the Section achieve the monthly minimum gross collections revenue target, the Accounting Supervisor, the Systems Analyst Programmer and other administrative supervisory staff 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 and other administrative supervisory staff will earn an incremental payout of $10, up to $150 per month. Should the Section achieve the monthly minimum net revenue target, the Accounting Supervisor and Systems Analyst Programmer and other administrative supervisory staff will receive a flat monthly payout amount of $150. The maximum monthly payout for these employees is $300 per month.

   c. 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 monthly payout for these employees is $200 per month.

   d. 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 payout amount of $200. The maximum monthly payout for this employee is $400 per month.

3. **Section-wide End of Year Team Incentive Payout**

   a. At the conclusion of each fiscal year, each eligible Credit and Collection employee will earn $500 for each increment of $100,000 of actual net revenues in excess of the previous year's actual net revenue amount, exclusive of transfers to other sections of the Department.

b. Each employee will be eligible for a maximum of $1,000 from this end of year Team Incentive Payout.

B. Gainsharing Eligibility

1. General Eligibility Rules:

- Award recipients should be County employees in full-time, substitute, probationary, or exempt status.

- Participants who separate from the County prior to the time of an actual distribution of the end of year team incentive payout are not eligible for that award. However, employees who retire from County service during the MOU period are eligible for a prorated end of year team incentive payout.

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

2. Months Partially Worked:

a. Monthly Payout for Collectors:

- Finance Collection Specialists and Paralegal Collection Specialists who worked only a portion of the month but still exceeded the monthly goal will be entitled to a monthly gainsharing payout. However, the revenue goal for these employees will not be prorated or reduced, regardless of the reason for the absence.

b. Monthly payout 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 monthly 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.

c. *Prorating End of Year Team Incentive Payout*

- A full time County employee eligible to participate in the program for the full length of the gainsharing period will receive a full share of the Team Incentive Payout.

- Employees who transfer to another County department during the MOU period or who retire from County service are eligible for a prorated portion of the Team Incentive Payout. The prorated amount will be based on the number of complete months the employee was eligible to participate in the gainsharing program.

- Employees who transfer into or out of the Credit and Collection Section during the MOU period, or who are out of pay status, on family leave, leave without pay, or extended sick or injury leave, will have their Team Incentive Payout prorated to reflect the portion of the gainsharing period actually worked.

3. 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 Management and Budget 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 a performance evaluation that is below satisfactory, the employee will be suspended from the Gainsharing program until such time that the employee receives an evaluation of satisfactory or above. 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.

c. Counseling and Disciplinary Actions:

- The impact on gainsharing from counseling and disciplinary actions will be consistent with the countywide gainsharing guidelines.

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 a monthly payout or the end of year team incentive payout 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 until their case is settled. If the employee is ultimately suspended, demoted, or dismissed, his eligibility for gainsharing will be treated as discussed under "Counseling and Disciplinary Actions" above. If the employee wins on appeal, the award will be paid, provided the employee receives a satisfactory or above evaluation for at least one-half of the program year.

V. ADMINISTRATION OF AGREEMENT

A. Performance Monitoring

The Director of the Finance Department, in conjunction with the Credit and Collection Section, will provide the Office of the Mayor 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 Collection Section and the Office of Management and Budget, 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 the Office of Management and Budget, 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 Office of the Mayor 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. Severability

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 I based on the distribution and 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.

VI. EXECUTION

This MOU may be executed by the parties in counterpart.

MEMORANDUM OF UNDERSTANDING

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

DATE:

Miami-Dade County

Edward Marquez,
Deputy Mayor/Finance Director

Jennifer Moon,
Director
Office of Management and Budget

Service Provider

Fernando Casamayor,
Tax Collector
Finance Department

Cristina Mekin,
Manager
Credit and Collection Section

Greg Blackman,
President
Government Supervisors
Association of Florida

Jeanette Lebrecht,
Administrator
AFSCME Local 199

MEMORANDUM OF UNDERSTANDING

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

DATE:

Miami-Dade County

Edward Marquez,
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Cristina Mekin,
Manager
Credit and Collection Section

for Greg Blackman, OTTO CASTILLO
President
Government Supervisors
Association of Florida, OPEIU Local 100

Jeanette Lebrecht,
Administrator
AFSCME Local 19