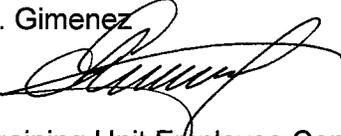


# Memorandum



**Date:** July 11, 2011

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

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Non-bargaining Unit Employee Contribution

On June 30, 2011, one of my first actions as Mayor-elect was to ask our unions to forego the 3 percent cost of living adjustment (COLA) scheduled for July 1, 2011, and voluntarily suspend merit increases, longevity bonuses, flex benefits and premium pay. These economic concessions, subject to negotiation, would yield at least an estimated \$160 million in savings and assist in closing the budget gap. In addition, the Board of County Commissioners approved the County Manager's recommendation to eliminate the scheduled 3 percent COLA for all non-bargaining unit classified and exempt employees under the Mayor's purview. Nearly all of the non-Mayoral agencies followed suit and implemented similar cuts. Additionally, nearly 500 senior management exempt employees under my purview have not had any of their frozen pay or benefits restored. These adjustments for employees under my purview will save an estimated \$9.2 million to the entire budget for the remainder of the fiscal year.

While recognizing that these efforts will begin to close the budget shortfall, I have decided to act swiftly to achieve additional immediate and long-term savings. I believe that it is important to provide the leadership that the residents of Miami-Dade County deserve and fulfill my commitment to present a balanced budget on July 15<sup>th</sup>. In support of that effort, I am increasing the employee healthcare contribution from 5 percent to 10 percent for all 2,100 exempt and classified non-bargaining unit employees within my purview and implementing the following pay and benefit actions for the 1,600 non-executive non-bargaining unit employees under my purview whose benefits have not already been frozen.

The schedule below reflects the effective dates of these actions for all non-bargaining unit employees. This freeze will be for an indefinite period of time. This schedule allows for the uniform application of a one-year merit and longevity bonus eligibility period prior to the implementation of a new freeze period. When combined with the savings associated with the elimination of the COLA, these actions will yield an estimated savings of more than \$35 million in FY 2011-12.

<b>ACTION</b>	<b>PAY PERIOD BEGINNING DATE</b>	<b>EMPLOYEES<sup>1</sup></b>
Increase Healthcare Contribution to 10% <sup>2</sup>	July 11, 2011	2,100
Freeze Flex Pay	July 11, 2011	1,600
Freeze Premium Pay	July 11, 2011	1,600
Freeze Merit (Exempt Employees)	October 3, 2011	1,200
Freeze Longevity Bonus (Exempt Employees)	October 3, 2011	1,200
Freeze Merit Increase (Classified Service Employees)	November 14, 2011	400
Freeze Longevity Bonus (Classified Service Employees)	November 14, 2011	400

<sup>1</sup> Numbers have been rounded

<sup>2</sup> Previous contribution amount 5%

These actions are not capricious and have seriously considered that employees had significant reductions to their pay last year, continue making the 5 percent contribution of base pay towards the cost of health care, and are now beginning to contribute 3 percent of pay toward retirement costs. These sacrifices of our County employees are going a long way toward improving the County's fiscal situation. Together, we will continue to make the shared sacrifices that will bring this County back on solid ground.

c: Alina T. Hudak, County Manager  
Robert A. Cuevas, Jr., County Attorney  
Charles Anderson, Commission Auditor  
County Executive Office Senior Staff  
Department Directors