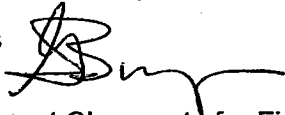


# Memorandum

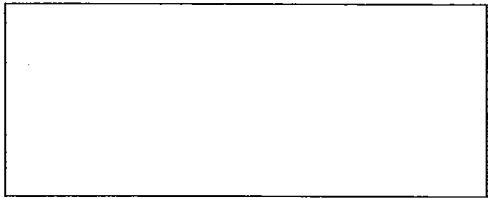


**Date:** December 21, 2004

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

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

**Subject:** Gainsharing Agreement Close-outs for Fiscal Year 2003-04



I am pleased to present this year's results of our gainsharing agreements with the employees of the Corrections and Rehabilitation (C&R) Food Service Bureau, the Finance Department Credit and Collections Section, Park and Recreation Marinas, and the Water and Sewer Department (WASD). Through their achievements, C&R Food Service and Marinas employees have demonstrated the value of these savings agreements over the past several years, and this year we saw these proven concepts applied to new programs in Finance and WASD. On December 23, 2004, we will be distributing gainsharing bonuses to 124 eligible employees. The total amount distributed for the year through gainsharing programs will stand at \$215,688, while the County has benefited from over \$1.5 million in reduced costs and increased revenues.

## **Corrections and Rehabilitation Food Service MOU**

Fiscal year 2003-04 completed the second year of the new C&R memorandum of understanding (MOU), which was established as a successor agreement to a previous four-year program which saved the County over \$3.5 million. Under the terms of the agreement, the Bureau is required to provide inmate meals at a cost competitive with private industry benchmarks.

In the first year of the new agreement, despite maintaining total expenditures under budget, the Food Services Bureau slightly exceeded the gainsharing target by \$0.018 per meal. Following this near miss, Bureau employees redoubled their efforts. In fiscal year 2003-04, primarily through effective menu management, the Bureau was able to achieve the savings goal, with a cost per meal of \$1.054, or \$0.048 under the target. This represents total savings of \$395,054, of which \$98,763 will be distributed to 52 eligible employees in amounts ranging from \$625 to \$2,026. The Bureau employees are to be lauded for their success and perseverance, particularly in light of the previous year's challenges.

## **Finance Department Credit and Collections MOU**

The Board approved the Credit and Collections MOU on March 16, 2004. The agreement, effective April 1, 2004, is a monthly incentive program created to improve the collection of debts owed to various departments of the County. Unlike most gainsharing MOUs, the agreement provides for financial incentives to collection staff on an individual employee basis. The individual revenue target was based on private industry standards and set to a minimum of \$15,000 gross collections per month, inclusive of initial payments and large regularly scheduled installments. Additionally, management and support staff were eligible for monthly awards when the Section's net revenue equaled or exceeded its monthly revenue budget.

Over a period of six months, 27 eligible employees received gainsharing bonuses totaling \$25,450. Over the agreement period, in-house collectors generated gross collections of over \$2 million, of which roughly half was comprised of initial and large payments counted toward the gainsharing target. I am pleased to see gainsharing concepts successfully implemented on a monthly and individual employee basis, demonstrating their adaptability to different work environments while still focusing on their performance targets. We will continue to work with the Finance Department to ensure that all financial targets contained within the MOU are relevant to private industry performance and providing appropriate incentives.

### **Park and Recreation Marinas MOU**

Fiscal year 2003-04 represented the fourth year of the Marinas MOU, under which the Marinas are required to produce minimum net revenues of \$2.1 million, which is competitive with private sector proposals. For the fourth consecutive year, Marinas employees have exceeded this goal, principally through effective slip management. Additional net revenue for fiscal year 2003-04 totaled \$1.04 million; of this amount, \$91,475 will be distributed to 45 eligible employees, in amounts ranging up to \$4,000. I congratulate the Marinas employees for another successful year.

Under the MOU, the Parks Department committed to undertaking substantial capital improvements in the six marinas. Consistent with the MOU terms, a portion of the annual additional net revenues has been utilized for this purpose; however, the Department has determined that additional funds are necessary to complete other contemplated improvements. The Department has proposed a seven-year, \$17 million capital improvement program to be financed through revenues generated under the MOU. Staff from the Office of Strategic Business Management will be meeting with Parks staff to go over their proposal, and to explore various financing options. I must emphasize that I am very pleased to see this sort of "business-like" thinking in our County.

### **Water and Sewer MOU**

On July 27, 2004, the Board approved an MOU for a departmentwide gainsharing program for WASD employees. The agreement established cost targets for the production of water and the processing of wastewater, and allowed for gainsharing in the event of savings. Award amounts are based on the achievement of performance targets encompassing a range of criteria including regulatory compliance and safety, quality, financial health, customer service and employee development. The agreement, which integrates the performance criteria essential to *results oriented government* with financial goals, supplanted the previous gainsharing program authorized by Resolution 229-98.

The MOU, which was implemented late in the fiscal year, called for WASD to achieve defined amounts of annual cost savings. While WASD did meet all of its performance targets (targets were instituted for such things as water quality, safety, bond rating, training, etc.), the department's cost to produce 1000 gallons of water and to treat 1000 gallons of wastewater exceeded the financial goals. The financial targets will be revisited on an annual basis, in accordance with the MOU. Additional MOU provisions to reward individuals involved in successful projects associated with WASD's "POWER" program are being contemplated as well.

## Looking Ahead

Over the past several years, gainsharing agreements have resulted in significant savings to the County and tangible service improvements for our customers. I am encouraged by the continuing success of gainsharing in the County, as evidenced by the past year's results, and I look forward to establishing new agreements in the future. To this end, the OSBM's Performance Improvement Division is currently working with the General Services Administration Fleet Management Division and the Solid Waste Management Department to develop performance driven programs, and I hope to bring the two MOUs to the Board in the coming year.

Please join me in congratulating the employees in Corrections, Finance, Parks and WASD who have worked hard over the years to make these programs a success and to improve service levels.

- c: Charles McRay, Director, Corrections and Rehabilitation Department  
Rachel Baum, Director, Finance Department  
Vivian Donnell-Rodriguez, Director, Park and Recreation Department  
William Brant, Director, Water and Sewer Department  
Bernard McGriff, Director, General Services Administration  
Kathleen Woods-Richardson, Director, Department of Solid Waste Management  
Leon Fuller, South Florida Regional Director, AFSCME  
Robert Glover, President, AFSCME Local 199 (General Employees)  
Jay Staley, President, AFSCME Local 121 (WASD)  
Richard Ellis, President, GASF  
Assistant County Managers  
Department Directors  
Robert Meyers, Executive Director, Commission on Ethics and Public Trust  
Christopher Mazzella, Inspector General  
Charles Anderson, Commission Auditor  
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