

MIAMI BEACH

COMMISSION MEMORANDUM

Second Reading

TO: Mayor Steven Meiner and Members of the City Commission

FROM: Rickelle Williams, Interim City Manager

Rickelle Williams

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DATE: July 24, 2024

SUBJECT: **AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 78 OF THE MIAMI BEACH CITY CODE, ENTITLED "PERSONNEL," BY CREATING ARTICLE V THEREOF, ENTITLED "CLASSIFIED LEAVE ORDINANCE" TO CODIFY AS PART OF THE CITY CODE AND AMEND THE CITY'S EMPLOYEES' LEAVE ORDINANCE (NO. 1335) FOR CLARITY AND EASE OF REFERENCE, TO DELETE AND/OR REVISE OUTDATED PROVISIONS, CREATE NEW SECTIONS, AND TO MAKE SUBSTANTIVE AMENDMENTS AS FOLLOWS: SECTION 78-282, ENTITLED "DEFINITIONS; AMOUNTS OF LEAVE," SECTION 78-283, ENTITLED "PROBATIONARY EMPLOYEES," SECTION 78-284, ENTITLED "PROVISIONAL EMPLOYEES," SECTION 78-285, ENTITLED "SPECIAL PROVISIONS FOR EMPLOYEES ON MILITARY LEAVE," SECTION 78-286, ENTITLED "ACCUMULATION OR FORFEITURE OF ANNUAL LEAVE AND SICK LEAVE," SECTION 78-287, ENTITLED "CONVERSION AND TRANSFER OF SICK LEAVE TO ANNUAL LEAVE," SECTION 78-288, ENTITLED "USE OF ANNUAL LEAVE," SECTION 78-289, ENTITLED "USE OF SICK LEAVE," SECTION 78-290, ENTITLED "CHARGES AGAINST ANNUAL LEAVE AND SICK LEAVE," SECTION 78-291, ENTITLED "TIMING OF VACATIONS," SECTION 78-292, ENTITLED "PAYMENT FOR ANNUAL LEAVE," SECTION 78-293, ENTITLED "OTHER LEAVES WITH COMPENSATION," SECTION 78-294, ENTITLED "WORKER'S COMPENSATION AND SUPPLEMENTAL INJURY PAY," SECTION 78-295, ENTITLED "USE OF ANNUAL LEAVE FOR PURCHASE OF PENSION TIME," SECTION 78-296, ENTITLED "DONATION OF ANNUAL LEAVE AND SICK LEAVE," SECTION 78-297, ENTITLED "PAID PARENTAL LEAVE," SECTION 78-298, ENTITLED "LEAVE SELLBACK," SECTION 78-299, ENTITLED "USE OF SICK LEAVE FOR RETIREE HEALTH SAVINGS ACCOUNT," SECTION 78-300, ENTITLED "MANAGER'S AUTHORITY TO ADOPT ADMINISTRATIVE PROCEDURES AND REGULATIONS," SECTION 78-301, ENTITLED "DOMESTIC AND SEXUAL VIOLENCE LEAVE," AND SECTION 78-302, ENTITLED "DONATE ANNUAL AND SICK LEAVE FOR HUMANITARIAN DISASTER RELIEF, AND SECTION 78-303,**

ENTITLED "COLLECTIVE BARGAINING CONTINGENCY,"; REPEAL ORDINANCE 1335 IN ITS ENTIRETY; AND PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

ADMINISTRATION RECOMMENDATION

The Administration recommends approval of Ordinance No. 1335 on second reading.

BACKGROUND

The City's Classified Employees' Leave Ordinance No. 1335 (the "Ordinance") was established to address employee leave benefits that are consistent with applicable federal, state, and local laws, as well as other city-established benefits. The Ordinance was last amended on September 10, 2010. Since then, the Administration has made improvements to the use of leave for City employees that were addressed in each of the five bargaining groups. These changes aim to provide equity and parity amongst all groups of employees. A companion Ordinance for unclassified employees is being proposed for clarity and consistency.

During the most recent bargaining sessions, non-sworn unions requested parity regarding sick leave value, and re-establishing a citywide leave sellback program. This Ordinance provides the authority to grant these benefits.

ANALYSIS

With this legislation, the Classified Leave Ordinance No. 1335 will be superseded and replaced with the changes listed below, and Article V of Chapter 78 of the City Code, entitled "Classified Employees' Leave" will be codified.

Some of the substantive changes proposed in this Classified Leave ordinance update are outlined below:

Sec. 78-287. Conversion and Transfer of Annual Leave and Sick Leave.

Allowing employees to convert their sick hours to annual hours is a new section of this Ordinance. This provision will allow employees to convert, at the time of resignation, retirement, termination, or death, or at any other time as may be designated by the City Manager, their sick leave accrued in excess of 360 hours to be transferred at the rate of one (1) day of sick leave to one (1) day of annual leave for employees with more than ten (10) years of creditable service; sick leave accrued in excess of 360 hours may be transferred to annual leave at a rate of two (2) days of sick leave to one (1) day of annual leave for employees with ten (10) years or less. Sick leave may be converted in this manner to reach a maximum of 620 hours of annual leave. In the second reading, this Ordinance language has been clarified to be consistent with the years of creditable service provision in Section 78-189.

Sec. 78-292. Payment for Annual and Sick leave.

The proposed update to this section will allow for a 100% sick leave payout instead of 50% to a maximum of 620 hours for employees with more than ten (10) years of creditable service. For employees with ten (10) years of service or less, the maximum is 50% of their sick leave balance up to a maximum of 620 hours.

Sec. 78-294. Worker's Compensation and Supplemental Injury Pay.

The initial period of supplemental injury pay is updated from sixteen (16) weeks to twelve (12) weeks, with consideration for an extension after the advice of the Senior Risk Officer and approval of the City Manager, for those employees not covered by a superseding collective bargaining agreement. This language will memorialize existing procedures in the collective bargaining agreements.

Sec. 78-295. Use of annual or sick leave for purchase of pension time.

This provision has existed in the ordinance since 1970, but was restricted in 2013 as part of a pension reform analysis. Employees are not currently allowed to use their accrued annual or sick leave to purchase pension time. IAFF and FOP members currently may exercise a limited buyback of military service years under their bargaining agreement.

Additional windows for buyback may only be enacted as a part of a budget enhancement, collective bargaining, and approval by the City Commission.

Sec. 78-298. Sick Leave Sellback.

The sick leave sellback provision was previously offered to unclassified employees but was suspended during the challenging fiscal years that the City experienced following 2010. Adding this provision to the Unclassified leave ordinance would grant the City Manager the authority, on a discretionary basis, to implement the provision each fiscal year providing full-time unclassified employees the opportunity to sell, no more than one (1) time per year, accrued sick leave, up to a specified amount and while maintaining a minimum balance as established by the City Manager. The City Manager may pause or suspend the sick leave sell-back program under this section, due to availability of funds, budgetary constraints, or for any other reason. The City Manager shall have the authority, at any time, to establish and amend administrative procedures implementing the sick leave sellback program under this section. This extends to other employee groups a similar benefit now available to Police and Fire bargaining members.

Sick leave sellback provisions in the Police and Fire collective bargaining agreement remain unchanged. Employees may exercise a sellback option no more than once a year.

Section 78-299. Use of Sick Leave for Retiree Health Savings Account.

The City Manager shall have the authority to establish a Retiree Health Savings ("RHS") Program for classified employees covered in this group, with terms and conditions that govern the use of accrued sick leave to fund individual RHS accounts. This extends to other employee groups a benefit now available to Police and Fire bargaining members.

Section 78-301. Domestic and Sexual Violence Leave.

The newly proposed provision will provide employees with domestic and sexual violence leave up to a maximum of thirty (30) days, in accordance with the Miami-Dade County Domestic Leave Ordinance (Chapter 11A-60 et. seq.) and Section 741.313, Florida Statutes. Employees must use their accrued annual or sick leave during their period of absence.

Section 78-302. Donate Annual and Sick Leave for Humanitarian Disaster Relief.

Per section 78-3, City employees are authorized to donate annual and sick leave for humanitarian disaster relief while maintaining at least 260 combined hours of annual and sick leave after any donation.

FISCAL IMPACT

The fiscal impacts of the sick leave sellback provision (Section 78-195) and the use of sick leave for retiree health savings account provision (Section 78-196) would be calculated upon the creation of an administrative procedure. Funds for these programs would be appropriated through the City's annual budget process.

The fiscal impact of this ordinance change varies by fund type, due to differing accounting rules for proprietary and governmental funds. Because the full liability of accruals must be recorded in proprietary funds, whether or not employees are scheduled to separate from the city, the fiscal impact is immediate and is estimated to be \$797,374 for enterprise funds and \$242,848 for internal service funds for a total estimated impact of \$1,040,222.

Following this one-time adjustment to the value of the accrued sick leave liability, any incremental liability would be modified quarterly in these funds, as has been performed previously.

Alternatively, the fiscal impact of governmental funds is measured on a modified basis and fluctuates based on the number of employees separating from the City. To provide a basis for the impact on governmental funds, an estimate can be projected based on prior history of sick leave payouts adjusted for estimated increased accrued liabilities. While the number of employees who leave each year may fluctuate, the 4-year average for sick leave payouts for governmental funds employees approximates \$461,581.

Assuming a similar number of people were to leave, the increased value of sick leave payouts calculated across all employee groups in governmental funds is estimated to be \$512,355 reflecting an increased payout of \$50,774 for governmental funds.

CONCLUSION

The proposed changes to this Ordinance were approved by the City Commission at the June 26, 2024, Commission Meeting. The City Administration recommends that the City Commission approve the proposed amendments to the Ordinance on second reading. Upon approval, the proposed changes will take effect after successful bargaining with the respective unions.