



## Inspector General Insights

**Background:** On October 27, 2009, the Collier County Board of County Commissioners (BCC) entered into an employment agreement with Mr. Ochs as the County Manager of Collier County, as provided by Collier County Ordinance No 93-72, as amended, and Chapter 125, Part II, Florida Statutes. According to the agreement, Mr. Ochs agreed to remain in the exclusive employ of the County until October 27, 2013. The agreement term could have been extended for two (2) years by the mutual written agreement of both parties. Subsequently, the agreement was extended every two (2) years through September 30, 2021.

Effective May 31, 2021, Mr. Ochs retired and requested his final sick leave and universal leave payment. The Office of Inspector General (OIG) initiated a review of this final payout.

**Objective:** Our review was to determine if the final payout was compliant with the terms of the contract and the policies of the BCC. Some terms required a review of previous hours accrued or paid out, to ensure the final calculations were correct.

**Observations:** According to the BCC Leave of Absence policy (CMA 5360), active employees who have a minimum of two years of service as of August 2, 1996, had the balance of their sick leave time calculated as outlined below and given a dollar value as of the end of the workday of August 2, 1996.

The valuation was calculated as follows:

$$\begin{array}{r} \text{Total hours sick leave accrued} \\ \times \quad \text{Percentage (\%)} \text{ allowed upon separation (see chart below)} \\ \hline \\ = \quad \text{Hours to be paid (subject to 1,040 maximum)} \\ \times \quad \text{Hourly rate at the time of separation} \\ \hline \\ = \quad \text{Maximum Sick Leave Payment.} \end{array}$$

### Sick Leave Pay Upon Termination

Years of Service	Percentage Paid at Separation
At least 2 years but less than 5 years at the time of separation	20%
At least 5 years but less than 10 years at the time of separation	25%
At least 10 years but less than 15 years at the time of separation	35%
At least 15 years but less than 20 years at the time of separation	40%
More than 20 years at the time of separation	50%

The County ended the Sick Leave Payout on August 2, 1996 and as of that date, the Clerk's Payroll Office maintained the Payroll Sick Leave Verification Report. Due to the financial system changes, the OIG could not obtain Mr. Ochs' payroll information directly from the previous financial system and relied on the printed reports of final balances provided by the Clerk's Payroll Office.

An OIG review of the Payroll Sick Leave Verification Report revealed that Mr. Ochs carried the 338.40 sick leave hours since August 2, 1996, and we validated that Mr. Ochs's sick leave balance was accurately calculated in 1996 per CMA 5360.

An OIG examination of Mr. Ochs' annual salary from 2009 through 2021 found that his wage adjustments were within the maximum of ten percent (10%) allowed per the employment agreement.

According to the employment agreement, Mr. Ochs was able to carry over his accrued vacation and sixty percent of eligible accrued sick leave days to date into a universal leave account. An OIG examination of Mr. Ochs' first paycheck as the County Manager found that his universal leave balance agreed with OIG's calculation (see below). Hence, the sick leave hours were accurately converted into Mr. Ochs' universal leave account.

Sick Leave Hours as of 10/23/2009:	2,290.81
Sick Leave Frozen as of 8/2/1996; paid at termination:	- <u>338.40</u>
Eligible Sick Leave to be converted into universal leave account:	1,952.41
60% of Eligible Sick Leave:	x <u>60%</u>
Increase to the Universal Leave Hours:	<u><u>1,171.45</u></u>

The employment agreement further stated that commencing on the third anniversary date of the agreement and annually thereafter, Mr. Ochs will be paid for all accrued universal leave hours exceeding three hundred-sixty (360) hours. The OIG reviewed Mr. Ochs' universal leave payments from 2009 through 2021, and we validated that the payments were accurate.

**Conclusion:** The OIG determined that Mr. Ochs' final sick leave and universal leave payment appear reasonable and complied with CMA 5360. Furthermore, the OIG determined the County's Human Resources and the Clerk's Payroll Office fully complied and processed the final leave pay of Mr. Ochs in accordance with CMA 5360.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	Description
25	\$355,987.09	N/A	N/A	Leave Payments Paid Out Over the Contract Term