ATTACHMENT C

AMENDMENT OF THE 2010-2013 MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE SAN LUIS OBISPO COUNTY EMPLOYEES' ASSOCIATION, CLERICAL UNIT (BU13)

This Amendment is entered into as of November 26, 2013, by and between the County of San Luis Obispo (hereinafter referred to as "the County"), and the San Luis Obispo County Employees' Association (hereinafter referred to as "SLOCEA"), Clerical Unit (BU13). In this Amendment, the term "parties" refers to the County and SLOCEA.

The parties agree that pursuant to Article 58, <u>FULL UNDERSTANDING, MODIFICATION, WAIVER</u> of the 2010-2013 Clerical Unit (BU13) Memorandum of Understanding (MOU), Article 2, <u>TERM</u>, Article 8, <u>SALARIES</u>, Article 9, <u>RETIREMENT CONTRIBUTION</u>, and Article 11, <u>HEALTH COVERAGE AND OTHER BENEFITS</u> are hereby amended to read as follows:

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2. <u>TERM</u>

The County and SLOCEA agree that the term of this Agreement commences on July 1, 2013, except as otherwise set forth in any other Article of this Agreement, and expires and is otherwise fully terminated at midnight on June 30, 2014.

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8. <u>SALARIES</u>

8.1 <u>Fiscal Year 2009-2010 Prevailing Wage Adjustment (PWA)</u>

8.1.1 Per the July 24, 2012 Side Letter, 0.4% of the 2.28% FY2009-10 PWA was deferred through June 30, 2013. Parties have agreed that wages shall be increased by 0.4% retroactive to the pay period that includes July 1, 2013 for all classifications in this unit, shown in Appendix A.

8.1.1.1 The parties recognize that with approval of this Agreement by the Board of Supervisors, all County obligations for the Fiscal Year 2009-2010 PWA are satisfied.

8.1.2 General Salary Adjustment

8.1.2.1 Commencing the pay period following Board of Supervisors' approval of this Agreement, wages shall be increased by an additional 0.78% for all classifications in this unit, shown in Appendix A.

8.1.3 There shall be no additional general salary increases during the term of this agreement.

8.2 <u>Compliance with Prevailing Wage Ordinance</u>

8.2.1 The parties agree that the salary setting process described herein complies with the requirements of County Code Section 2.48.180, which section is also known as the County Prevailing Wage Ordinance.

8.3 <u>Market Wage Study</u>

8.3.1 As soon as administratively feasible, after approval of the new MOU by the Board of Supervisors, the County shall conduct a compensation study for the classifications included in bargaining units 01, 05, and 13. The compensation study shall include benchmark jobs identified by the County and discussed with the Association. The benchmark jobs shall be sufficient in number and scope to establish a valid compensation structure.

8.3.2 The County shall involve a committee of a mutually agreed number of Association representatives at appropriate points in the process.

8.3.3 Wage and benefit data shall be collected from the following employers:

8.3.3.1 Local Employers: City of San Luis Obispo, State of California, Cal Poly and San Luis Coastal Unified School District

8.3.3.2 California Counties: Fresno, Kern, Kings, Monterey, Santa Barbara, Ventura, El Dorado, Sonoma, Placer, and Santa Cruz

8.3.3.3 Additional California Counties identified by the Association: Napa and Marin

8.3.3.4 Private sector employer data from within San Luis Obispo County where determined appropriate by the County

8.3.4 The salary and benefit data that shall be collected includes:

8.3.4.1 Top step base salary

8.3.4.2 Employer pick-up of employee's share of retirement

8.3.4.3 Employer contributions to health insurance

8.3.5 The wage study and recommended salary structure shall be completed and provided to the Association on or before December 31, 2010. This includes, but is not limited to, County recommended comparator organizations from the list included above, elements of compensation to be included in the development of the salary structure, assignment of non-benchmark jobs to a benchmark, and identification of which classifications are above, below, or at market based on the compensation study.

8.3.6 The salary structure and data collected as outlined above shall be the basis of the County's wage reopener described above. The County's wage reopener request shall not be limited by the salary structure and data collected as outlined above. The Association reserves the right to submit their own wage study for purposes of negotiations.

8.4 Pension "Pick-Up"

8.4.1 County will continue to "pick-up" part of the Tier 1 and Tier 2 employee Pension Trust contribution on behalf of all employees within the SLOCEA unit of representation. Such "pick-up" shall be eight and seventy five hundredths percent (8.75%) of pensionable wages.

8.4.1.1 For "new members," as defined by the Public Employees' Pension Reform Act (PEPRA), beginning the pay period that includes July 1, 2013, the County shall discontinue the eight and seventy five hundredths percent (8.75%) employer "pick-up" of employees' contribution to the County's Employees Retirement Plan. "New members" on or after the pay period that includes July 1, 2013 shall be responsible for the full employee share of pension contributions.

8.4.2 It is understood and agreed that the principal motivation of the parties in providing for the County's partial "pick-up" of employee retirement contributions (as agreed in Section 8.4.1 above and Articles 9 and 11 below) has been, and continues to be to accommodate the desire of SLOCEA to achieve its expectations of more favorable tax consequences for the majority of the unit's membership under the approach contained in this Agreement than would be available to its members under the previously used method for deducting employee contributions for these benefits from taxable wages and salaries of unit members.

8.5 Eligibility

8.5.1 The parties agree that the negotiated prevailing wage increases provided for in subsection 8.1 was negotiated for the benefit of those persons who remain in County employment and was not intended to apply to former employees who leave County employment on or prior to the effective dates for implementation of its various provisions (See Article 60, IMPLEMENTATION AND EFFECT).

9. RETIREMENT CONTRIBUTION

9.1 Employee Contributions and County Contributions (Appropriations)

9.1.1 For Tier 1 and Tier 2 Members, effective the pay period including January 1, 2014, the employee pension contribution rate for employees in Bargaining Unit 13 shall increase by 0.48%. The County's appropriation rate shall also increase by 0.49%.

9.1.1.1 The increase in pension costs commencing the pay period including January 1, 2014 for Tier 1 and Tier 2 members shall not apply to Tier 3 members.

9.1.2 County will continue to "pick-up" part of the Tier 1 and Tier 2 employee Pension Trust contribution on behalf of all employees within the SLOCEA unit of representation covered in this MOU. Such "pick-up" shall be eight and seventy five hundredths percent (8.75%) of pensionable wages.

9.1.2.1 For "new members," as defined by the Public Employees' Pension Reform Act (PEPRA), beginning the pay period that includes July 1, 2013, the County shall discontinue the eight and seventy five hundredths percent (8.75%) employer "pick-up" of employees' contribution to the County's Employees Retirement Plan. "New members" on or after the pay period that includes July 1, 2013 shall be responsible for the full employee share of pension contributions.

9.1.3 During the term of this Agreement, if there are any increases in pension costs, the parties agree to reopen the retirement section of the contract to negotiate specifically the sharing of that increase.

9.2 Tier 1 Retirement

9.2.1 The County agrees to continue a plan whereby the County will contribute ("pick up") amounts specified in Article 8 above, on behalf of the unit members to the County Pension Trust. These amounts paid by the County are for a portion of the unit member's contribution and are paid by the County to partially satisfy the employee's obligation to contribute to the County Pension Trust.

9.2.2 Unit members who are members of the Pension Trust shall have no option to receive the contributed amounts directly instead of having them paid by the County to the Pension Trust on behalf of the unit members.

9.2.3 It is further understood and agreed by the parties that the County's "pick-up" of employees Pension Trust contributions is based on the applicable provisions of the San Luis Obispo County Employees' Retirement Plan and Ordinance, applicable laws, regulations, and rulings including but not limited to, the tax treatment permitted by the California Franchise Tax Board and the Federal Government under the Internal Revenue

Code. It is understood that the State Legislature, Congress, and State and Federal agencies may alter the authority for the applicable tax treatment.

9.2.4 SLOCEA shall defend, indemnify and save harmless the County of San Luis Obispo, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, or liability, including, but not limited to, liability for back taxes, and all claims of any type by the Internal Revenue Service, the California Franchise Tax Board, unit members, or their heirs, successors, or assigns, arising out of this Agreement to partially pay the employees' contribution to the County Pension Trust.

9.2.5 Effective the pay period that includes July 1, 2005 the parties agree that "Final Compensation" for miscellaneous members of the Pension Trust from the bargaining unit shall be based upon:

9.2.5.1 The average monthly Compensation Earnable during the consecutive twelve (12) month period of employment immediately preceding the effective date of retirement or the date of last separation from service with the County, or any consecutive 12 month period elected by the employee at or before the time that the employee files an application for retirement; or if the employee fails to elect,

9.2.5.2 During the 12 consecutive months of the employee's highest Compensation Earnable while a member of the Pension Trust.

9.2.6 In exchange employees will assume all identified costs associated for single highest year final compensation:

9.2.6.1 When administratively feasible on or after the pay period that includes January 1, 2005, the employee contribution rate table will increase by sixty-six hundredths percent (0.66%); and

9.2.6.2 Effective with the pay period concurrent with the distribution of prevailing wage salary adjustments for FY 2005-06, the employee contribution rate will increase by fifty-nine hundredths percent (0.59%).

9.2.7 Deferred Retirement Option Plan (DROP)

9.2.7.1 Amend all applicable County ordinances and Pension Trust By-laws to establish effective with the pay period that includes January 1, 2005, or as soon as administratively possible, a Deferred Retirement Option Plan (DROP) for members of the Pension Trust. The DROP would provide employees who are eligible for retirement to continue to work for the County after entering into Deferred Retirement status during which the employee's retirement allowance will be paid into a DROP account. An employee enrolled into the DROP retains all rights, privileges and benefits of being an active County employee, except as specifically modified in a DROP Plan Document. The employee enrolled in the DROP continues to be eligible for the active employee Cafeteria 125 Plan benefits and is not eligible for retiree health benefits. Under the DROP, the employee's individual monthly service retirement allowance, along with agreed upon employee contributions and other supplemental benefits and adjustments will be deposited into an account maintained for the employee under the provisions of the DROP. The employee's Pension Trust Service Retirement Allowance shall be calculated on the date that the employee enters the DROP and is not recalculated at the time the employee actually terminates permanent employment with the County.

9.2.7.2 Upon entering the DROP, the employee's and the employer's contributions to the Pension Trust cease being paid to the Pension Trust. Upon entering the DROP, the employee shall be permitted to contribute to the employee's DROP account an amount up to and equivalent to that which would be considered the employee's normal Pension Trust contribution. Employee contributions to the DROP shall be made on a pre-tax basis, pursuant to all applicable Internal Revenue Codes. These monies are deposited into the DROP account and are distributed to the DROP participant upon termination of permanent employment with the County or the expiration of the DROP period, whichever occurs first. A member may enroll in the DROP for a period not to exceed 5 years.

9.2.7.3 SLOCEA shall defend, indemnify and save harmless the County of San Luis Obispo and the Pension Trust, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, or liability, including, but not limited to, liability for back taxes, and all claims of any type by the Internal Revenue Service, the California Franchise Tax Board, unit members, or their heirs, successors, or assigns, arising out of this Agreement to implement the Deferred Retirement Option Plan (DROP).

9.2.8 Parties agree to amend the San Luis Obispo County Pension Trust Plan to allow for the purchase of Military Service credit. Such purchase shall be allowed at employee expense and at zero County cost.

9.3 <u>Tier 2 Retirement</u>

9.3.1 All County employees hired into the Public Services Unit (BU01), Supervisory Unit (BU05), or the Clerical (BU13) on or after April 17, 2011, and prior to January 1, 2013, will be placed in a lower second tier of retirement benefits in compliance with applicable laws and pension plan provisions. County employees in the Public Services Unit (BU01), Supervisory Unit (BU05), and the Clerical (BU13) hired prior to April 17, 2011 will maintain the current Tier 1 pension plan benefits. Current County employees who promote, transfer, or otherwise change to another bargaining unit in the future will maintain the current Tier 1 pension plan for that new bargaining unit. The implementation of the second tier retirement plan shall not, in itself, increase the cost of the Tier 1 plan. The second tier pension benefit plan, effective pursuant to Pension Plan amendment on April 17, 2011, is as follows:

9.3.1.1 Retirement formula 2@60;

9.3.1.2 90% benefit cap;

9.3.1.3 2% COLA, no carryover;

9.3.1.4 No deferred retirement option plan (DROP);

9.3.1.5 3 year average final compensation;

9.3.1.6 Pension increases that occur during the term of the Agreement will be covered by the retirement reopener that is included in the existing MOU; and

9.3.1.7 Plan amendment to include Tier 1 formula continuation for those Tier 1 employees reemployed after layoff pursuant to Civil Service Commission rules

9.4 Tier 3 Retirement

9.4.1 Effective January 1, 2013, a third tier plan was established for all "new members," in compliance with the Public Employees' Pension Reform Act (PEPRA).

9.4.1.1 "New members," as defined by the Public Employees' Pension Reform Act (PEPRA), shall be eligible for retirement formula as outlined in PEPRA and as defined in Article 29 of the San Luis Obispo County Pension Trust Plan, known as Tier 3 for all County employees.

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11. HEALTH COVERAGE AND OTHER BENEFITS

11.1 General Provisions

11.1.1 County has the right to change medical, dental, and/or vision providers during the course of this agreement.

11.1.2 Under the Public Employees Medical and Hospital Care Act (PEMHCA), the County is required to provide a minimum monthly employer contribution to employee health coverage for employees enrolled in CalPERS Health Insurance. This minimum monthly contribution is specified by CalPERS.

11.1.3 Under this Agreement for those employees who elected County medical insurance under this section, the County's contribution will increase from a total of $725.58 to $750.58 per month. This amount equals the PEMHCA required employer minimum contribution plus the Cafeteria Plan Allowance. This contribution is as follows:

PEMHCA Minimum Contribution + Cafeteria Allowance = $750.58 per month

11.1.4 For those active employees who opt out of County sponsored medical insurance, the County shall contribute only the Cafeteria Plan Allowance specified in section 11.3.

11.1.5 Domestic partners, as defined by California Family Code Section 297, shall be eligible for dependent coverage under the County's health insurance program.

11.2 PEMHCA Required Monthly Contribution

11.2.1 For each employee enrolled in a County medical insurance plan, the County will contribute the minimum monthly employer contribution required under PEMHCA. For calendar year 2013, the minimum monthly employer contribution amount is $115. For calendar year 2014, the minimum monthly employer contribution is $119. For future years, the minimum monthly employer contribution shall be determined by CalPERS.

11.3 Cafeteria Plan Allowance

11.3.1 The County agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing employees with access to various health and welfare benefits. The Plan provides participants the opportunity to purchase certain benefits on a pretax basis, including, but not limited to, medical insurance, vision insurance, and dental insurance benefits. Also pursuant to Section 125 of the Internal Revenue Code, participants may participate in flexible spending accounts to be used for out-of-pocket medical expenses and dependent care expenses on a pretax basis.

11.3.2 Except as otherwise stated herein, commencing the pay period following Board of Supervisors' approval of the Agreement, the County will increase its monthly Cafeteria Plan Allowance of $610.58 to $635.58 per employee enrolled in a County medical insurance plan plus the required PEMHCA contribution referred to in section 11.2.1 above.

11.3.3 For calendar year 2014, the $635.58 Cafeteria Plan Allowance shall be changed by any combined corresponding changes in the minimum employer contribution under PEMHCA so that the total of PEMHCA contribution and Cafeteria Plan Allowance remains $750.58 per month.

11.4 Employees Not Enrolled in a County Medical Insurance Plan (Opt Out)

11.4.1 Employees will be enrolled in one of the medical plans offered by the County, unless they opt out of participation following submission of proof of alternative medical insurance coverage and maintain such coverage during the opt out period. All employees are required to participate in employee-only vision and dental.

11.4.2 Commencing the pay period following Board of Supervisors approval of the Agreement, the County will contribute $635.58 per month per employee not enrolled in a County medical insurance plan as modified by section 11.4.3 below.

11.4.3 For calendar year 2014, the $635.58 Cafeteria Plan Allowance shall be decreased by any combined increases in the minimum employer contribution under PEMHCA.

11.4.4 SLOCEA will work collaboratively with the County on educating employees on cafeteria contribution cash-out with the goal of eliminating the cash out option for employees who elect to opt out of a County-sponsored medical plan on or after January 1, 2015.

11.5 Other Cafeteria Plan Provisions

11.5.1 The parties agree that the current Cafeteria Plan requires that County benefit contributions be spent in the following order: employee-only vision; dependent vision, if any; employee-only dental; dependent dental, if any; employee-only medical insurance (except as otherwise noted in Section 11.3.3), and dependent medical, if any. The County's obligation to make these contributions shall not exceed the total Cafeteria Plan contributions in Section 11.3.2 and 11.3.3.

11.5.2 The parties agree that the Cafeteria Plan Allowance provided for in this Agreement was negotiated for the benefit of those persons who remain in County employment and was not intended to apply to former employees who leave County employment as of the date the Board of Supervisors approves this Agreement.

11.6 Health Plan Committee

11.6.1 One of SLOCEA's unit members will participate in a Management-chaired Health Care Plan Committee, and shall have complete authority to act on behalf of SLOCEA on Health Care Plan Committee business. This individual will be allowed release time for Health Care Plan Committee meetings as deemed necessary by the Chairperson. It shall be the responsibility of said member and said Committee to:

1. Meet as often as is reasonably necessary.
2. Monitor health care plans.
3. Make cost containment recommendations.
4. Make future recommendations concerning rates.

11.7 Pro-ration of Benefits

11.7.1 Part-time employees hired after December 14, 2004, will receive pro-rated cafeteria plan contributions based on hours worked, paid leave and/or time off granted under the Voluntary Time Off Program (VTO). Pro-ration will be applied to the Cafeteria Plan Allowance indicated in Section 11.3.

11.7.2 Employees employed with the County on or before December 14, 2004, including all part-time and full-time employees, shall be grandfathered to receive, for the entirety of their County employment, the full Cafeteria Plan Allowance as specified in Section 11.3.

11.7.3 Any current employee employed with the County on or before December 14, 2004, that separates from County employment due to layoffs, who is subsequently reinstated or reemployed pursuant to Civil Service Rules, will resume receiving the full Cafeteria Plan Allowance as specified in Section 11.3 of this Agreement.

11.7.4 Departments shall not work part-time employees more than 210 hours above their allocated hours without the approval of the Office of the County Administrator.

11.8 Voluntary Employee Beneficiary Association (VEBA)

11.8.1 The County will contribute $50 per month, per employee on the second pay period of each month to the employee's Universal Voluntary Employee Beneficiary Association (VEBA) account, also referred to as PEHP (Post Employment Health Plan).

11.8.2 SLOCEA agrees to program guidelines developed by the County. The County has the right to continue, modify or replace this plan subject to any required meeting and conferring pursuant to Gov. Code Section 3504.

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(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, County and SLOCEA have executed this Memorandum of Understanding on the day and year first hereinabove set forth,

For the County:

Tami Douglas-Schatz

Tami Douglas-Schatz,
Human Resources Director

Dated: 11/26/13

For SLOCEA:

Kimberly Daniels,
SLOCEA General Manager

Dated: Nov 26, 2013

APPROVED AS TO FORM AND LEGAL EFFECT

RITA L. NEALCounty Counsel

By: Timothy McNulty
Assistant County Counsel

Dated: 11·27·2013

APPENDIX "A"

Class	Class Title	BU	Current Range	0.4% Wage Increase effective 6/23/2013	0.78% Wage Increase effective 12/22/2013
813	4-H PROGRAM ASSISTANT	BU13	1723	1730	1743
911	ACCOUNT CLERK	BU13	1484	1490	1502
914	ACCOUNTING TECHNICIAN	BU13	1894	1902	1917
2204	ADMINISTRATIVE ASST AIDE	BU13	1235	1240	1250
2201	ADMINISTRATIVE ASST I	BU13	1360	1365	1376
2202	ADMINISTRATIVE ASST II	BU13	1497	1503	1515
2203	ADMINISTRATIVE ASST III	BU13	1647	1654	1667
2552	CLERK-RECORDER ASSISTANT II	BU13	1776	1783	1797
2553	CLERK-RECORDER ASSISTANT III	BU13	1881	1889	1904
346	CORRECTIONAL TECHNICIAN	BU13	1828	1835	1849
983	DATA ENTRY OPERATOR III	BU13	1729	1736	1750
2010	DEPT PERSONNEL TECHNICIAN	BU13	1776	1783	1797
2230	LEGAL CLERK	BU13	1849	1856	1870
582	MEDICAL RECORDS TECHNICIAN	BU13	1757	1764	1778
883	SECRETARY I	BU13	1723	1730	1743
884	SECRETARY II	BU13	1783	1790	1804
909	SR ACCOUNT CLERK	BU13	1735	1742	1756
8960	SR CORRECTIONAL TECHNICIAN	BU13	1943	1951	1966
593	SR MEDICAL RECORDS TECHNICIAN	BU13	1936	1944	1959