

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 12/10/2013	(3) CONTACT/PHONE Tami Douglas-Schatz (805) 781-5959	
(4) SUBJECT Submittal of three (3) resolutions approving amendments to: 1) the July 1, 2010 – June 30, 2013 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13); and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt three (3) resolutions approving amendments to: 1) the July 1, 2010 – June 30, 2013 Memorandum of Understanding (MOU) between the between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13); and 2) approve amendments to the San Luis Obispo County Employees Retirement Plan Appendices.			
(6) FUNDING SOURCE(S) General Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$1,330,000.00	(8) ANNUAL FINANCIAL IMPACT \$2,190,000.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director
(805) 781-5959

DATE: December 10, 2013

SUBJECT: Submittal of three (3) resolutions approving amendments to: 1) the July 1, 2010 – June 30, 2013 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13); and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices.

RECOMMENDATION

It is recommended that the Board adopt three (3) resolutions approving amendments to: 1) the July 1, 2010 – June 30, 2013 Memorandum of Understanding (MOU) between the County of San Luis Obispo and the San Luis Obispo County Employees' Association (SLOCEA) Public Services Unit (BU01), Supervisory Unit (BU05), and Clerical Unit (BU13); and 2) approve amendments to the San Luis Obispo County Employees Retirement Plan Appendices.

DISCUSSION

The San Luis Obispo County Employees' Association (SLOCEA) is comprised of the following bargaining units (BU) and full-time equivalent (FTE) positions:

Public Services Unit, BU01	830 FTE
Supervisory Unit, BU05	200 FTE
<u>Clerical Unit, BU13</u>	<u>377 FTE</u>
TOTAL	1407 FTE

Consistent with the terms of the contract to the existing Memoranda of Understanding (MOU), on February 25, 2013, the County notified SLOCEA of its intent to meet and negotiate successor contracts that were due to expire on June 30, 2013. The parties entered into negotiations on May 22, 2013 to negotiate changes to terms and conditions of employment. After several sessions of negotiating in good faith, the parties were able to reach a tentative agreement for amendments to their existing Memoranda of Understanding (MOU). The key details of the MOU Amendments¹ are as follows:

Term:

- The SLOCEA Public Services Unit (BU01) MOU, Supervisory Unit (BU05) MOU, and Clerical Unit (BU13) MOU have been extended for one (1) year and will fully terminate on June 30, 2014.

Wage Provisions:

- A 0.4% Prevailing Wage Adjustment (PWA) retroactive to the pay period including July 1, 2013. This 0.4% amount was previously deferred from the FY2009-10 PWA.
- A further 0.78% wage increase effective the pay period following Board of Supervisors' approval of the attached Amendments.

¹ Attachments contain entire text of amended Article which includes all subsections with and without revision.

Pension Provisions:

- Effective the pay period that includes January 1, 2014, the pension contribution rate for “miscellaneous” employees in Bargaining Units 01, 05, and 13 shall increase by 0.48%. The County’s appropriation rate shall also increase by 0.49%.
 - Appendix A – Miscellaneous Members Contribution Rates and Appendix A Tier 2 –Miscellaneous Members Contribution Rates reflect the new County appropriation rate and the new Tier 1 and Tier 2 member contributions rates.
- New language added describing compliance with the California Public Employees’ Pension Reform Act of 2013 (PEPRA), known as Tier 3 for all County bargaining units.

Health Coverage – Cafeteria:

- Commencing the pay period following Board of Supervisors approval of the attached MOU amendments, the County’s Cafeteria Allowance shall increase by \$25 per month for a total of \$750.58 per month.

OTHER AGENCY INVOLVEMENT/IMPACT

Representatives from the Administrative Office and the Pension Trust participated in the development of the employees’ retirement plan appendices. County Counsel has reviewed and approved the Resolution for legal form and effect. The Auditor’s Office and Human Resources will process the system changes needed to implement these rate changes.

FINANCIAL CONSIDERATIONS**Prevailing Wage Adjustments:**

The 0.4% PWA, retroactive to the pay period including July 1, 2013, will increase the County’s costs by approximately \$462,553 for FY2013-14. The 0.78% wage increase effective the pay period following approval of the attached Amendments will increase the County’s costs by approximately \$451,000 for FY2013-14, for a total of approximately \$913,553 for FY2013-14. The County’s annual ongoing increased costs for wages shall be approximately \$1.36 million.

Pension Rate Increases:

Each year, an actuarial valuation is conducted by the San Luis Obispo County Pension Trust (“Trust”) as a measure of the funding status of the Trust. Based on the 2012 report, it was determined that an increased rate of contribution was needed to appropriately fund the Trust. This rate increase will be effective the pay period that includes January 1, 2014. Based on this implementation date, the total rate increase for all SLOCEA employees (“miscellaneous members”) is 0.97%. As agreed to by the parties and included in the SLOCEA Amendments, attached hereto as Attachments A, B, and C, the SLOCEA employees and the County will equally split the pension rate increase. By splitting the 0.97% pension rate increase (half of which is approximately 0.49%), for FY2013-14, total County costs will increase by approximately \$201,303 for the time period of January, 2014 through June, 2014. The County’s annual ongoing costs shall increase by approximately \$402,606.

Cafeteria Allowance:

By granting a Cafeteria Allowance increase of \$25 per month (\$300 per year) to all SLOCEA employees (BU’s 01, 05, and 13) commencing the pay period following Board of Supervisors approval of the attached MOU amendments, for FY 2013-14, total County costs will increase by approximately \$211,050 for the time period of January, 2014 through June, 2014. The County’s annual ongoing costs shall increase by approximately \$422,100.

Total annual County costs for wage increases, pension rate increases, and the increase to cafeteria allowance are approximately \$2.19 million (\$1.33 million for FY2013-14). Pursuant to Board direction, departments will absorb the increased County costs associated with these MOU amendments.

RESULTS

Approval of these Resolutions will extend the SLOCEA Public Services Unit, Supervisory Unit, and Clerical Unit by one (1) year through June 30, 2014. The terms and conditions outlined in the MOU amendments are consistent with the Board’s direction to stabilize the County’s overall budget and share in pension rate increases. The new MOU provisions also

contribute to a results-oriented, well-governed community.

ATTACHMENTS

1. Resolution - SLOCEA Public Services Unit (BU01)
2. Resolution - SLOCEA Supervisory Unit (BU05)
3. Resolution - SLOCEA Clerical Unit (BU13)
4. Appendix A - Miscellaneous Rates
5. Appendix A Tier 2 - Miscellaneous Rates
6. Attachment A - SLOCEA Public Services Unit (BU01) MOU Amendment
7. Attachment B - SLOCEA Supervisory Unit (BU05) MOU Amendment
8. Attachment C - SLOCEA Clerical Unit (BU13) MOU Amendment