

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

(1) DEPARTMENT Human Resources	(2) MEETING DATE 8/18/2015	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959	
(4) SUBJECT Submittal of a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the District Attorney Investigators Association, Bargaining Unit 06. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the District Attorney Investigators Association, Bargaining Unit 06.			
(6) FUNDING SOURCE(S) Departmental savings and/or unanticipated revenue.	(7) CURRENT YEAR FINANCIAL IMPACT \$51,906.00	(8) ANNUAL FINANCIAL IMPACT \$103,114.00	(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 type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

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

DATE: 8/18/2015

SUBJECT: Submittal of a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the District Attorney Investigators Association, Bargaining Unit 06. All Districts.

## **RECOMMENDATION**

It is recommended that the Board adopt a Resolution approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the District Attorney Investigators Association, Bargaining Unit 06.

## **DISCUSSION**

The District Attorney Investigators Association (DAIA), Bargaining Unit 06 (BU06), represents a total of 14 employees in the classifications of District Attorney Investigator I, II, III, and Supervising District Attorney Investigator. Consistent with the terms of the existing Memorandum of Understanding (MOU), on March 13, 2015, the County notified DAIA of its intent to meet and negotiate successor contracts that were due to expire on June 30, 2015. The parties entered into negotiations on April 23, 2015 to negotiate changes to terms and conditions of employment. The parties were able to reach a tentative agreement for a successor MOU on June 16, 2015. The key details of the MOU are as follows:

### **Term:**

- July 1, 2015 through June 30, 2017.

### **Wage Provisions:**

- A 2.6% general wage adjustment retroactive to the pay period including July 1, 2015.
- A 2.5% general wage adjustment effective the pay period including July 1, 2016.

### **Pension Rate Increases:**

- Employees will continue to share equally (50/50) in any pension rate increases as determined by the Pension Trust Board and adopted by the Board of Supervisors after receipt of actuarial data. For the term of the agreement, the employees' share of increases shall not exceed three percent (3%).

### **Health Coverage – Cafeteria Opt Out Provisions:**

- Per the 2013-2015 DAIA MOU approved by the Board of Supervisors on October 8, 2013<sup>1</sup>, the DAIA agreed to eliminate the cash out for employees who elected to opt out of County-sponsored health insurance on or after January 1, 2014 in an effort to help make the County more marketable with alternative insurance providers. As part of that agreement, employees who elected to opt out of County-sponsored health insurance on or after January 1, 2014 would no longer be eligible to receive the cash out. Employees who elected to opt out of County-sponsored health insurance prior to January 1, 2014 would continue to receive the cash out only for as long as they continually elected to opt out. That cash out amount would decrease each year with any increases to the California Public Employees' Retirement (CalPERS) minimum health premium contribution.

<sup>1</sup> October 8, 2013 Board of Supervisors Agenda Item #8.

The provisions of the attached DAIA MOU amend the opt out provisions to allow employees who elected to opt out of County-sponsored health insurance prior to January 1, 2014, and continually opt out, to have the cash out capped at its current value of \$594.07 per month. This amount will no longer decrease with any increase to the CalPERS minimum health premium contribution.

#### **Voluntary Employee Beneficiary Association (VEBA)**

- An increase in VEBA (a post-employment health plan) from \$20,000 to \$25,000. In compliance with Article 23 of the attached MOU, at the time of separation from County employment, one-half of an employee's unused sick leave balance (up to 260 days) is converted to a dollar amount based on the employee's current rate of pay. Of that amount, up to a maximum of \$25,000, will now be placed into an account for the employee's post-employment health expenses that qualify under the program. Any remaining amount over \$25,000 will be paid to the employee as taxable income.

As part of these contract negotiations, the County conducted a salary survey to determine how employees in DAIA are paid in comparison to comparable classifications in similar agencies. Based on the results of this survey it was determined that DAIA employees are paid below the market median in total compensation. The wage increases detailed above will help bring DAIA employees closer to the median, but the employees will still remain below. Bringing DAIA employees closer to the market median in total compensation will continue to be a part of future negotiations.

The pension sharing provisions and the Cafeteria opt out provisions detailed above are part of the Board of Supervisors labor strategy for employees and the County to share equally in pension rate increases, and to help the County be more competitive in the insurance market and offer alternative and more affordable medical plans to County employees.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

Representatives from the Auditor's Office, Administrative Office, and the Pension Trust participated in the development of this MOU. 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**

The 2.6% general wage adjustment, retroactive to the pay period including July 1, 2015, are estimated to increase the County's costs by \$51,906 for Fiscal Year 2015/16. The 2.5% general wage adjustment, effective the pay period including July 1, 2016, are estimated to increase the County's costs by \$51,208 for Fiscal Year 2016/17. Total County annual ongoing costs for general wage adjustments are estimated to be \$103,114.

There shall be no County costs associated with the VEBA, as the program is fully funded by an individual employee's accrued sick leave balance at the time of separation from County employment.

Departmental savings and/or unanticipated revenue will be the primary source of funding for unbudgeted expenditures associated with the compensation increases included in the attached MOU. To the extent departmental savings are not available to cover the amount, staff will recommend that your Board authorize a transfer of the deficit amount out of the General Fund Contingencies and/or reserves to the department operating budgets, as needed, as part of the third quarter report. Third quarter is when many such year-end adjustments are made.

#### **RESULTS**

Approval of this Resolution will establish a new two (2) year MOU with the District Attorney Investigators Association (BU06) effective from July 1, 2015 through June 30, 2017. The terms and conditions outlined in the MOU are consistent with the Board's direction to stabilize the County's overall budget and share in pension rate increases. Approval of this Resolution follows the County's budget policy of a balanced approach to reintroducing resources back into contingencies and reserves, programs and services, and contributes to a results-oriented, well-governed community.

#### **ATTACHMENTS**

1. Resolution – DAIA (BU06)
2. Attachment A – DAIA (BU06) MOU