

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

(1) DEPARTMENT Human Resources	(2) MEETING DATE 10/20/2015	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959	
(4) SUBJECT Submittal of two (2) Resolutions approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Probation Peace Officers' Association Probation Unit, Bargaining Unit 31 and the San Luis Obispo County Probation Peace Officers' Association Probation Supervisory Unit, Bargaining Unit 32. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt two (2) Resolutions approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Probation Peace Officers' Association Probation Unit, Bargaining Unit 31 and the San Luis Obispo County Probation Peace Officers' Association Probation Supervisory Unit, Bargaining Unit 32.			
(6) FUNDING SOURCE(S) Departmental savings and/or unanticipated revenue	(7) CURRENT YEAR FINANCIAL IMPACT \$251,331	(8) ANNUAL FINANCIAL IMPACT \$519,251	(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 Emily Jackson			
(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: 10/20/2015

SUBJECT: Submittal of two (2) Resolutions approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Probation Peace Officers' Association Probation Unit, Bargaining Unit 31 and the San Luis Obispo County Probation Peace Officers' Association Probation Supervisory Unit, Bargaining Unit 32. All Districts.

RECOMMENDATION

It is recommended that the Board adopt two (2) Resolutions approving the July 1, 2015 – June 30, 2017 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Probation Peace Officers' Association Probation Unit, Bargaining Unit 31 and the San Luis Obispo County Probation Peace Officers' Association Probation Supervisory Unit, Bargaining Unit 32.

DISCUSSION

The San Luis Obispo County Probation Peace Officers' Association (SLOCPPOA) is comprised of the following bargaining units (BU) and number of employees:

BU31 Probation Unit	92 Employees
BU32 Probation Supervisory Unit	14 Employees
<hr/> Total	<hr/> 106 Employees

Consistent with the terms of the existing MOUs, on January 15, 2015, SLOCPPOA notified the County of its intent to meet and negotiate successor contracts that were due to expire June 30, 2015. The parties entered into negotiations on March 26, 2015 to negotiate changes to terms and conditions of employment.

On June 15, 2015, after several negotiation sessions, SLOCPPOA declared impasse and requested the items in dispute be brought to fact finding per Assembly Bill 646. The parties selected a fact finder from the Public Employment Relations Board and fact finding was held on September 14, 2015. On September 21, 2015, after fact finding, the parties were able to reach a tentative agreement for successor MOUs. The key details of the MOUs are as follows:

Term:

- July 1, 2015 through June 30, 2017.

Wage Provisions:

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

The County provides employees with a monthly Cafeteria Allowance benefit to offset costs associated with health insurance premiums. Employees have the option to elect health coverage provided by the County or they may choose to waive the County’s health insurance coverage (“opt out”) with proof of other coverage. Participation in County-sponsored dental and vision is mandatory for all employees.

The County has been negotiating changes to the opt out provisions with all employee organizations to eliminate the cash out for employees who newly elect to opt out. The details of the provisions are as follows:

- The cash in lieu of medical insurance option will be eliminated for employees hired on or after January 1, 2016 who elect to opt out of a County-sponsored medical plan.
- Employees hired before January 1, 2016 who elect to opt out of a County-sponsored medical plan prior to January 1, 2016 will continue to receive the cash in lieu of medical insurance for as long as the employee continually elects to opt out after January 1, 2016.
- Employees hired before January 1, 2016 who newly elect to opt out of a County-sponsored medical plan on or after January 1, 2016 will not receive the cash in lieu of medical insurance.

Side Letter Agreement for Classification Study:

The County and SLOCPPOA have agreed that the County will conduct a classification study pursuant to Rule 5 of the Civil Service Rules. The purpose of the study is to examine whether there have been substantial changes in the job duties of Deputy Probation Officers warranting a modification of the class specifications.

As part of these contract negotiations, the County conducted a salary survey to determine how employees in SLOCPPOA are paid in comparison to comparable classifications in similar agencies. Based on the results of this survey, SLOCPPOA employees are paid below the market median in total compensation. The wage increases detailed above will help bring SLOCPPOA employees closer to the median, however, total compensation will still remain below the market median. Bringing SLOCPPOA 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 for consideration of 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 these MOUs. County Counsel has reviewed and approved the Resolutions for legal form and effect. The Auditor’s Office and Human Resources will process the system changes needed to implement these wage changes.

FINANCIAL CONSIDERATIONS

The 2.5% general wage adjustment, retroactive to the pay period including July 1, 2015, is estimated to increase the County’s costs by \$251,331 for Fiscal Year 2015/16. The 2.6% general wage adjustment, effective the pay period including July 1, 2016, is estimated to increase the County’s costs by \$267,919 for Fiscal Year 2016/17. Total County annual ongoing costs for general wage adjustments are estimated to be \$519,251.

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 MOUs. 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 any such year-end adjustments are made.

RESULTS

Approval of these Resolutions will establish new two (2) year MOUs with the SLOCPPOA Probation Unit (BU31) and Probation Supervisory Unit (BU32) effective from July 1, 2015 through June 30, 2017. The terms and conditions outlined in these MOUs are consistent with the Board’s direction to stabilize the County’s overall budget and share in pension rate increases. Approval of these Resolutions 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 – SLOCPPOA Probation Unit (BU31)
2. Resolution – SLOCPPOA Probation Supervisory Unit (BU32)
3. Attachment A – SLOCPPOA Probation Unit (BU31)
4. Attachment B – SLOCPPOA Probation Supervisory Unit (BU32)