

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

<p>(1) DEPARTMENT Human Resources</p>	<p>(2) MEETING DATE 1/26/2016</p>	<p>(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959</p>	
<p>(4) SUBJECT Submittal of a resolution amending the 2014-2016 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association Trades, Crafts, and Services Unit, Bargaining Unit 02, modifying compensation for certain classifications determined to be significantly below market in accordance with Article 12 Salaries. All Districts.</p>			
<p>(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors approve a resolution amending the 2014-2016 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association Trades, Crafts, and Services Unit, Bargaining Unit 02, modifying compensation for certain classifications determined to be significantly below market in accordance with Article 12 <u>Salaries</u>.</p>			
<p>(6) FUNDING SOURCE(S) Departmental savings and/or unanticipated revenue.</p>	<p>(7) CURRENT YEAR FINANCIAL IMPACT \$38,824.00</p>	<p>(8) ANNUAL FINANCIAL IMPACT \$38,824.00</p>	<p>(9) BUDGETED? No</p>
<p>(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. ___)</p>			
<p>(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A</p>			
<p>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A</p>		<p>(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A</p>	
<p>(14) LOCATION MAP N/A</p>	<p>(15) BUSINESS IMPACT STATEMENT? No</p>	<p>(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>02/10/2015</u></p>	
<p>(17) ADMINISTRATIVE OFFICE REVIEW Leslie Brown</p>			
<p>(18) SUPERVISOR DISTRICT(S) All Districts</p>			

County of San Luis Obispo



TO: Board of Supervisors

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

DATE: 1/26/2016

SUBJECT: Submittal of a resolution amending the 2014-2016 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association Trades, Crafts, and Services Unit, Bargaining Unit 02, modifying compensation for certain classifications determined to be significantly below market in accordance with Article 12 Salaries. All Districts.

RECOMMENDATION

It is recommended that the Board of Supervisors approve a resolution amending the 2014-2016 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association Trades, Crafts, and Services Unit, Bargaining Unit 02, modifying compensation for certain classifications determined to be significantly below market in accordance with Article 12 Salaries.

DISCUSSION

The San Luis Obispo County Employees' Association (SLOCEA), Trades, Crafts, and Services Unit, Bargaining Unit 02 (BU02) is comprised of 166 employees.

On February 10, 2015, the Board of Supervisors adopted Resolutions approving the 2014-2016 Memorandum of Understanding (MOU) between the County and SLOCEA Trades, Crafts, and Services Unit (BU02) which included the following wage provisions:

- A 2.3% general wage adjustment retroactive to the pay period including July 1, 2014.
- A 2.5% general wage adjustment effective the pay period including July 1, 2015.
- An additional wage increase for classifications determined to be more than 5% below market to be effective the pay period including July 1, 2015. The purpose of this additional increase was to address classifications determined to be significantly below market and to address severe recruitment and retention issues. This increase was to be funded through a pool equal to 0.3% of payroll for all classifications.

Pursuant to Article 12 Salaries of the Trades, Crafts, and Services (BU02) MOU, the 2.3% general wage adjustment was effective retroactively to the pay period including July 1, 2014 and the 2.5% general wage adjustment was effective the pay period including July 1, 2015. The additional wage increase equal to 0.3% of payroll was reserved to address classifications determined to be below market by more than 5%, and negotiations regarding the distribution of this additional wage adjustment were to commence on or before March 1, 2015. The value of the 0.3% was calculated to be \$38,824 annually.

Consistent with the terms of Article 12 Salaries of the 2014-2016 MOU, on February 27, 2015, the County notified SLOCEA of its intent to meet and negotiate the distribution of the 0.3% additional wage adjustment. The parties entered into negotiations on April 07, 2015 to negotiate these adjustments. On January 15, 2016 the parties were able to reach a tentative agreement concerning the appropriate allocation of these additional wage adjustments.

In preparation for negotiations to determine the distribution of the 0.3% additional adjustment, a salary survey¹ was completed, with an effective date of March, 2015, for SLOCEA classifications in order to determine market position and the benchmark classifications and their related job families² that would be eligible for an additional adjustment, i.e. those classifications determined to be at least 5% below market. The results of this survey indicated that 6 out of 11 benchmarks, and a total of 21 out of 44 classifications, were more than 5% below market.

It was negotiated that the increase would be applied based on the degree to which the classifications were out of market and their internal job family relationship, with a minimum increase of approximately \$10 a month at top step salary. This changed the number of classifications determined to be out of market to 17. Based on this method, the total cost of bringing these 17 classifications up to 5% below market was estimated to be \$388,116. This greatly exceeded the available funds of \$38,824, so a proportionate increase of approximately 10% was applied.

These classifications and increases are included in the attached MOU amendment, identified as Attachment A. The results of the analysis used to calculate these increases are detailed in Attachment B. The salary survey results are detailed in Attachment C.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the resolutions for form and legal effect. The Auditor's Office and Human Resources will process the system changes needed to implement the wage increases.

FINANCIAL CONSIDERATIONS

These wage increases, retroactive to the pay period including July 1, 2015, are estimated to increase the County's costs by \$38,824 for Fiscal Year 2015-2016. Total annual ongoing costs are also estimated to increase by \$38,824.

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 amendment. 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 amend the 2014-2016 MOU between the County of San Luis Obispo and the San Luis Obispo County Employees' Association Trades, Crafts, and Services Unit (BU02) by granting additional wage adjustments to classifications determined to be significantly under market. 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 – SLOCEA Trades, Crafts, and Services Unit (BU02)
2. Attachment A – SLOCEA Trades, Crafts, and Services Unit (BU02) 2014-2016 MOU Amendment
3. Attachment B – Distribution Analysis
4. Attachment C – Salary Survey

¹ The salary survey was completed by Ralph Anderson & Associates, 5800 Stanford Ranch Road, Ste. 410, Rocklin, Ca 95765, on behalf of the County.

² Those classifications linked to the benchmark class with an established internal alignment.