

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

(1) DEPARTMENT Human Resources	(2) MEETING DATE 11/15/2016	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director 781-5959		
(4) SUBJECT Submittal of a resolution approving 1) the July 1, 2015 – June 30, 2018 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Government Attorneys’ Union, Bargaining Unit 04, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.				
(5) RECOMMENDED ACTION It is recommended that the Board adopt a resolution approving 1) the July 1, 2015 – June 30, 2018 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Government Attorneys’ Union, Bargaining Unit 04, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.				
(6) FUNDING SOURCE(S) Departmental savings and/or unanticipated revenue.	(7) CURRENT YEAR FINANCIAL IMPACT \$242,936.00	(8) ANNUAL FINANCIAL IMPACT \$396,423.00	(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 Lisa M. Howe				
(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: 11/15/2016

SUBJECT: Submittal of a resolution approving 1) the July 1, 2015 – June 30, 2018 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Government Attorneys' Union, Bargaining Unit 04, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.

## **RECOMMENDATION**

It is recommended that the Board adopt a resolution approving 1) the July 1, 2015 – June 30, 2018 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Government Attorneys' Union, Bargaining Unit 04, and 2) amendments to the San Luis Obispo County Employees Retirement Plan Appendices. All Districts.

## **DISCUSSION**

The San Luis Obispo County Government Attorneys' Union (SLOGAU), Bargaining Unit (BU) 04, represents a total of 29 employees in the District Attorney's Office. SLOGAU is the exclusive bargaining organization for the job classifications of Deputy District Attorney I, Deputy District Attorney II, Deputy District Attorney III, and Deputy District Attorney IV.

On May 1, 2015, the parties entered into negotiations for a successor Memorandum of Understanding (MOU) and changes to terms and conditions of employment. After several negotiation sessions, the parties were able to reach a tentative agreement for a new MOU on September 27, 2016. A summary of the major elements are as follows:

### **Term:**

- The SLOGAU MOU is effective July 1, 2015 to June 30, 2018.

### **Wages:**

- A 1.5% wage increase for all unit members (BU04) effective the pay period including July 1, 2015.
- A 1.5% wage increase for all unit members (BU04) effective the pay period including July 1, 2016.
- A 2.0% wage increase for all unit members (BU04) effective the pay period including July 1, 2017.
- A 1.0% wage increase for all unit members (BU04) effective the pay period including January 1, 2018.

### **Pension Provisions:**

- An actuarial valuation study (report dated January 1, 2015) conducted by the San Luis Obispo County Pension Trust ("Trust) indicated that effective the pay period including January 1, 2016, a 1.02% County-wide aggregate pension contribution rate increase was necessary to appropriately fund the Trust, with the rate increase for "Miscellaneous" members being 0.98%. Since January 1, 2016, the County has been paying the full pension rate increase of 0.98% for SLOGAU unit members. Effective the pay period including January 1, 2016, the pension contribution rate for Tier 1, Tier 2, and Tier 3 members<sup>1</sup> shall increase by 0.49%, and the

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<sup>1</sup>SLOGAU currently has a pending court challenge to the County's ability to increase employee pension contributions. The language in the MOU references the court challenge and preserves the parties' respective positions. The MOU language also includes a provision where the MOU will be amended in the event SLOGAU receives a final favorable determination, or the pension sharing provisions will be the status quo in the event the County receives a final favorable determination.

County's contribution rate will be reduced commensurately.

- Appendix A – Miscellaneous Members Contribution Rates Tier 1, Appendix A – Miscellaneous Members Contribution Rates Tier 2, and Appendix A – Miscellaneous Members Contribution Rates Tier 3-AB340, attached hereto, reflect the new member contribution rates and the County's new appropriation rate.
- Any pension rate increases determined annually by the Pension Trust Board shall be split 50/50 between the County and Tier 1 and Tier 2 members, as adopted by the Board of Supervisors after receipt of actuarial data. Tier 3 unit members will split pension rate increases 50/50 for the life of the MOU, with future cost sharing to be determined in successor agreements. For the term of the agreement, the employees' share of increases shall not exceed four percent (4%).

The pension sharing provisions are part of the Board of Supervisors labor strategy for employees and the County to share equally in pension rate increases.

**On-Call Law Enforcement Advisory Duty:**

- Deputy District Attorney unit members shall be required to perform on-call law enforcement advisory duty on a rotational basis. The on-call unit member will perform advisory duty during all non-business hours during an assigned two-week period. Duties shall include: advising law enforcement agencies in legal and evidentiary matters prior to issuance of criminal complaints; preparing search warrants, arrest warrants and child custody and child return warrants and orders; assisting police officers in drafting affidavits in support of a search warrant; and responding to crime scenes.
- Unit members will be granted twelve (12) hours of time off for the completion of one full week of assigned law enforcement advisory on call duty for a total of twenty-four (24) hours for completion of a two week assignment.
- A unit member may not perform more than one two-week period of on-call law enforcement advisory duty within a year without approval of the District Attorney.

**OTHER AGENCY INVOLVEMENT/IMPACT**

Representatives from the Administrative Office, County Counsel, Auditor-Controller and the Pension Trust participated in the development of the MOU and Pension Trust contribution rate sheets. County Counsel has reviewed and approved the resolution and MOU for legal form and effect. The Auditor's Office and Human Resources staff will process the system changes needed to implement these agreements.

**FINANCIAL CONSIDERATIONS**

**Wage Increases:**

The 1.5% wage increase, effective to the pay period including July 1, 2015, and the 1.5% wage increase effective the pay period including July 1, 2016 are estimated to increase the County's costs by \$155,332 for Fiscal Year 2016-17. The 2.0% wage increase, effective the pay period including July 1, 2017, and the 1.0% wage increase effective the pay period including January 1, 2018 are estimated to increase the County's costs by an additional \$159,895 for FY 2017-18. Total County annual ongoing costs associated with these wage increases are estimated to be \$315,227.

**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 2015 report, it was determined that an increased rate of contribution was needed to appropriately fund the Trust. This rate increase was effective the pay period that includes January 1, 2016. Based on this implementation date, the total rate increase for all SLOGAU employees ("Miscellaneous" members) was 0.98%. Since January 1, 2016 the County has been paying the full 0.98% increase, the cost of which is estimated at \$31,621 from January, 2016 through November, 2016. As agreed to by the parties, SLOGAU will share equally in the cost of the increase and pay 0.49%, retroactive to January 1, 2016. This will decrease the County's costs by an estimated \$15,811 for the period of January, 2016 through November, 2016. Total County costs associated with these pension increases are estimated to be an additional \$26,513 for FY 2016-17, which includes the time period of January, 2016 through June, 2017. Total County annual ongoing costs associated with these pension increases are estimated to be \$18,299.

**On Call Law Enforcement Advisory Duty:**

The twenty-four (24) additional hours time off for the Law Enforcement Advisory Duty are estimated to increase the County's costs through non-productive work time by an estimated \$61,091 for FY2016-07. Total County annual ongoing

costs associated with the additional time off is estimated at \$62,896 per year.

**Total County Costs:**

The total County costs associated with this MOU are estimated to be \$242,936 for FY 2016-17. Total annual ongoing County costs are estimated to be \$396,423.

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 to the department's operating budget, 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 establishes a new three (3) year MOU effective July 1, 2015 through June 30, 2018. 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 1) ensures the County is in compliance with Government Code 3500, which mandates good faith collective bargaining to reach agreements; 2) follows the County's post-recession budget policy of a balanced approach to reintroducing resources back into contingencies and reserves, programs and services, and salaries and benefits; and 3) contributes to a results-oriented, well-governed community. Employee compensation adjustments are negotiated with the intent to balance what the County is able to afford with providing competitive salary and benefits to attract and maintain a high-performing workforce.

**ATTACHMENTS**

1. Resolution – SLOGAU
2. Attachment A – SLOGAU 2015-2018 MOU
3. Appendix A – Miscellaneous Members Contribution Rates Tier 1
4. Appendix A – Miscellaneous Members Contribution Rates Tier 2
5. Appendix A – Miscellaneous Members Contribution Rates Tier 3-AB340