



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

(1) DEPARTMENT Human Resources	(2) MEETING DATE 1/14/2020	(3) CONTACT/PHONE Tami Douglas-Schatz, Human Resources Director (805) 781-5959	
(4) SUBJECT Submittal of a resolution approving the July 1, 2019 through June 30, 2022 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association, Bargaining Unit 02 – Trades, Crafts, and Services Unit. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors adopt a resolution approving the July 1, 2019 through June 30, 2022 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association, Bargaining Unit 02 – Trades, Crafts, and Services Unit.			
(6) FUNDING SOURCE(S) Departmental savings and/or unanticipated revenue.	(7) CURRENT YEAR FINANCIAL IMPACT \$345,515.00	(8) ANNUAL FINANCIAL IMPACT \$1,276,896.00	(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"/> 4/5th's 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 Zachary A. Lute			
(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: 1/14/2020

SUBJECT: Submittal of a resolution approving the July 1, 2019 through June 30, 2022 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association, Bargaining Unit 02 – Trades, Crafts, and Services Unit. All Districts.

RECOMMENDATION

It is recommended that the Board of Supervisors adopt a resolution approving the July 1, 2019 through June 30, 2022 Memorandum of Understanding between the County of San Luis Obispo and the San Luis Obispo County Employees' Association, Bargaining Unit 02 – Trades, Crafts, and Services Unit.

DISCUSSION

The San Luis Obispo County Employees' Association (SLOCEA) has exclusive representation of County employees in classifications in Bargaining Unit (BU) 02 – Trades, Crafts, and Services Unit. There are currently 182 County employees represented by the Trades, Crafts, and Services Unit.

The term of the current MOU is from July 1, 2016 through June 30, 2018. SLOCEA represented employees have been without a contract since July 1, 2018.

SLOCEA and the County commenced negotiations for a successor agreement on December 1, 2017 pursuant to the terms of the 2016-2018 MOU. After several negotiation sessions the parties were unable to reach agreement for a successor MOU and proceeded to mediation and then to factfinding pursuant to the terms specified in the MOU. After factfinding, the parties were able to reach a tentative agreement for a successor MOU, but the ratification vote on the tentative agreement failed and the agreement was not approved by the membership. After the failed ratification vote further negotiations were not requested by SLOCEA, and impasse procedures were exhausted.

Pursuant to Government Code 3505.7, the County then imposed its last, best, and final offer on October 16, 2018. For more detailed information on the negotiations that commenced on December 1, 2017 and the imposition by the County, please refer to the October 16, 2018 Board of Supervisors' agenda item number 29¹.

The County and SLOCEA resumed negotiations for a successor MOU on April 8, 2019. Throughout fifteen negotiation sessions, nearly half of the articles in the MOU were under discussion. Discussions covered not only items related to employee compensation and the items related to what was imposed by the County in 2018, but also key issues around management and union rights specified in the MOU. After approximately eight months of negotiations, the County and SLOCEA reached a new tentative agreement for a successor MOU on December 4, 2019. SLOCEA notified the County that the membership successfully ratified the agreement on January 2, 2020.

The new MOU is attached hereto as Attachment A. The key changes associated with the new MOU are summarized below.

Term

The term of the MOU is for three years, from July 1, 2019 through June 30, 2022.

Wages

Wage increases for Fiscal Year 2019-20:

- Effective the start of the pay period following Board of Supervisors approval of the agreement, all SLOCEA represented employees shall receive a 3.00% wage increase
- Effective the start of the pay period following Board of Supervisors approval of the agreement, certain classifications identified to be below market in base wages or with significant internal wage alignment issues shall receive equity increases in addition to the 3.00% wage increase. The list of classifications receiving an equity increase and the amount of the equity increase are included in Appendix A of the attached MOU
- Effective the pay period following Board of Supervisors approval of the agreement, all SLOCEA represented employees shall receive a one-time payment of \$500

Wage increases for Fiscal Year 2020-21:

- Effective the pay period including July 1, 2020, all SLOCEA represented employees shall receive a 2.00% wage increase

Wage increases for Fiscal Year 2021-22:

- Effective the pay period including July 1, 2021, all SLOCEA represented employees shall receive a 2.00% wage increase

Pension

Employees and the County will continue to split pension increases 50/50, except that for the term of the agreement only the employees' share of increases shall not exceed a total of 3%.

¹ More information about the impasse procedures approved on October 16, 2018 can be found here: <https://agenda.slocounty.ca.gov/IIIP/sanluisobispo/agendaitem/details/9257>.

Healthcare

Cafeteria contribution increases for employees with employee only medical coverage:

- Effective the start of the pay period following Board of Supervisors approval of the agreement employees shall receive a \$14.05/mo. increase. This is an increase from \$695.95/mo. to \$710/mo.
- Effective the first paycheck of January 2021 employees shall receive an additional \$15.00/mo. This is an increase from \$710/mo. to \$725/mo.
- Effective the first paycheck of January 2022 employees shall receive an additional \$15.00/mo. This is an increase from \$725/mo. to \$740/mo.

Cafeteria contribution increases for employees with employee plus one dependent medical coverage:

- Effective the start of the pay period following Board of Supervisors approval of the agreement employees shall receive a \$25/mo. increase. This is an increase from \$1,025/mo. to \$1,050/mo.
- Effective the first paycheck of January 2021 employees shall receive an additional \$25/mo. This is an increase from \$1,050/mo. to \$1,075/mo.
- Effective the first paycheck of January 2022 employees shall receive an additional \$25/mo. This is an increase from \$1,075/mo. to \$1,100/mo.

Cafeteria contribution increases for employees with employee plus two or more dependent medical coverage:

- Effective the start of the pay period following Board of Supervisors approval of the agreement employees shall receive a \$30/mo. increase. This is an increase from \$1,250/mo. to \$1,280/mo.
- Effective the first paycheck of January 2021 employees shall receive an additional \$30/mo. This is an increase from \$1,280/mo. to \$1,310/mo.
- Effective the first paycheck of January 2022 employees shall receive an additional \$30/mo. This is an increase from \$1,310/mo. to \$1,340/mo.

For employees enrolled in the High Deductible Health Plan:

- Effective the first paycheck of January 2022, the County will provide a Health Savings Account match of \$750 per employee per year

Tool Allowance

The tool allowance for the purchase or replacement of worn out, broken, or stolen hand tools for employees in the Facility Maintenance Mechanic classifications shall be increased from \$300/yr. to \$600/yr.

Uniform and Boot Allowance

Employees in the new classification of Airport Terminal Services Worker shall receive a \$145/yr. uniform allowance and a \$200/yr. boot allowance. These allowances will be paid in the first pay period of the fiscal year following Board of Supervisors' approval of the agreement.

Consultation Standby

The rate for employees placed on consultation standby shall be increased from \$25/mo. to \$100/mo. effective the start of the pay period following Board of Supervisors' approval of the agreement. Employees who are on consultation standby will also be paid their regular rate of pay for any calls that they receive while on consultation

standby. If an employee is called more than twenty-six times over a three-month period, the employee will be removed from consultation standby and placed on regular standby. The MOU language is also revised to provide clarity on the proper use of consultation standby.

Call Back

Employees who are called back to work by management after their work shift ends, and who report for duty on site shall be paid or earn compensating time off at the rate of time and one-half with a minimum of two hours paid time for each occurrence. Employees who are called upon by management after their work shift ends to provide service by telephone or computer between the hours of 7:00 a.m. and 9:59 p.m. shall be paid or earn compensating time off at the rate of time and one half in thirty-minute increments. Employees who are called upon to provide service by telephone or computer between the hours of 10:00 p.m. and 6:59 a.m. shall be paid or earn compensating time off at the rate of time and one half with a minimum of two hours paid time.

Clarification and Cleanup Language

The new agreement also provides various minor clarifications and updates:

- Renegotiation – revises the start date and requirements for commencing successor negotiations
- Market wage survey – deletes this language from the MOU. SLOCEA and the County retain the ability to conduct a wage survey in preparation for or as part of negotiations. SLOCEA and the County have historically not come to full agreement on all the elements of the wage surveys, and the existing language allows for a process in the event the parties do not reach agreement. This procedural language in the MOU is unnecessary since both SLOCEA and the County have the right to conduct their own wage surveys, therefore this language is being deleted
- Annual leave program – clarifies the pro-ration of the annual leave benefits for part-time employees
- Mileage reimbursements for travel to a temporary work location – clarifies that mileage reimbursement and compensation for temporary work location changes, use of personal vehicles on County business, or travel on County business will be in accordance with the County Travel Policy
- Use of personal cell phones for work – clarifies that employees are not required to use their personal cellphones for County business except for exigent circumstances, and that if employees do use their personal cell phone for County business they will be reimbursed according to the County Use Policy for Cellular Telephone and Tablet Devices (Mobile devices)
- EMT Differential for Park Rangers – clarifies that employees are only eligible to receive either the differential for performing the duties of an EMT or for being triple-certified in the areas of EMT, Vessel for Hire, and Boating and Safety Enforcement Course, and also clarifies that employees shall be paid for training required to maintain their EMT certification
- Facility Maintenance Mechanic/Maintenance Painter Differential – updates the license requirements for employees to be eligible to receive the \$100/mo. differential
- Housing Agreement – updates for current rental rates and to clarify the provisions
- Legislative compliance updates and other minor updates to the MOU language

OTHER AGENCY INVOLVEMENT/IMPACT

The Labor Committee (consisting of representatives from the Administrative Office, Auditor-Controller, County Counsel, Health Agency, Human Resources, and Library) participated in the development of this agreement. Representatives from all County departments and the Pension Trust provided operational input related to the

changes negotiated in the new agreement. County Counsel has reviewed and approved the resolution for form and legal effect. The Auditor's Office and Human Resources will process the system changes needed to implement this agreement.

FINANCIAL CONSIDERATIONS

The increased costs associated with the provisions of the new MOU as compared to current year expenses are shown in the table below.

Item	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Annual Ongoing
Wages	\$324,890	\$854,740	\$1,154,468	\$1,154,468
Healthcare	\$14,458	\$52,612	\$92,242	\$110,182
Tool Allowance	\$2,100	\$4,200	\$4,200	\$4,200
Uniform and Boot Allowance	\$1,380	\$1,380	\$1,380	\$1,380
Consultation Standby	\$375	\$900	\$900	\$900
Call Back	\$2,311	\$5,653	\$5,766	\$5,766
Total Increases to Current Costs	\$345,515	\$919,485	\$1,258,956	\$1,276,896

In June 2019, the Board of Supervisors approved pension increases for Fiscal Year 2019-20. Those increases are already included in the FY 2019-20 budget. The costs associated with any pension contribution increases scheduled for subsequent years will be presented to the Board for approval prior to the implementation of those increases.

Departmental savings and/or unanticipated revenue will be the primary source of funding for unbudgeted expenditures associated with the compensation increases. 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 departments' 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 MOU with SLOCEA BU02 – Trades, Crafts, and Services Unit, effective from July 1, 2019 through June 30, 2022. 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 ensures the County is in compliance with Government Code 3500, which mandates good faith collective bargaining to reach agreements, and contributes to a results-oriented, well-governed community. Employee compensation adjustments are negotiated with the intent to balance what the County can afford with providing competitive salary and benefits to attract and maintain a high-performing workforce.

ATTACHMENTS

- 1 Resolution
- 2 Attachment A - SLOCEA Trades Unit (BU02) MOU 2019-2022