



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 6/12/2023

To: Sonoma County Board of Supervisors
Department or Agency Name(s): Human Resources Department
Staff Name and Phone Number: Jeremia Mills, 707-565-3228
Vote Requirement: Majority
Supervisorial District(s): All

Title:

Memorandum of Understanding between the County of Sonoma and the Sonoma County Deputy Sheriffs' Association

Recommended Action:

1. Adopt a Resolution approving the Memorandum of Understanding (MOU) between the County of Sonoma and the Sonoma County Deputy Sheriffs Association (DSA) for the period June 12, 2023 through March 31, 2026.

Executive Summary:

Representatives of the County and the Sonoma County Deputy Sheriffs Association (DSA) met and conferred and reached a Tentative Agreement regarding negotiated changes to the terms and conditions of employment for a successor Memorandum of Understanding (MOU) to be effective June 12, 2023, through March 31, 2026, hereinafter referred to as the Tentative Agreement (Attachment A).

The DSA membership has voted and ratified the Tentative Agreement.

All changes negotiated for the 2023-2026 successor MOU (Tentative Agreement) must be noticed at a public meeting (Cal Gov't Code 23026) and becomes effective upon adoption by the Board of Supervisors, unless otherwise specified in the Tentative Agreement. The actuarial valuation of the impacts of salary changes in the Tentative Agreement on the funding status of the Sonoma County Employees Retirement Association (SCERA) are outlined below and in Attachment B (Cal Gov't Code §7507 and §31515.5).

Discussion:

Representatives of the County and DSA met and conferred and reached the Tentative Agreement regarding the terms and conditions of employment, for a three-year term.

The following is a summary of the major provisions negotiated in this agreement:

Term of Successor MOU:

June 12, 2023 - March 31, 2026

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Salary - Cost of Living Adjustments (COLA):

During the three-year term, all job classifications covered by this MOU will be provided annual cost-of-living adjustments based upon the following schedule:

- Effective May 30, 2023 - 5% COLA
- Effective April 2, 2024 - 5% COLA
- Effective April 1, 2025 - 3% COLA

Health & Welfare:

The County's monthly contribution towards medical plan premiums will be based upon the following schedule:

Effective Date	June 13, 2023	May 14, 2024	May 13, 2025
Employee Only	\$851/mo.	\$893/mo.	\$938/mo.
Employee + 1	\$1701/mo.	\$1786/mo.	\$1876/mo.
Employee + 2 or more	\$2405/mo.	\$2525/mo.	\$2652/mo.

- Discontinues County Health Plan PPO and EPO to new enrollment
- Effective July 1, 2023 increase Basic Life insurance to \$100,000
- Effective July 1, 2023, increase monthly contribution to PORAC LTD program to \$34

Various Economics:

- Adds qualifying criteria for special compensation premium for new Master Deputy/Sergeant assignment
- Association will fund a full time Association President, effective 1/1/2024, with some cost offset from Floating Holiday hours redirected and County Release time.
- Makes changes to Overtime Compensation maximum accruals and cash out provisions

Time Off/Leaves:

- Floating Holiday Redirect - All members to direct annual 8-hour floating holiday towards funding release time for full time Association President
- Adds qualifying family members for using sick leave and Paid Parental Leave
- Ensures employees properly move to COBRA benefits when on unpaid leaves
- Provides full payout of unused sick leave upon non-duty related death

Staff Development/Wellness:

- Effective July 1, 2023, Staff Development and Wellness Benefit allowances will be converted to an annual payment, less \$100 per member to be donated to the equipment and maintenance fund for the DSA/DSLEM sponsored workout rooms.

Miscellaneous Changes:

- Updates and clarifies various articles/sections

- De-genders contract language consistent with the County’s pillars, goals and objectives

Government Code Compliance Requirements:

Various provisions of the California Government Code require certain disclosures before the Board can adopt changes in salaries or benefits, with additional disclosures required for changes in pension and other post-employment benefits. Any changes in salaries and benefits must be adopted at a public meeting of the Board (Cal Gov’t Code §23026). Notice of the consideration of such increases must be provided prior to the meeting and shall include “an explanation of the financial impact the proposed benefit change or salary increase will have on the funding status of the county employees’ retirement system.” (Cal Gov’t Code §31515.5).

In addition, when considering changes in retirement benefits or other postemployment benefits, the Board “shall secure the services of an actuary to provide a statement of the actuarial impact upon future annual costs, including normal cost and any additional accrued liability, before authorizing changes in public retirement plan benefits or other postemployment benefits.” (Cal Gov’t Code §7507).

This staff report recommends the Board adopt changes in the DSA MOU, including changes to salary and benefits contributions only, with no changes to pension or other post-employment benefits.

Segal Valuation Analysis of Cost of Living (COLA) Adjustments

Based on the analysis conducted by Segal Consulting (Segal), the actuaries for the Sonoma County Employees Retirement Association (SCERA), the net impact over the term of the three-year MOU results is an increase in the County’s annual contributions, as the actuarial assumptions included in prior valuations are not sufficient to cover the costs of all negotiated COLAs over the three-year term.

The analysis compares proposed labor changes to the following Sonoma County Employees’ Retirement Association (SCERA) adopted salary assumptions:

- 3.25 % applied to the December 31, 2020 valuation used to establish employer and employee pension contribution rates for FY 2022-23
- 3.0 % applied to the December 31, 2021 Actuarial Valuation used to establish employer and employee pension contribution rates for FY 2023-24. and was used to illustrate the potential cost impact of salary increase in FY 2024-25 and FY 2025-26

The actuarial assumption variations from year to year offset some annual increases and decreases, resulting in a net increase of \$707,000 over the three-year term of the MOU. Staff’s review of the average annual increase spread over the current and next three fiscal years is approx. \$176,750 which should not materially impact the ongoing cost of the plan or the funding status of SCERA. Segal’s analysis of the annual impact for each of the three years of the MOU are included in Attachment B, and the following table summarizes the annual impact and net overall increased County costs over the four fiscal years:

	Change in Annual Employer Normal Cost	Change in Annual UAAL* amortized cost	Total Increased Annual Contribution
	(a)	(b)	(a + b)
Remaining 2022/23	(\$24,000)	(\$32,000)	(\$56,000)
Year 1 - 2023/24	+ \$275,000	+\$375,000	+\$650,000
Year 2 - 2024/25	+ \$92,000	+\$124,000	+\$216,000
Year 3 - 2025/26	(\$44,000)	(\$59,000)	(\$103,000)
Net Increased Costs over 3-year term	+ \$299,000	+ \$408,000	+ \$707,000

*Unfunded Actuarial Accrued Liability

Strategic Plan:

This item directly supports the County’s Five-year Strategic Plan and is aligned with all the pillars, goals, and objectives.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

INSTRUCTIONS: If ‘Yes’ to the above, or if equity analysis was conducted, include requisite information in this section staff’s discussion, findings, and recommendations as it directly relates to this item’s requested action(s).

Prior Board Actions:

- May 21, 2019: Adopted DSA Successor MOU, Resolution #19-0223
- August 14, 2018: Received Actuarial Valuation per GC 7507, 31515.5, and 23026
- August 28, 2018: Adopted DSA MOU Extension, Resolution #18-0346
- December 6, 2016: Approved DSA Side Letter (Standby), Resolution #16-0451
- March 15, 2016: Board Approved DSA MOU, Resolution #16-0094

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses	\$246,511	\$4,941,689.5	\$8,250,550
Additional Appropriation Requested			
Total Expenditures	\$246,511	\$4,941,689.5	\$8,250,550
Funding Sources			
General Fund/WA GF	\$246,511	\$4,941,689.5	\$8,250,550
State/Federal			

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Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$246,511	\$4,941,689.5	\$8,250,550

Narrative Explanation of Fiscal Impacts:

The successor MOU represents a total estimated operational cost increase for FY 2022/23 of \$246,511. Current year unanticipated costs are expected to be absorbed within existing appropriations. The CAO staff will work with departments at year-end close should additional appropriations be necessary. The FY 2023/24 recommended budget includes appropriations for anticipated labor costs. Adjustments to individual departmental budget appropriations will be made during consolidated budget adjustments as necessary and future costs for FY 2024-25 will be incorporated into the recommended budget.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Not applicable.

Attachments:

1. Resolution
2. Attachment A - Tentative Agreement - Successor MOU
3. Attachment B - Four GC 31515.5 Disclosure Letters from Segal Consulting dated June 2, 2023

Related Items "On File" with the Clerk of the Board:

None.