



# COUNTY OF SONOMA

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

## SUMMARY REPORT

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**Agenda Date:** 5/21/2019

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**To:** Board of Supervisors of the County of Sonoma  
**Department or Agency Name(s):** Human Resources  
**Staff Name and Phone Number:** Janie Carduff, (707) 565-3995  
**Vote Requirement:** Majority  
**Supervisorial District(s):** All

**Title:**

Memorandum of Understanding between the County of Sonoma and the Sonoma County Deputy Sheriff's Association

**Recommended Actions:**

Adopt a Resolution approving the Memorandum of Understanding (MOU) between the County of Sonoma and the Sonoma County Deputy Sheriff's Association from Board adoption through March 31, 2023.

**Executive Summary:**

Representatives of the County and Sonoma County Deputy Sheriff's Association (DSA) met and conferred and reached a Tentative Agreement and Amended Tentative Agreement (Attachment A) regarding negotiated changes to the terms and conditions of employment for a successor Memorandum of Understanding (MOU) to be effective from Board adoption through March 31, 2023. All changes negotiated for the 2019-2023 successor MOU become effective upon adoption by the Board of Supervisors, unless otherwise specified in the Tentative Agreement and Amended Tentative Agreement. The DSA membership has voted and ratified the Tentative Agreement and Amended Tentative Agreement.

**Discussion:**

Due to the fiscal uncertainty caused by the October 9, 2017 Sonoma Complex fires, the County and the DSA previously negotiated a one year extension of the 2016-2018 MOU, which expired on March 31, 2019. Recently, representatives of the County and the DSA met and conferred and reached a Tentative Agreement and Amended Tentative Agreement regarding the terms and conditions of employment, from Board adoption through March 31, 2023.

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

**Term of MOU:**

From Board adoption through March 31, 2023

**Salary - Hourly Cash Allowance:**

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In-lieu of step increases described below, the hourly cash allowance of \$3.45 will be phased out for all job classifications covered by the MOU, based upon the following schedule:

- Effective May 21, 2019, cash allowance will be reduced to \$2.30/hour
- Effective April 7, 2020 cash allowance will be further reduced to \$1.15/hour
- Effective April 6, 2021 cash allowance will be reduced to \$0/hour

Salary and Equity Adjustments:

During the four year term, all job classifications covered by this MOU will be provided annual salary scale and equity adjustments consistent with internal salary administration alignments, based upon the following schedule, and as listed in Appendix A and A1 of the Amended Tentative Agreement:

- Effective May 21, 2019 - Increase Step I by \$1.15/hour, then adjust Step A by 2.8%
- Effective May 24, 2020 - Increase the adjusted A step by 50% of the agreed upon additional equity amount per hour
- Effective April 7, 2020 - Increase Step I by \$1.15/hour, then adjust Step A by 2.8%
- Effective May 23, 2021 - Increase the adjusted A step by the remaining 50% of the agreed upon additional equity amount per hour
- Effective April 6, 2021 - Increase Step I by \$1.15/hour, then adjust Step A by 2.0%
- Effective April 5, 2022 - Increase Step A by at least 2.0% and no more than 4.0%\*

\* Based upon the lesser of San Francisco-Oakland-Hayward All Urban Annual Consumer Price Index (CPI-U), or the County's actual annual secured property tax growth percentage, divided by 1.5.

Health & Welfare:

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

Effective Date	June 1, 2019	June 1, 2020	June 1, 2021	June 1, 2022
Employee Only	\$700/mo.	\$742/mo.	\$786/mo.	\$834/mo.
Employee + 1	\$1,400/mo.	\$1,484/mo.	\$1,574/mo.	\$1,668/mo.
Employee + 2 or more	\$1,980/mo.	\$2,100/mo.	\$2,224/mo.	\$2,358/mo.

Pension - Required Employee Contributions:

Employees hired before January 1, 2013 will continue to contribute an additional 3% of pensionable compensation through the employee's active employment with the County to continue to share pension costs associated with unfunded liability. This approach is consistent with the Board's 9/11/2018 approval of pension cost reduction strategies recommended by the 2018 Board Pension Ad-Hoc.

Standby Duty:

Compensation for employees who are assigned during off duty hours to be ready to respond to a work

assignment, is changed from 5% of the employee's base hourly rate to a flat \$6.25/hour.

Dog Handler:

Increases hourly premium for this special assignment from \$11.12 to \$15.00 per hour.

Equipment Allowance:

The work-related apparel and equipment allowance will increase from \$500 to \$750.

Long Term Disability

Increases the monthly County reimbursement paid to employees for this coverage from \$22.50 to up to \$32.00. Future premium increases will be paid by the employee.

DSA Retiree Medical Trust (DSA-RMT)

Effective May 21, 2019, County contributions to the Deputy Sheriff's Association Retiree Medical Trust (DSA-RMT) will increase from \$10.00 to \$25.00 per pay period.

Employee contributions to the DSA-RMT will increase from \$59.23 to \$75.00 per pay period.

Vacation Accruals

Vacation accrual maximums were increased for non-supervisory and supervisory employees. Those specific increased amounts are subject to forfeiture upon termination or separation, but not retirement.

Retirement Benefits Committee

Provides for the formation of and participations of DSA representatives in a Labor/Management Retirement Benefits Committee in March 2021 for the purpose of analyzing County retirement benefits, and to develop recommendations for optimal long-term solutions that meet the interests and needs of all impacted parties and position the County to have total compensation market competitiveness and workforce stability.

Discussions shall address the following items: unfunded liability cost sharing; pension cost sharing; pension obligation bonds; retiree medical benefits; longevity; and retiree cost of living adjustment. The Committee will make recommendations to the County Administrator.

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 disclosure 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 that 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). When there are changes in retirement benefits or other postemployment benefits, the statement of actuarial impacts shall be provided by an enrolled actuary and shall be made public at a meeting at least two weeks before the adoption of the increase in benefits. (Cal Gov’t Code §31516). 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 benefits or other post-employment benefits (retiree medical).

#### Segal Valuation Analysis

Based on the analysis conducted by Segal Consulting (Segal), the actuaries for the Sonoma County Employees Retirement Association (SCERA), the net impact over the four year MOU term results in an overall decrease in the County’s annual contributions, as the actuarial assumptions included in prior valuations are more than sufficient to cover the costs of all negotiated salary increases and other salary adjustments over the four year term.

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

- 3.5% applied to the December 31, 2016 and 2017 Actuarial Valuations used to establish employer and employee pension contribution rates for FY 2018-19 and 2019-20
- 3.25% used in the December 31, 2018 valuation, and to be used for the FY 2020-21, 2021-22, and 2022 -23 contribution rates

The actuarial assumption variations offset increases and decreases from year to year, resulting in an overall net decrease in County costs of \$79,000 over the five fiscal year period and thus, will not materially impact the ongoing cost of the plan or the funding status of SCERA. Segal’s analysis of the annual impact over each fiscal year is included in Attachment B, and summarized in the following table.

	Annual Employer Normal Cost	Annual UAAL amortized cost	Total Annual Increased Contribution
	(a)	(b)	(a + b )
Remaining 2018/19	+\$3,000	+\$15,000	+\$18,000
Year 1 - 2019/20	+\$5,000	+\$8,000	+\$13,000

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Year 2 - 2020/21	+\$18,000	+\$24,000	+\$42,000
Year 3 - 2021/22	-\$19,000	-\$26,000	-\$45,000
Year 4 - 2022/23	-\$45,000	-\$62,000	-\$107,000
Net Increased Costs over 4 year term	-\$38,000	-\$41,000	-\$79,000

**Prior Board Actions:**

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**

<b>Expenditures</b>	<b>FY 18-19 Adopted</b>	<b>FY19-20 Projected</b>	<b>FY 20-21 Projected</b>
Budgeted Expenses	\$156,465	\$2,083,281	\$2,267,844
Additional Appropriation Requested			
<b>Total Expenditures</b>	\$156,465	\$2,083,281	\$2,267,844
<b>Funding Sources</b>			
General Fund/WA GF	\$156,465	\$2,083,281	\$2,267,844
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	\$156,465	\$2,083,281	\$2,267,844

**Narrative Explanation of Fiscal Impacts:**

The successor MOU represents a total estimated operational cost increase for fiscal year 2018/19 of \$156,465. Current year unanticipated costs are expected to be absorbed by departments' budget if capacity exists. If there's no department capacity, CAO staff estimates sufficient General Fund year-end balance will be available to cover the increased costs. Most of the estimated increases for FY 2019/20 have been incorporated into the Recommended Budget to be submitted for the Board's consideration at the FY 2019/20 Budget Hearings in June. Mid-year adjustments during FY 2019-20 will be evaluated as part of the annual Mid-Year and Third Quarter Estimates standard fiscal monitoring practice.

<b>Staffing Impacts:</b>			
<b>Position Title (Payro</b>	<b>Monthly Salary Range (A - I Step)</b>	<b>Additions (number)</b>	<b>Deletions (number)</b>

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**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

Resolution

Attachment A - Signed Tentative Agreement and Amended Tentative Agreement

Attachment B - Four GC 31515.5 Disclosure Letters from Segal Consulting dated May 16, 2019

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

None.