



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 6/4/2019

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 Prosecutor's Association-Teamsters 856

Recommended Actions:

Adopt a Resolution approving the Memorandum of Understanding (MOU) between the County of Sonoma and the Sonoma County Prosecutors' Association - Teamsters 856 from Board adoption through May 6, 2023.

Executive Summary:

Representatives of the County and Sonoma County Prosecutors' Association-Teamsters 856 (SCPA) met and conferred and reached a Revised Tentative Agreement (Attachment A) on May 21, 2019, regarding negotiated changes to the terms and conditions of employment for a successor Memorandum of Understanding (MOU) to be effective from Board adoption through May 6, 2023. All changes negotiated for the 2019-2023 successor MOU become effective upon adoption by the Board of Supervisors, unless otherwise specified in the Revised Tentative Agreement. The SCPA membership has voted and ratified the Revised Tentative Agreement.

Discussion:

Due to the fiscal uncertainty caused by the October 9, 2017 Sonoma Complex fires, the County and the SCPA previously negotiated a one year extension of the 2016-2018 MOU, which expired on May 6, 2019. Recently, representatives of the County and the SCPA met and conferred and reached a Revised Tentative Agreement on May 21, 2019 regarding the terms and conditions of employment, from Board adoption through May 6, 2023.

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

Term of MOU:

From Board adoption through May 6, 2023

Salary - Equity Adjustments:

Equity adjustments will be made to bring each benchmark job classification to 100% of the comparable

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agencies market average based upon the County's 2018 Total Compensation Study as of November 30, 2018 and confirmed by both parties on May 21, 2019. Effective dates of the adjustment to each benchmark classification, and concurrent adjustments to non-benchmark classifications consistent with internal salary administration alignments, will be based upon the following schedule, as outlined in Appendix A-1 of the Revised Tentative Agreement:

- Effective June 4, 2019, job classifications that are below the market average will receive a 4% equity increase as listed in Appendix A-1 of the Revised Tentative Agreement.
- Effective May 5, 2020, job classifications that are below the market average will receive the remaining equity adjustment as listed in Appendix A-1 of the Revised Tentative Agreement. Then the adjusted A-step of each job classification will be increased by 50% of the agreed upon additional equity amount per hour as listed in Appendix A-1 of the Revised Tentative Agreement.
- Effective May 4, 2021, the adjusted A-step will be increased by the remaining 50% of the agreed upon additional equity amount per hour as listed in Appendix A-1 of the Revised Tentative Agreement.

Salary Scale Adjustments:

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

- Effective July 2, 2019 - Increase of 3%
- Effective May 19, 2020 - Increase of 3%
- Effective May 18, 2021 - Increase of at least 2%, with potential up to 4%*
- Effective May 3, 2022 - Increase of at least 2%, with potential up to 4%*

* 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 4, 2019	May 19, 2020	May 18, 2021	May 17, 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.

Standby Duty-Call Back Compensatory Time:

Compensation for employees who are assigned during off duty hours to be ready to respond to a Search Warrant Standby Duty will increase from \$3.80 to \$4.80 per hour. Critical incident and Redwood Children's Center Standby Duty pay will increase from \$5.75 to \$6.75 per hour. Employees who are required to report back to work outside of their normal work hours will earn compensatory time off for all hours worked with a

cap of 40 hours. Call back compensatory time cannot be cashed out.

Bar Dues

The county will pay for annual membership in the California District Attorneys Association and the Sonoma County Bar Association.

Union Dues Deductions

Includes administrative changes of authorization procedures for employee payroll deductions for payment of union dues, in compliance with Federal and State law changes.

Other Miscellaneous Changes:

- Eliminates bi-weekly \$0.75 deferred compensation administrative fee
- Clarifies dependent eligibility for health benefits
- Administrative changes and clarification of definitions within the sick leave article

Retirement Benefits Committee

Provides for the formation of 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 and then either party may reopen MOU provisions applicable to those recommendations in June 2022, unless an earlier date is mutually agreed.

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 SCPA 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 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 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 increase in County costs of \$242,000 over the five fiscal year period. This is mainly the result of total pensionable wage increases for 3 of the 4 years of the contract exceed the 3.25% labor inflation assumptions to be applied to future actuarial valuations. Segal's analysis of the annual impact over each fiscal year is included in Attachment B, and summarized in the table below.

	Annual Employer Normal Cost	Annual UAAL amortized cost	Total Employer Annual Contribution Estimated Change
	(a)	(b)	(a + b)
Remaining 2018/19	+\$3,000	+\$3,000	+\$6,000
Year 1 - 2019/20	+\$62,000	+\$104,000	+\$166,000
Year 2 - 2020/21	+\$31,000	+\$54,000	+\$85,000
Year 3 - 2021/22	+\$800	+\$1,000	+\$1,800
Year 4 - 2022/23	-\$6,000	-\$10,000	-\$16,000
Total	+\$90,800	+\$152,000	+\$242,800

Prior Board Actions:

September 18, 2018: Approved SCPA MOU Extension, Resolution # 18-0374

April 19, 2016: Approved SCPA MOU, Resolution #16-0141

November 12, 2013: Approved SCPA MOU, Resolution #13-0461

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses	\$53,203	\$841,092	\$751,302
Additional Appropriation Requested			
Total Expenditures	\$53,203	\$841,092	\$751,302
Funding Sources			
General Fund/WA GF	\$48,771	\$771,020	\$688,710
State/Federal			
Fees/Other	\$4,432	\$70,072	\$62,592
Use of Fund Balance			
Contingencies			
Total Sources	\$53,203	\$841,092	\$751,302

Narrative Explanation of Fiscal Impacts:

The successor MOU represents a total estimated operational cost increase for fiscal year 2018/19 of \$53,203. 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. The majority 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.

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

Narrative Explanation of Staffing Impacts (If Required):

Not Applicable

Attachments:

Concurrent Resolution

Attachment A - Signed Revised Tentative Agreement dated May 21, 2019

Attachment B - Four GC 31515.5 Disclosure Letters from Segal Consulting dated May 30, 2019

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Related Items “On File” with the Clerk of the Board:

None.