



SUMMARY REPORT

Agenda Date: 6/11/2019

To: Board of Supervisors of the County of Sonoma, Board of Directors of the Sonoma County Water Agency, Board of Commissioners of the Community Development Commission, and Board of Directors of the Sonoma County Agricultural Preservation and Open Space District

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:

Amendments to Salary Resolution 95-0926

Recommended Actions:

Adopt a Concurrent Resolution amending benefits and compensation provided under the Salary Resolution No. 95-0926, increasing compensation and medical benefit contributions and other benefits provided to unrepresented employees.

Executive Summary:

This action incorporates changes to compensation and benefits proposed for employees covered by Salary Resolution 95-0926 (Salary Resolution), which are consistent with compensation and benefit changes recently negotiated with various represented employee groups. The most significant changes include annual 3% increases to compensation in year one and two, and 2-4% increases in year three and four, annual increases to the County's medical contributions due to expected premium increases, and equity increases to specific job classifications. Other amendments include some working condition benefits and language clarification.

Discussion:

Due to the fiscal uncertainty caused by the October 9, 2017 Sonoma Complex fires, the County previously negotiated one year extensions of the various memorandum of understanding with each of the represented labor groups. Since that time, the County recently concluded bargaining with four labor groups, Service Employees International Union (SEIU), the Sonoma County Deputy Sheriff's Association, the Sonoma County Law Enforcement Management Unit, and the Sonoma County Prosecutors' Association, all of whom have negotiated salary and benefit changes to be provided in the current fiscal year, and over the next four fiscal years.

Salary Resolution 95-0926 provides the salary and benefits for employees not represented by a bargaining unit and who also do not collectively bargain. Specifically, this includes unrepresented and confidential, administrative management, department head employees, and elected officials. Customarily, the County amends the Salary Resolution to provide unrepresented employees with comparable salaries and benefits

which are being/have been negotiated with the County's represented bargaining units, and the following is a summary of proposed amendments to the Salary Resolution, consistent with recently negotiated and other proposed changes:

Salary - Equity Adjustments:

Equity adjustments will be made to certain benchmark job classifications. 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:

- Effective June 4, 2019, all job classifications with a recommended equity adjustment increase up to and including 4%, as outlined in Appendix A-1 of the Salary Resolution
- Effective May 19, 2020, all remaining job classifications with a recommended increase will be adjusted by any remaining equity adjustment, as outlined in Appendix A-1 of the Salary Resolution
- Effective May 19, 2020, an additional equity will be provided for specific job classifications, as outlined in Appendix A-1 of the Salary Resolution
- Effective May 18, 2021, all remaining additional equities will be provided for specific job classifications, as outlined in Appendix A-1 of the Salary Resolution.

Salary - Annual Scale Adjustments:

All job classifications included in Appendix A of the Salary Resolution, will be provided annual salary adjustments to the A Step of the salary scale for each job classification, based upon the following schedule:

- Effective July 2, 2019 - 3%
- Effective June 2, 2020 - 3%
- Effective June 1, 2021 - 2% with potential up to 4%*
- Effective May 31, 2022 - 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 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.

Retiree Health Reimbursement Account:

Effective July 2, 2019, for employees hired after January 1, 2009, and after 24 months of employment, an

increase of \$0.30 per pay status hour (approximately \$52/month) to enhance the County's contribution towards the Retiree Health Reimbursement Accounts for employees hired after January 1, 2009.

Pension - Required Employee Contributions

Employees hired before January 1, 2013, or hired after January 1, 2013 who qualify for pension reciprocity and are eligible for retirement benefits under SCERA Plan A, will continue to contribute an additional 3.03% for General employees and 3% for Safety employees of pensionable compensation until separation of employment with the county to continue to share pension costs associated with unfunded liability. For employees hired on or after January 1, 2013, there is no change to the existing expiration date, and these employees will continue to pay the 3.03% contribution until July 2024.

Deferred Compensation

Increase of 0.9% for confidential and unrepresented employees to the Incentive Retirement Savings Plan (Deferred compensation IRC 401(a)).

Other Miscellaneous Changes:

- Increase to Staff Development and Wellness of \$200 for administrative management, and appointed and elected department head employees
- Cell Phone Stipend of \$50 per month for designated employees who use their personal cell phone for County business
- Specified, full-time, appointed department heads hired on or after January 1, 2013, shall receive a 2.5% allowance for hours in paid status
- Increased vacation leave accrual from 480 to 500 hours for administrative management and appointed department heads
- Increased meeting stipend for members of the Board of Building Appeals, Board of Zoning Adjustments, Planning Commission, and the Local Agency Formation Commission.
- Other amendments consistent with changes made to applicable MOU language previously approved by your Board.

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 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).

A Summary of the actuarial valuation of the impact of these changes and the disclosure letters from Segal Consulting will be included as Attachment B to this report and presented at your Board meeting.

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 to Salary Resolution 95-0926, which include salary and benefits contribution changes only, and no changes to pension benefit plan design or other post-employment benefits (retiree medical).

Prior Board Actions:

December 11, 2018 -Amendments to Salary Resolution, Resolution # 18-0504

July 10, 2018 - Amendments to Salary Resolution, Resolution # 18-0260

May 22, 2018 - Amendments to Salary Resolution, Resolution #18-0187

June 14, 2016 - Amendments to Salary Resolution, Resolution #16-0234

FISCAL SUMMARY

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected
Budgeted Expenses	\$215,846	\$7,382,902	\$6,276,109
Additional Appropriation Requested			
Total Expenditures	\$215,846	\$7,382,902	\$6,276,109
Funding Sources			
General Fund/WA GF	\$109,571	\$3,747,802	\$3,185,957
State/Federal			
Fees/Other	\$106,276	\$3,635,100	\$3,090,151
Use of Fund Balance			
Contingencies			
Total Sources	\$215,846	\$7,382,902	\$6,276,109

Narrative Explanation of Fiscal Impacts:

The Salary Resolution amendments represent a total estimated operational cost increase for fiscal year 2018/19 of \$215,846. 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 2019-20 recommended budget which the Board will consider during the June Budget Hearings.

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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 - Amendments to Salary Resolution;

Attachment B - Summary of Actuarial Analysis and GC 31515.5 Disclosure Letters from Segal Consulting dated June 2019

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

None.