



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 7/23/2019

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

Supervisory District(s): All

Title:

Memorandum of Understanding between the County of Sonoma and the Sonoma County Law Enforcement Association

Recommended Actions:

Adopt a Resolution approving the Memorandum of Understanding (MOU) between the County of Sonoma and the Sonoma County Law Enforcement Association (SCLEA) from Board adoption through May 1, 2023.

Executive Summary:

Representatives of the County and Sonoma County Law Enforcement Association (SCLEA) met and conferred and reached a 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 May 1, 2023. SCLEA is the second largest employee group at 477 total members. 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. The SCLEA membership has voted and ratified the Tentative Agreement.

Discussion:

Due to the fiscal uncertainty caused by the October 9, 2017 Sonoma Complex fires, the County and the SCLEA previously negotiated a one year extension of the 2016-2018 MOU, which expired on May 7, 2019. Recently, representatives of the County and the SCLEA met and conferred and reached a Tentative Agreement on June 21, 2019 regarding the terms and conditions of employment, effective from Board adoption through May 1, 2023.

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

Term of MOU:

From Board adoption through May 1, 2023, or as otherwise specified.

Equity Adjustments:

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Equity adjustments will be made to bring each benchmark job classification to 100% of the comparable agencies market average based upon the County's 2018 Total Compensation Study as of November 30, 2018. 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:

- Effective July 16, 2019 - all job classifications with a recommended equity increase up to and including 4%
- Effective May 5, 2020 - all remaining job classifications with a recommended equity increase by more than 4%, then an additional equity as specified in Appendix A-1
- Effective May 4, 2021 - an additional equity as specified in Appendix A-1

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 Tentative Agreement:

- Effective July 30, 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:

Effective July 16, 2019, the County's monthly contribution towards medical plan premiums will be based upon the following schedule:

Effective Pay Period	July 16, 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.

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 from 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% for General members and 3.0% for Safety members through June

2024.

POST Premiums:

Effective July 30, 2019, increases the premium compensation for completion of certain certifications issued by the California Commission on Peace Officers' Standards and Training (POST)

- Intermediate certificate from 2.5% to 3.5% of base hourly rate
- Advanced certificate from 5.75% to 6.75% of base hourly rate
- Adds Communications Dispatcher series to designated job classifications eligible to receive POST premiums as follows:
 - Intermediate Certificate: 3.5% of base hourly rate
 - Advanced Certificate: 6.75% of base hourly rate

Long Term Disability

Increases the monthly County reimbursement paid to employees for this coverage from \$24.50 to up to \$32.70 per month. Future premium increases to be paid by the employee.

Vacation Accruals

Increases the vacation accrual maximums from 310 to 360 hours for non-supervisory employees.

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:

- Increases bi-lingual pay from \$.95 per hour to \$1.15 per hour for designated positions
- Provides \$7.30 per pay period for cost of cleaning required uniforms for designated job classifications
- Increase in annual allowance for work-related safety/utility boots from \$200 to \$225.
- Changes in process for shift/schedule change requests
- Clarifies shift premium pay for dispatchers
- 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.

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 SCLEA 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 2017 Actuarial Valuation used to establish employer and employee pension contribution rates for 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 \$1,438,400 over the four fiscal year period mainly due to significant equity adjustment changes needed to align to 100% of the comparable agencies market average based upon the County's 2018 Total Compensation Study as of November 30, 2018. 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 Annual Increased Contribution
	(a)	(b)	(a + b)
Year 1 - 2019/20	+\$271,000	+\$421,000	+\$692,000

Year 2 - 2020/21	+\$325,000	+\$451,000	+\$776,000
Year 3 - 2021/22	+\$43,400	+\$59,000	+\$102,400
Year 4 - 2022/23	-\$55,000	-\$77,000	-\$132,000
Net Increased Costs over 4 year term	+\$584,000	+\$854,000	+\$1,438,400

Prior Board Actions:

October 9, 2018: Adopted Additional Provisions to SCLEA MOU, Resolution #18-0421

September 25, 2018: Adopted SCLEA MOU Extension, Resolution #18-0403

May 24, 2016: Approved SCLEA MOU, Resolution #16-0212

Expenditures	FY 18-19 Adopted	FY19-20 Projected	FY 20-21 Projected	FY 22-23 Projected
Budgeted Expenses	\$5,977,240	\$5,799,267	\$3,763,287	\$3,232,770
Additional Appropriation Requested				
Total Expenditures	\$5,977,240	\$5,799,267	\$3,763,287	\$3,232,770
Funding Sources				
General Fund/WA GF	\$5,477,685	\$5,314,585	\$3,448,765	\$2,962,587
State/Federal				
Fees/Other	\$499,556	\$484,681	\$314,522	\$270,183
Use of Fund Balance				
Contingencies				
Total Sources	\$5,977,240	\$5,799,267	\$3,763,287	\$3,232,770

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

The successor MOU represents an estimated operational cost increase for fiscal year 2019/20 of \$5,977,240. The majority of the estimated increases for FY 2019/20 have been incorporated into the Recommended Budget which was recently approved by the Board during the FY 2019/20 Budget Hearings. Future projected cost increases will be incorporated into budget development for future fiscal years.

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

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Narrative Explanation of Staffing Impacts (If Required):

Not applicable.

Attachments:

Resolution

Attachment A - Signed Tentative Agreement

Attachment B -GC 31515.5 Disclosure Letters from Segal Consulting dated July 12, 2019

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

None.