



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 2/4/2020

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): Countywide

Title:

Memorandum of Understanding between the County of Sonoma and Sonoma County Public Defender Investigators' Association

Recommended Action:

Adopt a Resolution approving the Memorandum of Understanding between the County of Sonoma and the Sonoma County Public Defender Investigators' Association from Board Adoption through June 17, 2023.

Executive Summary:

Representatives of the County and the Sonoma County Public Defender Investigators' Association (SCPDIA) 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 June 17, 2023. All changes negotiated for the 2020-2023 successor MOU become effective upon adoption by the Board of Supervisors, unless otherwise specified within the Tentative Agreement. SCPDIA 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 SCPDIA previously negotiated a one year extension of the 2016-2018 MOU, which expired on June 17, 2019. Recently, representatives of the County and SCPDIA met and conferred and reached a Tentative Agreement on January 13, 2020, regarding the terms and conditions of employment, which will be effective from Board Adoption through June 17, 2023.

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

Term of MOU

From Board adoption through June 17, 2023

Salary - Hourly Cash Allowance

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 January 28, 2020, cash allowance will be reduced to \$2.30/hour
- Effective June 2, 2020 cash allowance will be further reduced to \$1.15/hour
- Effective June 1, 2021 cash allowance will be reduced to \$0/hour

Salary Adjustments

Salary adjustments will be made to the benchmark job classifications as outlined in Appendix A and A-1. Effective dates of the adjustment to each benchmark classification, and concurrent adjustments to non-benchmark classifications consistent with internal salary administration alignments as outlined in Appendix A, attached, will be based upon the following schedule:

- Effective January 28, 2020, each job classification will be increased by \$1.15/hr., then each job classification will be increased by 0.7%
- Effective February 11, 2020, each job classification will be increased by 2.85%
- Effective June 2, 2020, each job classification will be increased by \$1.15/hr., then each job classification will be increased by 2.85%
- Effective June 1, 2021, each job classification will be increased by \$1.15/hr.
- Effective June 1, 2021 - Following the salary adjustment outlined above, each job classification will be increased at least 1.9% and not more than 3.8%*
- Effective May 31, 2022 - Increase of at least 2%, and not more than 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.

One-Time Lump Sum, Non-Pensionable Payment

- On February 19, 2020, each full time employee as of February 10, 2020, will receive \$3,600.

Health & Welfare

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

Effective Pay Period	Jan 28, 2020	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 Sonoma County Employees' Retirement Association Plan A, will continue to contribute an additional 3.03% for general members 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 Plan B general retirement through July 2024.

Other Miscellaneous Changes

- Updates and clarifies dependent eligibility for health benefits
- Changes and clarification of definitions within the salary upon promotion, sick leave and mileage reimbursement articles
- Adds administrative process for notification and orientation of new employees covered by the Association

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 advisory 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

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 SCPDIA 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, and it is anticipated the actuarial assumptions included in future years’ valuations will be 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 SCERA’s 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 \$340 over the four fiscal years, and should not materially impact the ongoing cost of the plan of 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 table below.

	Annual Employer Normal Cost	Annual UAAL amortized cost	Total Annual Increased Contribution
	(a)	(b)	(a + b)
FY - 2019/20	-\$1,400	-\$2,400	-\$3,800
FY - 2020/21	+\$2,000	+\$4,000	+\$6,000
FY - 2021/22	-\$20	-\$40	-\$60
FY - 2022/23	-\$700	-\$1,100	-\$1,800
Net Increased Costs over 4 year term	-\$120	+\$460	+\$340

Prior Board Actions:

October 9, 2018: Adopted SCPDIA MOU Extension, Resolution #18-0422

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May 24, 2016: Adopted SCPDIA MOU, Resolution #16-0210

September 10, 2013: Adopted SCPDIA MOU, Resolution, #13-0342

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected	FY 22-23 Projected
Budgeted Expenses	\$ 54,235	\$ 81,673	\$ 47,181	\$ 43,390
Additional Appropriation Requested				
Total Expenditures	\$ 54,235	\$ 81,673	\$ 47,181	\$ 43,390
Funding Sources				
General Fund/WA GF	\$ 54,235	\$ 81,673	\$ 47,181	\$ 43,390
State/Federal				
Fees/Other				
Use of Fund Balance				
Contingencies				
Total Sources	\$ 54,235	\$ 81,673	\$ 47,181	\$ 43,390

Narrative Explanation of Fiscal Impacts:

The successor MOU represents a total estimated operational cost increase for fiscal year 2019/20 of \$54,235. The majority of the estimated increases for FY 2019/20 have been incorporated into the Final Budget which was 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 Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

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 January 30, 2020

Agenda Date: 2/4/2020

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

None