



Legislation Details (With Text)

File #: 2019-1056
Type: Consent Calendar Item **Status:** Agenda Ready
File created: 6/20/2019 **In control:** Human Resources
On agenda: 7/9/2019 **Final action:**
Title: Memorandum of Understanding between the County of Sonoma and the Sonoma County Deputy Public Defenders Attorneys' Association
Sponsors: Human Resources
Indexes:
Attachments: 1. Summary Report.pdf, 2. Resolution, 3. 07-09-2019_HR_SCDPDAA MOU_Attachment A_Signed TA.pdf, 4. 07-09-2019_HR_SCDPDAA MOU_Attachment B_Actuarial Letter.pdf

| Date | Ver. | Action By | Action | Result |
|----------|------|----------------------|-------------------------|--------|
| 7/9/2019 | 1 | Board of Supervisors | Approved as recommended | Pass |

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 Deputy Public Defenders Attorneys' Association

Recommended Action:

Adopt a Resolution approving the Memorandum of Understanding (MOU) between the County of Sonoma and the Sonoma County Deputy Public Defender Attorneys' Association from Board adoption through May 6, 2023.

Executive Summary:

Representatives of the County Sonoma County Deputy Public Defenders Attorney Association (SCDPDAA) met and conferred and reached a Tentative Agreement (Attachment A) on June 12, 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 Tentative Agreement. The SCDPDAA 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 SCDPDAA previously negotiated a one year extension of the 2016-2018 MOU, which expired on May 6, 2019. Recently, representatives of the County and the SCDPDAA met and conferred and reached a Tentative

Agreement on June 12, 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 - 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 July 16, 2019, cash allowance will be reduced to \$2.30/hour
- Effective May 5, 2020 cash allowance will be further reduced to \$1.15/hour
- Effective May 4, 2021 cash allowance will be reduced to \$0/hour

Salary - Equity Adjustments:

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 of the Tentative Agreement:

- Effective July 16, 2019 - Increase Step I by \$1.15/hour and provide equity adjustment of 4%
- Effective May 5, 2020 - Increase Step I by \$1.15/hour and provide remaining equity adjustment of 3.2%, then increase the adjusted A step by 0.2%, the agreed upon addition equity amount, as listed in Appendix A-1
- Effective May 4, 2021 - Increase Step I by \$1.15/hour, then provide the remaining additional equity of 0.2%, as listed 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-1 of the Tentative Agreement:

- Effective July 30, 2019, Increase Step A-I of all job classifications by 2.85%
- Effective May 19, 2020 - Increase Step A-I of all job classifications by 2.85%
- Effective May 18, 2021 - Increase Step A-I of all job classifications by 1.9% and not more than 3.8% *
- 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 | 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 Contribution

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% of pensionable compensation until separation of employment with the County, to continue to share pension costs associated with unfunded liability.

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.

Staff/Professional Development

Includes an annual increase from \$452 to \$1752 per employee to be used towards expenses related to professional development including training and education, conferences, books and periodicals, and memberships.

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 to the County Administrator, to develop 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.

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 SCDPDAA 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 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 estimated increase in County pension costs of \$96,700 over the four fiscal year period. 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 Employer Annual Contribution Estimated Change |
|------------------|-----------------------------|----------------------------|---|
| | (a) | (b) | (a + b) |
| Year 1 - 2019/20 | +\$24,000 | +\$40,000 | +\$64,000 |

| | | | |
|------------------|-----------|-----------|-----------|
| Year 2 - 2020/21 | +\$14,000 | +\$25,000 | +\$39,000 |
| Year 3 - 2021/22 | +\$700 | +\$1,000 | +\$1,700 |
| Year 4 - 2022/23 | -\$3,000 | -\$5,000 | -\$8,000 |
| Total | +\$35,700 | +\$61,000 | +\$96,700 |

Prior Board Actions:

March 12, 2019: Approved Side Letter Agreement, Resolution #19-0101

September 18, 2018: Approved SCDPDAA MOU Extension, Resolution # 18-0375

FISCAL SUMMARY

| Expenditures | FY 19-20 Adopted | FY20-21 Projected | FY 21-22 Projected | FY 22-23 Projected |
|------------------------------------|-----------------------------|------------------------------|-------------------------------|-------------------------------|
| Budgeted Expenses | \$476,203 | \$468,266 | \$267,147 | \$261,220 |
| Additional Appropriation Requested | | | | |
| Total Expenditures | \$476,203 | \$468,266 | \$267,147 | \$261,220 |
| Funding Sources | | | | |
| General Fund/WA GF | \$476,203 | \$468,266 | \$267,147 | \$261,220 |
| State/Federal | | | | |
| Fees/Other | | | | |
| Use of Fund Balance | | | | |
| Contingencies | | | | |
| Total Sources | \$476,203 | \$468,266 | \$267,147 | \$261,220 |

Narrative Explanation of Fiscal Impacts:

The successor MOU represents an estimated operational cost increase for fiscal year 2019/20 of \$476,203. The majority of the estimated increases for FY 2019/20 have been incorporated into the Recommended Budget which were recently approved by the Board during the FY 2019/20 Budget Hearings. All 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) |
|--|--|-------------------------------|-------------------------------|
| | | | |
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Narrative Explanation of Staffing Impacts (If Required):

Not applicable.

Attachments:

Resolution

Attachment A - Signed Tentative Agreement dated June 12, 2019

Attachment B - Three GC 31515.5 Disclosure Letters from Segal Consulting dated July 1, 2019

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

None.