AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

ITEM TITLE	**BOARD MEETING DATE**	**AGENDA NUMBER**
Consider adopting a resolution approving the Memoranda of Understanding with Unit #3 and Unit #4 – Deputy Sheriff's Association extending the term of the existing MOU through October 12, 2013; Adopting resolution s paying and reporting the value of employer paid member contributions to CalPERS for Bargaining Unit #3 and Unit #4; Introducing the proposed Ordinance authorizing an amendment to the contract between the Solano County Board of Supervisors and the Board of Administration of the California Public Employees' Retirement System to implement Section 21363.1 – 3% @ 55 retirement formula; and Adopting Resolution of Intention and Certifications to amend the CalPERS contract implementing a second retirement tier of Safety 3% @ 55 for future local sheriff members	**November 23, 2010**	**14**
Dept: Human Resources **Contact:** Donald Turko **Extension:** 2552	**Supervisorial District Number** **ALL**	
Published Notice Required?	**Yes**_____	**No**___X___
Public Hearing Required?	**Yes**_____	**No**___X___

DEPARTMENTAL RECOMMENDATION:

Staff recommends the Board of Supervisors consider:

1. Adopting a resolution approving the Memoranda of Understanding (MOU) with Unit #3 and Unit #4 – Deputy Sheriff's Association (DSA), extending the term of the existing MOU through October 12, 2013 (Attachment A);

2. Adopting resolutions paying and reporting the value of employer paid member contributions (EPMC) to CalPERS for Bargaining Unit #3 and Unit #4 effective November 28, 2010 and June 10, 2012 (Attachments B1 – B6);

3. Introducing the proposed Ordinance authorizing an amendment to the contract between the Solano County Board of Supervisors and the Board of Administration of the California Public Employees' Retirement System to implement Section 21363.1 – 3% @ 55 retirement formula, reading the proposed Ordinance by title only, and waiving further reading by majority vote (Attachment C); and

4. Adopting Resolution of Intention and Certifications to amend the CalPERS contract implementing a second retirement tier of Safety 3% @ 55 for future local sheriff members (Attachment D1 – D3, and Exhibit A)

SUMMARY:

The MOU for Unit #3 and Unit #4, (DSA), expires on October 1, 2011. The parties have been negotiating since September 1, 2010, in an attempt to reach a tentative agreement on bargaining concessions to address the County's continuing structural deficit and to mitigate cuts to program operation and services. In accordance with Section 3500 et seq. of the California Government Code, representatives of the County Management Team and DSA, Unit #3 and Unit #4 reached agreement on the terms and conditions of employment, extending the current agreement from October 1, 2011 to October 12, 2013. Employees of Unit #3 and Unit #4 ratified the terms of the agreement on October 29, 2010.

The MOU contains the following major changes:

1. Permanent reductions in the (EPMC). In 2009, the DSA agreed to provide a temporary 3% reduction of EPMC. This agreement will make that reduction permanent. In addition, effective the first full pay period following Board adoption on November 28, 2010, an additional 3% reduction to EPMC will be implemented; effective June 10, 2012, the remaining 3% EPMC will be reduced, saving the County the entire 9% of previously provided EPMC.

2. A second retirement tier of 3% @ 55 for future employees. This provision of the MOU will become effective on January 17, 2011 or upon modification to the CalPERS retirement plan, whichever is later.

3. A 50/50 split for employer CalPERS rate costs over 16% and up to 18%, effective September 1, 2013.

4. Modification of step increases for new hires to be at 26 pay period increments, thereby extending the period of time it takes to get to the top salary step from 3.5 years to 4 years.

5. A salary adjustment to market median effective October 2, 2011 and an additional adjustment to market median including EPMC up to a maximum of 4% effective October 14, 2012.

6. Changes to the Health & Welfare Insurance to reflect 75% of the CalPERS Kaiser Bay Area Region family rate effective January 2013.

7. Changes to the uniform allowance to provide $300 uniform allowance for DA and Welfare Fraud Investigators effective October 2, 2011.

A copy of the MOU for Unit #3 and Unit #4 is on file with the Clerk of the Board.

FINANCING:

The EPMC savings over the term of the contract are ($2,783,633).Savings from the 50/50 split of the employer rate costs over 16% and up to 18% are estimated at ($87,872). Savings for modifying the employer contribution from 80% to 75% of the CalPERS Kaiser Bay Area Region family rate, effective January 2013 are ($174,273). Costs for the $300 annual equipment allowance for District Attorney and Welfare Fraud Investigators are $16,200. Costs for the increases to market median are estimated at $1,433,150. The total savings over the term of the contract are ($1,596,428) with general fund savings of ($962,646). The table below summarizes this information in a cumulative manner.

Description	County Cost or (Savings) FY 2010/11	County Cost or (Savings) FY 2011/12	County Cost or (Savings) FY 2012/13	County Cost or (Savings) FY 2013/14	Cumulative Totals
Continued 3% reduction to EPMC, addt'l 3% reduction effective 11/28/10, and final 3% reduction effective 06/10/12	(467,116.96)	(600,418.68)	(849,913.30)	(866,184.69)	(2,783,633.63)
50/50 split of employer retirement contribution				(87,872.62)	(87,872.62)
Salary adjustment to Market Median		200,536.94	558,413.69	674,200.25	1,433,150.88
Decrease contribution to cafeteria plan to 75% of CalPERS Kaiser Bay Area Region family rate			(39,352.04)	(134,921.28)	(174,273.32)
$300 equipment annual allowance		5,400.00	5,400.00	5,400.00	16,200.00
Total Savings	**(467,116.96)**	**(394,481.73)**	**(325,451.65)**	**(409,378.34)**	**(1,596,428.69)**

DISCUSSION:

The MOU for Unit #3 covers approximately 97 employees in the job classes of Deputy Sheriff, DA Investigator and Welfare Fraud Investigator and Unit #4 covers approximately 16 employees in the job classes of Sergeant Sheriff, Supervising DA Investigator and Supervising Welfare Fraud Investigator. On June 29, 2010, the Board adopted a resolution of its intent to negotiate a lower retirement tier for all new hires. Concession discussions with the DSA began on September 1, 2010 and a tentative agreement was reached on October 26, 2010.

Major revisions to the MOU's include the following:

Retirement	A second tier retirement plan of 3% @ 55 effective January 17, 2011 or upon modification of CalPERS Retirement plan, whichever date is later.
EPMC	The 3% reduction to EPMC from 2009 will become permanent. EPMC will be reduced an additional 3%, the first full pay period following adoption of this MOU by your Board. A third and final reduction will occur on June 10, 2012, thereby eliminating EPMC.
Salary	Effective October 2, 2011 salaries shall be set to market median. Effective October 14, 2012, salaries shall be set to market median, including EPMC contributions.
Term	Extends original MOU from September 7, 2008 through October 1, 2011 to September 7, 2008 through October 12, 2013.
Holidays	The optional holiday (which is normally taken between Christmas and New Year's Day) has been replaced with an additional floating holiday.
Medical	Effective January 2013, the County contribution to the cafeteria plan shall be modified to reflect 75% of the CalPERS 2013 Bay Area Region Kaiser family rate. The current MOU sets the cafeteria plan rate at 80% of the Kaiser family rate.
Equipment Allowance	Annual $300 equipment allowance shall be provided to the District Attorney Investigators and Welfare Fraud Investigators effective October 2, 2011.
Other Provisions	The County also negotiated language in other areas. This MOU includes provisions to re-open the MOU should another County bargaining unit receive a better base salary package proposal (excluding equity increases for specific classes). In addition, the MOU provides for a salary survey to be completed in July 2012 to be used as the basis for discussions for future negotiations. Further, the MOU provides for the parties to form a joint labor-management committee to discuss concerns over the FLSA overtime rules as it relates to the definition of hours worked for purposes of calculating overtime.

ALTERNATIVES:

The Board may choose not to approve the recommendations; however, staff does not recommend this alternative since the extension to the MOU was bargained in good faith within approved parameters. Additionally, the union has ratified this agreement.

OTHER AGENCY INVOLVEMENT:

The County Administrator's Office concurs with the recommendation.

CAO RECOMMENDATION:

APPROVE DEPARTMENT RECOMMENDATION

DEPARTMENT HEAD SIGNATURE:

Donald W. Turko
Director of Human Resources

Attachment A: Resolution approving MOU for Unit #3 and Unit #4, Page 6

Attachment B1: Misc. EPMC Resolution, Unit #3, Effective November 28, 2010, Page 7
Attachment B2 Safety EPMC Resolution, Unit #3, Effective November 28, 2010, Page 8
Attachment B3: Safety EPMC Resolution, Unit #3, Effective June 10, 2012, Page 9
Attachment B4: Misc. EPMC Resolution, Unit #4, Effective November 28, 2010, Page 10
Attachment B5: Safety EPMC Resolution, Unit #4, Effective November 28, 2010, Page 11
Attachment B6: Safety EPMC Resolution, Unit #4, Effective June 10, 2012, Page 12

Attachment C: Ordinance Authorizing Amendment to CalPERS contract, Pages 13 - 14

Attachment D1: Resolution of intention to amend the CalPERS contract implementing a second retirement tier of 3% @ 55 for future Safety Sheriff members, Page 15
Attachment D2: Certification of Governing Body's Action, Page 16
Attachment D3: Certification of Compliance with Gov. Code Section 20475, Page 17
Exhibit A: Amendment to CalPERS Contract, Pages 18 - 24