



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: Human Resources  
Department No.: 064  
For Agenda Of: August 14, 2018  
Placement: Administrative  
Estimated Time:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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TO: Board of Supervisors  
FROM: Department Lori Gentles, Human Resources Director, 568-2816  
Director(s)  
Contact Info: Joseph M. Pisano, Chief of Employee Relations,  
568-2839  
SUBJECT: **Santa Barbara County Probation Peace Officers Association Successor  
Memorandum of Understanding**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approves a successor Memorandum of Understanding with the Santa Barbara County Probation Peace Officers Association for terms and conditions of employment through August 21, 2022 as set forth in Attachment A, and
- B. Determines that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in potential physical impacts on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA guidelines.

**Summary Text:**

The most recent Memorandum of Understanding (MOU) between the County and the Santa Barbara County Probation Peace Officers Association (PPOA) expired on September 24, 2017, and the parties have met and conferred in good faith and have reached a tentative agreement for a successor MOU that governs terms and conditions of employment for this

group through August 21, 2022 as set forth in Attachment A. The tentative agreement has been ratified by vote of the PPOA membership.

The recommended actions approve the proposed successor MOU, which contains unit-wide wage increases offset in part by increased retirement cost sharing by “classic” (aka “legacy”) employees as defined under the Public Employees’ Pension Reform Act (PEPRA). PEPRA was implemented by the Governor and State legislature effective on January 1, 2013. It established lower retirement benefits for new employees hired on or after that date, and requires that these newly hired employees pay half the normal cost of their retirement benefits. Employees hired prior to the implementation of PEPRA are referred to as classic or legacy employees, and their retirement contributions are paid at a lower rate than new employees hired after PEPRA was implemented. The successor MOU implements more equitable retirement cost sharing between the County and its classic/legacy employees. Changes to the previous MOU are tracked in Attachment B. There are no significant changes other than the provisions for classic employees’ retirement cost sharing and the unit-wide wage increases.

**Background:**

PPOA currently represents approximately 210 employees who work in the Probation Department. The parties have reached a tentative agreement for a successor MOU that expires on August 21, 2022. The successor MOU provides for a series of wage increases for all employees represented by PPOA in conjunction with greater retirement cost sharing by classic or legacy employees as defined under PEPRA. These employees do not currently pay half the normal cost of their pension benefits, which is required of new employees hired after PEPRA was implemented. By July 2020, classic or legacy employees will be paying 6.0% of their pensionable income as a mandatory pre-tax contribution toward the County’s share of retirement costs, implemented in three stages. The retirement cost sharing provisions of the successor MOU will become effective on August 13, 2018 or when the Auditor-Controller’s Office completes the necessary programming and payroll testing, if later. The County will be required to pay less to fund pension benefits for these employees, which will help to defray the cost of unit-wide wage increases of 13.5% over the term of the successor MOU.

The recommended actions approve this successor MOU, which is set forth in full in Attachment A, with changes from the previous MOU tracked in Attachment B. In addition to the agreements for wage increases and retirement cost sharing, the parties also agreed to make minor clerical/ministerial changes to certain sections in the successor MOU. The successor agreement includes the following significant changes from current terms and conditions of employment for employees represented by PPOA:

- 3.0% wage increase effective August 13, 2018
- 2.0% classic employee mandatory pickup of County retirement costs effective as soon as practicable on or after August 13, 2018
- 3.5% wage increase effective July 1, 2019
- 2.0% classic employee mandatory pickup of County retirement costs effective July 1, 2019
- 3.5% wage increase effective June 29, 2020
- 2.0% classic employee mandatory pickup of County retirement costs effective June 29, 2020

- 3.5 % wage increase effective June 28, 2021
- The successor MOU expires on August 21, 2022

**Fiscal and Facilities Impacts:**

**Budgeted:** Yes

**Fiscal Analysis:**

As noted above, the recommended actions provide for general wage increases totaling 13.5% over the term of the successor MOU, offset in part by increases of 6% in the retirement contributions of classic employees.

Overall the total cost of implementing the tentative agreement through the end of Fiscal Year 2021-2022 would be approximately \$9.5 million offset by approximately \$2.9 million in pension pickups for an average incremental cost increase of 2.7% per year. The approximate initial incremental cost increases, as well as the ongoing cost of each component of the agreement, are estimated by fiscal year in the table below. The savings associated with retirement cost sharing in Fiscal Year 2018-19 have been estimated based on implementation on August 13, 2018; actual savings will depend on when the cost sharing provisions take effect.

<b>PPOA Successor MOU Cost Estimate</b>	<b>FY 2018-19</b>	<b>FY2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
3% Raise August 13 2018	745,842	843,126	843,126	843,126	3,275,220
2% Pickup August 13 2018	(268,406)	(314,035)	(325,026)	(336,402)	(1,243,868)
3.5% Raise July 2019	-	1,013,156	1,013,156	1,013,156	3,039,469
2% Pick up July 2019	-	(314,035)	(325,026)	(336,402)	(975,463)
3.5% Raise July 2020	-	-	1,048,617	1,048,617	2,097,233
2% Pick up July 2020	-	-	(325,026)	(336,402)	(661,428)
3.5% Raise July 2021	-	-	-	1,085,318	1,085,318
<b>Totals</b>	<b>477,436</b>	<b>1,228,213</b>	<b>1,929,821</b>	<b>2,981,012</b>	<b>6,616,482</b>

**Special Instructions:**

**Attachments:**

Attachment A: PPOA successor MOU

Attachment B: PPOA successor MOU – Changes Tracked

**Authored by:** Joseph Pisano

**cc:** Mona Miyasato, County Executive Officer  
Michael C. Ghizzoni, County Counsel  
Theo Fallati, Auditor Controller  
Tanja Heitman, Chief Probation Officer  
Assistant CEOs