



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: CEO/Human Resources
Department No.: 064
For Agenda Of: 11/27/2007
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Susan Paul Assistant CEO/HR Director, 568-2817
Contact Info: Joseph Pisano, Senior HR Analyst, 568-2839
SUBJECT: Memoranda of Understanding with Recognized Employee Organizations

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: N/A

As to form: Yes No N/A

Recommended Action(s):

That the Board approve:

- a) A Memorandum of Understanding with the Service Employees International Union, Local 620, effective November 19, 2007 through October 3, 2010, implementing the changes summarized in Attachment A.
- b) A Memorandum of Understanding with the Engineers and Technicians Association, effective November 19, 2007 through October 3, 2010 implementing the changes summarized in Attachment B.
- c) The resolutions necessary to implement the terms of the above Memoranda of Understanding and to extend the same increases in wages and benefits to unrepresented Confidential Employees as shown in Attachment C.
- d) A resolution implementing the first phase of the Clerical Classification and Compensation Project, which sets forth a new classification and compensation plan for represented and unrepresented clerical employees as shown in Attachment D.

Summary Text:

Memoranda of Understanding with Recognized Employee Organizations

11/27/2007

Page 2 of 6

Since July 2007, representatives of the County and various employee organizations whose Memoranda of Understanding (MOU's) expired on October 7, 2007 have been negotiating in an effort to reach successor agreements on wages, hours, and other terms and conditions of employment for over half of the County's workforce.

The County has now reached tentative long-term agreements with two of these organizations: the Service Employees International Union (SEIU), Local 620 (Local 620) and the Engineers and Technicians Association (ETA). The three-year agreements contain changes from the previous MOUs as described in the attached summaries. This Board letter has been filed with the Unions' knowledge in anticipation of their ratification of their respective agreements prior to the Board meeting on November 27, 2007.

The Clerical Classification and Compensation Project is a collaborative effort between County management and Local 620. The Project stems from a mutual commitment to work together to develop a more effective structure for clerical employees. In addition, the Project reflects Local 620's desire to partner with the County to provide a development path for individuals in clerical positions and to address salary issues, coupled with the County's desire to have a highly skilled workforce and the flexibility to efficiently deploy resources.

Background:

The attached summaries detail the agreements reached with both Local 620 and ETA. Of significant note are the following:

- A three-year agreement
- Elimination of the Privatization Policy
- Modest cost-of-living-adjustments (COLAS) that would equal approximately 9.0% over the term of the contract. Wage increases in each year are structured to assist the County in managing costs
- Addressing the current retirement configuration (half-rates/full-rates), tied to a reduction in benefit level from a one-year Final Average Salary (FAS-1) to a three-year final average salary (FAS-3) for employees hired on or after October 10, 1994. This would affect approximately 70% of employees in each of these two groups
- An agreement requiring employees and their labor representatives to engage in mediation before taking grievances to other formal appeals processes
- Agreement to cooperate in the County's efforts to modernize Civil Service Rules (CSR)
- Funds for equity adjustments equal to approximately .75% of salary in July 2008 and approximately .75% in July 2009

Memoranda of Understanding with Recognized Employee Organizations

11/27/2007

Page 3 of 6

- The addition of a floating holiday
- A \$20 per pay period increase in benefit allowance in the third year of the contract

The Clerical Classification and Compensation Project Team included representatives from Local 620, CEO/Human Resources staff, and managers from ADMHS, Clerk-Recorder-Assessor, the Agricultural Commission, and Social Services. Throughout the collaborative process, the team engaged key stakeholders through surveys, focus groups, newsletters, and an interactive website related to the Project.

The identified objectives of the Project were to:

- Design a more flexible classification and compensation structure that would increase overall organizational capacity and bilingual capacity, provide departments with greater operational flexibility, and improve customer service delivery;
- Provide employees with more control over their career paths and advancement within the organization;
- Strengthen the link between pay and performance and the acquisition of increased skills;
- Strengthen the performance management process; and
- Address market pressures.

The result of the Project Team's efforts is a proposed system affecting approximately 900 employees in all 22 County departments that would:

- Reduce the number of classifications from approximately 60 to 12 classifications by creating four broad classes (Entry Level, Journey Level, Advanced Journey Level, and Expert Level) in three occupational groups:
 - General Clerical Classifications
 - Accounting Clerical Classifications
 - Legal Clerical Classifications
- Implement a "skill-based" pay structure that strongly links pay to performance and the attainment of new skills and includes certain time requirements that provides for the demonstration of skill proficiency;
- Implement a new performance management system that includes Individual Development Plans (IDP) which plan for the attainment of skills needed by the department to achieve maximum operational flexibility; and

Memoranda of Understanding with Recognized Employee Organizations

11/27/2007

Page 4 of 6

- Create a bridge that would allow talented clerical employees to be placed on a path that would prepare them for advancement to technical, professional, or management positions within the organization.

Recommendation d) provides a market adjustment of 3% for employees in affected clerical classes and for Executive Secretaries to begin implementing the new system. Staff will return at a later date with a request for the Board to approve the salary ranges for the Project and adopt a resolution allocating employees into those ranges and into new job classifications.

Fiscal and Facilities Impacts:

Budgeted: Yes No

Fiscal Analysis:

The SEIU Local 620 agreement covers approximately 2,109 employees working in almost all County departments. The ETA agreement covers approximately 158 employees working in the following departments: Public Works, Public Health, Planning and Development, Fire, Sheriff, Clerk-Recorder-Assessor, Parks, and General Services. The approximate cost of implementing the contract for each group broken down by fiscal year appears in the table below:

Fiscal Year	SEIU Local 620	ETA	
2007-2008	2,904,854	318,867	
2008-2009	5,423,235	573,822	
2009-2010	6,701,133	667,866	
Total	15,029,222	1,560,555	
Carry-over to FY 10-11	4,719,187	431,233	Grand Total
Total with Carry-over	19,748,409	1,991,787	21,740,196

Of the total estimated cost for both groups of \$21,740,196, approximately \$3,695,883 will be in the form of an increase in the County's contributions to the Retirement System.

Typically Confidential employees in Unit 32 receive the same increases in wages and benefits as represented employees. With this in mind, for this group of approximately 82 Confidential employees, staff recommends that the changes in wages and benefits outlined in this Board letter for clerical and non-clerical employees represented by Local 620 be applied to

Memoranda of Understanding with Recognized Employee Organizations

11/27/2007

Page 5 of 6

Confidential clerical and non-clerical employees in Unit 32. In addition, staff recommends raising the bilingual allowance for this group to the same level that employees represented by Local 620 receive. The approximate cost of implementing these changes for this group broken down by fiscal year appears in the table below:

Fiscal Year	Unit 32
2007-2008	127,541
2008-2009	234,710
2009-2010	274,732
Total	636,984
Carry-over to FY 10-11	189,916
Total with Carry-over	826,900

Of the total estimated cost for Unit 32 of \$826,900, approximately \$140,573 will be in the form of an increase in the County's contributions to the Retirement System.

The total estimated cost of providing a 3% market adjustment for affected clerical classifications and Executive Secretaries is approximately \$765,326 for the remainder of Fiscal Year 2007-2008 and approximately \$1,243,655 annually thereafter. Of the annual cost of \$1,243,655, approximately \$211,421 will be in the form of an increase in the County's contributions to the Retirement System.

The biannual actuarial study of the Santa Barbara County Retirement System as adopted by the Board of Retirement includes certain economic and non-economic assumptions in setting the employer's contribution rate, which is used to estimate the impact of the recommended actions on the County's contribution to the retirement system.

All of the recommendations are within the parameters established by the Board and have been included in the Budget.

Staffing Impact(s):

Legal Positions:

FTEs:

Memoranda of Understanding with Recognized Employee Organizations

11/27/2007

Page 6 of 6

Special Instructions:

Please send one copy of each of the approved resolutions to Susan Kean in the Human Resources Department.

Attachments:

Authored by: Joseph Pisano

cc:

County Executive Officer
Auditor-Controller
County Counsel