



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: September 11, 2018
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

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 Sheriff's Managers Association Successor
Memorandum of Understanding**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- A. Approve a successor Memorandum of Understanding with the Santa Barbara County Sheriff's Managers Association for terms and conditions of employment through June 26, 2022 as set forth in Attachment A, and
- B. Determine 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 Sheriff's Managers Association (SMA) expires on April 21, 2019, but 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 June

26, 2022 as set forth in Attachment A. The tentative agreement has been ratified by vote of the SMA 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:

SMA currently represents approximately 29 employees who work in the Sheriff’s and the District Attorney’s Offices. The parties have reached a tentative agreement for a successor MOU that expires on June 26, 2022. The successor MOU provides for a series of wage increases for all employees represented by SMA 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 November 5, 2018. 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 SMA:

- 3.0% wage increase effective November 5, 2018, which includes a previously negotiated increase of 1.5% scheduled for that date
- 2.0% classic employee mandatory pickup of County retirement costs effective November 5, 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 June 26, 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 \$2.6 million offset by approximately \$760,000 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.

Cost Estimate for SMA Successor MOU	FY 2018-19	FY2019-20	FY 2020-21	FY 2021-22	Total
1.5% (previously negotiated) Raise November 2018	72,831	118,350	118,350	118,350	427,881
1.5% Raise November 2018	72,831	118,350	118,350	118,350	427,881
2% Pickup November 2018	(50,702)	(85,274)	(88,258)	(91,347)	(315,581)
3.5% Raise July 1, 2019	-	284,435	284,435	284,435	853,304
2% Pick up July 1, 2019	-	(85,274)	(88,258)	(91,347)	(264,879)
3.5% Raise June 29, 2020	-	-	294,390	294,390	588,779
2% Pick up June 29, 2020	-	-	(88,258)	(91,347)	(179,606)
3.5% Raise June 28, 2021	-	-	-	304,693	304,693
Totals	94,960	350,587	550,749	846,175	1,842,472

Special Instructions:

Attachments:

- Attachment A: SMA successor MOU
 Attachment B: SMA successor MOU – Changes Tracked

Authored by: Joseph Pisano

- cc:** Mona Miyasato, County Executive Officer
 Michael C. Ghizzoni, County Counsel
 Theo Fallati, Auditor Controller
 Bill Brown, Sheriff
 Joyce Dudley, District Attorney
 Assistant CEOs