



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda
Number:

Clerk of the Board of
Supervisors
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Santa Barbara, CA 93101
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2011 NOV -8 AM 9: 28

COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

Department Name: CEO
Department No.: 012
For Agenda Of: November 15, 2011
Placement: Departmental
Estimated Tme: 5 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

1115-D4 11-008859

TO: Board of Supervisors

FROM: Chandra Wallar, County Executive Officer, 568-3404
Jeri Muth, Human Resources Director, 568-2816

Contact Info: Joseph Pisano, Employee Relations Manager, 568-2839

SUBJECT: **Terms and Conditions of Employment: Unrepresented Employees**

Auditor-Controller Concurrence

County Counsel Concurrence

As to form: Yes

As to form: Yes

Other Concurrence: Select_Other

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Adopt the resolution in Attachment A, effective November 14, 2011, amending the Management Personnel Benefits Policy for management, confidential-unrepresented employees, and unrepresented attorneys;
2. Adopt the resolution in Attachment B, effective November 14, 2011, amending the Classification and Salary Plan for Unrepresented Executive and Management Employees; and

3. Continue the wage freeze for management and executive employees, and implement a wage freeze on merit step increases for confidential-unrepresented employees and unrepresented attorneys through June 23, 2013.

Summary Text:

The recommended actions:

1. Reduce certain benefits for management, confidential-unrepresented employees, and unrepresented attorneys, and make ministerial updates to the Management Personnel Benefits Policy;
2. Eliminate provisions for lump-sum payments and project pay for executives and managers and add a provision that future salaries for elected department heads shall be adjusted annually by the average calendar year percentage increases in salary compensation for the entire pool of non-elected department heads; and
3. Continue the wage freeze implemented in 2008 for executives and managers, and freeze wages (merit step/performance-based increases) for confidential-unrepresented employees and unrepresented attorneys through June 23, 2013.

Background:

Changes to the Management Personnel Benefits Policy

The Management Personnel Benefits Policy sets forth certain terms and conditions of employment for management, confidential-unrepresented employees, and unrepresented attorneys. The recommended action deletes obsolete language and makes certain ministerial changes to the policy, which has not been updated since 2007. More significantly, the recommended action would reduce certain benefits in order to assist the County in managing its ongoing fiscal challenges. These changes, which mirror in large part concessions made by certain represented employee groups, include:

- Eliminating the ability of unrepresented employees to cash out vacation except as required by law upon separation;
- Ending elected officials' participation in the County's vacation accrual plan and ability to convert vacation accruals to cash effective at the end of each official's current term in office;
- Reducing the amount of Administrative Leave that can be granted from 108 hours to 80 hours per payroll year;
- Providing that employees will share in any increases in retirement COLA normal costs up to an annual cap of 2% beginning June 25, 2012;

- Eliminating the employer pick up of the employee contribution to retirement, referred to as the “employer offset” for all unrepresented employees;
- Establishing a new retirement tier for General Member Employees hired on or after June 25, 2012 which includes the following elements:
 - A reduced formula to 2% @ 61-1/4
 - Half-rates
 - Calculation of the retirement benefit based on a final average salary over three years (FAS 3)
 - A 2% retirement COLA (instead of the current 3%)
 - Elimination of the retiree medical program

In addition to the changes summarized above, staff recommends that the Board accept from the current five elected department heads written waivers approved by the County of any existing rights to the continuation of their employer offset and ability to convert vacation hours to cash payments. In exchange for this waiver, future salaries for the five elected department heads would be adjusted annually by the average calendar year percentage increases in salary compensation for the entire pool of non-elected department heads.

Changes to the Classification and Salary Plan for Unrepresented Executive and Management Employees

The recommended action amends the Classification and Salary Plan for Unrepresented Executive and Management Employees to eliminate all lump-sum payments for performance and/or successful completion of significant projects and to add a provision that future salaries for elected department heads shall be adjusted annually by the average calendar year percentage increases in salary compensation for the entire pool of non-elected department heads.

Wage Freeze

The recommended action would continue to freeze salaries for managers and executives and implement a wage freeze (merit step/performance-based increases) for confidential-unrepresented employees and unrepresented attorneys through June 23, 2013. As was the case in the wage-freeze agreements reached with certain groups of represented employees, promotions to higher paying job classifications are not affected.

Fiscal Analysis:

The recommended actions affect 66 confidential-unrepresented employees, 26 unrepresented attorneys, and 271 unrepresented executives and managers for a total of 363 current employees. The estimated savings to the County budget of the recommended actions across all departments are approximately \$450,000 for the remainder of Fiscal Year 2011-2012 and approximately \$794,000 annually thereafter, as illustrated in the chart below:

Action	FY 2011-12 Savings	Total Annualized Savings
Eliminate offset	403,840	656,240
Wage Freeze	46,361	138,088
Totals	450,201	794,328

Actuarial estimates suggest that savings from the new retirement tier that takes effect in June 2012 may save approximately \$77,000 in Fiscal Year 2012-2013, with the potential for significant savings once the majority of the workforce is enrolled in the new tier.

cc: Chandra L. Wallar, County Executive Officer
Dennis Marshall, County Counsel
Robert W. Geis, Auditor-Controller
Department Heads

- Attachments:**
- A. Resolution amending the Management Personnel Benefits Policy
 - B. Resolution amending the Classification and Salary Plan for Unrepresented Executive and Management Employees