



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 Human Resources
Name:
Department 064
No.:
For Agenda Of: September 6, 2011
Placement: Departmental
Estimated Tme: 5 minutes
Continued Item: No
If Yes, date
from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Jeri Muth, Interim Human Resources Director, 568-2816
Contact Info: Joseph Pisano, Employee Relations Manager, 568-2839

SUBJECT: *Successor Memorandum of Understanding: Service Employees
International Union, Local 620*

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors approve a Memorandum of Understanding (MOU) with the Service Employees International Union, Local 620, effective from September 5, 2011 through June 23, 2013, implementing the changes summarized in Attachment A.

Summary Text:

The current Memorandum of Understanding (MOU) with the Service Employees International Union, Local 620 (Local 620) expired on June 26, 2011. The recommended action adopts the proposed successor MOU in Attachment B. This Board letter has been filed with the Union's

knowledge in anticipation of its members' ratification of a tentative agreement prior to the Board meeting on September 6, 2011.

Background:

Local 620 represents approximately 1,919 employees who would be covered by this contract. Most County departments employ individuals who are represented by Local 620. Since March 2011, representatives of the County and Local 620 have been negotiating in an effort to reach a successor agreement on wages, hours, and other terms and conditions of employment in such a way as to assist the County in managing ongoing fiscal challenges.

The County and Local 620 have reached a tentative agreement for a contract that would expire in June 2013 and which includes significant changes from the previous MOU (described in Attachment A). In addition, there are minor changes and/or ministerial changes to update the language in certain sections of the MOU which are not captured on the Attachment A. The complete text of the proposed successor MOU appears in Attachment B. Significant highlights of the agreement include:

- Rescission and permanent elimination of a 2.5% wage increase and a \$20 per pay period increase in unit cash benefit allowance previously negotiated and scheduled to be effective on June 27, 2011;
- No general wage increases for the term of the agreement;
- A freeze of all merit increases for the term of the agreement;
- Elimination of employees' ability to cash out up to 40 hours of accrued vacation leave annually;
- Elimination of the ability to use paid sick leave for the purposes of computing overtime;
- A 40-hour furlough in each year of the agreement;
- Elimination of employer-paid retirement offset for current and future employees;
- A provision for current and future employees to pay up to one-half of the increased annual cost of the retirement Cost of Living Adjustment (COLA) effective June 25, 2012, capped at a 2% for employees in a given year; and
- Pension reform via a new retirement tier for future employees effective June 25, 2012, including elimination of the retiree medical program for future employees.

Fiscal Analysis:

The recommended action will implement various wage and benefit concessions resulting in estimated one-time annual savings of approximately \$5,183,385 in each year of the contract and permanent ongoing annual savings estimated at approximately \$6,966,777 beginning in Fiscal Year 2011-2012 for total estimated savings of approximately \$24,300,323 over the term of the agreement.

cc: Chandra L. Wallar, County Executive Officer
Dennis Marshall, County Counsel
Department Heads

Attachment A: Summary of Changes to Local 620 MOU

Attachment B: Successor Local 620 MOU