



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: January 18, 2011
Placement: Administrative
Estimated Tme: 10 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: ***Implementation of Previously-Negotiated Wage Deferrals and Adjustments***

County Counsel Concurrence

As to form: Select_Concurrence

Other Concurrence: Select_Other

As to form: Select_Concurrence

Recommended Actions:

Auditor-Controller Concurrence

As to form: Select_Concurrence

That the Board of Supervisors approve the implementation of previously-negotiated wage deferrals and adjustments effective January 10, 2011, for classifications represented by the Service Employees International Union, Local 620 (Local 620) and the Engineers and Technicians Association (ETA).

Summary Text:

The recommended action is required to implement provisions of contract extensions that were part of wage concession agreements reached in 2008 with Local 620 and ETA.

As shown in the chart below, it is estimated that the furloughs and other concessions provided by these groups reduced the County's costs by approximately \$ 7.2 million since 2008.

Group	Concession	Estimated Savings
Local 620	64-hour Furlough	3,438,500
Local 620	Delay .75% equity from June 2008 to July 2010	2,057,200
Local 620	Delay .75% equity from June 2009 to July 2010	1,015,995
	Sub total	6,511,695
ETA	64-hour Furlough	365,078
ETA	Delay .75% equity from June 2008 to July 2010	202,828
ETA	Delay .75% equity from June 2009 to July 2010	100,171
	Sub total	668,077
Estimated Grand Total of Concessions from Both Groups		7,179,773

The total annualized cost of implementing the 3.5% previously-negotiated wage adjustments, which are the subject of this Board Letter, is approximately \$6,048,000, and will be an ongoing cost. If the recommended actions are not implemented, the County must return to the original contract increases. It is estimated that, to restore these employees to the original contract, the cost would be approximately \$9,240,000.

Background:

In May 2008 the Board of Supervisors authorized agreements for furloughs and wage deferrals with Local 620 that included a contract extension from October 2010 to June of 2011. The contract extension included a provision for a general wage adjustment of 3.5% in January 2011. In July 2008 the Board also authorized an agreement for furloughs and wage deferrals with ETA. The ETA agreement was virtually identical to the Local 620 agreement, with the same contract extension and general wage adjustments. The recommended action implements this general wage adjustment for Local 620 and ETA.

In light of the County’s fiscal challenges, on December 20, 2010 staff requested that the labor organizations meet with the County to discuss eliminating or delaying the implementation of these increases. Both organizations declined to consider elimination or a delay in implementation of the 3.5% previously-negotiated adjustments.

As shown on the chart above, concessions from these groups reduced County costs by approximately \$7.2 since 2008.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The total estimated cost of the 3.5% general wage adjustments scheduled to be implemented on January 10, 2011 for Local 620 and ETA employees is approximately \$2,643,000 for the remainder of Fiscal Year 2010-2011 and approximately \$6,047,674 annually thereafter. Of the total estimated ongoing cost of \$6,047,674 annually, approximately \$2,086,000 will be in the

form of an increase in the County's contributions to the Retirement System. The costs of implementing these increases have been included in the Fiscal Year 2010-2011 Budget.

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