



A Tradition of Stewardship
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Agenda Date: 5/23/2017

Agenda Placement: 60

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Heather Ruiz - Director
Human Resources

REPORT BY: Olivia Soria, Benefits Administrator - 253-4945

SUBJECT: Resolutions for Approval of Fiscal Year 2017-2018 Cost of Living Adjustment for Law Enforcement and Paying and Reporting the Value of Employer Paid Member Contributions for Fiscal Year 2017-2018

RECOMMENDATION

Director of Human Resources requests approval of the following actions effective July 1, 2017:

1. Adoption of a resolution approving Cost of Living Adjustments for the Deputy Sheriffs' Association (DSA) Law Enforcement Unit and Law Enforcement Supervisory Unit for Fiscal Year 2017-2018; and
2. Adoption of a resolution for paying and reporting to CalPERS the value of Employer Paid Member Contributions (EPMC) for eligible County employees for Fiscal Year 2017-2018.

EXECUTIVE SUMMARY

The Memoranda of Understanding between the County and the Law Enforcement and Law Enforcement Supervisory Units for the term October 1, 2016 through September 30, 2019, which were approved by the Board of Supervisors on October 18, 2016, include a Cost of Living Adjustment (COLA) during the first pay period of Fiscal Year 2017-2018 to be between 2.5% and 4% based upon the annual change in the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI-U) for the San Francisco Bay Area for calendar year 2016, which amounts to 3.5%. Therefore, Law Enforcement will receive a COLA of 3.5%, and this item authorizes the implementation of this previously approved salary adjustment.

In addition, in accordance with the terms of current labor agreements, the County pays for a portion of the normal member contributions, known as Employer Paid Member Contributions (EPMC), for certain employee groups who were members prior to January 1, 2013, when significant retirement reforms went into effect. The adoption of a resolution electing to pay, and reporting the value of, the EPMC is required under the terms of the County's agreement with CalPERS.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The requested departmental budgets for Fiscal Year 2017-2018 include the salary adjustments and the appropriate retirement costs for each employee.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The COLA adjustment for the Law Enforcement and Law Enforcement Supervisory Units were part of the negotiations for the successor Memoranda of Understanding in 2016. The terms of current labor agreements and policies require the County to pay a portion of member contributions for certain employee groups.
Is the general fund affected?	Yes
Future fiscal impact:	The negotiated salary adjustments for the DSA units for Fiscal Year 2017-2018 is 3.5% in the first pay period of Fiscal Year 2017-2018. This negotiated increase is being approved through this Board item. The requested departmental budgets for Fiscal Year 2017-2018 will include the funding for these salary adjustments. Funding for the appropriate retirement costs for each employee will be included in departmental budgets for Fiscal Year 2017-2018. Retirement contributions for future years will be made in accordance with employee labor agreements and policies based on the annual retirement contribution rates provided by CalPERS.
Consequences if not approved:	If these actions are not approved, the County will not be in compliance with previously approved agreements with CalPERS or the labor agreements with the employee organizations.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On October 18, 2016, the Board of Supervisors approved labor agreements between the County and the Law Enforcement and Law Enforcement Supervisory Units for the term October 1, 2016 through September 30, 2019. The agreements call for a COLA during the first pay period of Fiscal Year 2017-2018 to be between 2.5% and 4% equal to the annual change in the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI-U) for the San

Francisco Bay Area for calendar year 2016, which amounts to 3.5%. Today's resolution will implement a 3.5% COLA for the Law Enforcement and Law Enforcement Supervisory Units.

In addition, agencies contracting with CalPERS may pay all or a portion of the normal contributions required to be paid by members for retirement purposes for members hired before January 1, 2013, when significant retirement reforms went into effect. This is called Employer Paid Member Contributions (EPMC). The EPMC affects the final compensation calculation of all employees at the time of their retirement. The adoption by the Board of a resolution electing to pay, and report the value of, the EPMC is required under the terms of the County's agreement with CalPERS. On September 28, 2004, the Board adopted Resolution No. 04-163, which revised the paying and reporting of the value of EPMC for all groups covered under the County's contract.

Based on current labor agreements, as retirement rates increase or decrease, the County and its employees split the increase or decrease equally. The attached resolution documents the value of the EPMC that will be paid in Fiscal Year 2017-2018 for certain County employees who were CalPERS members prior to January 1, 2013, based on their respective labor agreements and prior approval of the Board.

SUPPORTING DOCUMENTS

- A . Resolution - Cost of Living Adjustment for Law Enforcement FY 17-18
- B . Resolution - EPMC FY 17-18

CEO Recommendation: Approve

Reviewed By: Helene Franchi