NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO: Board of Supervisors
FROM: Mason, Suzanne R. - Director
       Human Resources
REPORT BY: Karen Brady, Human Resources Analyst II - 253-4490
SUBJECT: Resolution Approving Agreement to Amend PSE and PSE Supervisory Memoranda of Understanding

RECOMMENDATION
Director of Human Resources requests adoption of a resolution approving an agreement to amend the Memoranda of Understanding with the Public Services Employee and Public Services Employee Supervisory Units, NAPE- SEIU Local 1021 effective July 1, 2010.

EXECUTIVE SUMMARY
The County and Union bargaining teams entered into a tentative agreement to amend the 2007 - 2009 labor agreements covering the period July 1, 2010 through June 30, 2011 for the Public Services Employee and the Public Services Supervisory Employee Units. The agreements were ratified by the Union membership on June 24, 2010 and are presented for acceptance by the Board as attached.

FISCAL IMPACT
Is there a Fiscal Impact? Yes
Is it currently budgeted? Yes
Where is it budgeted? The estimated cost of the agreements is approximately $145,000 for health insurance contributions. This estimate is based upon a projected 10% increase in health insurance premium costs in January 2011. The estimated cost of providing employee's with a one-time option to cash out their accrued leave is approximately $120,000 which would impact departmental budgets.
Is it Mandatory or Discretionary? Discretionary
Discretionary Justification: The adoption of the Agreements to amend the Memoranda of Understanding (MOU's) is the final action in the overall negotiations process.

Is the general fund affected? Yes
Future fiscal impact: These MOU's will expire in June 2011.
Consequences if not approved: Negotiations would continue.
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

In 2007, the County entered a two-year MOU with NAPE/SEIU Local 1021-the union representing nearly 1,000 of the County's employees-which expired on June 30, 2009. That agreement provided a 3.2% salary adjustment effective the first pay period in July 2007 and a cost of living salary adjustment (COLA) effective the first pay period in July 2008 equivalent to the annual change in the Consumer Price Index for the San Francisco Bay Area for calendar year 2007, with a maximum amount of 5% and a minimum amount of 2.5% (the actual adjustment was 3.3%). In addition, as a result of an equity study salary adjustments were made to certain key classifications to bring them in line with comparable agencies. The agreement also required employees to pay an increasing share of health insurance premiums over the two years of the agreement.

In July of 2009, the County and NAPE/SEIU Local 1021 entered into a one-year agreement, extending the previous MOU through June 30, 2010, that provided no COLA or equity salary adjustments and in exchange the County agreed to freeze employee health insurance contributions at the 2009 contribution amount. In addition, qualifying employees were allowed to cash out up to 40 hours of leave time if certain conditions were met.

The current extension agreement to the MOUs with NAPE/SEIU Local 1021 expires on June 30, 2010. County and Union bargaining teams began negotiating a new contract in April 2010 and reached tentative agreement on June 17, 2010 (attached as Supporting Document A). This agreement was ratified by the Union membership on June 24, 2010. Today's proposed resolution approves an agreement to extend the MOUs one additional year, effective July 1, 2010 through June 30, 2011.

Recognizing the economic uncertainties facing the County, both parties agreed a short-term extension of the existing MOUs was in the best interest of the County and the employees. The extension provides no COLA or equity salary adjustments for the second year in a row. In exchange, the County has agreed to keep employee health insurance contributions at 2009 levels and allow qualifying employees to cash out up to 40 hours of leave time if certain conditions are met. In addition, the Union and County management have agreed to explore lower tier retirement options for new employees and fixed cost approaches to post retirement health insurance through Working Committees which will meet during the first six (6) months of the extension. County management will also conduct a compensation survey for a representative group of NAPE classifications in early 2011. Information obtained through the survey will inform discussions during next year's negotiation process. Both
parties have also agreed to commence negotiations for next year's agreement early, beginning the negotiation process in January 2011.

**SUPPORTING DOCUMENTS**

A. Total Tentative Agreement
B. Resolution Amending Memoranda of Understanding
C. Exhibit A - Agreement to Amend the MOU

CEO Recommendation: Approve
Reviewed By: Britt Ferguson