NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO: Board of Supervisors
FROM: Karen Taylor - Director
Human Resources
REPORT BY: Olivia Soria, Benefits Administrator - 253-4945
SUBJECT: Resolutions to Establish Retirement Cost Sharing Contributions for Napa County Employees and Approval of Fiscal Year 2020-2021 Cost of Living Adjustment for Law Enforcement

RECOMMENDATION
Director of Human Resources requests adoption of the following resolutions:

1. Resolution approving the retirement cost sharing contributions for Napa County employees effective June 27, 2020 for Fiscal Year 2020-2021; and
2. Resolution approving Cost of Living Adjustments based on the Consumer Price Index pursuant to the Memoranda of Understanding for the Deputy Sheriffs’ Association (DSA) Law Enforcement Unit and Law Enforcement Supervisory Unit for Fiscal Year 2020-2021.

EXECUTIVE SUMMARY
The first action before the Board is to approve previously agreed upon retirement cost sharing contributions for Napa County employees for Fiscal year 2020-2021. Government Code section 20516 of the Public Employees' Retirement Law was amended to simplify the retirement cost sharing process. Beginning January 1, 2019, public agencies are no longer required to amend their contract with CalPERS to implement new cost sharing contributions.

The second action authorizes the implementation of a previously approved salary adjustment between the County and the Deputy Sheriffs’ Association. The Total Tentative Agreement between the Law Enforcement and Law Enforcement Supervisory Units for the term October 8, 2019 through September 30, 2022, which was previously approved by the Board of Supervisors on October 8, 2019, included a Cost of Living Adjustment (COLA) during the first pay period of Fiscal Year 2020-2021. This COLA would be between 1.5% 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 determined at the year-end for calendar year 2019, which amounts to 2.5%. Therefore, this item authorizes the implementation of this previously approved salary adjustment for Law Enforcement.

FISCAL & STRATEGIC PLAN IMPACT

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tbody>
<tr>
<td>Is there a Fiscal Impact?</td>
<td>Yes</td>
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<td>Is it currently budgeted?</td>
<td>Yes</td>
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<td>Where is it budgeted?</td>
<td>The requested departmental budgets for Fiscal Year 2020-2021 include the salary adjustments and the appropriate retirement costs for each employee.</td>
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<td>Is it Mandatory or Discretionary?</td>
<td>Discretionary</td>
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<td>Discretionary Justification:</td>
<td>The terms of current labor agreements and policies require the County to pay a portion of member contributions for certain employee groups.</td>
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<td>Is the general fund affected?</td>
<td>Yes</td>
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<td>Future fiscal impact:</td>
<td>Funding for the appropriate retirement costs for each employee is included in the departmental budget for Fiscal Year 2020-2021. 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.</td>
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<td>Consequences if not approved:</td>
<td>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.</td>
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<td>County Strategic Plan pillar addressed:</td>
<td>Effective and Open Government</td>
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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

A provision of the PSE and DSA MOU's dictate the formula for employees to cost share a portion of the contribution toward retirement each fiscal year. This cost sharing agreement is intended to share equally increases or decreases to the normal cost of the retirement benefit to mitigate the financial impact to both the County and the employees.

The Legislature amended Government Code section 20516 of the Public Employees' Retirement Law to simplify the retirement cost sharing process. Beginning January 1, 2019, public agencies are no longer required to amend their contract with CalPERS to implement new cost sharing contributions. A provision of the PSE and DSA MOU's dictate the formula for employees to cost share a portion of the contribution toward retirement each fiscal year. In order for the County to be able to report the cost sharing contributions to CalPERS, signed side letters must be provided to CalPERS for the represented employee groups, as well as a Board approved resolution for the unrepresented employee groups. Today's action approves the retirement cost sharing contributions for Napa County employees for Fiscal Year 2020-2021.

The miscellaneous members in the Public Services Units through their Memoranda of Understanding, and the unrepresented Management and Confidential groups, will participate in the following retirement cost sharing contributions effective June 27, 2020:

- PSE employees in Retirement Tiers 1 and 2 (hired before October 29, 2011) with a 1.956% employee cost sharing
- PSE employees in Retirement Tier 3 (hired on or after October 29, 2011, and before January 1, 2013) with a 1.762% employee cost sharing
- PSE employees in PEPRA Retirement (hired on or after January 1, 2013) with a 0.562% employee cost sharing
- Management and Confidential employees in Retirement Tiers 1 and 2 (hired before October 29, 2011) with a 1.956% employee cost sharing
- Management and Confidential employees in Retirement Tier 3 (hired on or after October 29, 2011, and before January 1, 2013) with a 1.762% employee cost sharing
- Management and Confidential employees in PEPRA Retirement (hired on or after January 1, 2013) with a 0.562% employee cost sharing

The local safety members in the Deputy Sheriffs' Association Units through their Memoranda of Understanding will participate in the following retirement cost sharing contributions effective June 27, 2020:

- DSA employees in Retirement Tiers 1 and 2 (hired before May 14, 2011) with a 4.872% employee cost sharing
- DSA employees in Retirement Tier 3 (hired on or after May 14, 2011, and before January 1, 2013) with a 4.872% employee cost sharing
- DSA employees in PEPRA Retirement (hired on or after January 1, 2013) with a 0.872% employee cost sharing

The unrepresented Safety Management groups will participate in the following retirement cost sharing contributions effective June 27, 2020:

- Safety Management employees in Retirement Tiers 1 and 2 (hired before May 14, 2011) with a 0.956% employee cost sharing
- Safety Management employees in Retirement Tier 3 (hired on or after May 14, 2011, and before January 1, 2013) with a 0.956% employee cost sharing
Safety Management employees in PEPRA Retirement (hired on or after January 1, 2013) with a 0.872% employee cost sharing.

In addition, on October 8, 2019, the Board of Supervisors approved the terms of the Total Tentative Agreement with the DSA which included a COLA salary adjustment implemented the first pay period of Fiscal Year 2020-2021 equal to the annual change in the BLS Consumer Price Index (CPI-U) for the San Francisco Bay Area for calendar year 2019 which totaled 2.5%. Today’s resolution will implement a 2.5% COLA for the Law Enforcement and Law Enforcement Supervisory Units per our previously negotiated agreement.

**SUPPORTING DOCUMENTS**

A. Resolution - Retirement Cost Sharing
B. Resolution - DSA Salary Adjustment

CEO Recommendation: Approve
Reviewed By: Helene Franchi