



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/5/2018

Agenda Placement: 7G

Napa County Legislative Subcommittee Board Agenda Letter

TO: Napa County Legislative Subcommittee

FROM: Molly Rattigan for Minh Tran - County Executive Officer
County Executive Office

REPORT BY: Molly Rattigan, Deputy County Executive Officer - 253-4112

SUBJECT: Proposed Changes to the Government Code regarding CalPERS

RECOMMENDATION

County Executive Officer seeks discussion and possible direction regarding a proposed legislative amendment to the California Government Code to streamline the CalPERS contract amendment process for Napa County.

EXECUTIVE SUMMARY

County staff began meeting with CalPERS in July 2017 to seek a resolution to a cumbersome administrative process that while staff believes is currently unique to Napa County, it could impact other jurisdictions. Napa County has agreements with both its bargaining groups, the Deputy Sheriff's Association (DSA) and the Public Service Employees (PSE) Unit to share annual increases or decreases in CalPERS required contributions between the County and the employees equally. CalPERS requires that once the employee starts paying a portion of the "employer" contribution, as defined by CalPERS rules (referred to as cost sharing), this amount must be included in the CalPERS contract. In order to make an amendment to the CalPERS contract there is a 4-6 month process which includes three Board of Supervisors actions, and an election of the impacted employees. Assemblymember Aguiar-Curry has indicated a willingness to work with Napa County and CalPERS to pursue a legislative fix that would provide for an amendment to the CalPERS contract via a side letter with each bargaining group based on the agreed upon and implemented language in each MOU.

Napa County was asked to propose language that would achieve the fix necessary to streamline the process. This item requests approval of the proposed language and seeks direction for staff to continue discussion with CalPERS and Assemblymember Aguiar-Curry's office to pursue this legislative fix. If consensus on final language is reached and a bill is developed, staff will return to the Board of Supervisors for discussion and action to support legislation.

FISCAL IMPACT

Is there a Fiscal Impact? No

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

Napa County has agreements with both of its bargaining groups, the Deputy Sheriff's Association (DSA) and the Public Service Employees (PSE) Unit to share equally the annual increases or decreases in CalPERS required contributions between the County and the employees. Each Memoranda of Understanding (MOU) is slightly different in terms of how the formula works, but each has an agreed upon method in the contract language that describes how the cost sharing occurs. Each year once the County receives its CalPERS actuarial reports, staff calculates the share, and provides that information to the bargaining groups. The Director of Human Resources signs a side letter listing the specific amount of contribution the employees will pay for that Fiscal Year. The agreements are entered into by the parties through the bargaining process, and are voted on by the membership of the union before being ratified. They are legally binding documents for the County and its unions.

CalPERS requires that once the employee starts paying a portion of the "employer" contribution, as defined by CalPERS rules (referred to as cost sharing), this amount must be listed in the CalPERS contract. In order to make an amendment to the CalPERS contract there is a 4-6 month process which includes three Board of Supervisors actions, and an election of the impacted employees. This is an administratively cumbersome process, not to mention a confusing one for the employees. If an employee group were to vote no on the CalPERS amendment, the County would be in a situation where it would either be out of compliance with the agreement or out of compliance with the CalPERS contract, both legally binding documents.

County staff began meeting with CalPERS in July 2017 to seek a resolution to this cumbersome process. Napa County has requested that CalPERS honor the County's agreements with a side letter stating the employee contribution percentage, and either allow a contract amendment based upon those documents without an employee election, or allow the CalPERS contract to refer to the agreement, so it would not need to be amended each year. It has been determined that a legislative fix is necessary to create a streamlined process for Napa County. Assemblymember Aguiar-Curry has indicated a willingness to work with Napa County and CalPERS to pursue this legislative fix.

Napa County was asked to propose language that would achieve the fix necessary to streamline the process. This item requests approval of the proposed language and seeks direction for staff to continue discussion with CalPERS and Assemblymember Aguiar-Curry's office to pursue this legislative fix. If consensus on final language is reached and a bill is developed, staff will return to the Board of Supervisors for discussion and action to support legislation.

SUPPORTING DOCUMENTS

A . Proposed Code Language

Recommendation: Approve

Reviewed By: Molly Rattigan