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January 12, 2016

VIA E-MAIL AND US MAIL
Michael Allen, Lead Negotiator
SEIU 1021
600 B Street
Santa Rosa, CA 95401
mallen@pon.net

Re: ***Declaration of Impasse and Request for an Impasse Meeting*; Client Matter No. SO040-012**

Dear Mr. Allen,

The purpose of this letter is to declare impasse in the labor negotiations between Sonoma County ("County") and Service Employees' International Union (SEIU) Local 1021 ("Union") (collectively referred to as "the parties") and to request an impasse meeting.

Background

The parties began negotiations for a successor Memorandum of Understanding (MOU) on or about June 30, 2015. The MOU between the County and Union expired on October 31, 2015. In addition to providing three half-days of release time for Union caucus in July 2015, the parties have met approximately 31 times, on the following dates, sometimes late into the evening, to meet and confer over the terms and conditions for a successor MOU:

June 30, 2015
August 5, 2015
August 12, 2015
August 17, 2015
August 26, 2015
September 2, 2015
September 9, 2015
September 16, 2015
September 23, 2015
September 30, 2015
October 7, 2015
October 12, 2015
October 14, 2015
October 15, 2015
October 19, 2015
October 26, 2015
October 28, 2015
October 30, 2015
November 4, 2015
November 6, 2015
November 9, 2015
November 13, 2015
November 18, 2015
November 20, 2015
November 25, 2015
November 30, 2015
December 4, 2015
December 9, 2015
December 16, 2015
January 5, 2016
January 7, 2016

During these meetings, the parties exchanged information and proposals, discussed positions at length and explored creative solutions. The parties also participated in pre-impasse mediation. From the 23 proposals presented by the County and 75 proposals presented by the

Union, the parties reached 13 tentative agreements over 15 proposals. The County withdrew one proposal, leaving approximately 82 issues in dispute.

On December 9, 2015, the County presented a proposal providing an increase to total compensation of 8.75% with an additional 0.75% of one time money paid over a proposed 32-month term. On December 16, 2015, the Union responded with a proposed 12.75% increase to total compensation paid over a proposed 20-month term. Both parties verbally expressed that they were at or very close to their "bottom line." The County advised the Union that given the distance between the parties' respective positions following 29 meetings, the County understood the parties to be at impasse.

Section 2 of the County's Employee Relations Policy defines "impasse" as:

> "*[T]he representative of the County and a recognized employee organization hav[ing] reached a point in their meeting and conferring in good faith where their differences on matters to be included in a Memorandum of Understanding, and concerning which they are required to meet and confer, remain so substantial and prolonged that further meeting and conferring would be futile.*"

While the Union objects to the County's belief that more meetings are futile, as expressed in your letter to myself and Carol Allen dated December 29, 2015, and although the parties continued to meet on January 5 and 7, 2016 to clarify remaining proposals on the table and to sign tentative agreements over minor issues, the County's position on impasse on economic proposals has not changed. PERB has held that impasse may exist when the parties are deadlocked on one or more major issues, even if they continue to meet and concessions on minor issues are possible. See *California State University* (1990) PERB Dec. Mo. 799-H, 14 PERC Para. 21072, p. 293; *Regents of University of California* (1985) PERB Dec. No. 520-H, p. 17, 9 PERC Para. 16207. In spite of extensive bargaining sessions over more than six months' time, numerous proposals and counterproposals exchanged, 82 issues, including multiple major economic issues, remain unresolved. Furthermore, the Union stated on January 5, 2016, that because the County failed to accept the Union's December 16, 2015 proposal, the Union refused to withdraw any of its remaining, original proposals.

Therefore, the County hereby initiates impasse procedures in accordance with Government Code Section 3505 and Section 15 of the County's Employee Relations Policy, which states:

> *Section 15. Initiation of Impasse Procedures*
>
> *If the meet and confer process has reached impasse as defined in this resolution, either party may initiate the impasse meeting, together with a statement of its position on all disputed issues. An impasse meeting shall then be scheduled*

promptly by the Employee Relations Officer. The purpose of such impasse meeting shall be:

a) To identify and specify in writing the issue or issues that remain in dispute;
b) To review the position of the parties in a final effort to resolve such disputed issue or issues; and
c) *If the dispute is not resolved, to discuss arrangements for the utilization of the impasse procedures provided herein.*

In accordance with this procedure, the County hereby declares impasse and provides its request for an impasse meeting on **January 14, 2016 at 10 am**. At the impasse meeting, the County intends to identify issues in dispute, review the positions of the parties in a final effort to reach agreement on an MOU, and, if the impasse is not resolved, discuss arrangements for the utilization of the impasse procedures in the Employee Relations Policy.

The following is the County's statement of its position on all 82 disputed issues.

As the parties have discussed, the County maintains approximately 11.4% unrestricted cash reserves in its General Fund. The Government Finance Officers Association (GFOA) recommends maintaining a minimum of two months (or 15%) of General Fund operating revenues or expenditures as a level of cash reserves in the General Fund. The County is working toward, but has not achieved, a goal of 15% cash reserves. The intent of the County's proposal is to provide competitive compensation for County employees consistent with available financial resources, while taking into consideration funding other priorities such as our roads, affordable housing and other public services.

C1: SECTION 1 – TERM OF AGREEMENT

<u>County Proposal</u>:
Remainder of three fiscal years (November 1, 2015 – June 30, 2018)

C2: SECTION 8.1 – SALARIES

<u>County Proposal</u>:

- *First full pay period following March 1, 2016: All salary schedules for job classifications represented by the bargaining unit shall be increased by three percent (3%). (The "A" step of each salary scale will be increased by 3%, then each step shall be adjusted to maintain 2.5% between each step)*
- *First full pay period following July 1, 2017: All salary schedules for job classifications represented by the bargaining unit shall be increased by three percent (3%). (The "A" step of each salary scale will be increased by 3%, then each step shall be adjusted to maintain 2.5% between each step)*
- *First full pay period following Board approval of agreement, 0.75% one-time payment, plus cessation and cash out of remainder of County's contributions to HRA for 15-16 plan year, if agreement before April 12, 2016.*

C3: SECTION 18.12 - PENSION COST SHARE

County Proposal:

- *Effective the first full pay period following July 1, 2016, active Plan A General Members of SCERA will contribute one third of the actuarially determined difference between the employee retirement rate (exclusive of the 3.03% payroll contribution toward the UAAL described in section 18.12.3 of the MOU) and the one-half of total normal cost, with lump sum offset in form of benefit allowance.*
- *Effective the first full pay period following July 1, 2017, active Plan A General Members of SCERA will contribute an additional one third (for a total of two thirds) of the actuarially determined difference between the employee retirement rate (exclusive of the 3.03% payroll contribution toward the UAAL described in section 18.12.3 of the MOU) and one-half the total normal cost, with lump sum offset in form of benefit allowance.*

The intent of this proposal is to address California Government Code Section 7522.30(a), which provides that equal sharing of normal costs between public employers and public employees shall be the standard.

C5: SECTION 12.2.7 - HEALTH REIMBURSEMENT ACCOUNT

County Proposal: The County shall cease contributions to the HRA account with the pay period ending January 4, 2016, or at the end of a later pay period if the Board approves the successor MOU at a later date, but no later than May 31, 2016. Effective June 1, 2016, the County will instead contribute such amounts to health insurance premiums, as described in County counter proposal to Union Proposal 47.

The intent of this proposal is to address compliance issues related to employees' use of HRA funds to pay for health care premiums on a post-tax basis, and to concentrate available funds to pay for health insurance premiums for County employees enrolled in County insurance plans.

C7: SECTION 12.2.1 - MEDICAL PLAN CHANGES

County Proposal: Amend Section 12.2.1 of the MOU to list health plans generically, as follows: "~~Effective June 1, 2013, the County will offer three medical plans: the County Health Plan PPO, County Health Plan EPO, and Kaiser HMO ($10 co-pay) plan.~~ Effective June 1, 2016, the County will offer at least one HMO and one plan permitting out-of-network provider coverage."

The intent of this proposal is to provide more flexibility to the County in its ability to shop for affordable health insurance.

C9: SECTION 12.12 - EXTRA HELP MEDICAL BENEFITS

County Proposal: Update Section 12.12 of MOU for ACA compliance.

C11: SECTION 13.1 – RETIREE MEDICAL

County Proposal: For employees hired before January 1, 2009, effective November 1, 2015 on the first of the month after a retiree becomes Medicare eligible, the County will no longer provide the County contribution towards medical of $500.00 and will only reimburse the cost of Medicare Part B at the rate of not less than $104.90 per month.

For the County's current, proposed 32-month term, the County withdraws this proposal. However, the County reserves the right to bring back this proposal under a proposed package with different terms.

C13: SECTION 16 - PAID SICK LEAVE

County Proposal: Update Section 16 of MOU for AB 1522 and SB 579 compliance.

C14: SECTION 11 - STAFF DEVELOPMENT

County Proposal:

- *Permit use of staff development funds for staff development and wellness, consistent with IRS regulations.*
- *Eliminate carryover of staff development funds to address potential constructive receipt issues.*
- *Eliminate pro-ration of benefit when an employee leaves County service.*
- *Eliminate requirement to reimburse County or return computer hardware and mobile devices when employee leaves County service.*

The intent of this proposal is to expand uses for the funds, address constructive receipt issues, and streamline administrative processes related to the benefit.

C16: SECTION 7.3 - FLEX TIME

County Proposal: Update MOU language to permit non-regular flexing of work schedules so long as daily overtime does not apply.

The intent of this benefit is to provide greater flexibility to employees to help them maintain work-life balance, while ensuring County operational needs are met.

C17: SECTION 18.7 - AUTOMATIC DIRECT DEPOSIT

County Proposal: Require Automatic Direct Deposit for all employees.

The intent of this proposal is to streamline administrative processes.

C18: SECTION 14 – HOLIDAYS

County Proposal:

- *Incorporate side letter increased flexibility in scheduling.*
- *Sheriff Department employees and Social Worker IV's in CPS Emergency Response Unit will be exempt from requirement to reschedule holiday time off if it*

falls on employee's regular day off. Instead, employees will be paid eight (8) hours holiday pay or compensatory time if holiday falls on employee's regular day off.

The intent of this proposal is to avoid overtime costs related to holiday time off.

C19: SECTION 4 - UNION RELEASE TIME

County Proposal:

- *The Union shall normally request release time four (4) business days in advance of the release date.*
- *Release time for Union Business includes travel time.*
- *When paid release time for Union Business will result in overtime to backfill the position, the County will charge the Association paid release time bank at the overtime rate.*

The intent of this proposal is to ensure proper accounting of Union release time.

C20: SECTION 9 - HSD SUPERVISOR STANDBY ROTATION

County Proposal: See Option One of County 12-9-15. If Option One is negotiated, effective first full pay period following July 1, 2016, for employees providing emergency response services in the Human Services Department, when the County assigns an employee to standby duty, the County shall compensate the employee at the rate of $6.70 per hour for all standby compensation.

See also language changes to Section 9.5 proposed on 12-9-15.

C21: SECTION 19.6 - PARKS MARINA SUPERVISOR ALLOWANCE

County Proposal: No standby or callback will be paid to the Marina Supervisor, except that off-shift work including emergency responses will be counted toward hours worked for the purposes of computing overtime. Marina Supervisors shall maintain and submit a log identifying off-shift work and time spent performing this work in the regular work period in which overtime is claimed. The parties agree that the Housing Allowance described in Section 19.6 shall sunset on upon separation of the current incumbent as of September 1, 2015, and shall be eliminated.

The intent of the current Housing Allowance is to ensure onsite availability of the Marina Supervisor for response if needed; however, the allowance should be in lieu of standby and callback compensation.

C22: GENERAL MOU CLEAN UP

County Proposal: To be negotiated.

C23: SECTION 12: ACTIVE EMPLOYEE HEALTH PLANS

County Proposal: Effective in the plan year in which the meet and confer process is completed in sufficient time to offer the proposed plans in the open enrollment process, add Sutter Health $10 Co-Pay HMO plan and Western Health Advantage $10 Co-pay HMO plan as County health insurance plan options for active employees.

The intent of the County's proposal is to provide employees with additional health plan options.

U1: SECTION 4.12 - ALLOTTED RELEASE TIME

Union Proposal: Increase Union Release Time from 600 to 2,200 hours annually, and roll over hours from 100 to 400 hours annually. Estimated annual cost: $72,480.

County Counter: See County Counter to Union 2.

U2: SECTION 4.12.1 - STEWARD RELEASE TIME

Union Proposal: Four hours paid release time for Union Steward training and four hours paid release time for Steward training regarding successor MOU, in addition to hours proposed under Union Proposal 1. Estimated annual cost: $9,000.

County Counter: Increase Union Release Time from 600 hours per year to up to 700 hours per year. Union Release Time can continue to be used for Steward Training.

The County's counter proposal is consistent with current usage rates of union release time.

U3: SECTION 8.22 - LONGEVITY PREMIUM

Union Proposal: 5% Longevity Pay for 10 or more years of service. Estimated annual cost: $3,562,968.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U4: SECTION 9.1 - PREMIUM PAY FOR OVERTIME

Union Proposal: Add premium and differential pays hourly rate used to calculate non-statutory overtime and other salary-based differentials. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U5: SECTION 9.2 - SHIFT DIFFERENTIAL

Union Proposal: Amend section 9.2 to provide shift differential pay if the employee works 4 or more hours between the designated times. Estimated annual cost: $89,700.

County Counter: See Option Two of County 12-9-16. If Option Two is negotiated, amend Section 9.2 to provide that an employee whose regular assigned work schedule starts at 6:00 a.m. or later and ends by 7:00 p.m. shall not be eligible for shift pay. Shift premiums will apply for all hours actually worked within each zone. The evening zone begins at 2pm and ends at 10pm. The night zone begins at 10pm and ends at 8am. Shift premiums will not apply to any hours worked between 8am and 2pm.

The County's proposal would streamline the calculation and administration of shift differential.

U6: SECTION 9.7 – BILINGUAL PAY

Union Proposal: Increase Bilingual Pay from $.90 per hours to $1.00 per hour or 5% of base hourly rate, and extend pay for all hours in paid status. Estimated annual cost: $644,937.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U7: SECTION9.7.3 – BILINGUAL PAY NON-DESIGNATED

Union Proposal: Permit hourly bilingual pay for employees providing bilingual services of less than 10% of position's work time, minimum two hour pay and hourly increments thereafter. County prohibited from eliminating designated bilingual pay positions and replacing with non-designated. Estimated annual cost: undetermined.

County Counter: The County is willing to consider this proposal with no restrictions on its ability to change current designated bilingual pay positions and replace with non-designated.

U8: SECTION 9.8 – HAZARD PAY

Union Proposal: Reinstate hazard pay provided in Section 9.8, with the addition of respirator usage as basis for hazard pay. Estimated annual cost: $16,311.

County Counter: Effective the first full pay period following ratification and adoption of the agreement, Hazard Pay as described in Section 9.8 of the expired MOU shall be reinstated.

The County has put this forward as a good will gesture toward compromise with the Union over a successor MOU, even though this concession was previously negotiated as part of the 3% ongoing reduction in County costs.

U9: SECTION 14.1 – HOLIDAYS

Union Proposal: Add Cesar Chavez as paid holiday. Estimated annual cost: $739,794.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. The County is willing to consider the Cesar Chavez holiday if it could be exchanged for another existing County paid holiday or in a way that would be cost neutral to the County.

U10: SECTION 14.3.1 – HOLIDAYS ON DAY OFF

Union Proposal: Permit employees whose holiday falls on a day off to cash out or reschedule holiday time off. Estimated annual cost: $92,474.

County Counter: See County Proposal 18.

U11: SECTION 14.3.3 – HOLIDAY WORK BOTH

Union Proposal: Regular rate of pay used to calculate non-statutory time worked on a holiday.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U12: SECTION 15.7 – VACATION PAY FOR UNUSED VACATION PAID AT REGULAR RATE

Union Proposal: Cash out vacation at separation calculated at employee's regular rate of pay.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U13: SECTION 15.8 – VACATION AND CTO BUYBACK

Union Proposal: Permit cash out of unused vacation and CTO hours, provided employee maintains a bank of 80 hours. Estimated annual cost: $5,251,101

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U14: SECTION 15.9 – VACATION PURCHASE

Union Proposal: Permit all employees to purchase unlimited number of vacation hours per year. Change payroll reporting of pre-vacation purchase earnings.

County Counter: The Union's proposal has potentially significant operational impacts. The County proposes language and program changes to ensure IRS compliance.

U15: SECTION 17.14 – SUPERVISORY LEAVE

Union Proposal: Restore 20 hours of Supervisory Leave per year for qualifying supervisors. Estimated annual cost: $283,987.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. Furthermore, Supervisory Leave was removed in 2013 as part of the 3% ongoing savings negotiated by the parties. The County does not agree to restore the benefit at this time.

U16: SECTION 3 – DEFINITIONS

Union Proposal: Add definitions for different levels of Union Steward.

County Counter: See County Response to Union 2.

U17: SECTION 3.2 – ADD NEW STEPS TO SALARY SCALES

Union Proposal: Add two new salary steps to the salary scale for all job classes. Estimated annual cost: $6,317,809

County Response: The County rejects this proposal. The County is not interested in changing the current pay scale structure, and the Union has provided no justification for the proposed change. The County's survey data demonstrates employees are at or above the market average in total compensation. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U18: SECTION 4.5.1 – UNION DIGITAL BULLETIN BOARD

Union Proposal: Within 60 days of Board approval of successor MOU, the County will work collaboratively with the Union to create and complete functioning link(s) on the County Internet and Intranet home page and each County Department Intranet home page.

County Counter: Effective when administratively feasible, the County will include a link to the SEIU 1021 website on the County internet and intranet pages.

U20: SECTION 4.8.2 – STEWARD TRAINING

Union Proposal: Add four hours of basic steward training, 16 hours of intermediate and advanced training, and 2 hours per month for each steward to attend Steward Council meetings. Estimated annual cost: $69,083.

County Counter: See County Response to Union 2.

U21: SECTION 4.13 – RELEASE TIME

Union Proposal: Amend Release Time Chart to add pre-meetings to prepare for scheduled meetings with management under County Release Time.

County Counter: See County Response to Union 2.

U22: SECTION 5.2 – CONTRACTING OUT

Union Proposal: Incorporate notice requirement.

County Response: The County already has language in place for notifying the union and a process to determine which services will be contracted out.

U23: SECTION 6.5.1 – EVALUATIONS

Union Proposal: Supervisors shall be allowed to rate their subordinates without interference, undue influence or compelled to substantively change their evaluation of a person they are evaluating. Supervisors shall not be retaliated against for refusing to change an evaluation.

County Response: The County rejects this proposal, as it prohibits management's input in evaluations.

U24: SECTION 6.5.2 – EVALUATIONS

Union Proposal: Restrictions on evaluations under new supervisory relationships.

County Response/ Counter: The County rejects this proposal. The County's current system is sufficient to address supervisory changes when they occur.

U26: SECTION 7.16 – COMPENSATORY TIME

Union Proposal: Change non-statutory overtime pay to be calculated at the regular rate of pay rather than base hourly rate. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. The Union has provided no justification for this change.

U28: SECTION 7.27 – FATIGUE TIME

Union Proposal: When an employee works callback or overtime within 6 hours of regular shift, employee has option of delayed start time or earning time and a half for employee's regularly scheduled shift. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U29: SECTION 8.1 – SALARY

Union Proposal: 4% COLA effective January 2016, 3% COLA effective March 2017.

County Counter: See County Proposal 2.

U32: SECTION 8.19.2 – DEFERRED COMP

Union Proposal: County pays matching 5% in deferred comp. Estimated annual cost: $5,810,188.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U33: SECTION 8.20 – ROLL HOURLY CASH ALLOWANCE INTO SALARY

Union Proposal: Roll the $3.45/hour cash allowance into salary. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The cost to the County would include providing the cash allowance to all Extra help employees and increases to all premiums and overtime rates. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U34: SECTION 8.21.2 – COMPARISON COUNTIES

Union Proposal: Set salaries at 100% market value salary only for nine Bay Area counties. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The selected agencies in the County's total compensation survey (Santa Rosa, Napa, Contra Costa, Marin, Alameda, San Mateo, Santa Cruz, San Luis, Obispo, Sacramento, Mendocino, Monterey, and Solano) are appropriate comparable agencies based on the extensive analysis presented October 7, 2015.

U35: SECTION 8.23.1 – SALARY COMPARISON DCSS SUPERVISOR

Union Proposal: New salary scale for newly consolidated supervisor class of Child Support Services Supervisor.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U36: SECTION 8.23 – SUPERVISORS ON SPECIAL ASSIGNMENTS

Union Proposal: 5% differential for supervisors assigned to coordinator, community outreach leader or other position overseeing supervision of program.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. Market data from comparable jurisdictions does not support this premium. Work described above currently covered by many supervisor job descriptions.

U37: SECTION 9 – WEEKEND PREMIUM

Union Proposal: 10% differential for employees assigned to work shifts that include Saturday or Sunday.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. Market data from comparable jurisdictions does not support this premium.

U38: SECTION 9.4 – STANDBY COMPENSATION

Union Proposal: Increase standby premium from $4.75 to $7.75 per hour or 25% of base hourly rate.

County Counter: See County Proposal 20.

U39: SECTION 9.5 – STANDBY HSD/APS/CPS

Union Proposal: Incorporate side letter agreement, detail rotation, training, and create separate standby for supervisors phone support.

County Counter: See County Proposal 20. See also language changes to Section 9.5 proposed on 12-9-15.

U40: SECTION 9.24 – PREMIUM PAY EMEGENCY RESPONSE

Union Proposal: 5% premium pay for Social Worker emergency response assignments in FYC and Adult and Aging, Psych Emergency Services, and MADF.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active

employees enrolled in County plans. Market data from comparable jurisdictions does not support this premium.

U41: SECTION 9.25 – SALARY ADJUSTMENTS FOR INDIVIDUAL JOB CLASSIFICATIONS

Union Proposal:

- *Tie salary for Assessment Specialist to Step A of Appraiser III class.*
- *Tie salary for Assessment Supervisor to Step A of Appraiser IV class.*
- *Reclass all Auditor Appraiser II's to III level.*

County Counter:

- *The County agrees to conduct a classification study for the proposed Auditor Appraiser III/Lead.*
- *Upon establishment of the assessment analyst certification and corresponding training program, the County agrees to conduct a classification study of the CRA ownership series.*

U42: SECTION 9.26 – TPW CERTIFICATION PAY

Union Proposal: 5% premium pay for specialized certifications, plus 2.5% premium pay for each additional certification.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. Market data from comparable jurisdictions does not support these premiums.

U43: SECTION 10.6.2 – COUNTY ISSUED UNIFORMS

Union Proposal: Add hats to County issues uniforms; County issued jackets to be districted every other year instead of every three years.

County Counter: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans

U44: SECTION 10.6.5 – ANNUAL UNIFORM ALLOWANCE

Union Proposal: Increase annual uniform and clothing allowance for full-time employees from $130 to $250 per year and part time employees from $75 to $150 annually. Estimated annual cost: $8,311.

County Counter: Amend Section 10.6.5 as follows:
Effective the first full pay period following July 1 2016, in lieu of the clothing allowance described in this Section, the County will pay full time employees in classifications listed in this section under Appendix B an annual clothing allowance of two hundred dollars ($200) as a contribution toward the purchase, repair or

replacement of required elements of a County uniform. The County will pay part time employees classifications listed in this section under Appendix B an annual clothing allowance of one hundred dollars ($100) as a contribution toward the purchase, repair or replacement of required elements of a County uniform. County agrees to establish voucher system.

U45: SECTION 10.6.7 – BOOT ALLOWANCE

Union Proposal: Increase voucher for safety boots from $170 to $255 and safety shoes from $90 to $135. Allow remaining balance to purchase shoe accessories. Estimated annual cost: $58,225.

County Counter: ADD TO SECTION A: Effective December 2016, the County shall not pay any additional amount of allowance for insoles, laces, or waterproof boot conditioner. However, if an employee has money left over in the shoe allowance voucher amount, an employee may use the remaining amount for purchase of insoles, laces or waterproof boot conditioner.
ADD NEW SECTION B: In lieu of the allowance described in Section A, upon initial employment and annually on the first payday in December of each fiscal year beginning in December 2016, for employees in the classifications listed in this section in Appendix B, the County shall provide an annual voucher of $200.00 towards the purchase of required safety boots or an annual voucher of $100.00 toward the purchase of required safety shoes for each employee in classifications required to wear protective safety boots or shoes while performing the assigned tasks.

U46: SECTION 12.1 – ACTIVE EMPLOYEE HEALTH PLANS – PERMIT EMPLOYEES TO MAINTAIN DUAL HEALTH INSURANCE COVERAGE

Union Proposal: Permit dual health insurance coverage for members. Estimated annual cost: $1,266,000.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. This proposal dilutes the value of available health insurance dollars for primary coverage for County employees.

U47: SECTION 12.2.2 – ACTIVE EMPLOYEE MEDICAL BENEFITS

Union Proposal: County contribution toward active employee medical increase to 100% for singles and 90% for dependents of highest cost plan. Estimated annual cost: $12,429,144.

County Counter:
Effective June 1, 2016, the County shall contribute up to the following amounts for health insurance coverage for employees enrolled in County-provided health insurance (the amounts below shall include the conversion of current County HRA contributions to medical contributions addressed in proposal C5 above):

Employee only coverage: $525 per month
Two-party coverage: $1043 per month
Family coverage: $1,477 per month

Effective June 1, 2017, the County shall contribute up to the following amounts for health insurance coverage for employees enrolled in County-provided health insurance (the amounts below shall include the conversion of current County HRA contributions to medical contributions addressed in County proposal C5):
Employee only coverage: $543 per month
Two-party coverage: $1,085 per month
Family coverage: $1,536 per month

The County's health insurance proposal covers approximately 75% of the cost of Kaiser HMO plans, and 90% of the cost of the proposed Sutter Health HMO, and results in an average increase of 16% in take-home pay for employees enrolled in Kaiser family level health insurance coverage.

U48: SECTION 12.2.2.1 – COUNTY CONTRIBUTION TO EMPLOYEES WHO WAIVE HEALTH COVERAGE

Union Proposal: County shall contribute same contribution for active employee medical for employees who waive County coverage. Estimated annual cost: $1,668,559.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U49: SECTION 12.2.3 – DENTAL BENEFITS

Union Proposal: Clarification required.

County Response: Effective June 1, 2016, the County shall increase orthodontia benefits to cover 50% of treatment up to $6,000 per lifetime.

U52: SECTION 16.8 – CONVERSION OF SICK LEAVE TO VACATION

Union Proposal: Allow employees to convert any number of sick leave hours to vacation once per year, provided the employee leaves a total of 240 accrued leave time in sick leave bank. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. Sick leave has specified uses outline in the MOU and retirement conversion. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. Market data does not support the adoption of this benefit.

U53: SECTION 16.9 – SICK LEAVE BORROWING

Union Proposal: During the first 12 months of employment, new regular hires may borrow up to 5 workdays of sick leave pending sick leave accrual. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. This creates a liability for the County if the employee quits or does not pass probation.

U54: SECTION 16.10 – DONATION OF SICK LEAVE

Union Proposal: Allow employees to donate sick leave to Catastrophic leave provided the employee keeps a total of 240 hours in sick leave bank. Estimated annual cost: undetermined.

County Response: The County is not interested in implementing changes the Sick Leave bank provisions. Sick leave has specified uses outline in the MOU and retirement conversion.

U56: SECTION 17.11.11 – DUAL PARENT EMPLOYMENT

Union Proposal: Eliminate this article providing that when both parents are County employees, the 12 weeks protected leave for birth, adoption or foster care placement of a child or care of employee's ill parent be split between two employees.

County Counter: County agrees to delete Article 17.11.11 in exchange for Union agreeing to County Proposal 18 regarding Holidays on Day Off. The elimination of the Dual Parent Employment section has the greatest impact on 24 hour operations such as the Sheriff's Department, and the County's proposal regarding Holiday on a Day Off helps offset that impact.

U58: SECTION 18.8.1 – SURPLUS LAND – HOUSING

Union Proposal: County condition sale or lease of surplus land on agreement that percentage of low and moderate income housing be allocated for County employees (50% if within 5 miles of County complex; 35% if over 5 miles from County complex).

County Response: The County rejects this proposal. Affordable housing is a county-wide issue, and one of the Board of Supervisors'' priorities for all County workers.

U59: SECTION 18 – STATE OF THE WORKFORCE

Union Proposal: Board will allocated 2 hours of Board Agenda time for annual "State of the Workforce" presentation by SEIU 4 months prior to budget adoption. Board and CAO will hold annual budget study session after adoption of budget each year, and SEIU staff and a minimum of 19 union members may participate. Estimated annual cost: $8,607.

<u>County Response</u>: The County rejects this proposal due to the volume of time required to provide comparable time to all employee organizations representing County workers. The County is open to other means for SEIU to communicate such information.

U60: SECTION 18 – RETIREMENT COLA

<u>Union Proposal</u>: Prospective 2% retirement COLA benefit. Estimated annual cost: undetermined.

<u>County Response/ Counter</u>: The County rejects this proposal. The proposed benefit impacts multiple bargaining units and other agencies, and would require a $20k actuarial study to determine the cost this proposal. The Union has not offered to pay for this study. Paying for this study is inconsistent with the County's spending priorities. Furthermore, the Union has not articulated how such a benefit would be implemented prospectively to avoid PEPRA's prohibition against retroactive benefits.

U62: WATER AGENCY

<u>Union Proposal</u>: All represented employees of Water Agency with Water Agency in title shall utilize like entities in determining salary. Estimated annual cost: undetermined.

<u>County Response</u>: The County rejects this proposal. This proposal impacts the classification structure of the County. This proposal would have significant economic impacts and would require a new survey.

U63: HSD CASELOADS (FYC/ER)

<u>Union Proposal</u>: Caseload caps of 12 referrals per month for Social Worker IV. Max of 10 days per month Social Worker IV assignment to immediate response calendar. In the event emergency response workers exceed 24 referrals, a worker shall be placed on a non-punitive hold and provided assistance to reduce caseload to 12 open referrals. Estimated annual cost: undetermined.

<u>County Response</u>: The County rejects this proposal due to significant, additional staffing required. The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U64: APPENDIX B (UNIFORMS)

<u>Union Proposal</u>:

- *Add Park Aide to County issued uniform.*
- *Add Bridge Worker, Senior Bridge Worker, Bridge Supervisor, Maintenance Worker I, II, III, Maintenance Supervisor to uniform cleaning allowance Estimated annual cost: $32,136.*

County Counter:

- *Add Park Aide to County issued uniform.*
- *Effective the first pay period following July 1, 2016, for employees in the classifications of Bridge Worker, Senior Bridge Worker, Bridge Supervisor, Maintenance Worker I, II, III, Maintenance Supervisor, Traffic Worker and Traffic Supervisor, the County will provide a work clothes cleaning allowance of $7.30 per pay period.*

U65: 360 EVALUATIONS

Union Proposal: Joint labor management work group to explore viable options for implementation of multi-source feedback or assessment system, to meet within 30 days of ratification and to decide within 90 days.

County Response: The County rejects this proposal.

U66: SECTION 9 – PERSONAL PROTECTIVE EQUIPMENT

Union Proposal: 10% premium pay for each hour employee wears protective equipment. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans. Market data does not support the adoption of this benefit, and this could create a disincentive to safety.

U67: SECTION 9.10.3 – HEAVY EQUIPMENT CONTINUING

Union Proposal: Increase pay from $1.50 per hour worked to 10% for all hours in paid status. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U68: SECTION 9.11 – HEAVY EQUIPMENT OPERATION

Union Proposal: Change premium for Bridge Worker and Maintenance Worker II HT from $0.99 per hour to 10% of base pay. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U69: SECTION 9.13 – HEAVY EQUIPMENT FAIRGROUNDS

Union Proposal: Change premium from $1.04 per hour to 10% of base pay. Estimated annual cost: undetermined.

County Response: The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U70: SECTION 9.17 – RN DEGREES

Union Proposal: Eliminate language limiting premium to grandfathered employees; add Nurse Practitioner. Estimated annual cost: undetermined.

County Response/ Counter: See Option One of County 12-9-16. If Option One is negotiated, amend Article 9.17 as follows:
Effective the first full pay period following July 1, 2016, each registered nurse who holds a master's degree in nursing, and each Psychiatric Nurse who holds a master's degree in psychology, and each Physician's Assistant or Nurse Practitioner who holds a master's degree in Physician Assistant or Nurse Practitioner studies shall be paid an additional education incentive of one and one half percent (1.5%) salary. Any employee in the above classifications who holds more than one of the above-listed degrees shall be limited to an education incentive of one and one half percent (1.5%) and shall not receive multiple premiums.

U71: SHERIFF PREMIUM

Union Proposal: 10% premium for civilian employees in Sheriff Department. Estimated annual cost: $863,465.

County Response: County rejects this proposal. The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

U72: SHERIFF OVERTIME

Union Proposal: Sheriff Department and union shall meet and agree upon a fair and equitable process for signing up for overtime. Parties shall meet within 30 days of ratification and reach agreement within 60 days of initial meeting.

County Counter: County will provide opportunity to meet and confer regarding new scheduling software upon completion of the RFP.

U73: SECTION 8.23.2 – SALARY COMP (PA/PG/PC)

Union Proposal: Adjust salary of Supervising Deputy (Senior Public Administrator/Guardian/Conservator) to reflect KSA required to supervise three programs. Estimated annual cost: undetermined.

County Response/ Counter: See Option One of County 12-9-16. If Option One is negotiated, effective the first full pay period following Board approval of a successor MOU, the differential between the Deputy Public Administrator Guardian Conservator and the Supervising Deputy Public Administrator Guardian Conservator

shall be increased by five percent (5%) (increased from a 13% differential between classifications to an 18% differential). Salary schedules for the Supervising Deputy Public Administrator Guardian Conservator shall be adjusted accordingly. County surveys support this approach.

U74: SECTION 9.10.4 – HEAVY EQUIPMENT – DAILY OR INTERMITTENT

Union Proposal: Change premium from $2.47 per hour to 10% of base pay. Add Bridge Worker, Senior Bridge Worker and Bridge Supervisor. Estimated annual cost: undetermined.

County Counter: Effective the first pay period following agreement, Bridge Worker shall be added to the list of classification eligible. The job responsibilities for Senior Bridge Worker and Bridge Supervisor do not support the addition of this premium for those classifications.

U75: RECLASSIFICATIONS

Union Proposal: HR shall complete each class study within 3 months and shall present to CSC upon completion of study. All class studies which have been pending for more than 3 months shall set the salaries during the current contract negotiations.

County Response: County rejects this proposal. Significant assistance from consultants would be required to achieve the proposed timeline. The County rejects this proposal. The County endeavors to concentrate available funding toward COLA's and Health insurance for active employees enrolled in County plans.

The County understands the parties to be in agreement over the following issues, pending final agreement over a successor MOU:

- U19: New Employee Orientation
- U25: Alternative Work Schedule
- U27: Callback
- U30: Living Wage
- U31: Salary Upon Promotion
- U50 and C10: Vision Benefits
- U51: Employee Assistance Program
- U55 and C15: Compassionate Leave
- U57: Housing Assistance Program
- U61: Grievance Procedure
- C4: Life Insurance
- C6: Employee benefit contributions – payment on semi-monthly basis
- C12: Commuter Benefits

If this understanding is not correct, please notify me immediately. Please contact me with questions or concerns regarding the above summary.

Sincerely,
LIEBERT CASSIDY WHITMORE

Kelly M. Tuffo

Cc: Carol Allen, Employee Relations Manager
County Bargaining Team for Negotiations with SEIU
Lisa Maldonado, Area Director, SEIU Local 1021
Susan Lewitt, SEIU Local 1021
Carolyn Lopez, SEIU Local 1021
Irene Rosario, SEIU Local 1021