

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

July 8, 2014

**FROM: GREGORY C. DEVEREAUX, Chief Executive Officer
County Administrative Office**

**SUBJECT: IMPLEMENTATION OF LAST, BEST, AND FINAL OFFER FOR THE SBPEA
PROFESSIONAL UNIT**

RECOMMENDATION(S)

1. Conduct a public hearing regarding impasse and implementation of the County's last, best, and final offer with respect to the Professional Unit, as required by Government Code section 3505.7.
2. Reject findings and recommendations of the Mediator's Report, relating to the Professional Unit.
3. Implement the County's last, best, and final offer to the Professional Unit, effective July 8, 2014, as a Minute Order Amendment to the Salary Ordinance.
4. Direct County Counsel to prepare the necessary update to the Salary Ordinance.
5. Approve the reclassification of positions, as detailed on Attachment A.
6. Establish the classifications and salaries for the new classifications, as detailed on Attachment B.

Hearing Opened

Public Comment: Brenda Adams, Debra Douglas, Shelley Engle, Janet Garrett, Jay Lindberg, John Roberson, Deidre Rodriguez and Stephen Rogers

Hearing Closed

(Presenter: Gregory C. Devereaux, Chief Executive Officer, 387-5418)

BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES

Create, Maintain and Grow Jobs and Economic Value in the County.

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Maintain Public Safety.

FINANCIAL IMPACT

Approval of the recommendations will achieve similar cost savings that have been included in all other approved labor agreements since 2010-11. The ongoing Discretionary General Funding (Net County Cost) is estimated to decrease by \$467,000 in 2014-15.

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Record of Action of the Board of Supervisors

APPROVED
COUNTY OF SAN BERNARDINO
Board of Supervisors

MOTION	<u>SECOND</u>	<u>AYE</u>	<u>AYE</u>	<u>MOVE</u>	<u>AYE</u>
	1	2	3	4	5

LAURA H. WELCH, CLERK OF THE BOARD

BY _____

DATED: July 08, 2014

ITEM 71

**IMPLEMENTATION OF LAST, BEST, AND FINAL OFFER
FOR THE SBPEA PROFESSIONAL UNIT
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BACKGROUND INFORMATION

Representatives of the County of San Bernardino (County), under the direction of the Board of Supervisors (Board), met and conferred with representatives of the San Bernardino Public Employees Association (SBPEA) from January 2014 until April 2014 in an attempt to reach a successor labor agreement covering wages, hours, and other terms and conditions of employment for employees in the covered units.

A tentative agreement was reached with SBPEA representatives for all units on April 21, 2014. This tentative agreement was subsequently rejected by the respective members of certain units, including the Professional Unit. As a result of these units rejecting the agreement, impasse was declared and the parties agreed to proceed to mediation. On May 21, 2014, SBPEA and the County met with a mutually selected neutral third-party mediator, David Hart, who was unsuccessful in his attempt to mediate a resolution of the impasse. Consequently, and by agreement of the parties, it was requested that he review the evidence and the positions of the parties and present to them his findings and recommendations.

On May 29, 2014, the mediator issued his findings and recommendations, which were voted on by the members of each of the bargaining units that had rejected the tentative agreement. It should be noted that the mediator found that the tentative agreement between the County and SBPEA was "consistent with the prior 11 agreements reached by the County with other bargaining units and the terms implemented on the unit for which agreement was not reached." The mediator further found that:

"The tentative agreement is reasonable, given the County's financial condition and the economic environment, and also addresses the County's ongoing pension-related issues. Moreover, in reviewing other public agencies in and around the County of San Bernardino, I found that other agencies have continued employee furloughs and other more drastic cost saving measures."

The County was thereafter notified that the Professional Unit rejected the mediator's recommendations. Following the vote, the County and SBPEA discussed the Professional Unit's rejection of the mediator's findings and recommendations. As a result of these discussions the County agreed that it was willing to consider a re-vote, provided, however, that the agreement incentive would be modified for the Professional Unit. It was the parties understanding that, if it was not ratified by the Professional Unit, the County's offer would be rescinded.

On June 25, 2014, the County was advised by SBPEA that the Professional Unit had rejected the mediator's findings and recommendations, as modified, which also meant that the County's offer for a modified agreement incentive was rescinded.

Given both the rejection of the mediator's recommendations and the rejection of the modified recommendations by the Professional Unit, County staff recommends that the Board also reject the mediator's recommendations and instead implement the applicable terms of the County's last, best, and final offer based on the County's last formal proposals and the tentative agreement.

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It should be noted, as indicated in the mediator's report, the "County's formal position included...a 7% reduction in salary (unless an agreement was reached to eliminate the County's 7% pick-up of employees' share of retirement)." For this reason, as well as the fact that there is pending litigation and uncertainty related to whether an agency can unilaterally eliminate the employer pick-up, the County believes that the 7% reduction of salary is the most appropriate course of action. The terms and conditions to be imposed based on the County's last formal proposals and the tentative agreement are as follows:

- 1) Reduce salaries by seven percent (in lieu of elimination of the retirement pick-up) for those employees who currently receive the retirement pick-up;
- 2) In the pay period in which they become eligible for the retirement pick-up, reduce salaries by seven percent for those employees who are not receiving the retirement pick-up, but will become eligible to receive it following completion of five years of continuous service,
- 3) Reduce the amount of step increments from two steps to one step for all new hires and current employees;
- 4) Eliminate Benefit Plan contributions that are pensionable for grandfathered employees and convert to a non-pensionable Medical Premium Subsidy;
- 5) Establish a fixed dollar Medical Premium Subsidy, with employees scheduled for 40 to 60 hours to receive the subsidy as follows:

Coverage Type	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only – Lowest Cost HMO	\$97.45	\$194.90
Employee Only – Highest Cost HMO	\$115.12	\$230.25
Employee + 1	\$162.42	\$324.83
Employee + 2	\$229.82	\$459.64

- 6) Eliminate all sick leave that is not pre-approved and sick leave used by employees on leave restriction as time actually worked for the purpose of calculating overtime;
- 7) Create two new sub-steps at 2.5% each below the current step 1 of the range for trainee and journey level classifications;
- 8) Eliminate conversion (e.g., cash-out) of all unused Medical Emergency Leave hours for employees who have received the approval of their physician and the Center for Employee Health and Wellness to return to work full-time from Medical Emergency Leave;

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- 9) Establish three new Clinical Therapist classifications as specified in Attachment B and move all positions in Attachment A to the newly established series;
- 10) Employees receiving County-paid Vision Care Insurance and Life Insurance who do not meet the paid hours requirement in a pay period for those benefits shall have the option of continuing coverage at the employee's expense;
- 11) Clarify that for job sharing and part-time employees the following fringe benefit Leaves are not subject to proration: Blood Donation, Examination Time, and Bereavement; and that where there is a minimum hour requirement to receive a benefit (e.g., must be full-time, or scheduled hours), job sharing and part-time employees shall be required to meet the minimum hour requirement in order to receive the benefit;
- 12) Convert the method of calculating the current Dental Premium Subsidy such that employees will receive a separate fixed dollar subsidy up to the following amounts:

Coverage Type	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only		
Employee + 1	\$4.73	\$9.46
Employee + 2		

- 13) Clarify the language regarding utilization of paid leave in conjunction with holiday leave and the accrual of holiday leave while coding sick leave on a holiday.

It also should be noted that certain terms of the County's last formal proposals are not included in the terms recommended to be implemented by the Board because, such terms either were conditioned on mutual agreement or would not have been immediately effective. The County recognizes that it still has certain bargaining obligations pursuant to the Meyers-Milias-Brown Act.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (W. Andrew Hartzell, Principal Assistant County Counsel, 387-5455) on July 1 2014; Human Resources (Mark DeBoer, Employee Relations Division Chief, 387-5568) on June 30, 2014; Finance (Allison M. Edmisten, Administrative Analyst, 387-5558) on June 30, 2014; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-5423) on July 2, 2014.