

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-10

Urgent

Routine

AGENDA DATE July 2, 2013

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Restoration of 1% of the Current 6% Salary Deduction and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time (SALT) for All Represented Employees, Unrepresented Confidential and Management Employees, and Elected Officials; and, Approval of the Agreements with Labor Associations for the 1% Salary Restoration and SALT Reduction

STAFF RECOMMENDATIONS:

1. Approve the restoration of 1% of the current 6% salary deduction and a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for all Labor Associations:

Continued on Page 2

FISCAL IMPACT:

On May 7, 2013 the Board of Supervisors added a recommendation to the 2012-2013 Third Quarter Financial Report directing staff to prepare an analysis regarding the restoration of 1% of the 6% salary deduction and to bring back a recommendation to the Board.

Continued on Page 2

BOARD ACTION AS FOLLOWS:

No. 2013-338

NOTE: The Board amended this item to take two separate votes. Please see motions on Page 1(a).

ATTEST:

  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of Restoration of 1% of the Current 6% Salary Deduction and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time (SALT) for All Represented Employees, Unrepresented Confidential and Management Employees, and Elected Officials; and, Approval of the Agreements with Labor Associations for the 1% Salary Restoration and SALT Reduction

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#### **MOTION CONTINUED FROM PAGE 1**

**Amended Item B10** Approval of Restoration of 1% of the Current 6% Salary Deduction and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time (SALT) for All Represented Employees, Unrepresented Confidential and Management Employees, and Elected Officials; and, Approval of the Agreements with Labor Associations for the 1% Salary Restoration and SALT Reduction, **to take two votes as follows:**

First Vote: Withrow/De Martini unan. **B10** Authorized **amending** Staff Recommendation No. 2 to read as follows: “Approve the restoration of 1% of the current 6% salary deduction and a corresponding reduction of eight hours of SALT for all Unrepresented confidential and Management Employees; and Elected Officials **excluding the Board of Supervisors**”

Second Vote: O'Brien/Withrow (4-1)(Monteith opposed) **B10** Approved the restoration of 1% of the current 6% salary deduction and a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for all Labor Associations: Stanislaus County Employees Association AFSCME Local 10; Service Employees' International Union (SEIU); California Nurses' Association (CNA); County Attorneys' Association (CAA); Deputy Sheriffs' Association (DSA); Stanislaus Sworn Deputy Association (SSDA); Stanislaus County Deputy Probation Officers' Association (SCDPOA); Stanislaus County Probation Correction Officers' Association (SCPCOA); Stanislaus Regional Emergency Dispatchers' Association (SREDA); Stanislaus County Sheriffs Supervisors' Association (SCSSA); Stanislaus County Sheriff's Management Association (SCSMA); and, Stanislaus County District Attorney Investigators' Association (SCDAIS); approved the restoration of 1% of the current 6% salary deduction and a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for all Unrepresented Confidential and Management Employees, and Elected Officials excluding the Board of Supervisors; approved Agreements for Restoration of Salary and Corresponding Reduction of Eight Hours of Special Accrued Leave Time with the above stated labor associations and authorized the CEO, or her designee to sign agreements; and, authorized the CEO and County Auditor-Controller to implement all terms and conditions of the approved agreements in compliance with applicable State and Federal Laws; and, **amended** Staff Recommendations Nos. 1 and 2 to add the effective date as the first pay-period following 06/28/2013

Approval of Restoration of 1% of the Current 6% Salary Deduction and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time (SALT) for All Represented Employees, Unrepresented Confidential and Management Employees, and Elected Officials; and, Approval of the Agreements with Labor Associations for the 1% Salary Restoration and SALT Reduction

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**RECOMMENDATIONS (Continued):**

Stanislaus County Employees Association, AFSCME Local 10  
Service Employees International Union  
California Nurses Association  
County Attorneys' Association  
Deputy Sheriffs' Association  
Stanislaus Sworn Deputies Association  
Stanislaus County Deputy Probation Officers' Association  
Stanislaus County Probation Correction Officers' Association  
Stanislaus Regional Emergency Dispatchers' Association  
Stanislaus County Sheriff's Supervisors' Association  
Stanislaus County Sheriff's Management Association  
Stanislaus County District Attorney Investigators' Association

2. Approve the restoration of 1% of the current 6% salary deduction and a corresponding reduction of eight hours of SALT for all Unrepresented Confidential and Management Employees; and Elected Officials.
3. Approve Agreements for Restoration of Salary and Corresponding Reduction of Eight Hours of Special Accrued Leave Time with above stated labor associations and authorize Chief Executive Officer or designee to sign agreements.
4. Authorize the Chief Executive Officer and County Auditor-Controller to implement all terms and conditions of the approved agreements in compliance with applicable State and Federal Laws.

**FISCAL IMPACT (Continued):**

Since 2008, the County has been developing financial and operational strategies to deal with the economic downturn. Strategies have been continuously evaluated and refined as more information becomes available regarding future fiscal exposures and potential budget resources. The County has used a combination of reductions-in-force coupled with adjustments to the compensation and benefits structure during the past five years as a cost cutting and cost containment strategy. The County had a high of more than 4,600 allocated positions in the 2007-2008 Fiscal Year and decreased this by nearly 1,000 allocated positions during the next four years. The County also implemented a 5% salary deduction along with 104 hours of Special Accrued Leave Time (SALT) for Fiscal Years 2010-2011 and 2011-2012. Special Accrued Leave Time is different from a furlough day in that a furlough day is an unpaid day off. The County instead has spread the salary deduction throughout the year and provided employees with time off with pay or Special Accrued Leave Time in exchange. The employee share of health insurance

Approval of Restoration of 1% of the Current 6% Salary Deduction and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time (SALT) for All Represented Employees, Unrepresented Confidential and Management Employees, and Elected Officials; and, Approval of the Agreements with Labor Associations for the 1% Salary Restoration and SALT Reduction

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costs was also increased in the 2010-2011 Fiscal Year. With the 5% salary deduction and 104 hours of SALT time set to expire June 30, 2012, a longer term strategy was needed to maintain the organization's fiscal stability and eliminate the reliance on one-time funding sources. In response, an agreement for a 6% salary deduction along with 48 hours of SALT that did not expire was negotiated with all Labor Associations and implemented for all unrepresented confidential and management employees on July 1, 2012. The 6% Salary Deduction agreements resulted in a greater value to the organization not only through the additional 1% in salary savings but a reduction in the hours of SALT provided in the agreement. In the 5% Salary Deduction Agreements, the 104 hours of SALT was equal to the value of a 5% reduction-in-pay. In the 6% Salary Deduction Agreements, employees received 48 hours of SALT equaling an employee benefit of time off of 2.3% leaving a total of 3.7% in salary deductions. This reduction of 56 hours of SALT resulted in fewer County closure days and greater service to the Community. The savings in Fiscal Year 2012-2013 as a result of the 6% salary deduction are projected at just over \$15 million.

The cost saving measures implemented by the County over the last five years have resulted in a significant reduction in the portion of the County Budget devoted to salary and benefit costs. In the 2008-2009 Proposed Budget, 37.8% of the County budget and 55% of the General Fund Budget was used to cover salary and benefit costs. In the 2013-2014 Proposed Budget 34.6% of the overall County budget and 50.7% of the General Fund are devoted to funding salary and benefit costs.

The fiscal analysis requested as part of the Third Quarter Report has now been completed. The 2013-2014 Proposed Budget includes total expenditures of \$1,010,426,044 with appropriations of \$349,190,590 for salary and benefit costs. Total expenditures for the General Fund are \$238,845,003 with appropriations of \$120,976,211 for salary and benefit costs. It is estimated that the restoration in wages will result in an additional \$2.8 million in expense to all funds and \$1 million in additional cost to the General Fund. The General Fund cost associated with the restoration of the 1% has been included in the County's Long Range Model and is funded through a combination of department net county cost savings and discretionary revenue growth. For all other funds, costs associated with the 1% increase will be funded through increases in Federal/State funding, realignment growth and departmental charges.

With approval of the recommendation to restore 1% in salary along with a corresponding reduction in hour eights of SALT, employees will have a 5% salary deduction and receive 40 hours of SALT. Forty hours of SALT is the equivalent of a 1.9% employee benefit of time off and results in a total 3.1% pay deduction.

Appropriations and estimated revenue to cover the 1% restoration will be included in department budgets as part of the Final Budget as necessary.

Approval of Restoration of 1% of the Current 6% Salary Deduction and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time (SALT) for All Represented Employees, Unrepresented Confidential and Management Employees, and Elected Officials; and, Approval of the Agreements with Labor Associations for the 1% Salary Restoration and SALT Reduction

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## **DISCUSSION:**

At the May 7, 2013 Board of Supervisors meeting Chairman Chiesa expressed a desire to restore 1% of the current 6% salary deduction along with a corresponding reduction in eight hours of SALT for all employees if this increase could be fiscally supported within the County's budget. In his comments Chairman Chiesa acknowledged that while there were still many budget challenges ahead, it appeared the County was experiencing initial signs of economic recovery. Given these considerations, the economic impact to our employees and what the public has given up in access to services, he recommended restoration of 1% of the 6% salary deduction along with a corresponding reduction of eight hours of SALT for County employees if this increase could be fiscally supported within the County's budget.

During the last five years the County government organization has successfully weathered an unprecedented economic downturn. The organizational stability during these last five years was the result of a proactive response to the fiscal crisis. Starting in 2008, the County developed a long term strategic plan to ensure the continuation of the most critical services and programs to the community. Beginning in 2009 the County implemented cost reduction strategies in an effort to reduce salary and benefit costs in relation to decreased revenues. Initial cost reduction strategies included:

- A 5% salary deduction along with 104 hours (13 Days) of SALT for all County employees for Fiscal Years 2010-2011 and 2011-2012;
- Reduction in retirement benefits for all employees hired after January 1, 2011;
- Negotiated agreements with labor groups to address health benefit cost increases;
- Modifications to compensation and benefit plans for unrepresented Management and Confidential employees;
- Implementation of a County Voluntary Time Off Policy; and,
- Implementation of reduction-in-force actions where necessary.

In 2011, with the 5% salary deduction set to expire and realizing a longer term strategy was needed to deal with the ongoing downturn in the economy the County, worked with labor organizations to negotiate an agreement for a 6% salary deduction along with 48 hours of SALT that did not expire. This salary savings provided the County with the fiscal relief needed to assure continuity of critical services and operations during the 2012-2013 Fiscal Year.

Approval of Restoration of 1% of the Current 6% Salary Deduction and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time (SALT) for All Represented Employees, Unrepresented Confidential and Management Employees, and Elected Officials; and, Approval of the Agreements with Labor Associations for the 1% Salary Restoration and SALT Reduction  
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While fiscally uncertain budget times remain, the fiscal analysis on the restoration of 1% in salary has now been completed and there is sufficient financial stability to support a recommendation to reduce the 6% salary deduction to 5% along with a corresponding decrease of eight hours of SALT effective the first full pay-period following June 28, 2013. The reduction in SALT will result in the elimination of one County closure day in Fiscal Year 2013-2014 allowing for greater public access to County services.

At this time, all Labor Associations have agreed to the restoration of 1% in salary along with a corresponding reduction of eight hours of SALT. There will be no other changes to the terms and conditions of current agreements with County Labor Associations and the expiration date for all labor agreements will remain June 30, 2014.

**POLICY ISSUE:**

Approval of this request supports the Board of Supervisor priority of Efficient Delivery of Public Services through greater access to County services.

**STAFFING IMPACT:**

There is no impact to staff as a result of this item. Existing staff will perform the administrative functions associated with the restoration of the 1% in salary.

**CONTACT INFORMATION:**

Nancy Bronstein – Deputy Executive Officers, (209) 525-6333

ATTACHMENTS AVAILABLE  
FROM CLERK








**Agreement for 1% Restoration of Salary and a Corresponding Reduction of  
Eight Hours of Special Accrued Leave Time**

The parties agree to a restoration of 1% of the current 6% salary deduction along with a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for County employees effective the first pay-period following June 28, 2013. This reinstatement will not change the contract expiration date of June 30, 2014 or any other provisions of the current agreement between the parties.

                      6/12/13  
Signed    Date

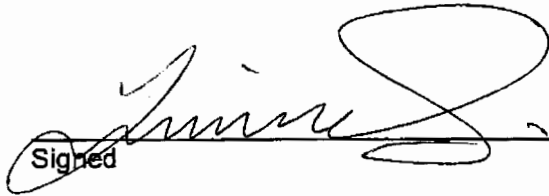
Representing SCDSA  
(please print Labor Union name)

FOR STANISLAUS COUNTY

                      7/2/13  
Signed    Date


**Agreement for 1% Restoration of Salary and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time**

The parties agree to a restoration of 1% of the current 6% salary deduction along with a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for County employees effective the first pay-period following June 28, 2013. This reinstatement will not change the contract expiration date of June 30, 2014 or any other provisions of the current agreement between the parties.

 \_\_\_\_\_  
Signed Date 5/29/13


Representing STANISLAUS SWORN DEPUTIES ASSOCIATION  
(please print Labor Union name)

FOR STANISLAUS COUNTY

 \_\_\_\_\_  
Signed Date 7/2/13

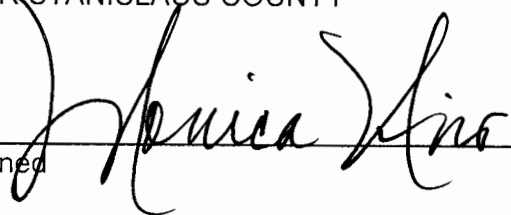
**Agreement for 1% Restoration of Salary and a Corresponding Reduction of  
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\_\_\_\_\_  
Signed Date 5-22-13

Representing STANISLAUS COUNTY D.A. IUU.  
(please print Labor Union name)

FOR STANISLAUS COUNTY

  
\_\_\_\_\_  
Signed Date 7/2/13

CHIEF EXECUTIVE OFFICE  
Agreement for 1% Restoration of Salary and a Corresponding Reduction of  
Eight Hours of Special Accrued Leave Time

2013 JUN 24 A 10:16

The parties agree to a restoration of 1% of the current 6% salary deduction along with a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for County employees effective the first pay-period following June 28, 2013. This reinstatement will not change the contract expiration date of June 30, 2014 or any other provisions of the current agreement between the parties.



Signed

6-21-13  
Date

Representing STANISLAUS COUNTY SUPERVISORS ASSOC.  
(please print Labor Union name)

FOR STANISLAUS COUNTY

 7/2/13  
Signed Date







**Agreement for 1% Restoration of Salary and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time**

The parties agree to a restoration of 1% of the current 6% salary deduction along with a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for County employees effective the first pay-period following June 28, 2013. This reinstatement will not change the contract expiration date of June 30, 2014 or any other provisions of the current agreement between the parties.

Frank Murrillo                      6/3/13  
Signed      FRANK MURRILLO                      Date

Representing STANISLAUS COUNTY PROBATION CORRECTIONS OFFICERS ASSN.  
(please print Labor Union name)

FOR STANISLAUS COUNTY

Hevica Rio                      7/2/13  
Signed                                      Date



**Agreement for 1% Restoration of Salary and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time**

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Marcie Bayne                      6/2/2013  
Signed                                      Date

Representing California Nurses Association  
(please print Labor Union name)

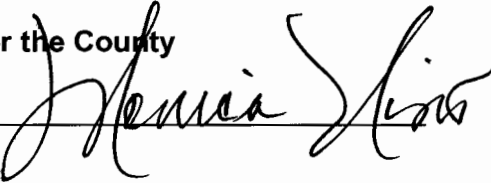
FOR STANISLAUS COUNTY

Monica Linc                      7/2/13  
Signed                                      Date

**Agreement for 1% Restoration of Salary and a Corresponding Reduction of Eight Hours of Special Accrued Leave Time**

The parties agree to a restoration of 1% of the current 6% salary deduction along with a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for County employees effective the first pay-period following June 28, 2013. This reinstatement will not change the contract expiration date of June 30, 2014 or any other provisions of the current agreement between the parties.

**For the County**

  
\_\_\_\_\_

7/2/13

Date

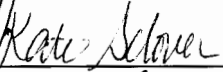
**For SEIU**

  
\_\_\_\_\_

Jason Thompson

5/28/13

Date

  
\_\_\_\_\_

Kate Selover

5/28/2013

Date

  
\_\_\_\_\_

Brenda Avila

5/28/2013

Date

**RESTORATION OF 1% IN  
SALARY AND A  
CORRESPONDING REDUCTION  
IN 8 HOURS OF SPECIAL  
ACCRUED LEAVE TIME**

# MAY 7, 2013 BOS MEETING

- At the May 7, 2013 BOS meeting Chairman Chiesa requested a fiscal analysis on the restoration of 1% of the current 6% salary deduction along with a corresponding reduction in eight hours of Special Accrued Leave Time (SALT) for all employees

# MAY 7, 2013 BOS MEETING

- The Board of Supervisors then added a recommendation to the 2012-2013 Third Quarter Financial Report directing staff to prepare an analysis regarding restoration of 1% of the 6% salary deduction and to return to the Board with a recommendation

# MAY 7, 2013 BOS MEETING

- Restoration of 1% in Salary would result in a corresponding reduction in 8 hours of Special Accrued Leave Time resulting in improved access to services for the public
- Provide some economic relief to our employees

# FISCAL ANALYSIS

- Fiscal Analysis has now been completed
- Fiscal Analysis supports restoration of 1% of the current 6% Salary Deduction along with a corresponding decrease of eight hours of Special Accrued Leave Time

# FISCAL ANALYSIS

- Restoration of 1% will result in a \$2.8 million increase in cost in all funds
- \$1 million increase for the General Fund



# FISCAL ANALYSIS

- The increase in cost to the General Fund will be supported through a combination of department net county cost savings and discretionary revenue growth
- For all other funds, costs associated with restoration of 1% of the salary deduction will be funded through increases in Federal/State funding, realignment growth and departmental charges

**Fiscal Year(s)  
Effective**

**2010-11  
2011-12**

**2012-13  
No  
Expiration**

**2013-14  
No  
Expiration**

**Salary  
Deduction**

**5%**

**6%**

**5%**

**Special  
Accrued  
Leave Time**

**104 Hours  
(13 Days)**

**48 Hours  
(6 Days)**

**40 Hours  
(5 Days)**

**Value of SALT**

**5.0%**

**2.3%**

**1.9%**

**Deduction  
W/O Time Off**

**0.0%**

**3.7%**

**3.1%**

# IMPACTS TO SALARY

## 6% Salary Deduction

Hourly Wage

\$20.00

Salary Deduction

\$1.20

Actual Salary

\$18.80

## 5% Salary Deduction

\$20.00

\$1.00

\$19.00

# LABOR CONTRACTS

- All Labor Associations have ratified agreements for the restoration of 1% in Salary and corresponding deduction of 8 hours of SALT to be effective the first pay-period following June 28, 2013

# LABOR CONTRACTS

- No other changes to terms and conditions of labor agreements as the result of the restoration of 1% of the Salary Deduction
- All Labor Agreements expire June 30, 2014

# RECOMMENDATIONS

Approve the restoration of 1% of the current 6% salary deduction and a corresponding reduction of eight hours of Special Accrued Leave Time (SALT) for all Labor Associations effective the first pay-period following June 28, 2013:

- Stanislaus County Employees Association, AFSCME Local 10
- Service Employees International Union
- California Nurses Association
- County Attorneys' Association
- Deputy Sheriffs' Association
- Stanislaus Sworn Deputies Association
- Stanislaus County Deputy Probation Officers' Association
- Stanislaus County Probation Correction Officers' Association
- Stanislaus Regional Emergency Dispatchers' Association
- Stanislaus County Sheriff's Supervisors' Association
- Stanislaus County Sheriff's Management Association
- Stanislaus County District Attorney Investigators' Association

# RECOMMENDATIONS

- Approve the restoration of 1% of the current 6% salary deduction and a corresponding reduction of eight hours of SALT for all Unrepresented Confidential and Management Employees; and Elected Officials effective the first pay-period following June 28, 2013.
- Approve Agreements for Restoration of Salary and Corresponding Reduction of Eight Hours of Special Accrued Leave Time with above stated labor associations and authorize Chief Executive Officer or designee to sign agreements.

# RECOMMENDATIONS

- **Authorize the Chief Executive Officer and County Auditor-Controller to implement all terms and conditions of the approved agreements in compliance with applicable State and Federal Laws.**



# Questions