July 25, 2017

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Tentative Agreement between the County of Marin and the Service Employees International Union, Local 1021 ("SEIU") Nurses

Dear Board Members:

RECOMMENDATION: The Human Resources Department recommends that your Board approve the tentative agreement reached between the County of Marin and the Service Employees International Union, Local 1021 Nurses for a successor 2-year collective bargaining agreement and authorize the Board President to execute the Collecting Bargaining Agreement.

SUMMARY: This 2-year agreement reflects many of the County’s long-term priorities, which include eliminating the County’s contribution towards the employee’s share of pension costs (“EPMC,” or Employer Paid Member Contribution), providing market-based equity adjustments to employee salaries, and amending health benefits to ensure affordability for its employees. The Collective Bargaining Agreement with this bargaining unit expired on June 30, 2017. The agreed upon terms include:

Term: July 1, 2017 – June 30, 2019

Salaries (Cost of Living Adjustment): Year 1:
Effective the first full pay period of July 2017, or in the first full pay period following ratification and approval, whichever is later, the rate of pay for all represented employees shall be increased by three percent (3.0%).

Year 2:
Effective the first full pay period in July 2018, the rate of pay for all represented employees shall be increased by two and one half percent (2.5%).
Equity:

Year 1:
Effective the first full pay period of July 2017, or in the first full pay period following ratification and approval, whichever is later, the rate of pay for the classifications listed below will be increased as follows:

Detention Registered Nurse: Two and one half percent (2.5%)
Detention Nurse Practitioner: One half of one percent (0.5%)
Clinic Registered Nurse II: One half of one percent (0.5%)
Senior Registered Nurse: One half of one percent (0.5%)
Public Health Nurse II: One half of one percent (0.5%)
Public Health Nurse II Bilingual: One half of one percent (0.5%)
Senior Public Health Nurse: One half of one percent (0.5%)
Senior Public Health Nurse Bilingual: One half of one percent (0.5%)
Mental Health Nurse Practitioner: One half of one percent (0.5%)

Year 2:
Effective the first full pay period of July 2018, the rate of pay for the classifications listed below shall be increased as follows:

Detention Registered Nurse: Two percent (2.0%)
Detention Nurse Practitioner: One half of one percent (0.5%)
Clinic Registered Nurse II: One half of one percent (0.5%)
Senior Registered Nurse: One half of one percent (0.5%)
Public Health Nurse II: One half of one percent (0.5%)
Public Health Nurse II Bilingual: One half of one percent (0.5%)
Senior Public Health Nurse: One half of one percent (0.5%)
Senior Public Health Nurse Bilingual: One half of one percent (0.5%)
Mental Health Nurse Practitioner: One half of one percent (0.5%)
Mental Health Registered Nurse: One quarter of one percent (0.25%)
Detention Licensed Vocational Nurse: One quarter of one percent (0.25%)

Health Benefits:

Bi-weekly fringe benefits:
Effective the first full pay period in July 2017, the following adjustments shall be made to the County’s fringe benefit contributions:

Employee only: Adjust the Biweekly fringe amount to $499.61.

Employee Plus One: Adjust the Biweekly fringe amount to $568.34 (for employees w/ annual salaries at or above $70,000); and $579.16 (for employees w/ annual salaries below $70,000).

Employee Plus Family: Adjust the Biweekly fringe amount to $762.15 (for employees w/ annual salaries at or above $70,000); and $783.78 (for employees w/ annual salaries below $70,000).
Effective the respective pay periods in December 2017 and December 2018, during which health insurance rates are normally adjusted, the County will provide an increase to the flat dollar contribution amount for Employee + 1 and Employee + Family by an amount equivalent to three percent (3%) – five percent (5%), based on the Kaiser Silver premium increase.

**Cash Back:**

Effective the first full pay period in July 2017, an employee who is enrolled in County health benefits and receives any form of cash back shall only receive up to a maximum of one-hundred ($100) dollars per pay period.

Effective the first full pay period in July 2018, an employee who is enrolled in County health benefits and receives any form of cash back shall only receive up to a maximum of seventy-five ($75) dollars per pay period. (Employees who waive participation in the County’s health benefits may continue to receive up to one hundred dollars ($100) cash back per pay period.)

Effective June 30, 2019, employees who were eligible to receive any form of cash back will no longer receive cash back except as noted under “Waiver of Participation.”

**Retirement Changes:**

For employees hired before January 1, 2013:

Effective the first full pay period in July 2017, the County will reduce the Employer Paid Member Contribution (EPMC) of 2.00% of an employee’s bi-weekly salary towards the employee’s retirement contribution to 1.00% of an employee’s bi-weekly salary towards the employee’s retirement contribution.

Effective the first full pay period in July 2018, the County will eliminate its remaining Employer Paid Member Contribution (EPMC) of 1.00% of an employee’s bi-weekly salary towards the employee’s retirement contribution.

For employees hired on or after January 1, 2013 without reciprocity from another public retirement system:

Effective July 1, 2017, the County will eliminate its biweekly $64 contribution into a Health Reimbursement Arrangement (HRA).

**Overtime:**

Calculation of overtime compensation will be based on time worked in excess of forty (40) hours in a work week.
Miscellaneous: Bilingual Pay:
Effective the first pay period in July 2017, the bilingual differential paid to employees working in an assignment requiring the use of bi-lingual skills will increase from 2.5% to 5% based on the hourly rate for time spent using such skills.

Comparable Agencies Surveyed:
The parties modified the list of jurisdictions to be surveyed for the purpose of analyzing wages, benefits, and working conditions of comparable employers of nurses in any future negotiations by adding Napa County, Solano County, City of Berkeley, Santa Clara County and Santa Cruz County to the existing list of City and County of San Francisco, Alameda County, Contra Costa County, San Mateo County and Sonoma County.

Seniority:
Effective July 1, 2017, the calculation of seniority will be based on date of hire in the affected classification instead of time in paid status. Time spent on a leave of absence without pay beyond 12 consecutive weeks will not count toward determining seniority. Time spent as an extra-hire, provisional, emergency, or special appointment employee will not count toward determining seniority.

Vacation Accrual:
Vacation accrual credits for regular hire employee shall be based on the number of months in continuous service. This agreement does not affect the current vacation accrual in the collective bargaining agreement.

ACA Reopener:
The parties agree to a re-opener during the term of the Collective Bargaining Agreement if any of the health plans now provided to employees or retirees will be subject to the excise tax or penalty related to plan design under the Affordable Care Act ("ACA"). The purpose of the re-opener will be to address, among other things, implementing new plans or changes in plan design that would help the County and employees avoid the excise tax or penalty related to plan design. The intent is not to increase the County contribution to offset the excise tax for employees.

The parties also agree that if the level of benefits the ACA mandates be provided to temporary employees and part-time (less than half-time) employees or if the number of hours an employee must work to be eligible for benefits under the ACA changes, the union or the County may re-open the contract on this subject.
**FISCAL IMPACT**: These salary and benefit adjustments will result in incremental cost increases of $261,672 in FY 2017-18 and $241,403 in FY 2018-19. Please see the attached costing summary which identifies a more detailed fiscal impact of the tentative agreement. Funds have been allocated by the County Administrator's Office in departmental budgets for the proposed adjustments.

**REVIEWED BY:**

[ X ] County Administrator  [ ] County Counsel
[ ] Department of Finance  [ X ] Human Resources

Please let me know if you have any questions or concerns.

Respectfully submitted,

Mary Hao  
Director of Human Resources

cc: Matthew Hymel, County Administrator  
Angela Nicholson, Assistant County Administrator, CAO  
Roy Given, Director of Finance  
Jeff Wickman, Retirement Administrator, MCERA  
Megan Numair, Senior Personnel Analyst  
Cynthia Brown, Personnel Analyst II, Human Resources
Baseline Information

Current Salary Base $5,295,533
Current Benefit Base $1,371,014
Current Non-Pensionable Salary Base $543,755
FTE 44
1% Salary with Variable Fringe $72,103
Average Regular Salary $120,353

Incremental Cost of MOU

<table>
<thead>
<tr>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
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<tbody>
<tr>
<td>Base Salary $158,866</td>
<td>$163,632</td>
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<tr>
<td>(annual % change) 3.0%</td>
<td>2.5%</td>
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<tr>
<td>Equity $45,548</td>
<td>$44,223</td>
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<td>(annual % change) 0.8%</td>
<td>0.8%</td>
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<tr>
<td>Wage-related fringes* $37,953</td>
<td>$39,092</td>
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<td>Non Pensionable Wages $16,313</td>
<td>$16,802</td>
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<td>Reduction in County-paid employee pension pickup $54,999</td>
<td>$57,078</td>
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<tr>
<td>(annual % change) -1.0%</td>
<td>-1.0%</td>
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<tr>
<td>Projected additional pension costs* $3,800</td>
<td>$4,000</td>
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<tr>
<td>Health Benefits $54,192</td>
<td>$30,732</td>
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Total Incremental Change $261,672 $241,403

Annual incremental % change 3.6% 3.3%

*Pensionable Costs - Increased pension contributions are included in the estimated costs