COUNTY OF MARIN

DEPARTMENT OF
HUMAN RESOURCES
Our Mission: To create a thriving organization, providing meaningful careers in public service.

Sarah Anker
INTERIM DIRECTOR

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July 19, 2022

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

SUBJECT: Wage and Benefit Programs for Classes of Unrepresented Employees for Fiscal Year 2022-23

Dear Board Members:

RECOMMENDATION: Human Resources recommends that your Board approve wage and benefit modifications for unrepresented classes consistent with represented employees and, effective the first full pay period following adoption of these adjustments.

1. General Wage Adjustments

It has been your Board's practice to provide salary increases and adjustments for unrepresented employees consistent with those of similarly situated represented employees to ensure consistency among classifications in the merit system and fairness among employees who are not represented by unions or associations. This year we recommend a 3.5% general wage adjustment for the following units:

- EL24 (Elected Officials)[1]
- UN20 (Department Heads)
- UN21 (Assistant and Deputy Department Heads)
- UN31 (Unrepresented Clerical and Technical classes)
- UN32 (Unrepresented Professional classes)
- UN33 (Unrepresented Management classes)
- UN35 (Board Aides)
- UN41 (Unrepresented Child Support Attorneys)
- UN42 (Unrepresented Deputy County Counsels)
- UN99 (Unrepresented Contingent Classes except Assessment Appeal Board Members in code 0145 whose salary is set by ordinance)

2. Retention Bonus

Each full-time, regular hire employee in the unrepresented units identified above, except for employees in the EL 24 unit (Elected Officials), shall receive a $1,000 one-

[1] Excludes the members of the Board of Supervisors (EL23) whose compensation is set pursuant to Marin County Code §2.48.015.

time recruitment and retention bonus. Part-time regular hire employees will receive a prorated payment. In order to be eligible to receive these payments, the employee must be employed by the County as of the date of your Board's ratification of this adjustment. These one-time payments are not pensionable and apply only to employees in the above identified units.

3. Hard to Fill Bonus

When Human Resources deems a position "hard to fill,"[2] new employees shall be eligible for up to a $10,000 signing bonus. The signing bonus shall be split and the new employee shall receive 50% of the signing bonus in the first paycheck and 50% of the bonus after successful completion of the probationary period. If the employee does not complete the first full year of employment, the employee shall reimburse the County for the signing bonus received.

4. Equity Adjustments

The County conducted benchmark classification surveys for the unrepresented classifications in 2022 that showed that the following classifications are behind the market and therefore recommend increasing their pay to meet the median of the labor market as determined by the benchmark classification surveys:

Code	Class Title	% Equity Adjustment
030A	Administrative Analyst I	4.67%
0302	Administrative Analyst II	4.67%
0300	Administrative Analyst III	4.67%
0305	Principal Administrative Analyst	4.67%
1522	Assistant Clerk of the BOS	5.73%
0297	Admin Services Associate – Confidential	2.02%
0396	Admin Services Director	2.44%
0317	Admin Services Officer – Confidential	2.54%
0320	Admin Services Technician – Confidential	2.86%
1523	Board Aide	4.57%
0303	Budget Manager	4.21%
254A	County Counsel I	3.00%
2542	County Counsel II	3.00%
2544	County Counsel IV	1.00%
0534	Chief Deputy County Counsel	1.00%
0520	Chief Deputy District Attorney	1.00%
0501	Chief Deputy Public Defender	1.00%
0228	Deputy Public Health Officer	10.00%[3]
0289	Disability Access Manager	2.31%

[2] "Hard to fill" generally means an approved open recruitment has been unfilled for six (6) months, or the approved recruitment needed to re-open more than once because the County was unable to hire a candidate for the opening, or the County can show a difficulty retaining employees in the classification due to salary concerns, or other similar agencies are offering a signing bonus for the classification.

[3] This classification is behind the market by 19.56% in total. We recommend increasing the salary by 10% at this time and will return to your Board later this year, when we recommend adjustments for executive classifications, to recommend the remaining 9.56% increase.

029A	Disability Access Specialist I	2.31%
0292	Disability Access Specialist II	2.31%
0122	DA Administrator	2.44%
032A	Human Resources Analyst I	2.31%
0325	Human Resources Analyst II	2.31%
0324	Senior Human Resources Analyst	2.31%
0321	Principal Human Resources Analyst	2.31%
0335	Safety Officer	2.31%
0337	Workers Comp Analyst	2.31%
1501	Administrative Secretary – Legal	0.54%
152B	Legal Secretary I – Confidential	0.54%
1525	Legal Secretary II – Confidential	0.54%
0298	Risk Manager	1.11%

5. Fringe Benefits

Regular hire employees enrolled in an employee plus one (1) or employee plus family County medical plan will receive an increased bi-weekly fringe benefit payments in calendar year 2022 as follows:

	Employee + 1 Dependent	Employee + Family
Bi-weekly Fringe – Under 75k*	690.56	934.53
Bi-weekly Fringe – Over 75k	677.66	908.74

* The annual salary threshold to determine the County's fringe benefit contributions shall be under/over $77,000 for calendar year 2023.

Effective December 2022, in the pay period in which there will be an increase in health insurance premiums, the County will increase the bi-weekly fringe benefit package by the same dollar amount as the Kaiser Silver plan increase, from zero percent (0%) to five percent (5%) (based on the premium increase to the Kaiser Silver plan) for benefitted employees at the employee plus one (1) and employee plus family benefit levels.

If the biweekly premium at the Kaiser Silver employee-only level in plan years 2023 exceeds the County's biweekly fringe contribution at the employee-only level (i.e., $514.60 biweekly), the County will increase its biweekly fringe contribution at the employee-only level to an amount equal to 100% of the biweekly premiums for employee-only enrollment in Kaiser Silver and mandated employee only dental, vision and basic life insurance, for all unrepresented employees who enroll in employee-only medical plans.

In addition, in December 2022, the County will add $0.65 per pay period to the employee only, employee plus one (1), and employee plus family fringe payments.

EQUITY IMPACT: The County remains committed to an equity-minded approach in the development of County personnel and compensation programs to best leverage our limited resources to support our employees in meaningful ways. These recommendations aim to provide similar pay and benefit adjustments as those received for represented employees.

FISCAL IMPACT: The recommended salary and benefit adjustments will result in a total incremental cost increase of $2,119,329 (or 4.89%) in FY 2022-23, which includes $1,439,241 in wages and market-equity based adjustments, $237,775 in wage-related benefit costs, $182,367 in increased healthcare insurance contributions, and $215,100 in the retention bonus. Please see Addendum A which provides a more detailed costing of the proposed modifications. Funds have been allocated by the County Administrator's Office in departmental budgets for the proposed adjustments.

The Marin County Employees' Retirement Association (MCERA) has provided an actuarial impact on future retirement costs of the pensionable increases proposed. This estimate of the long-term pension liabilities is attached, as Addendum B, for review prior to the adoption of these adjustments.

REVIEWED BY:

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

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

Respectfully submitted,

Sarah Anker
Acting Director of Human Resources

cc: All County Administrator's Staff
All Department Heads and Assistant Department Heads
All Human Resources Staff

Attachments: Addendum A: Costing Summary
Addendum B: Estimate of Actuarial Impact of the Salary/Benefit Increase

Bargaining Unit: Unrepresented

Baseline Information

Current Salary Base	32,385,887
Current Benefit Base	10,429,224
Current Non-Pensionable Salary Base	567,047
FTE	223
1% of Salary with Variable Fringe	433,822
Average Base Salary	145,228

Incremental Cost of MOU

	FY 2022-23
Base Salary COLA	1,133,506
	3.50%
Equity	305,735
	0.70%
Wage-related Fringes	237,775
Non Pensionable Wages	19,847
One-Time Retention Bonus	215,100
Health Benefits	
Allowance increase	182,367
	5.0%
Other	
Hard to Fill Bonus	25,000
Total Incremental Cost	**2,119,329**
Incremental cost increase as % of Salary & Benefits	4.89%
Cumulative ongoing % of Salary and Benefits	**1,904,229**
Total Cumulative Change (less retention payment)	4.39%

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MCERA.org

July 7, 2022

To: Matthew Hymel
County Administrator, County of Marin

From: Jeff Wickman
Retirement Administrator, Marin County Employees' Retirement Association

Subject: Cost of Pay Adjustment Proposal for Unrepresented County of Marin Employees

Background

On June 15, 2022, the Marin County Employees' Retirement Association (MCERA) was notified that the County of Marin would be providing cost of living increases to Unrepresented employees that would exceed the salary growth assumption (3%) set by the Board of Retirement and used by the actuary to calculate the annual required contributions. Also, salary equity adjustments were being provided in addition to the cost of living increases for specific job classifications. Government Code section 31515.5 provides in part that:

> The board of retirement, or board of investments in a county in which a board of investments has been established pursuant to Section 31520.2, is authorized, consistent with its fiduciary duties, to have an enrolled actuary prepare an estimate of the actuarial impact of the salary or benefit increase. The actuarial data shall be reported to the board of supervisors.

Based on the above provision and consistent with the Board of Retirement's fiduciary responsibilities we asked our actuary, Cheiron, to prepare an estimate of the actuarial impact that would be created by the potential salary increases.

Please note that the funded ratio on page 1 of this analysis is 106.79%. This is the current ratio for the County and Special District group. In the cost analysis provided to the County on June 13, 2022 for MCMEA members the ratio was listed as 104.50% which is the funded ratio for the plan as a whole. The actuary is working on a revised MCMEA letter that reflects the funded ratio for the County group.

Action

Attached to this memo is Cheiron's cost analysis. This information is being provided for the Board of Supervisors as required by statute.

Cc: Sarah Anker, Human Resources Director
Angela Nicholson, Deputy CAO
Josh Swedberg, Budget Manager
Michelle Hardesty, Assistant Retirement Administrator

Via Electronic Mail

July 7, 2022

Mr. Jeff Wickman
Retirement Administrator
Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

Re: Impact to MCERA from Salary Proposal

Dear Jeff:

Pursuant to Section 31515.5 of the California Government Code, the Retirement Administrator, on behalf of the Board of Retirement, has requested an actuarial analysis on the impact to the Marin County Employees' Retirement Association (MCERA) attributable to the salary adjustments proposed in 2022 for the Unrepresented employees.

The County indicated that effective July 2022, all Unrepresented members will receive a 3.5% base salary adjustment, and certain job classifications will receive an additional equity adjustment. After limiting PEPRA members' salary to the PEPRA wage cap, these salary adjustments exceed MCERA's 3.0% wage growth assumption by an average of 1.2% for all Unrepresented members.

While these salary adjustments are unlikely to have a substantial impact on the Plan as a whole, we estimate, that the salary adjustments for these members would increase MCERA's Actuarial Liability by approximately $0.98 million. If we were to add the total expected impact of the salary increases to the Actuarial Liability as of June 30, 2021, it would reduce the funding ratio for Marin County by 0.04%, from 106.79% to 106.75%.

The employer contributions on behalf of the Association's members will also change as a result. The exhibit on the following page summarizes the effect of the salary adjustments on the employer contributions expected to be made by the County over the next five years; we note that the elevated contribution amounts will continue beyond the five-year period shown on the next page. All results shown assume that all assumptions are met exactly in the future.

Marin County Employees' Retirement Association
Impact of Marin County Unrepresented Employees' Salary Adjustments

Fiscal Year Ending	Increase in Employer Normal Cost	Increase in UAL Payment	Increase in Employer Cost
June 30, 2023	$ 11,500	$ 16,000	$ 27,500
June 30, 2024	11,600	32,900	44,500
June 30, 2025	10,900	50,700	61,600
June 30, 2026	11,500	69,500	81,000
June 30, 2027	11,800	89,200	101,000

In preparing our letter, we relied on information (some oral and some written) supplied by MCERA. This information includes, but is not limited to, the salary adjustments and the list of affected members provided by MCERA on June 16, 2022.

The benefit provisions, assumptions, and methods are those disclosed in our June 30, 2021 valuation report, with the exception that the salary increases described above were used to project wage increases and payroll growth for these members during the period identified. These changes are expected to affect a total of 200 active employees (four of whom have multiple records).

We have not been informed by the County of any other changes in pension-related benefits other than the salary increases described above. The County indicated that the salary adjustments would be in addition to any regular career progression salary increases members would be expected to receive.

Future results may differ significantly from the current results presented in this letter due to such factors as the following: plan experience different from that anticipated by the assumptions; changes in assumptions; and, changes in plan provisions or applicable law.

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

This letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in

this letter. This letter does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

Finally, this letter was prepared for MCERA for the purpose described herein. Other users of this letter are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

We are available to answer any questions you may have.

Sincerely,
Cheiron

Graham A. Schmidt, ASA, EA, FCA, MAAA
Consulting Actuary

Timothy S. Doyle, ASA, EA, MAAA
Associate Actuary

cc: Bill Hallmark
Anastasia Dopko