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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November 15, 2022

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

SUBJECT: Tentative Agreement between the County of Marin and the Marin County Teamsters' Union Local 856 Probation Unit for the term July 1, 2022 – June 30, 2025.

Dear Board Members:

RECOMMENDATION: The Human Resources Department recommends that your Board approve the tentative agreement reached between the County of Marin and the Marin County Teamsters' Union Local 856 Probation Unit (Teamsters' Probation) for a successor 3-year collective bargaining agreement for the term July 1, 2022 – June 30, 2025.

SUMMARY: The recently negotiated 3-year successor agreement includes annual cost of living adjustments, amended health benefits to ensure affordability for represented employees and other terms that address working conditions based on your Board's priorities.

The agreed upon terms include:

Term	July 1, 2022 – June 30, 2025
Salaries (Cost of Living Adjustment):	**Year 1:** Effective the first pay period following ratification and approval of this Agreement, the rate of pay for all classes and employees shall be increased by three- and one-half percent (3.5%). **Year 2:** Effective the first full pay period of July 2023, the rate of pay for all classes and employees shall be increased by three percent (3.0%). **Year 3:** Effective the first full pay period of July 2024, the rate of pay for all classes and employees shall be increased by three percent (3.0%).
Retention and Hard to Fill Bonuses:	1. **Hard to Fill Bonus**: When Human Resources deems a position "hard to fill", after notification to Teamster's Probation, new employees hired after adoption of this Agreement, shall be eligible for a signing bonus of $2,500-$10,000. 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.

“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, or other similar agencies are offering a signing bonus for the classification.

2. **Retention Bonus**: In recognition of years of service to the County, all regular hire employees on the books upon ratification of this Agreement, will receive a one-time, non-pensionable, $1,000 retention bonus within 3 pay periods from the date of ratification or the first full pay period following approval by the Board of Supervisors, whichever is later. All regular hire employees, who are on the books on July 1, 2023, will receive a one-time $1,000 bonus in the first paycheck in August 2023 in recognition of years of service to the County. Part time employees shall receive a prorated amount based on their FTE.

Equity:

Effective the first full pay period following adoption of the Agreement, the rate of pay for the classifications listed below shall be increased as follows:

DPOI/DPOI-Bilingual	9.4%
DPOII/DPOII-Bilingual	.25%
Senior DPO/Senior DPO-Bilingual	5%
JCOI/JCOI-Bilingual	7.90%
JCOIII/JCOIII-Bilingual	.50%

Health 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:

Bi-weekly Fringe	Employee +1 Dependent	Employee + Family
Under 75k*	690.56	934.53
At/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, under/over $79,000 for calendar year 2024, and under/over $85,000 for calendar year 2025.

Effective in 2022, in the pay period in which health insurance rates are normally adjusted, the County will provide an increase to the flat dollar contribution amount by an amount equivalent to zero percent (0%) – six percent (6%) (based on the premium increase to the Kaiser Silver plan) for all benefited employees at the employee plus one (1) and employee plus family benefit levels.

Effective in December 2023 and December 2024, 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 to five percent (0-5%), based upon the Kaiser Silver plan for all benefited employees at the employee plus one (1) and employee plus family benefit levels.

Adjustment to County Fringe Contribution at the Employee-Only Enrollment Level in Plan Years 2023, 2024, and 2025: If the biweekly premium at the Kaiser Silver employee-only level in plan years 2023, 2024, and 2025 exceeds the County’s biweekly fringe contribution at the employee-only level (i.e., $514.50 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 represented employees who enroll in employee-only medical plans.

Retirement: Employees with safety retirement will pay a three-percent (3.0%) pretax safety-retirement offset on an ongoing basis, reduced from four and one-half percent (4.5%). Teamsters’ Probation agreed to buy down this contribution from 4.5% to 3.0% using funds the County had allocated to equity.

Additionally, the parties agreed that no later than January 1, 2025, the parties shall meet regarding the subject of the existing cost sharing arrangement.

Bilingual Skills Pay Effective the second full pay period following ratification by the Union and approval by the Board of Supervisors, all employees who are: 1) in a non-bilingual classification for which there is a bilingual analog; and 2) receiving the 5% bilingual differential as of the date of ratification by the Union, will be reclassified into the bilingual classification, if they have demonstrated proficiency, by being tested and certified as determined by the Human Resources. (This reclassification of employees may result in a change of assignment or be subject to a reallocation of caseloads.)

The bilingual classifications are not intended for minor or incidental use of a second language but rather where the bilingual skills are used on a regular basis during the course of a workday to provide necessary County services, as determined within the sole discretion of the County. Employees in monolingual classes who have been certified bilingual may be eligible to receive a bilingual differential for temporary bilingual needs; e.g., to cover in the absence of an employee in a bilingual classification.

Upon change in assignment or classification such that the bilingual skills are no longer needed on a regular basis, the employee will be reclassified to a monolingual position, after due process as required by the law and the PMRs.

Prospectively, after the initial reclassification of current, eligible employees, the Department Head will assess bilingual needs and staffing levels when bilingual classifications become vacant.

Misc.:

Standby Pay:
Employees assigned to standby status by written order of the department head or designee, shall be paid one and a half (1.5) hours compensation at the employee's hourly salary for every eight (8) hour period or fraction thereof, that they are assigned to standby status and not called back to work. Standby status shall be defined as any status which requires the employee to restrict their activities and/or location in some way such as remaining within so many miles, not drinking alcoholic beverages, staying by a phone, calling in periodically etc. When this response requires that an employee physically return to work, the employee will stop receiving standby pay and begin receiving call back pay pursuant to sub-section "2M" below. No employee shall be compensated for standby duty and call back work simultaneously.

Call Back Pay for DPO's:
A Deputy Probation Officer that has departed from a work location and is called back to a physical work location, shall receive a minimum of four (4) hours at their applicable rate of pay, unless the work immediately precedes their regular shift. The call-back rate of pay for non-exempt classifications, shall be time and a half of the regular rate of pay, if the employee is otherwise eligible to receive overtime based on a 37.5 or 40 hour workweek (as specified in Section IV.(F)1(a)). Time spent by the employee on the phone responding to questions or issues in the workplace will be compensated for at the applicable rate of pay, but such time is not considered call back and is not subject to the minimums provided above. The employee's workday shall not be adjusted solely to avoid the payment of this minimum.

Disaster Leave:
The County will approve up to three (3) working days paid administrative leave in any twelve (12) month period when the employee's primary residence located in California is rendered uninhabitable due to fire, flood, or earthquake.

Holidays:
Employees shall receive two full day holidays (Cesar Chavez Day and Juneteenth) and will no longer receive half-day holidays on December 24 and December 31 (as were in place previously when such dates fell on weekdays, Monday through Friday).

Health Care Committee:
The parties agreed to meet and confer regarding health, dental, and vision plans as part of a health care committee in January 2023. Neither party shall be permitted to impose any plan, any increase, and/or decrease in employee cost toward fringe benefits, nor impose any increase and/or decrease to any benefit conferred on employees pursuant to this Agreement as part of these discussions.

Contracting Work
The parties agreed to remove the prohibition on contracting out Juvenile Corrections Officer work with the commitment that if the service model at Juvenile Hall were to change then we would meet and confer as required by law and multiple efforts would be made to avoid the need for reductions in force.

Overtime
For the purposes of calculating overtime eligibility, legal holidays shall be considered time worked. In addition, employees who work alternative work schedules and use paid time off to supplement legal holidays shall have such paid time off hours considered time worked.

EQUITY IMPACT: This successor agreement reflects the County's commitment to equity in our work with our labor colleagues to best leverage County resources to support our employees through cost of living adjustments, healthcare contributions to ensure affordability and addressing other working conditions.

FISCAL IMPACT: These salary and benefit adjustments will result in incremental cost increases of $482,889 in FY 2022-23, $596,048 in FY 2023-24 and $332,943 in FY 2024-25. Adjusting for the one-time payments, the ongoing increase to the baseline budget is 13.96 percent of pay over the three-year agreement. Please see Addendum A which provides a more detailed fiscal impact of the proposal. 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: Matthew Hymel, County Administrator
Josh Swedberg, Interim Budget Manager
Mina Martinovich, Director of Finance
Marlon Washington, Chief Probation Officer
Jeff Wickman, Retirement Administrator, MCERA

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

Bargaining Unit - Probation Teamsters

Baseline Information

Current Salary Base	6,041,825
Current Wage-Related (Variable) Benefits	2,193,028
Current Non Pensionable Wages	454,508
FTE	61
1% of Salary, Benefits and Variable Fringe	86,894
Average Base Salary	99,046

Incremental Cost of MOU

	FY 2022-23	FY 2023-24	FY 2024-25
Regular Hire COLA*	179,983	393,950	277,899
	3.5%	*3.0%*	*3.0%*
Equity	51,424	35,470	
Health Benefits			
Allowance increase	59,347	52,423	55,044
Other			
Retention	61,000	61,000	
1.5% Reduction to Retirement Contributions	77,135	53,205	
Holiday Pay	10,000		
Bilingual Classification Conversion**	44,000		
Total Incremental Cost	**482,889**	**596,048**	**332,943**
		Total Cumulative Cost	**1,411,879**
Incremental increase as % of salary & variable fringe	5.37%	6.43%	3.49%
Total cumulative ongoing change	*4.69%*	*10.47%*	*13.96%*

** Prorated for partial year*

***Based on the positions as of 7/1/2022, though costs will vary depending on ongoing staffing.*

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November 4, 2022

To: Matthew Hymel
County Administrator, County of Marin

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

Subject: Cost of Pay Adjustment Proposal for Probation Workers (Teamsters Local 856)

Background

On October 15, 2022, the Marin County Employees' Retirement Association (MCERA) was notified that the County of Marin would be providing pay increases and equity adjustments to Marin County Probation Workers who are members of Teamsters Local 856 that in some cases would exceed the salary growth assumption (3%) set by the Board of Retirement and used by the actuary to calculate the annual required contributions. 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.

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
Megan Numair, Principal Human Resources Analyst
Josh Swedberg, Budget Manager
Michelle Hardesty, Assistant Retirement Administrator

Via Electronic Mail

November 4, 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 be prepared on the impact to the Marin County Employees' Retirement Association (MCERA) from a series of salary adjustments being proposed over the next three years to the Marin County Probation Workers (Teamsters Local 856).

The County has indicated that the following base wage and additional salary equity adjustments will be provided to the Probation Workers, according to job classification. All Probation Workers will receive an initial 3.50% base salary adjustment, and 3.00% adjustments in July 2023 and July 2024.

Members of some job classifications will be eligible to receive additional salary equity adjustments. These adjustments are shown below:

- DPOI and DPOI – Bilingual will receive an additional 9.4% salary adjustment.
- DPOII and DPOII – Bilingual will receive an additional 0.25% salary adjustment.
- Senior DPO and Senior DPO – Bilingual will receive an additional 5% salary adjustment.
- JCOI and JCOI – Bilingual will receive an additional 7.90% salary adjustment.
- JCOIII and JCOIII – Bilingual will receive an additional 0.50% salary adjustment.

The wage base and additional equity adjustments exceed the 3.00% wage growth assumption previously adopted by MCERA by an average of 2.1% for all Probation Workers.

While the salary adjustments granted for the members are unlikely to have a substantial impact on the Plan as a whole, we estimate, based on the results of the June 30, 2021 actuarial valuation, that the total impact of the salary adjustments for these members would be an increase in MCERA's Actuarial Liability of approximately $330,000. 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 0.01%, from 106.79% to 106.78%.

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

Marin County Employees' Retirement Association
Marin County Probation Workers (Teamsters Local 856)

Fiscal Year Ending	Increase in Employer Normal Cost	Increase in UAL Payment	Increase in Employer Cost
June 30, 2023	$ 13,400	$ 5,400	$ 18,800
June 30, 2024	13,600	11,100	24,700
June 30, 2025	13,700	17,100	30,800
June 30, 2026	13,800	23,500	37,300
June 30, 2027	14,000	30,100	44,100

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 for the Marin County Probation Workers.

The data used in this study was based on the same information used in the June 30, 2021 actuarial valuation and the list of affected members provided on October 17, 2022. The benefit provisions are those disclosed in our June 30, 2021 valuation report. The assumptions and methods are also those disclosed in our June 30, 2021 valuation report, with the exception that the salary increases described on the previous page 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 53 active employees, six 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 on the previous page. 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 Schmidt

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

Timothy S. Doyle

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

cc: Bill Hallmark