October 18, 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 Fire Department Firefighters’ Association for the term October 16, 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 Fire Department Firefighters’ Association (MCFDFA) for a successor 3-year collective bargaining agreement for the term October 16, 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: October 16, 2022 – June 30, 2025

Salaries (Cost of Living Adjustment):

Year 1:
Effective the first pay period following adoption of this Agreement, the rate of pay for all classes and employees shall be increased by two percent (2%).

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%).

One Time Lump Sum Payment:
Effective the pay period following adoption of this Agreement, Regular Hire full-time employees in a paid status as of August 1, 2022, shall receive a one-time, non-pensionable payment of $2,400. This amount
Retention and Hard to Fill Bonuses:

1. **Hard to Fill Bonus**: When Human Resources deems a position “hard to fill”, after notification to DSA, 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**: All Regular hire employees on the books upon ratification of this agreement will receive a one-time $1,000 retention bonus within three pay periods in recognition of years of service to the County.

All Regular Hire employees who are on the books on July 1, 2023 will receive a one-time $1,000 retention bonus in the first paycheck in August 2023 in recognition of years of service to the County.

Equity:

Effective the pay period following adoption of the Agreement, the rate of pay for all Regular Hire full-time employees will be increased by 1%.

Additionally, effective the pay period following adoption of the Agreement, the rate of pay for the classifications listed below shall be increased as follows:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firefighter</td>
<td>1.00%</td>
</tr>
<tr>
<td>Firefighter Paramedic</td>
<td>1.00%</td>
</tr>
<tr>
<td>Senior Fire Captain</td>
<td>1.00%</td>
</tr>
<tr>
<td>Fire Engineer Paramedic (40 and 56)</td>
<td>2.20%</td>
</tr>
<tr>
<td>Fire Captain (40 and 56)</td>
<td>2.20%</td>
</tr>
<tr>
<td>Fire Inspector</td>
<td>9.91%</td>
</tr>
</tbody>
</table>

Emergency Medical Technician Pay:

Effective the pay period following adoption of the Agreement, all Regular Hire full-time employees who have a current California Emergency Medical Technician (EMT) Certification will receive additional pay of two percent (2.0%). Employees must maintain their EMT Certification to continue receiving this benefit.

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:
The annual salary threshold to determine the County’s fringe benefit contributions shall be above/over $77,000 for calendar year 2023, above/below $79,000 for calendar year 2024 and above/below $85,000 for calendar year 2025.

Effective in 2022, in the pay period in which health insurance rates are normally adjusted, 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%) – six percent (6%), (based on the Kaiser Silver premium increase) for benefited employees at the employee plus one (1) and employee plus family benefit levels.

In December 2022, in addition to the above, the County will add $.65 per pay period to the employee only, employee plus one and employee plus family fringe payments to cover a dental enhancement.

Effective in December 2023 and December 2024, in the pay period in which health insurance rates are normally adjusted, 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%) – five percent (5%), (based on the Kaiser Silver premium increase) for benefited employees at the employee plus one (1) and employee plus family benefit levels.

<table>
<thead>
<tr>
<th>Bi-weekly Fringe</th>
<th>Employee +1 Dependent</th>
<th>Employee + Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 74k*</td>
<td>690.56</td>
<td>934.53</td>
</tr>
<tr>
<td>At/Above 74k*</td>
<td>677.66</td>
<td>908.74</td>
</tr>
</tbody>
</table>

Vacation: Provide an additional vacation accrual tier (hourly accrual rate of .1154) for employees who reach greater than 360 months of continuous service.

Increase the allowable number of personnel off during the “winter bidding period” to two suppression and two medical per shift.

Add one allowable medic off during the month of June.

After working 14 or more consecutive days on an out of County assignment, if the employee returns to the County on a regular duty day, the employee may use vacation time for the remainder of the duty day with the approval of the Chief or designee.

Trade policy updated to allow trades between ranks, subject to restrictions in Department Policy.

Misc.: Holidays:
The parties agreed to convert the half days holidays of Christmas and New Year’s Eve to 12 hours of holiday pay for 56 hour employees and 8 hours of a holiday to 40 hour employees. Payment for holiday(s) will ensure 40 hour and 56 hour positions pay remains commensurate using the existing formula.

Pay for Grade:
Effective the first full pay period after programming of the Telestaff system to accommodate Pay for Grade is completed, but no later than February 2023, Employees in the ranks of Engineer, Engineer Paramedic, or Fire Heavy Equipment Operator who are designated by the County to Act in the role of Fire Captain, shall receive 5.0% pay differential time worked as a Captain.

Promotional Testing:
The parties agreed to allow the members to make their vacation bidding picks based around Promotional Testing Dates, the County will make best efforts to schedule promotional testing in advance of vacation bidding windows and will publish known promotional testing dates one (1) month prior to the Vacation Bidding Window in which the promotional test will take place as follows:

- For promotional testing held between November 1st- May 31st, known dates will be published no later than August 31st.
- For promotional testing held between June 1st-October 31st, known dates will be published no later than February 28th.

Nothing in this section prevents the County from scheduling additional promotional testing dates and providing notice outside of these windows to address recruitment needs (e.g., an exhausted list). The County will notify the Association when additional testing is needed and will seek to provide as much notice as possible when this occurs.

Other Clean up language:
The parties also agreed to several clean up items, including deleting outdated language/references; adding references to 40/56 hour classifications for clarity; clarifying language related to vacancies; updating list of classifications; adding language to the definition of a “40-hour employee” to include additional classifications; revising the definition of daily overtime to be for time worked beyond the employee’s regular duty day (e.g., 8 or 10 hours).

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 $1,319,994 in FY 2022-23, $1,057,828 in FY 2023-24 and $685,435 in FY 2024-25. Adjusting for the one-time payments, the ongoing increase
to the baseline budget is 14.47 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, Interim Director of Finance
Jason Weber, Fire Chief
Jeff Wickman, Retirement Administrator, MCERA

Attachments: Addendum A: Costing Summary
Addendum B: Estimate of Actuarial Impact of the Salary/Benefit Increase
## Bargaining Unit - Firefighters

### Baseline Information

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>FY 2024-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Salary Base</td>
<td>12,470,942</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Wage-Related (Variable) Benefits</td>
<td>6,048,291</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Non Pensionable Wages</td>
<td>479,697</td>
<td></td>
<td></td>
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<tr>
<td>FTE</td>
<td>96</td>
<td></td>
<td></td>
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<tr>
<td>1% of Salary, Benefits and Variable Fringe</td>
<td>189,989</td>
<td></td>
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<tr>
<td>Average Base Salary</td>
<td>129,906</td>
<td></td>
<td></td>
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</tbody>
</table>

### Incremental Cost of MOU

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2022-23</th>
<th>FY 2023-24</th>
<th>FY 2024-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Hire COLA:</td>
<td>254,016</td>
<td>634,209</td>
<td>598,808</td>
</tr>
<tr>
<td>2/3/3</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Equity Adjustments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1% - All Unit</td>
<td>127,008</td>
<td>62,981</td>
<td></td>
</tr>
<tr>
<td>2.2% - Parmedic Incentive and Impact Adj.</td>
<td>98,028</td>
<td>48,611</td>
<td></td>
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<tr>
<td>1% - FF/FFP/SFC</td>
<td>32,958</td>
<td>16,344</td>
<td></td>
</tr>
<tr>
<td>9.91% - Fire Inspector</td>
<td>16,996</td>
<td>8,428</td>
<td></td>
</tr>
<tr>
<td>Health Benefits:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance increase</td>
<td>93,398</td>
<td>82,502</td>
<td>86,627</td>
</tr>
<tr>
<td>Other Provisions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay for Grade</td>
<td>101,879</td>
<td></td>
<td></td>
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<tr>
<td>2% EMT Premium</td>
<td>219,311</td>
<td>108,753</td>
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<tr>
<td>Holiday</td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-Time</td>
<td>230,400</td>
<td></td>
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<tr>
<td>Retention</td>
<td>96,000</td>
<td>96,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Incremental Cost</strong></td>
<td><strong>1,319,994</strong></td>
<td><strong>1,057,828</strong></td>
<td><strong>685,435</strong></td>
</tr>
</tbody>
</table>

*Adjustments to the seasonal firefighting workforce, including COLAs, equity adjustments and additional steps are expected to cost approximately $640,000 over three years. These costs have been excluded from this summary and were previously approved by the Board of Supervisors.*
September 30, 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 Marin County Fire Department Firefighters’ Association

Background

On September 12, 2022, the Marin County Employees’ Retirement Association (MCERA) was notified that the County of Marin had negotiated cost of living increases and salary equity adjustments with employees represented by the Marin County Fire Department Firefighters’ Association (MCFDFA) that would in total exceed the salary growth assumption (3.0%) 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 cost 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

September 30, 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 Fire Department Firefighters’ Association (MCFDFA).

The County has indicated that the following base wage and additional salary equity adjustments will be provided to the Association members, according to job classification. All MCFDFA employees will receive a 2.00% base salary adjustment and a 1.00% salary equity adjustment in the first year of the contract, and 3.00% adjustments in years two and three.

Members of some job classifications will also be eligible to receive additional salary equity adjustments, all applicable in the first year of the contract. These adjustments are shown below:

- Firefighters, Firefighter Paramedics, and Senior Fire Captains will receive an additional 1.00% salary equity adjustment.
- All MCFDFA classes, except for Fire Dispatchers, are eligible to receive an EMT Premium adjustment of 2.00%.
- Fire Captains and Fire Engineer Paramedics will receive an additional 2.20% paramedic incentive and impact adjustment.
- Fire Inspectors will receive an additional 9.91% salary equity adjustment.

The salary adjustments reflected in the first year of the contract differ from the 3.00% wage growth assumption previously adopted by MCERA. 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 $1,450,000. 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 0.07%, from 106.79% to 106.72%.
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 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 below. All results shown assume that all assumptions are met exactly in the future.

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Increase in Employer Normal Cost</th>
<th>Increase in UAL Payment</th>
<th>Increase in Employer Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2023</td>
<td>$22,100</td>
<td>$23,800</td>
<td>$45,900</td>
</tr>
<tr>
<td>June 30, 2024</td>
<td>24,900</td>
<td>48,900</td>
<td>73,800</td>
</tr>
<tr>
<td>June 30, 2025</td>
<td>24,600</td>
<td>75,400</td>
<td>100,000</td>
</tr>
<tr>
<td>June 30, 2026</td>
<td>24,500</td>
<td>103,300</td>
<td>127,800</td>
</tr>
<tr>
<td>June 30, 2027</td>
<td>23,500</td>
<td>132,700</td>
<td>156,200</td>
</tr>
</tbody>
</table>

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 September 13, 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 86 active employees, 5 of whom have duplicate 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