

DEPARTMENT OF
HUMAN RESOURCES

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

Sarah Anker
INTERIM DIRECTOR

September 20, 2022

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Board of Supervisors
County of Marin
3501 Civic Center Drive
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SUBJECT: Tentative Agreement between the County of Marin and the Marin County Sheriff's Staff Officers' Association for the term September 18, 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 Sheriff's Staff Officers' Association (SSOA) for a successor 3-year collective bargaining agreement for the term September 18, 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	September 18, 2022 – June 30, 2025
Salaries (Cost of Living Adjustment):	Year 1: Effective the first full pay period following ratification and approval 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 first full pay period following ratification and approval of this Agreement, Regular Hire full-time employees shall receive a one-time, non-pensionable payment of \$2,400. This amount will be prorated for Regular Hire part-time employees based on the part-time employee's FTE.

Retention and Hard to Fill Bonuses:

1. **Hard to Fill Bonus:** When Human Resources deems a position “hard to fill”, after notification to SSOA, 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:** For all full-time employees in paid status with the County on December 1, 2022 who have passed probation on or before that date, they will receive a one-time \$1,000 retention bonus in the first paycheck of 2023 in recognition of years of service to the County.

For all full-time employees in paid status with the County on December 1, 2023 who have passed probation on or before that date, they will receive a one-time \$1,000 retention bonus in the first paycheck of 2024 in recognition of years of service to the County.

Equity:

Effective the first full pay period following ratification and approval of this Agreement, the rate of pay for the Sheriff’s Lieutenant and Chief Deputy Coroner classifications shall be increased by two percent (2%).

Peace Officer Standards and Training (P.O.S.T.)

Effective the pay period following adoption of the Agreement, Regular Hire employees who are eligible for an advanced P.O.S.T. certificate incentive shall receive an increase from \$256.15 per pay period to \$311.54 per pay period. Association members who maintain a P.O.S.T. management certificate will receive an additional \$90 per pay period. The \$90 will be paid in addition to the \$311.54 per pay period employees currently receive for maintaining an advanced certificate. The total an employee will be eligible to receive is \$401.54 per pay period.

In July 2023, the advanced P.O.S.T. certificate incentive shall increase to \$323.08 per pay period. Association members who maintain a P.O.S.T. management certificate will receive an additional \$105 per pay period. The \$105 will be paid in addition to the \$323.08 per pay period employees currently receive for maintaining an advanced certificate. The total an employee will be eligible to receive is \$428.08 per pay period.

In July 2024, the advanced P.O.S.T. certificate incentive shall increase to \$334.62 per pay period. Association members who maintain a P.O.S.T. management certificate will receive an additional \$120 per pay period. The \$120 will be paid in addition to the \$334.62 per pay period employees currently receive for maintaining an advanced certificate. The total an employee will be eligible to receive is \$454.62 per pay period.

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:

Employee +1 Dependent	Employee + Family
677.66	908.74

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 in an amount equivalent to zero percent (0%) – six percent (6%), based on the Kaiser Silver premium increase (or the premium increase to the County’s lowest cost HMO at that time) to 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 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%) – five percent (5%), based on the Kaiser Silver premium increase (or the premium increase to the County’s lowest cost HMO at that time) to benefited employees at the employee plus one (1) and employee plus two (2) benefit levels.

Misc.:

Special Assignment

The Sheriff’s Lieutenant who oversees the Investigations Unit shall receive a \$3.00 per hour differential/premium while serving in this assignment.

Shift Differential:

The differential that employees receive when assigned to work after 6:00 p.m. shall be increased from 4% to 5%.

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).

Uniforms:

The Chief Deputy Coroner shall receive a uniform allowance of \$450 annually.

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 \$147,727 in FY 2022-23, \$120,985 in FY 2023-24 and \$82,678 in FY 2024-25. Adjusting for the one-time payments, the ongoing increase to the baseline budget is 12.14 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:

- County Administrator
- Department of Finance
- County Counsel
- 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, Principal Management and Budget Analyst

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

Bargaining Unit - Sheriff Staff Officers

Baseline Information

Current Salary Base	\$	1,700,003
Current Wage-Related (Variable) Benefits	\$	595,631
Current Non Pensionable Wages	\$	18,733
FTE		10
1% of Salary and Variable Fringe	\$	23,144
Average Base Salary	\$	170,000

Incremental Cost of MOU

	FY 2022-23	FY 2023-24	FY 2024-25
Regular Hire COLA *	30,943 2.0%	86,164 3.0%	72,944 3.0%
Equity Adjustments			
<i>Sheriff's Lieutenant and Chief Deputy Coroner - 2%</i>	30,943	15,344	
Health Benefits			
Allowance increase	5,837	5,156	5,414
Other			
Additional POST	15,660	4,320	4,320
4% to 5% Shift Differential	4,375		
Investigations Premium Pay	6,240		
Holiday Coverage	19,728		
One-Time	24,000		
Retention	10,000	10,000	
Total Incremental Cost	\$ 147,727	\$ 120,985	\$ 82,678
		Total Cumulative Cost	\$ 351,389
Incremental increase as % of salary & variable fringe	6.26%	4.98%	3.30%
Total cumulative ongoing change	4.62%	8.99%	12.14%

* Includes proration for partial year



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MCERA.org

September 1, 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 members of the Sheriff Staff Officers Association

Background

On August 10, 2022, the Marin County Employees' Retirement Association (MCERA) was notified that the County of Marin had negotiated cost of living increases with employees represented by the Sheriff Staff Officers Association (SSOA) that would exceed the salary growth assumption (3.0%) 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 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 1, 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 through 2025 for the Sheriff Staff Officers Association (SSOA).

The County indicated that effective July 2022, all SSOA members will receive a 2.0% base salary adjustment, and Sheriff's Lieutenants and the Chief Deputy Coroner will receive an additional equity adjustment of 2.0%. Base salaries are then expected to increase by 3.0% in July 2023 and July 2024, as well as increased Peace Officer Standards and Training (P.O.S.T.) certificate incentives. The salary adjustments effective July 2022 exceed MCERA's 3.0% wage growth assumption by an average of 1.9% for all SSOA 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 \$310,000. 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 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 Sheriff Staff Officers Association			
Fiscal Year Ending	Increase in Employer Normal Cost	Increase in UAL Payment	Increase in Employer Cost
June 30, 2023	\$ 1,700	\$ 5,100	\$ 6,800
June 30, 2024	2,300	10,500	12,800
June 30, 2025	2,700	16,100	18,800
June 30, 2026	2,600	22,100	24,700
June 30, 2027	3,700	28,400	32,100

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 and the list of affected members provided by MCERA on August 11, 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 10 active employees.

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

Mr. Jeff Wickman
September 1, 2022
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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.

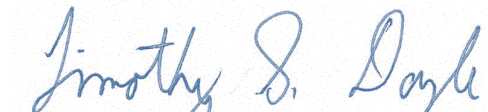
Finally, this letter was prepared for MCERA for the purpose described herein. Other users of this letter are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

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