December 08, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

MEMORANDA OF UNDERSTANDING FOR FRINGE BENEFITS AND FOR BARGAINING UNITS REPRESENTED BY SEIU LOCAL 721 AND AFSCME AND RELATED SALARY AND FRINGE BENEFIT CHANGES FOR NON-REPRESENTED EMPLOYEES ALL DISTRICTS - 3 VOTES

SUBJECT

This letter and accompanying ordinance extends the terms and provisions of the Fringe Benefits Memorandum of Understanding (MOU) for Service Employees International Union (SEIU) Local 721 and provides general salary movement for non-represented classifications, including classifications subject to the provisions of the Management Appraisal and Performance Plan (MAPP). Also submitted for approval are successor Memoranda of Understanding (MOUs) which provide for contract extensions for three years.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the accompanying successor Fringe Benefits MOU with SEIU Local 721 for a three-year term ending on September 30, 2018.

2. Approve salary adjustments and related changes for non-represented employees as set forth in the accompanying ordinance amending Title 5 – Personnel, and Title 6 – Salaries, of the Los Angeles County Code.

3. Approve the accompanying successor MOUs for a three-year term ending September 30, 2018, for the following SEIU Local 721 bargaining units:
Unit 105 - Student Workers
Unit 111 - Clerical and Office Services Employees
Unit 112 - Supervising Clerical and Office Services Employees
Unit 121 - Administrative Technical and Staff Personnel
Unit 122 - Supervising Administrative Technical and Staff Personnel
Unit 201 - Building Custodians and Services Employees
Unit 211 - Institutional Support Services Employees
Unit 221 - Paramedical Technical Employees
Unit 222 - Supervising Paramedical Health Employees
Unit 311 - Registered Nurses
Unit 312 - Supervising Registered Nurses
Unit 341 - Health Science Professional Employees
Unit 342 - Supervising Health Science Professional Employees
Unit 431 - Artisan and Blue Collar Employees
Unit 432 - Supervisory Artisan and Blue Collar Employees
Unit 702 - Supervising Deputy Probation Officers
Unit 711 - Social Workers
Unit 722 - Medical Social Workers
Unit 723 - Children’s Social Workers
Unit 729 - Health Financial Support Services
Unit 731 - Social Services Investigators
Unit 732 - Supervising Social Services Investigators
Unit 777 - Supervising Social Workers
Unit 811 - Librarians

4. Approve the accompanying successor MOUs for a three-year period ending September 30, 2018, for the following bargaining units represented by the American Federation of State, County and Municipal Employees (AFSCME):

   Unit 421 - Automotive and Equipment Maintenance
   Unit 802 - Child Support Attorneys
   Unit 821 - Agricultural Inspectors

5. Instruct the Auditor-Controller to make all payroll system changes necessary to implement the recommendations contained herein.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Successor MOUs for bargaining units 612 (Supervisory Peace Officers), 613 (Public Defender Investigators), 641 (Beach Lifeguards), 642 (Supervising Beach Lifeguards), and 701 (Deputy Probation Officers) were approved by the Board on September 29, 2015. The MOU agreements for units 612, 613, and 701 were approved for the period of February 1, 2015 through January 31, 2018, and provide for a 3 percent (12 level) salary increase effective July 1, 2015; a 3 percent (12 level) salary increase effective July 1, 2016; a 2 percent (8 level) salary increase effective July 1, 2017; and a 2 percent (8 level) salary increase effective January 1, 2018. The MOU agreements for units 641 and 642 were approved for the period of January 1, 2015 through December 31, 2017, and provide for the same salary increases.
In addition, successor MOUs for bargaining units 601 (Firefighters), 602 (Supervisory Firefighters), 611 (Peace Officers), 614 (Criminalists/Forensic ID Specialists), 621 (Custody Assistants), 631 (Coroner Investigators), 632 (Supervising Coroner Investigators), 703 (Probation Directors), 725 (Supervising Child Support Officers), and 801 (Assistant Deputy District Attorneys) were approved on November 3, 2015. The MOUs for 601, 602, and 611 provided for a 3 percent (12 level) salary increase effective August 1, 2015 for unit 611, a 3 percent (12 level) salary increase effective September 1, 2015 for units 601 and 602; a 3 percent (12 level) salary increase effective July 1, 2016; a 2 percent (8 level) salary increase effective July 1, 2017; and a 2 percent (8 level) salary increase effective January 1, 2018 for Units 601, 602, and 611. The successor MOUs for units 614, 621, 631, 632, 703, 725, and 801 provided for a 3 percent (12 level) salary increase effective October 1, 2015; a 3 percent (12 level) increase effective October 1, 2016; a 2 percent (8 level) salary increase effective October 1, 2017; and a 2 percent (8 level) salary increase effective April 1, 2018. The terms of these MOUs are January 1, 2015 through December 31, 2017 for units 601 and 602; February 1, 2015 through January 31, 2018 for unit 611, and October 1, 2015 through September 30, 2018 for units 614, 621, 631, 703, 725, and 801.

In conjunction with the successor MOUs, the Board approved corresponding salary movements for certain related non-represented employees in the Sheriff, Fire, and Public Defender departments not subject to the provisions of the MAPP.

Negotiated Fringe Benefits Changes

We have recently concluded negotiations and are submitting a successor Fringe Benefits MOU with SEIU Local 721 for a three-year term from October 1, 2015 ending September 30, 2018, for the Board’s approval. These agreements and corresponding modifications to the County Code provide for changes in cafeteria plan contributions and subsidies, additional annual vacation leave up to 40 hours after 24 years or more of service effective with the pay period ending January 15, 2016 (increased accrual rate begins annually after 20 years of service), an additional paid holiday in recognition of Cesar Chavez’s birthday (beginning in 2017 on the 4th Monday in March), expanded bereavement leave provisions (time off permitted for death of an employee’s brother-in-law, sister-in-law, great-grandfather, or great-grandmother), a change in eligibility for sick personal leave for rehired retirees as a result of AB 304, and in the access to full or partial fringe benefits (e.g., medical, dental, and/or life insurance coverage) for certain monthly permanent, part-time, and temporary represented employees pursuant to the implementation of the Affordable Care Act.

Cafeteria Plan Contribution Adjustment

This agreement provides for the adjustment of the County’s contribution towards cafeteria plan benefits under the “Options” plan to 5 percent in 2016, 5.5 percent in 2017, and 6 percent in 2018. Negotiations are continuing with the Coalition for County Unions (CCU) regarding their Fringe Benefits MOU. We will submit a separate letter to the Board and a successor MOU for approval at a future date once a final agreement is reached.

Successor MOU Amendments for SEIU Local 721 Bargaining Units and AFSCME

We have reached an agreement with the bargaining units represented by SEIU Local 721 and three bargaining units represented by AFSCME. We are requesting your approval of the successor MOUs which provide for a three-year term ending September 30, 2018, with general salary increases as follows:
SEIU Local 721 - Unit 702 - Supervising Deputy Probation Officers:

- 12 levels (approximately 3%) effective July 1, 2015
- 12 levels (approximately 3%) effective July 1, 2016
- 8 levels (approximately 2%) effective July 1, 2017
- 8 levels (approximately 2%) effective January 1, 2018

SEIU Local 721 – All Remaining Bargaining Units and AFSCME Bargaining Units 421, 802, and 821:

- 12 levels (approximately 3%) effective October 1, 2015
- 12 levels (approximately 3%) effective October 1, 2016
- 8 levels (approximately 2%) effective October 1, 2017
- 8 levels (approximately 2%) effective April 1, 2018

AFSCME Bargaining Unit 802:

- 12 levels (approximately 3%) effective September 15, 2015
- 12 levels (approximately 3%) effective October 1, 2016
- 8 levels (approximately 2%) effective October 1, 2017
- 8 levels (approximately 2%) effective April 1, 2018

In addition, various market-based “inequity” adjustments were negotiated in support of recruitment and retention efforts, and certain differentials or special pay practices were adjusted or established. Finally, adjustments to incorporate the Los Angeles County minimum wage including corresponding adjustments in order to maintain appropriate pay differentials are also reflected in the salary articles for impacted represented staff. All SEIU Local 721 bargaining unit members shall be paid no less than fifteen dollars ($15.00) per hour by July 1, 2018, according to the following schedule:

1. On July 1, 2016, all bargaining unit members paid below ten dollars and fifty cents ($10.50) per hour shall have their base salary increased to at least ten dollars and fifty cents ($10.50) per hour.

2. On July 1, 2017, all bargaining unit members paid below twelve dollars ($12.00) per hour shall have their base salary increased to at least twelve dollars ($12.00) per hour.

3. On July 1, 2018, all bargaining unit members paid below fifteen dollars ($15.00) per hour shall have their base salary increased to at least fifteen dollars ($15.00) per hour.

Non-Represented Employees

In light of these agreements, it is appropriate to extend comparable pay and benefit adjustments to non-represented employees, including to employees covered by the Management Appraisal and Performance Plan. We recommend approval of a 3 percent (12 level) salary adjustment effective October 1, 2015; a 3 percent (12 level) salary adjustment effective October 1, 2016; a 2 percent (8 level) salary adjustment effective October 1, 2017; and a 2 percent (8 level) salary adjustment effective April 1, 2018 for all non-represented, non-MAPP employees in other departments whose salaries were not adjusted as a result of the Board actions of September 29, 2015, or November 3, 2015. We further recommend extending corresponding general salary adjustments in the same amounts and with the same effective dates, for all Tier I MAPP participants, including most department heads, who have received a performance rating of “Met Expectations” or higher, and for all Tier II MAPP participants.
In addition, we are recommending extending the same market-based inequity adjustments for non-represented employees where similar adjustments were negotiated for subordinate represented staff. These adjustments are necessary in order to maintain appropriate internal pay relationships among related classes. Other adjustments were made to incorporate Manpower Shortage Ranges into the base pay of affected classifications. These Manpower Shortage Ranges were previously approved in order to support recruitment and retention efforts following an investigation by the Chief Executive Office (CEO). All adjustments to pay and benefits are detailed in the accompanying ordinance.

Considering that the Fringe Benefit Agreements for SEIU Local 721 provide for an increase in cafeteria plan contributions for represented employees, it is appropriate to extend comparable adjustments to non-represented employees. The attached chart reflects these adjustments as well as required changes in order to comply with the Affordable Care Act.

State Legislation

The Board action of June 23, 2015 implemented changes in sick leave eligibility and non-elective annual leave accruals for MegaFlex, temporary, and recurrent employees due to Assembly Bill (AB) 1522, the Healthy Workplaces, Healthy Families Act of 2014. AB 1522 was amended by AB 304 effective July 13, 2015. We are therefore recommending additional minor changes to enact AB 1522 and AB 304.

Technical Corrections

Finally, we are recommending various technical changes and corrections, making corresponding changes to MAPP provisions as a result of the salary adjustments, deleting obsolete provisions for represented physicians and salary notes, and amending a salary note to include a reference to the Los Angeles County minimum wage.

Implementation of Strategic Plan Goals

The actions recommended in this letter promote the County’s Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability by providing for a wage and fringe benefit structure in a financially responsible manner.

FISCAL IMPACT/FINANCING

The salary increases and the other economic adjustments contained herein are within the parameters established by the Board and have been included in the County Budget for Fiscal Year 2015-2016. The County’s pension actuary, Cheiron, has advised that the proposed salary adjustments do not exceed the increase in payrolls assumed in the current actuarial valuation of the retirement plans. Therefore, there will be no negative impact on the funded status of the retirement system.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Successor MOUs provide for a ten percent (10%) salary increase over three years. Comparable salary increases would be extended to non-represented employees as noted above. The accompanying successor MOUs and ordinance have been approved as to form by the County Counsel.
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services.

Respectfully submitted,

SACHI A. HAMAI
Chief Executive Officer

SAH:JJ:MTK
NV:SM:PB:mst

Enclosures

c: Executive Office, Board of Supervisors
   County Counsel
   Auditor-Controller
   Human Resources
   All Department Heads
   SEIU Local 721
   AFSCME
ATTACHMENTS
BEING FILED SEPARATELY

• ATTACHMENT A
• MEMORANDA OF UNDERSTANDING
• ORDINANCE