

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

331



**FROM:** Human Resources Dept.

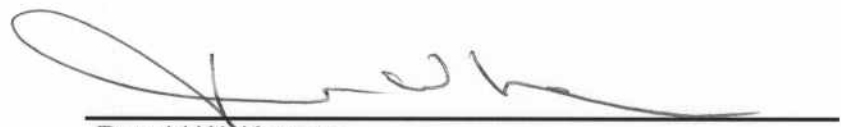
**SUBMITTAL DATE:**  
December 1, 2003

**SUBJECT:** Recommendation to Extend the Memorandum of Understanding with Laborers International Union of North America (LIUNA)

**RECOMMENDED MOTION:** That the Board of Supervisors approve the attached 2000 – 2006 Memorandum of Understanding between the Laborers' International Union of North America (LIUNA) Local 777 and the County of Riverside.

**BACKGROUND:** Discussions have been completed that were held as a result of the limited re-opener with LIUNA on the subject of health benefits. The medical re-opener was a previously negotiated provision of the 2000-2004 Memorandum of Understanding (MOU) Article I, and an agreement was reached pursuant to Section 3500 et. seq. of the Government Code. The Union has advised us that the tentative agreement (Attachment A) has been ratified by ballot of the represented members.

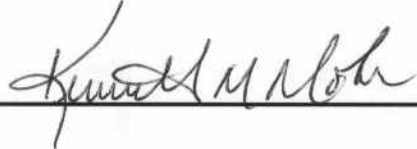
Departmental Concurrence

  
\_\_\_\_\_  
Ronald W. Komers  
Asst. County Executive Officer/HR Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 1,314,453	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ 310,737	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 532,692	For Fiscal Year:	2003/04

<b>SOURCE OF FUNDS:</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE.**

**County Executive Office Signature** 

Policy  
 Policy  
 Consent  
 Consent  
 Dept't Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.: \_\_\_\_\_ District: \_\_\_\_\_ Agenda Number: \_\_\_\_\_

**ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD**

BACKGROUND (continued)

Accordingly, this action would extend the current labor agreement by 18 months, with the new term of the contract ending June 30, 2006. Employees who elect Medical coverage would benefit from three annual increases in flexible benefit credits, at a time when the cost of health care is rising dramatically. The agreement reflects the following flexible benefit changes and resulting monthly County contributions:

Effective Date	Flex Benefit Prior to Change	Ees Electing Medical Plan Flex Ben (Incr)	Ees Waiving Medical Cov. Flex Ben(Incr)
PP25-02 (12/11/02)	\$395.40	\$395.40 (N/A)	\$395.40 (N/A)
PP25-03 (12/10/03)	\$425.40	\$465.00 (\$39.60)	\$425.40 (0)
PP25-04 (12/08/04)	\$425.40	\$512.00 (\$47.00)	\$425.40 (0)
PP25-05 (12/07/05)	\$425.40	\$568.00 (\$56.00)	\$425.40 (0)

Additionally, employees whose last hire date is on or after November 13, 2003 are required to select a medical plan, and they will not have the option to waive coverage. The Flexible Benefit amount for employees hired before November 13, 2003, who waive medical coverage will be capped at \$425.40 through 2006.

In addition, the agreement reached with LIUNA provides that the previously negotiated cost of living increase scheduled for March 18, 2004, will not be offset by 6 cents per hour for a pension contribution, as originally bargained. The cost of living increase will be a straight 4%. On July 1, 2004, the County will contribute \$0.01 per hour, for all regular hours compensated, to be allocated to the LIUNA Health & Safety Fund.

Finally, in accordance with the negotiated contract provision, beginning March 1, 2004, employees represented by LIUNA will participate in the County's Post-Employment Special Pay/VEBA Plan, whereby leave balances of qualifying employees who separate from County service are credited to special pre-tax accounts.

Details of the proposed agreement with LIUNA are in Attachment A, and are incorporated into the Memorandum of Understanding.

At a time when the cost of health care is rising dramatically, granting increases in medical benefits to provide employees with the ability to pay for medical coverage, in lieu of salary increases, and extending the current labor agreement for an additional eighteen months is a prudent and cost effective course of action. We recommend approval. Costs for the contract extension will be borne by operating Departments.

**SUMMARY OF TENTATIVE AGREEMENT  
BETWEEN LIUNA LOCAL 777, AND  
THE COUNTY OF RIVERSIDE**

AUGUST 28, 2003

Term: Extend the current Memorandum of Understanding (MOU) to midnight, June 30, 2006.

Salary & Flexible Credit Contributions:

1. The wage increase currently described in Article 29, (2), shall be replaced with the following:  
Effective March 19, 2004, all represented employees will receive a wage increase of 4%.
2. The step increase effective September 30, 2004, as described in Article 29, (3), will remain in effect.
3. An additional \$39.60 per month per active represented employee (\$19.80/biweek for 24 biweeks/year) will be allocated as additional Flex Credits, in addition to the previously negotiated \$30 increase per month, effective pay period 25-03 (pay date December 10, 2003). This results in a total County Flex Contribution of \$465.00 per month (\$232.50/biweek for 24 biweeks/year), effective pay period 25-03.
4. Effective pay period 25-04 (pay date December 8, 2004), the County's Flex Contribution shall increase by \$47.00 per employee per month to \$512.00 per month (\$256.00/biweek for 24 biweeks/year).
5. Effective pay period 25-05 (pay date December 7, 2005), the County's Flex Contribution shall increase by \$56.00 per employee per month to \$568.00 per month (\$284.00/biweek for 24 biweeks/year).
6. All represented employees whose last hire date is on or after November 13, 2003 will be required to select a medical plan as part of their Flexible Benefit Election each year, and will not have the option of waiving all medical coverage. Those who fail to timely elect medical coverage will be placed in the lowest-priced employee-only medical plan available.

7. Represented employees whose most recent hire date is prior to November 13, 2003 will have the option of waiving medical coverage if they provide proof of coverage under another group medical plan. The County's Flex Contribution available for other benefits or cash will be increased by \$30 per month effective pay period 25-03 (pay date December 10, 2003), to a total of \$425.40 per month (\$212.70/biweek for 24 biweeks/year), and will remain at that level for the term of this MOU.

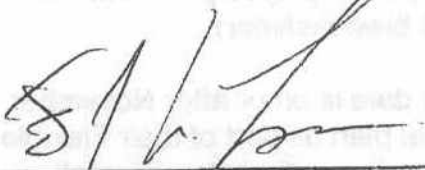
Example: Employee has medical and dental coverage through spouse's employer, and so elects \$10/bw for Flexible Spending Account, and takes the remainder in cash. Biweekly transactions each year are as follows:

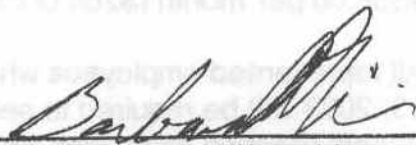
	<u>2003</u>	<u>2004</u>	<u>2005</u>
County Contrib.	\$197.70	\$232.50	\$256.00
Amt. Available if Waiving	\$197.70	\$212.70	\$212.70
Health FSA	<u>\$ 10.00</u>	<u>\$ 10.00</u>	<u>\$ 10.00</u>
Available as Cash	\$187.70	\$202.70	\$202.70

8. Effective July 1, 2004, the County will contribute \$0.01 per hour, for all regular hours compensated, to be allocated to the LIUNA Health & Safety Fund.
9. The County's Post-Employment Special Pay/VEBA Plan will be implemented for LIUNA members who terminate employment on or after March 1, 2004.

This Tentative Agreement is subject to ratification by the Local 777 membership, as well as by the Riverside County Board of Supervisors.

Signed this 28th day of August, 2003 at Riverside, California.

  
 For LIUNA Local 777  
 Fred Lowe, Business Manager

  
 For the County of Riverside  
 Barbara A. Olivier,  
 Assistant Human Resources Director