

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

244



FROM: Human Resources Dept.

SUBMITTAL DATE:
June 22, 2004

SUBJECT: Recommendation to Extend the Memorandum of Understanding with Service Employees International Union (SEIU), Local 1997

RECOMMENDED MOTION: That the Board of Supervisors approve the attached 2000 – 2005 Memorandum of Understanding between the Service Employees International Union (SEIU), Local 1997 and the County of Riverside.

BACKGROUND: Discussions have been completed that were held as a result of early, expedited, negotiations with SEIU on the subject of contract extension. A medical re-opener was a previously negotiated provision of the 2000-2004 Memorandum of Understanding (MOU) Article I, but an agreement was not reached pursuant to Section 3500 et. seq. of the Government Code, in December 2003. However, SEIU recently asked for expedited negotiations to address the issue of medical benefits and contract extension for 2004-2005. The Union has advised us that the tentative agreement (Attachment A) has been ratified by ballot of the represented members.
(continued on page 2)

Departmental Concurrence

Ronald W. Komers

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

FINANCIAL DATA	2004-05 Total Cost:	\$ 3,293,530	In Current Year Budget:	YES
	2004-05 Net County Cost:	\$ 724,576	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 724,576	For Fiscal Year:	2004/05
SOURCE OF FUNDS: Department Budgets				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

Gary M. Christman

- Dep't Recomm.: Policy
- Per Exec. Ofc.: Policy
- Consent
- Consent

Prev. Agn. Ref.:

District:

Agenda Number:

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

3.16

BACKGROUND (continued)

Accordingly, this action would extend the current labor agreement by 12 months with no increase in pay, with the new term of the contract ending December 31, 2005. Employees who elect Medical coverage would benefit from two 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)
PP14-04 (7/7/04)	\$425.40	\$465.00 (\$39.60)	\$425.40 (0)
PP25-04 (12/08/04)	\$425.40	\$512.00 (\$47.00)	\$425.40 (0)

Additionally, employees whose last hire date is on or after November 11, 2004 would be required to select a medical plan, they will not have the option to waive coverage. The Flexible Benefit amount for employees hired before November 11, 2004, who waive medical coverage will be capped at \$425.40 through 2005.

In addition to the above, the County will contribute \$0.01 per hour, for all regular hours compensated, to be allocated to an SEIU Training Fund - which is similar to contributions to the LIUNA Health and Safety Fund; and, a revised bilingual pay program developed by a Joint Labor-Management Committee will be implemented.

Finally, in accordance with the negotiated contract provision, beginning July 8, 2004, employees represented by SEIU 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. The Special Pay/VEBA Plan will save employees and the County the cost of social security and medicare for leave pay-outs.

Details of the proposed agreement with SEIU 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 twelve 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 SEIU LOCAL 1997 AND
THE COUNTY OF RIVERSIDE

MAY 27, 2004

Term: Extend the current Memorandum of Understanding (MOU) to midnight, December 31, 2005.

Salary & Flexible Credit Contributions:

1. An additional \$39.60 per month per active represented employee (\$19.80/biweek for 24 biweeks/year) will be allocated as additional Flex Credits. This results in a total County Flex Contribution of \$465.00 per month (\$232.50/biweek for 24 biweeks/year), effective pay period 14-04 (pay date July 7, 2004).
2. 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).
3. All represented employee whose last date of hire is on or after November 11, 2004 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.
4. Represented employees whose most recent hire date is prior to November 11, 2004 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 remain at \$425.40 per month (\$217.20/biweek for 24 biweeks/year) 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>2004</u>	<u>2005</u>
County Contrib.	\$232.50	\$256.00
Amt. Available if Waiving	\$212.70	\$212.70
Health FSA	<u>\$ 10.00</u>	<u>\$ 10.00</u>
Available as Cash	\$202.70	\$202.70

5. Effective July 1, 2004 the County will contribute \$0.01 per hour, for employees covered under the provisions of this Memorandum of Understanding, for all regular hours compensated, to be allocated to the SEIU Training Fund Trust. This fund shall be jointly administered by the SEIU/County of Riverside Labor Management Committee for the benefit of SEIU members.

6. The County's Post-Employment Special Pay/VEBA Plan will be implemented for SEIU members who terminate on or after July 8, 2004.

Additional amendments not included with LIUNA reopener:

1. Include express Management Rights clause in to MOU.
2. Reduce period of entitlement to full pay while on worker's compensation from 21 to 10 calendar days.
3. Disciplinary Appeal Process:
 - Remove general written reprimands from the Disciplinary Appeal Procedure.
 - Clarify that written reprimands in lieu of suspension for FLSA exempt employees will be treated as the equivalent of the corresponding suspension for all purposes.
 - Establish acceptable standard of review for neutrals reviewing disciplinary actions.
 - Require neutral to render sufficient reasons with each award.
 - Provide for 90-day timeline to advance appeal or appeal is deemed withdrawn.
 - Provide a case management process for longer hearings and sanctions for delays.
4. Clarify which issues are not grievable under MOU, including promotional decisions.
5. Obtained right for management to "condition further employment on successful passage of a drug or alcohol test".
6. Clarification that the "difficult to recruit" language applies to specific classifications in specific departments and/or geographical areas.
7. Establish Joint Labor/Management Committees in IT, Housing Authority, and Parks.
8. Implementation of the bilingual pay agreement.
9. Establish Steward program that: limits stewards to 1 per department (2 in departments with more than 200 SEIU members); places restrictions on when steward activity may occur; requires Steward to receive permission before engaging in Steward business; and ensures that County does not pay for time spent on Steward business.
10. The definitions in the Catastrophic Leave Bank language were tightened to ensure that banks are only established for employees who truly face a catastrophic situation.
11. Various other language clarifications in the MOU of a minor nature to clean up payroll issues and clarify responsibilities of the parties.