



Board Agenda Item 40

DATE: June 12, 2018

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, Director of Human Resources

SUBJECT: Salary Resolution Amendments, County Health Premium Contributions for Plan Year 2019, and Salary Step Structure Conversion for Unrepresented and Management Classifications

RECOMMENDED ACTION(S):

- 1. Approve salary adjustments for Unrepresented (excluding Water/Wastewater Specialist II/III and Supervising Water/Wastewater Specialist classifications and confidential classifications covered by Footnote “y”) and Management (excluding Deputy County Counsel I/II/III/IV/Senior) classifications, effective July 2, 2018, as reflected in Appendix “B”.**
- 2. Approve administrative salary adjustments of 2% for Senior Management classifications (excluding Department Heads and Elected Officials), effective July 2, 2018.**
- 3. Approve the County Health Premium Contributions for Plan Year 2019 for Unrepresented and Management (including Senior Management) employees, effective December 17, 2018.**
- 4. Approve the salary step structure conversion, as reflected on Appendix “B”, for Unrepresented (excluding confidential classifications covered by Footnote “y”) and Management (excluding Deputy County Counsel I/II/III/IV/Senior) classifications, effective January 14, 2019.**

Approval of the recommended actions would serve to increase salaries and County health contributions and expedite step progression (by returning to the former 5-step structure) in an effort to remain attractive and competitive in the local labor market, while retaining a quality workforce. The estimated total cost associated with Recommended Action Nos. 1 and 2 is approximately \$1,949,220 and \$463,051 in Net County Cost (NCC). The estimated cost for Recommended Action No. 3 is approximately \$282,750 (\$72,165 NCC). The estimated cost for Recommended Action No. 4 is approximately \$597,918 (\$145,658 NCC). Sufficient appropriations will be included in the impacted departments’ FY 2018-19 recommended budgets and subsequent annual budget requests.

ALTERNATIVE ACTION(S):

If the Board does not approve Recommended Action Nos. 1 and 2, salaries would remain unchanged for the corresponding classifications. If the Board does not approve Recommended Action No. 3, the existing County Health Premium Contribution would remain unchanged. If the Board does not approve Recommended Action No. 4, the existing 9-step structure would remain unchanged.

FISCAL IMPACT:

The total estimated cost for Recommended Action Nos. 1 and 2 for FY 2018-19 is approximately \$1,949,220 (\$463,051 in NCC), which includes related retirement costs.

The total estimated cost for Recommended Action No. 3 for FY 2018-19 is approximately \$282,750 (\$72,165 in NCC).

The total estimated cost for Recommended Action No. 4 for FY 2018-19 is approximately \$597,918 (\$145,658 in NCC).

Sufficient appropriations and estimated revenues will be included in the impacted departments' recommended budgets, and will be included in future budget requests.

DISCUSSION:

There are currently 833 employees who will be affected by the recommended actions.

Recommended Action No. 1: Excludes the following:

- Confidential classifications denoted within Footnote “y,” because these classifications received a salary adjustment on July 14, 2015 to reestablish parity with their non-confidential equivalent classifications. That action included a salary adjustment on July 4, 2016, and an additional increase on July 3, 2017.
- Deputy County Counsel I/II/III/IV/Senior classifications, because salary parity between these classifications and their represented counterparts (i.e. Deputy District Attorneys/Child Support Attorneys and Defense Attorneys) was established effective September 28, 2015, which also included a July 4, 2016 salary adjustment.
- Water/Wastewater Specialist II/III and Supervising Water/Wastewater Specialist classifications, because a separate Item is before your Board today regarding adjustments to address recruitment and retention issues for these hard-to-fill classifications.

Recommended Action No. 2: Excludes Department Heads and Elected Officials, because these classifications were addressed and adjusted accordingly on April 4, 2017, and again on November 14, 2017.

The recommended salary adjustment for Unrepresented (UNR), Management (MGT), and Senior Management (SMG) classifications is consistent with the County's desire to remain competitive within the local labor market. The last increase for UNR, MGT and SMG employees occurred on July 11, 2017.

Recommended Action No. 3: Increases the County's Health Premium Contribution towards the County sponsored Health Plans for Plan Year 2019 (including \$110 or \$115 for dependent coverage depending on the employee's selection) by \$25 per pay period, for Employee Only participants, as follows:

- Employee Only: \$318
- Employee plus Child(ren): \$428
- Employee plus Spouse: \$428
- Employee plus Family: \$433

The Agenda Item will continue to allow employees who are eligible to participate in the County's Health Benefit Program (“Program”) to opt out of the Program during the next open enrollment period by providing written proof that they have medical coverage from another source.

Recommended Action No. 4: Increases starting salaries for the affected classifications and speeds progression to maximum salaries by having all UNR and MGT classifications return to a 5-step salary structure from their current 9-step structure, which in turn will help mitigate the continued challenge of

recruitment and retention caused by compensation trailing behind comparable agencies/jurisdictions. This recommended action excludes Confidential classifications covered by Footnote "y" and Deputy County Counsel I/II/III/IV/Senior classifications because this action would reverse salary parity established with their represented counterparts.

The significant components of the salary step conversion include the following, effective January 14, 2019:

- Increases from 3.125 percent to 5 percent the size of the intervals between steps, and
- Reduces salary ranges from 9-steps to 5-steps.

REFERENCE MATERIAL:

BAI #41, December 5, 2017 - County Health Premium Contributions, Plan Year 2018
BAI #35, November 14, 2017 - Elected Department Heads
BAI #35, October 31, 2017 - County Health Premium Contributions, Plan Year 2018
BAI #45, July 11, 2017 - Salary Resolution Amendments
BAI #31.1, April 4, 2017 - Salary Adjustment for Appointed Departments Heads
BAI, November 5, 2013 - Salary Step Conversion for Unrepresented and Management

ATTACHMENTS INCLUDED AND/OR ON FILE:

Appendix "B"
Footnote "y"

CAO ANALYST:

Juan Lopez