

On Record August 25, 2008
Updated Union Economic Proposal - July 10, 2008, 2008 to reflect
6 point plan

SEIU 1021/County of Sonoma

Package proposal - Acceptance of the package means accepting all terms

1) TERM: 3 years

2) Cost of Living Adjustment (COLA)

COLA is to protect against inflation occurring during the term of the agreement. The Union is persuaded by County's argument to look to actual posted inflation rates.

Year 1: Effective August 1, 2008, an across-the-board increase equal to the CPI increase posted by Department of Labor, San Francisco-San Jose-Oakland, Urban Wage Earners and Clerical Workers, June, 2008. Maximum of 5% 6%, minimum of 3%.

Year 2: Effective July 1, 2009, an across-the-board increase equal to the CPI increase posted by Department of Labor, San Francisco, San Jose, Oakland, Urban Wage Earners and Clerical Workers, April, 2009. Maximum of 6% minimum of 3%. The maximum increase shall be 5%. However, in the event that this CPI increase exceeds 5% by at least 1/4%, the Union will have the option to reopen the contract on the sole subject of a COLA increase.

Year 3: Effective July 1, 2010, an across-the-board increase equal to the CPI increase posted by Department of Labor, San Francisco, San Jose, Oakland, Urban Wage Earners and Clerical Workers, April, 2009. Maximum of 6%, minimum of 3%. The maximum increase shall be 5%. However, in the event that this CPI increase exceeds 5% by at least 1/4%, the Union will have the option to reopen the contract on the sole subject of a COLA increase.

3) HEALTH (Active and Retiree)

a) Effective July 1, 2008, Status quo: Currently offered plans and share of cost (85%-15%) no change

~~b) - 1 Effective January 1, 2009, enroll in PERS Health, offering Kaiser, Blue Shield Access +, PERS Select, PERS Choice, and PERS Care. Share of cost:~~

- ~~• PERS Care PPO: County: 70%; employee or retiree, 30%~~
- ~~• PERS Choice PPO: County: 85%; employee or retiree, 15%~~
- ~~• PERS Select PPO: County: 85%, employee or retiree, 15%~~
- ~~• PERS Blue Shield Access + HMO: County: 75%, employee, 25%~~
- ~~• PERS Kaiser: County: 85%, employee or retiree, 15%~~

Insert "LIKE" after "PERS" in the five bullets above.

See Attachment # 1

Insert see Attachment 1

July 1, 2009

b) - 2 Effective January 1, 2010, share of cost shall be:

LIKE

- PERS Care PPO: County: 70%; employee or retiree, 30%
- PERS Choice PPO: County: 84% ~~85%~~, employee or retiree, ~~16%~~ 15%
- PERS Select PPO: County: 84% ~~85%~~, employee or retiree, ~~16%~~ 15%
- PERS Blue Shield Access + HMO: County: 75%, employee, 25%
- PERS Kaiser: County: 84% ~~85%~~, employee or retiree, ~~16%~~ 15%

b) - 3 Effective January 1, 2011, share of cost shall be:

July 1, 2010

- PERS Care PPO: County: 70%; employee or retiree, 30%
- PERS Choice PPO: County: 83% ~~85%~~, employee or retiree, ~~17%~~ 15%
- PERS Select PPO: County: 83% ~~85%~~, employee or retiree, ~~17%~~ 15%
- PERS Blue Shield Access + HMO: County: 75%, employee, 25%
- PERS Kaiser: County: 83% ~~85%~~, employee or retiree, ~~17%~~ 15%

For 5 bullets above, insert "LIKE" after "PERS"

Please see attached PERS rates information.

For current employees, conditions for receiving retiree health coverage are status quo: 10 years of service, Employee Only; 20 years of service, employee plus one dependent.

Please Note: By proposing to go with PERS Health, SEIU is effectively agrees to 1) a change in co-pays from \$0 to \$10; and 2) No dual coverage. These provisions are already features of PERS Health.

Due to the fact that PERS Health is community rated, County is entitled to include actives and retirees in the same risk pool without being counting "implicit subsidy" as part of GASB 45 OPEB calculation. Please see attached letter from Dallas Stone, CalPERS Health Benefit Branch, for other details.

Administrative cost of PERS Health is currently .29 of one percent.

c) Effective January 1, 2009, institute PERS Unequal Contribution Method (Government Code 22892 (c)).

1. Initial Minimum Employer Contribution for Retirees is \$1.00 per month
2. Initial Minimum Employer Contribution for Actives is \$101.

Please Note: For those entitled to a stipend under the terms of the MOU, the Minimum Employer Contribution is a fraction of stipend to which retiree is entitled; i.e., paying the Minimum Employer Contribution does not increase

TFD

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stipend. The Minimum Employer Contribution for actives and retirees must come into parity over a 20 year period.

d) "Waivers" Effective July 1, 2008:

1. **Active Employees:** Employees providing proof of other comparable coverage may waive County coverage. Active Employee waiving health plan coverage is entitled to ~~1/2 of County contribution for the least expensive offered health plan, employee only.~~ *\$150.00.*

2) **Retirees** - (As proposed by County). Retiree need not opt to receive retiree health coverage at the time of retirement. In all likelihood, those opting to defer the benefit will be early retirees.

e) **Dental and Vision:** Union agrees to rate increase as proposed by County. Maintain dual coverage for dental and vision only.

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f) **Irrevocable Retiree Health Trust** -

The County has created an irrevocable trust to pay for its retiree medical contribution through PARS.

Funding of Trust:

Any savings from the modification of health plans

1) Effective upon ratification, the County will deposit an additional \$20,000,000 in the PARS irrevocable trust (please see attached list of available reserve funds).

We argue that these funds should have been set aside for purposes of honoring the County's obligation to pay for retiree medical coverage, instead of funding other reserves.

2) Any funds remaining after County Health Plan has paid off the last of its incurred but Not Reported claims will be placed in the irrevocable retiree health trust.

3) In July of 2010, 1% of COLA will be diverted from pay into irrevocable trust (1% means one percent of SEIU payroll). Diversion of this 1% will be accomplished in same way as pay is diverted for the purpose of paying for 3% at 60 retirement: employees pay rate will reflect the 1%; and the 1% will count toward retirement.

4) County will match the 1%; i.e., County will pay 1% into the same irrevocable OPEB trust.

including modification of plan design, share of cost of premiums, migration from a more expensive plan to a less expensive plan shall go into the 3047

5) In the event that any employee group is not paying at least 1% into an irrevocable trust for retiree health as of April 30, 2011, SEIU will have an option to exercise a "me too" clause and cease contributing into the irrevocable OPEB trust, effective June 30, 2011.

6) During the term of the agreement, the Board of Supervisors will pass an ordinance devoting Tobacco Settlement revenue to the irrevocable OPEB trust once the County's obligation to pay the revenue bonds is discharged

The County was a party to the nation-wide tobacco lawsuit, and received a judgment based on the sales of tobacco products. That revenue stream is currently \$4,500,000 per year and is predicted to rise to \$6,000,000 per year. This revenue stream was securitized via revenue bonds.

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g) Effective January 1, 2009, new employees will be subject to the following conditions to receive retiree medical benefits:

1. At least ten years service
2. Rule of 70 (service time plus age) to receive retiree medical benefit for self;
3. Rule of 80 (service time plus age) to receive retiree medical benefits for self plus one dependent.

4) **Other Initial Proposals**

~~As part of package~~, Union **withdraws**:

U#29 – Additional Merit Steps

U#30 – Longevity

U#32 – IRS 457 Matching

b) Effective Jan 1, 2009

- Co. Health Plan # 2 County 70% empl or retiree 30%
- Co Health Plan # 3 Converted to a PERS choice like plan
- Pacific Care County 75% empl or retiree 25%
- Kaiser County 85% empl. or retiree 15%
- No dual Coverage

b)2 • Effective July 1, 2009 the County shall go to a PERS-like plans unless the County can demonstrate that it is not cost effective.

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PERS "LIKE"

CHP #2 = PERS CARE

CHP #3 = PERS CHOICE/SELECT

Pacific Care = Blue Shield Access Plus

Kaiser O = Kaiser w/ 10 @ pay
@ pay

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ON RECORD PROPOSAL :
E-mailed August 14.

Union Proposal: SEIU 1021 and County of Sonoma -
August 13, 2008 AMENDED

4.12 - Union Release time: Existing Language

8. - Salaries: WITHDRAW reopener provision.

8. Internal Equity:

Human Services Network Analyst - WITHDRAW

8. Merit Pay, Longevity, and Deferred Compensation - WITHDRAW

9 - Lead Worker Premium - DROP

9. Animal Regulation Officer Proposals (3) (WITHDRAW)

9.5.1 Nursing Standby - TTA

9.6.6 - ISD Standby - TTA

9. Homeless Encampments - WITHDRAW

9. Property and Evidence - WITHDRAW premium proposal. County agrees to
initiate classification study.

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9.17.4 Sexual Assault Examinations - TTA

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9.18 - Detention Premium - EXISTING LANGUAGE

9.32 - Animal Specimen Removal - WITHDRAW

10. Boots, uniforms and other set dollar issues: REVISED PROPOSAL - 10%
Increase.

14. Time Off: Vacation Increase Proposal: WITHDRAW

18. Supervisory Span of Control: WITHDRAW