

DEPARTMENT OF HUMAN RESOURCES

CIVIL SERVICE COMMISSION

KIM DAVID STAFFORD, PRESIDENT
CHRISTOPHER ANGLE
PAM KEITH
AMY MASON
CLIFF NEAL



DONALD W. TURKO
DIRECTOR OF HUMAN RESOURCES

675 TEXAS STREET, SUITE 1800
FAIRFIELD, CA 94533-6336

PERSONNEL (707) 784-6170
EMPLOYEE BENEFITS (707) 784-6170
RISK MANAGEMENT (707) 784-6170
FAX (707) 784-6014
FAX-RISK MANAGEMENT (707) 422-9683

November 16, 2009

Michelle Coleman
President Solano County Chapter
SEIU Local 1021
2300 Boynton Ave., Suite 200
Fairfield, CA 94533

RE: County Response to SEIU 1021 Last, Best Final Offer of November 13, 2009

Dear Michelle:

Following is the County's response to the Last, Best Final Offer (attached) made to Solano County negotiators on Friday November 13, 2009 by SEIU Local 1021. At that time, and in your press release made on November 13, 2009, you have represented that this offer saves \$16.7 million dollars. A careful analysis of the SEIU Offer shows that this representation is not accurate. The SEIU Offer would save only \$3,513,368 dollars in the General Fund over a 30 month period. This in contrast to the County offer of November 13, 2009 which would save \$4,906,709 in SEIU units over the next 19 months.

To each enumerated point in your November 13 offer, the County response is:

1. Proposal for a 37 ½ hour work week. This proposal is rejected. This proposal limits the County's hours of service to the public over an extended period of time (30 months). The offer also maintains the leave accrual of County employees at the current accrual rate set for a 40 hour work week.
2. Proposal to close County facilities for 1 day each week. This proposal is rejected. This proposal excessively limits County hours of service to the public over an extended period of time (30 months).
3. Proposal to extend the current MOU by one calendar year, until October 2012. This proposal is rejected. As previously stated in negotiation, the County would be open to a MOU extension if compensation costs were reduced. The November 13 offer does not reduce compensation costs, in fact it assumes a 3-5% COLA for SEIU units in October 2011 and a return to a 40 hour work week on June 30, 2012. Current County revenue projections reflect a reduction in County revenues during this time period.

4. Proposal to sunset the 37 ½ hour work week on June 30, 2012. Proposal rejected, see response to Proposal 3.
5. Proposal that all contracted benefits remain in full effect. The County proposal of November 13, 2009 has proposed no changes to benefit provisions of the current MOU.
6. Proposal that there be no layoffs in SEIU units through October 2012. This proposal is rejected. The County's current fiscal status precludes the County from making a "no layoff" commitment to any employee organization at this time, or in the future.
7. Proposal that the County meet with SEIU no later than February 26, 2010 to determine how savings from the Early Retirement Incentive (ERI) will be applied to SEIU bargaining units. The County is willing to meet to discuss the savings which result from the ERI, however, the County's obligation to negotiate the application of those savings is no longer a mandatory subject of negotiations.
8. Proposal for a "Me Too" Clause. This proposal is rejected given the lack of specificity in the language text provided.

Projected Cost Savings

On November 13, 2009 SEIU Local 1021 represented that the savings from its Last, Best Final Offer was \$16,774,380 dollars over a 30 month period. A costing of the offer demonstrates that this representation is not an accurate analysis of the savings realized.

The General Fund savings resulting from the November 13 SEIU Last, Best Final Offer is \$3,513,368. The table below displays the calculated savings from the SEIU Offer:

All Funds Payroll Savings Over 30 Months	\$16,774,380
3% COLA 10/03/10 to 06/30/11	(2,252,928)
3% COLA 07/01/11 to 06/30/12	(3,019,388)
40 Hour Workweek Reinstated 07/01/12	(50,323)
3% COLA 07/01/12 to 09/30/12	(805,170)
Total All Funds Savings Over 30 Months	10,646,570
Total General Fund Savings Over 30 Months	3,513,368

As the County has repeatedly stated during negotiations sessions with SEIU Local 1021, the County's structural deficit is in the General Fund. The current negotiations are intended to reduce County compensation expenses in the General Fund and to offset the need to reduce General Fund expenses through layoff. The SEIU Last, Best Final Offer of November 13 does not accomplish that objective.

For that reason, the County requests that SEIU Local 1021 reconsider the proposal made to SEIU in negotiations on November 13, 2009, copy attached, which proposes to:

1. Rescind the 3-5% COLA scheduled for SEIU represented employees on 10/03/10.
2. Reduce the Employer Payment of Member Contribution toward retirement by 3% effective 11/29/09 and by an additional 3% effective 07/11/10.
3. Establish a lower retirement tier for future hires (2% @ 60 for miscellaneous and 2% @ 55 for safety employees) in October 2010 or upon agreement of all effected represented employees, whichever date is later.
4. Proposes a 5 day work furlough in December of 2009 and in December 2010. This proposal is in direct response to SEIU's written proposals of November 6 and November 11, 2009 proposing work furloughs.

The estimated General Fund savings from the County's November 13 proposal is \$4,906,709 over a 19 month period in SEIU units, and \$8,177,849 if adopted for all County employees. The County proposal would, as clearly stated, mitigate or restore 57 equivalent SEIU represented position reductions which have been proposed for layoff in the 2009-2010 fiscal year. With the exception of the furlough, the County proposal attempts to reduce, not defer, future compensation costs and to bring compensation expenditures into line with decreasing County revenues.

The County proposal of November 13, 2009 remains open for consideration through the end of the business day on November 17, 2009 in preparation for finalization of the Board agenda packet. In the absence of concessions, the County will have little alternative but to proceed on November 24, 2009 with position reductions which will result in the layoff of County employees.

If you wish to meet to discuss the County proposal and to reduce the effect of layoffs on SEIU represented employees please contact me at your earliest convenience.

Yours truly,



Donald W. Turko
Director of Human Resources

cc: Michael Johnson, County Administrator
Georgia Cochran, Assistant HR Director

Attachments

SEIU 1021 TO SOLANO COUNTY

LAST, BEST FINAL OFFER 11.13.09

1. All SEIU members will work a 37.5 hour work week for duration of the contract. All leave accruals will continue at current contract rate.
2. All County buildings will close one day a week, Monday or Friday to be determined at ratification. (Exception JDF, FOUTS, (CRISIS) Airport)
3. Extend contract to ~~October 2012~~ October 2012.
4. 37.5 hour work week will sunset 6.30.2012.
5. All contracted benefits remain in full effect, Any increase in benefits will remain paid ~~at~~ the current 8/20 split including the increase.
6. No SEIU layoffs through the contract extension. 10/2012
7. ~~County will meet with SEIU no later than 2/26/10 to determine how the ERI savings which resulted from the ERI windfall which closes on 12/23/09 will be~~
County will meet with SEIU no later than 2/26/10 to ~~determine~~ determine how the ERI savings which resulted from the ERI windfall which closes on 12/23/09 will be

applied to the SEIU bargaining units.

8. "Me Too" clause as previously stated in email dated 11.11.09.

37.5 hr workweek \$16,774,380
for 30 months

**SOLANO COUNTY PROPOSAL
TO SEIU LOCAL 1021**

NOVEMBER 13, 2009

Proposal Description	FY 2009-2010 Savings	FY 2010-2011 Savings
<p>Salary</p> <p>Rescind the COLA scheduled for 10/03/10.</p>	\$0	\$2,403,124
<p>EPMC</p> <p>Reduce employer payment of member contribution toward retirement by 3% effective 11/29/09; Reduce employer payment of member contribution toward retirement by an additional 3% effective 07/11/10.</p>	<p>\$1,895,247</p> <p>3% Reduction</p>	<p>\$6,441,362</p> <p>6% Reduction</p>
<p>Retirement</p> <p>That all future SEIU represented employees be hired under the below CalPERS retirement formulas</p> <p>Miscellaneous 2% @ 60 Safety 2% @ 55</p> <p>The parties agree that this change in retirement formulas will take place either on October 3, 2010 or upon agreement of all effected represented employees, whichever date is later.</p>		<p>To be effective 10/3/10</p>
<p>Furlough</p> <p>The parties agree to close County facilities for five (5) work days during the term of the MOU. The five (5) furlough days will be taken on the following days.</p>		

<p>In the event that all employee groups do not agree to the five (5) work day closure, the parties agree that five (5) paid holidays will be treated unpaid days. The unpaid holidays would be:</p> <ul style="list-style-type: none"> Day After Thanksgiving New Year's Day Washington's Birthday Lincoln's Birthday Memorial Day <p>Pay for these five (5) days would be deducted from 10 consecutive paychecks.</p>	<p>December 24, 28, 29, 30, 31</p> <p style="text-align: right;">\$2,064,539</p>	<p>December 23, 27, 28, 29, 30</p> <p style="text-align: right;">\$2,064,539</p>
<p>Layoff Mitigation</p> <p>In consideration of the above concessions, the County commits that the General Fund savings resulting from these concessions will be set aside to mitigate against the first 57 FTE equivalent layoffs which might be adopted by the Board of Supervisors during the 2009-2010 fiscal year.</p>	<p style="text-align: right;">15</p>	<p style="text-align: right;">42</p>
<p>Early Retirement Incentive</p> <p>County will meet with SEIU no later than February 26, 2010 to discuss the General Fund savings which will result from the ERI window which closes on December 23, 2009.</p>		
<p>Total Savings All Funds</p>	<p style="text-align: right;">\$3,959,786</p>	<p style="text-align: right;">\$10,909,025</p>
<p>Total Savings (Estimated) General Funds</p>	<p style="text-align: right;">\$1,306,730</p>	<p style="text-align: right;">\$3,599,979</p>
<p>All Other Units Estimated Share</p>	<p style="text-align: right;">\$871,154</p>	<p style="text-align: right;">\$2,399,986</p>
<p>Grant Total Est. Savings</p>	<p style="text-align: right;">\$2,177,884</p>	<p style="text-align: right;">\$5,999,965</p>