



The County of El Dorado
Human Resources Department
Risk Management
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November 14, 2011

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, CA 95667

RE: Recommended Memorandum of Understanding with Operating Engineers Local Union No.3
Probation Bargaining Unit.

Dear Board Members;

At the direction of your Board, staff has met and negotiated in good faith with the Operating Engineers Local Union No.3, Probation Unit. The parties began the negotiation process before January 2010 on a successor Memorandum of Understanding (MOU) that expired on December 31, 2007. As required under Government Code Section 3500 et seq. the parties have operated under an imposed Modified Last Best and Final Offer since November 9, 2009. The parties have met numerous times, exchanged proposals, and have given serious consideration in regard to the successor MOU during these difficult economic times. This MOU is the result of the County and Operating Engineers Local Union No.3, Probation Bargaining Unit working together for the long range economic well being of the County.

On or about November 3, 2011, members of Probation Bargaining Unit ratified the recommended MOU. This successor MOU is now before the Board for final adoption. Staff recommends adoption of this successor MOU and provides highlights of the agreement as follows:

1. CalPERS "Second Tier" - The County and Probation Bargaining Unit are in agreement to implement a CalPERS second tier for retirement benefits. The second tier would become effective upon adoption by the Board of a contract amendment between the Board of Administration for CalPERS and the County of El Dorado. The second tier would provide all new hires after the effective date of the amendment retirement benefits of 2% @ 50, with Three Year Final Compensation Safety Retirement formula for all newly hired employees in the Safety unit. Employees hired prior to July 1, 2011 would continue under 3% @ 50, Single Highest One Year, Safety Retirement Benefits.
2. Current Employee CalPERS Contribution – The County currently pays a total of seven percent (7%) of the employee's CalPERS contribution. Effective the first full pay period following the adoption of this MOU by the Board of Supervisors, the County will pay five percent (5%) of the employee's nine percent (9%) CalPERS contribution and the employee will pay four percent (4%), except as specified below in Section 3.

3. New employees - Effective the first pay period following adoption of this MOU by the Board of Supervisors, new employees hired on or after the effective date of this MOU shall pay the full nine percent (9%) employee share of CalPERS employee contribution for the first five (5) years of employment, or 130 pay periods. Effective the first pay period of the sixth (6th) year of continuous employment, or pay period 131, the County will pay five percent (5%) of the employee's CalPERS contribution and the employee will pay four percent (4%) of the employee's CalPERS contribution.
4. Multi-Year Agreement – This MOU is a multi-year agreement effective upon adoption by the Board through June 30, 2013.
5. The majority of other changes are language changes intended to provide better direction for all parties.

This recommended Memorandum of Understanding represents work done by staff and the Operating Engineers Local Union No. 3, Probation Bargaining Unit to meet the needs and interests of both parties. The long range economic outlook of the County was at the forefront of negotiations throughout the process.

Recommendation:

Staff recommends the Board approves, adopt, and authorize the Chair to sign the attached Resolution and the Memorandum of Understanding between the County of El Dorado and the Probation Bargaining Unit, and direct staff of Human Resources and the Auditor/Controller's office to implement changes as reflected in the MOU.

Reason for Recommendation:

The parties have negotiated in good faith since January 2010 in an attempt to reach a mutually agreed upon successor MOU during these tough economic times. The previous MOU expired December 31, 2007 and the Probation Bargaining Unit was operating under an imposed Modified Last Best and Final Offer since November 9, 2009. The parties recognize the economic conditions facing the County and came together to meet the long term economic goals of the County.

Sincerely,

Karl Knobelauch
Director of Human Resources

- c. Terri Daly, CAO
Lou Green, County Counsel
Joe Harn, Auditor/Controller