



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 22-122

Board Meeting Date: 2/22/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Human Resources Director
Michelle Kuka, Deputy Director, Human Resources

Subject: Resolutions Establishing Salaries and Benefits for the Unrepresented Management, and Attorney and Confidential Units

RECOMMENDATION:

Adopt three resolutions establishing Salaries and Benefits for the Unrepresented Management Unit, the Unrepresented Attorney's Unit, and the Unrepresented Confidential Unit, for the term of February 20, 2022 through October 5, 2024.

BACKGROUND:

The County concluded negotiations with American Federation of State, County and Municipal Employees (AFSCME) for Regular Employees which resulted in recommended salary increases and other economic and non-economic changes for represented employees. The Memoranda of Understanding for AFSCME for Regular employees is also being presented to the Board of Supervisors on February 22, 2022. Traditionally, the Board considers a similar wage and benefit package for unrepresented Management, Attorney and Confidential classifications after negotiations with bargaining units.

DISCUSSION:

These recommendations are in alignment with the County's negotiations goals and strategies, which include fiscal sustainability, equity and consistency with other bargaining units and competitiveness with the Bay Area workforce market.

The recommended resolutions have the following major elements:

Term

February 20, 2022 through October 5, 2024, for a two-year, eight-month term.

Salary Adjustment

Salaries for those classifications within these resolutions will receive Cost of Living Adjustments (COLA) increases as follows: 3% effective February 20, 2022, 3% effective October 2, 2022 and 4% effective October 1, 2023.

Lump-Sum Payment

Employees in an active paid status in positions covered by these resolutions will receive a one-time lump sum payment of \$2,000 following Board of Supervisor approval.

Other economic changes

Employees covered by these resolutions will also receive an additional County paid holiday on Juneteenth.

As noted in the Unrepresented Management Unit Resolution, the lump sum payment does not apply to elected officials. Furthermore, the annual salary percentage increases for elected department heads are set forth by Ordinance Code 2.71.060 and the separate Master Salary Resolution Amendment presented to this Board for consideration concurrently with these resolutions.

County Counsel has reviewed and approved the resolutions as to form.

Financial Impact on County's Retirement System

Government Code Section 31515.5 requires the County to provide the estimated financial impact that proposed benefit changes or salary increases would have on the funding status of SamCERA's retirement fund, the County's retirement system. As reflected in the attached letters from SamCERA's actuary, Milliman, the proposed salary increases for the Management employees is estimated to be an increase in the Unfunded Actuarial Accrued Liability (UAAL) of \$166,000. Note that this is the impact on SamCERA funding only, so it does not reflect the cost to the County of providing the lump-sum payments. While the UAAL of SamCERA will be higher by this amount, the funded ratio, rounded to the nearest 0.01%, will be unchanged. For Attorneys it is estimated that the proposed changes will not impact the Unfunded Actuarial Accrued Liability (UAAL). It is estimated that the proposed salary increases for the Confidential employees will increase the Unfunded Actuarial Accrued Liability (UAAL) in the amount of \$2,000. Note that this is the impact on SamCERA funding only, so it does not reflect the cost to the County of providing the lump-sum payments. While the UAAL of SamCERA will be higher by this amount, the funded ratio, rounded to the nearest 0.01%, will be unchanged.

FISCAL IMPACT:

The cost of the salary and other changes for the unrepresented Management, Attorney and Confidential Resolutions will result in a net increase of approximately \$32.8 million over the two-year, eight-month term.