



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 22-641

Board Meeting Date: 9/13/2022

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: Successor agreement to the Memorandum of Understanding with the Union of American Physicians and Dentists (UAPD)

RECOMMENDATION:

Adopt a resolution authorizing approval of the Tentative Agreement establishing the terms and conditions of a successor agreement to the Memorandum of Understanding with the Union of American Physicians and Dentists (UAPD) for the term of May 15, 2022 through May 17, 2025.

BACKGROUND:

The current MOU expired on May 14, 2022, and the County concluded negotiations with UAPD on August 16, 2022. The membership has ratified the County's offer. The County and UAPD have met and conferred in good faith and agreed to the terms as described in the Tentative Agreement.

DISCUSSION:

This agreement covers all of the staff in classifications represented by UAPD. The following is a high-level summary of the major changes, but is not a substitute for the attached agreement and the detailed terms contained therein.

Term

May 15, 2022 through May 17, 2025, three years.

Salary Adjustment

Beginning of the pay period the Board of Supervisors adopts the Tentative Agreement there will be a combined cost of living adjustment and equity adjustment of six percent (6%) to salary schedules of all classifications represented by the bargaining unit, including supervisory and resident classifications. There will be an additional market adjustment of three percent (3%) for Staff Physician, Staff Physician - Pediatrics, Dentist, Child Psychiatrist, and related supervising classifications as well as an additional market adjustment of six percent (6%) for the Adult

Psychiatrist and Supervisory Adult Psychiatrist classifications.

Effective May 14, 2023, there will be a cost of living increase for all classifications represented by the bargaining unit of three percent (3%).

Effective May 19, 2024, there will be a cost of living increase for all classifications represented by the bargaining unit of four percent (4%).

Lump-Sum Payment

Employees in an active paid status in positions covered by this MOU will receive a one-time lump sum payment of \$2,000 following Board of Supervisor approval, this amount will be pro-rated for part-time employees.

Retiree Health change

The new agreement makes a change to retiree health benefits. UAPD members who are actively employed as of the transition date and who retire simultaneously with separation from County service, would be reimbursed up to 240 hours of sick leave that was used while the employee was on an approved Family Medical Leave (FMLA), California Family Rights Act Leave (CFRA), and/or Pregnancy Disability Leave (PDL). The sick leave hours would be reimbursed for the purposes of conversion to retiree health benefits.

Other economic changes

Employees represented by UAPD will receive three days of Winter Recess during each year of the new MOU.

Effective the first, full pay period following Board of Supervisors' approval of a successor MOU in 2022, for regular employees defined as new members in the San Mateo County Employees Retirement Association (SamCERA) under the Public Employees' Pension Reform Act (PEPRA), the County will match employee contributions to the County's 457 Plan, up to five percent (5%) base salary.

County Attorney has reviewed and approved the resolution as to form.

Financial Impact on County's Future Annual Costs of Retiree Health changes

Government Code section 7507 requires the County to provide the estimated financial impact that proposed Other Pensionable Employee Benefits (OPEB) and Pension benefit changes would have on the future annual costs including but not limited to the annual dollar changes, or the total dollar changes involved as well as normal cost and any change to accrued liability.

As reflected in the attached letter from Milliman, the retiree health benefit reflected in this analysis is projected to increase the County's Actuarially Determined Contribution (ADC) by \$20,000 to \$27,000, depending on the amortization method, in the first year.

Pursuant to section 7507, the attached actuarial report dated June 2, 2022, was presented to this Board and made public at the Board of Supervisor's meeting on June 28, 2022. Also pursuant to section 7507, the County's actuary will be available during the meeting on which this item is to be considered in order to provide information as needed by the Board.

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 letter from SamCERA's actuary, Milliman, the proposed salary and benefit increases for the UAPD employees is not estimated to impact the Unfunded Actuarial Accrued Liability (UAAL). Note that this is the impact on SamCERA funding only, so it does not reflect the cost to the County of providing these benefits and compensatory benefits to UAPD members.

FISCAL IMPACT:

The cost of the salary and other changes will result in a net increase of approximately \$15.5 million for the three-year term of the new Memorandum of Understanding.

The changes to retiree health benefits represent an annual estimated cost of up to \$27,000 for the enhancement to the retiree health benefit.