



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HUMAN RESOURCES

**File #:** 19-515

Board Meeting Date: 6/4/2019

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Rocio Kiryczun, Human Resources Director  
Michelle Kuka, Employee Relations Manager

**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 5, 2019 through May 14, 2022.

### **BACKGROUND:**

The current MOU expired on May 4, 2019. The County and UAPD met and conferred in good faith and agreed to the terms as described in the Tentative Agreement on May 22, 2019. UAPD's membership has since ratified the County's offer and the Tentative Agreement.

### **DISCUSSION:**

This agreement covers all of the regular staff in classifications represented by UAPD. The following summarizes the major changes.

#### **Term**

May 5, 2019 through May 14, 2022, three years.

#### **Salary Adjustment**

Classifications in this bargaining unit will receive Cost of Living Adjustment (COLA) increases as follows: 3% effective June 2, 2019, 3% effective May 3, 2020, and 3% effective May 2, 2021. In addition, employees in this bargaining unit will receive equity increases of 1% June 2, 2019, May 3, 2020, and May 2, 2021.

#### **Other economic changes**

Employees in this bargaining unit will receive 2% of longevity pay after the completion of the

equivalent of five years. The County will increase the employer match to employee contributions to the County's 457 plan by 2% for new members in the San Mateo County Employees Retirement Association (SamCERA) under the Public Employees' Pension Reform Act (PEPRA) and 1% for legacy members in SamCERA under PEPRA. In addition, employees will begin to accrue vacation at higher increments beginning after the equivalent of five years of full time employment, with incremental increases every five years through 25 years. Employees will also receive sixteen (16) hours toward a Winter Recess to be utilized during the winter holidays.

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

Approval of this resolution contributes to Shared Vision 2025 of a Collaborative Community by ensuring cost-effective compensation structures for County employees.

### **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 increases for the UAPD employees is greater than the actuarially assumed annual general wage increase, and the new, comparable longevity benefits are larger than the merit increase assumption and affect SamCERA's future funded status. It is estimated that the present value of these future actuarial losses is equivalent to a reduction of 0.03% in SamCERA's Funded Ratio (currently 87.5%), if the full estimated future impact had been reflected in the 2018 valuation. It is still projected that SamCERA's Funded Ratio will increase in the future, just at a fractionally lower rate than projected in the 2018 valuation.

### **FISCAL IMPACT:**

The cost of the salary and other changes will result in a net increase of approximately \$11,563,000 over the 3-year term. The impact of the increases on the County's required payments to SamCERA will be reflected in the actuarial assumptions in SamCERA's 2020 triennial experience study, which in turn will be used to calculate the contribution rates for Fiscal Year 2021.