



MARIPOSA COUNTY

Human Resources/Risk Management • (209) 742-1375



RESOLUTION - ACTION REQUESTED 2016-277

MEETING: June 14, 2016

TO: The Board of Supervisors

FROM: Steve Johnson, Human Resources Director - Risk Manager

RE: DSA and SMA Side Letter of Agreement-Cash Option for Non-Medical Participants

RECOMMENDATION AND JUSTIFICATION:

Formalize an Agreement with the Deputy Sheriffs' Association (DSA) and Sheriffs' Management Association (SMA) to Increase the Cash Option Amount (Or Flexible Benefit Allowance) for Employees who Do Not Participate in the County's Medical Insurance Plans by Approving a Side Letter of Agreement; and Authorize the Board of Supervisors Chair to Sign the Side Letter of Agreement.

During the last round of negotiations with the DSA and SMA, the County agreed to increase the cash option amount that employees receive pursuant to the provisions of the Memoranda of Understanding (MOUs). Specifically, employees in these bargaining units are provided a cash option amount which may be applied toward the employee's cost of any qualified non-taxable benefits under the County's IRS section 125 Plan, such as medical insurance, or the employee can take this additional amount in cash. Because of the ever-rising cost of medical insurance, the County and the unions agreed to increase the cash option amount for each year of the MOUs so that those employees who participate in the County's medical insurance would have less of a financial impact as they could apply the additional amount to their medical insurance premium.

Subsequent to negotiations, union representatives contacted the County because of their understanding that the additional cash option amount was to be provided to all employees in the bargaining unit, not just those who participated in the County's medical insurance plans. After further discussions with representatives of the DSA and SMA bargaining units and with the Board's concurrence, the County agreed to provide the additional cash option amounts to the ten non-medical insurance participants as follows: \$70 increase effective May 1, 2016; \$50 increase effective December 1, 2016; and \$80 increase effective December 1, 2017. The Side Letter of Agreement will formalize this agreement with the DSA and SMA.

The County and the DSA and SMA also agreed to re-open the Side Letter of Agreement, if necessary. This is because the Ninth Circuit Court of Appeals has an issue before them that could directly impact the County's agreement to increase the cash option for those employees who do not participate in the County's medical insurance. If the Ninth Circuit decides to include cash options in the regular rate of

pay* for overtime purposes, then the County and the unions will meet and confer over the impacts of this decision on the County.

*The "regular rate" of pay is not typically the same as an employee's hourly rate of pay. The "regular rate" is a rate defined by the Fair Labor Standards Act (FLSA) that takes into consideration the various items of compensation provided to an employee for overtime purposes. The FLSA requires that an employee who works overtime must be paid for overtime hours at the rate of one and one-half times their "regular rate" of pay. Depending on the Ninth Circuit's decision, cash-option amounts that the County provides to its employees could be included in the "regular rate."

BACKGROUND AND HISTORY OF BOARD ACTIONS:

At their meeting of February 9, 2016, the Board of Supervisors approved MOUs for a thirty-nine month period with the DSA and SMA bargaining units for the period of October 1, 2015 through December 31, 2018. These MOUs included increases to the Flexible Benefit Allowance (or cash option) provisions for employees who participate in the County's medical insurance plans.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

N/A. The Board has informally agreed to this action. This action will formalize the agreement with the DSA and SMA.

FINANCIAL IMPACT:

The additional cost will be approximately \$38,000 through to the end of the contract period. Funding will be appropriated into each affected budget unit.

ATTACHMENTS:

DSA and SMA cash option reopener language 2016 (PDF)

CAO RECOMMENDATION

Requested Action Recommended


Mary Hodson, CAO 6/9/2016

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]

MOVER: Kevin Cann, District IV Supervisor

SECONDER: Marshall Long, District III Supervisor

AYES: Rosemarie Smallcombe, Marshall Long, Kevin Cann, John Carrier

EXCUSED: Merlin Jones

RES. NO. 16-277

**SIDE LETTER OF AGREEMENT BY AND BETWEEN MARIPOSA COUNTY
AND THE MARIPOSA COUNTY DEPUTY SHERIFFS' ASSOCIATION (DSA)
AND THE MARIPOSA COUNTY SHERIFFS' MANAGEMENT ASSOCIATION (SMA)**

This Side Letter of Agreement serves to confirm discussions and eventual agreement by and between representatives of Mariposa County, the Mariposa Deputy Sheriffs' Association ("DSA") and the Mariposa County Sheriff Management Association ("SMA") concerning revisions to Section 6.4.1.2 of the DSA Memorandum of Understanding ("MOU"), and Section 6.4.1.6 of the SMA MOU, concerning the County's monthly contribution toward the "Cash Option" for bargaining unit members who are not participating in the County's medical insurance plan, referred to here as "non-participating employees".


The County's contribution toward the cash option for non-participating employees will be increased as follows:

- \$70 increase effective May 1, 2016;
- \$50 increase effective December 1, 2016;
- \$80 increase effective December 1, 2017.

The parties further agree that if, during the term of the DSA and SMA MOUs, the Ninth Circuit Court of Appeals issues a decision, published or unpublished, indicating that the cash option for non-participating employees constitutes "remuneration" to be included in the employees' "regular rate of pay" for Fair Labor Standards Act overtime purposes, the parties will re-open the terms of this Side Letter to meet and confer over the impacts, if any, on the County's obligations established by this Side Letter.

This Side Letter is hereby incorporated by reference into the DSA and SMA MOUs and will remain in effect for the respective term of those MOUs or until changed through negotiations for a successor MOU or following exhaustion of the statutorily required impasse resolution process.

FOR THE COUNTY:



John Carrier, Chair
Mariposa County Board of Supervisors

Date: 6-15-16

FOR THE UNION




Chris Ramirez, President
Sheriffs' Management Association

Date: 6/2/16

APPROVED AS TO FORM:



Steven W. Dahlem, County Counsel



Wes Smith, President
Deputy Sheriffs' Association

Date: 5/26/16



Paul Konsdorf, Goyette & Associates

Date: 6/6/16