



COUNTY ADMINISTRATOR
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MEMORANDUM

TO: Barbara Levin Bergman
Chair, Ways & Means Committee

FROM: Diane M. Heidt
Human Resources / Labor Relations Director

THROUGH: Robert E. Guenzel
Washtenaw County Administrator

RE: Non-Union Salary Adjustments and Other Related Matters

DATE: March 5, 2008

Recommended Action:

Approval of the recommendations set forth as a result of negotiations and other related matters.

Background:

Beginning in February, 2007, Administration and Human Resources / Labor Relations brought to the Board of Commissioners an overview of the collective bargaining process, including the status and process for negotiations with those labor union contracts which were set to expire 12/31/2007. On April 4, 2007, May 25, 2007, June 13, 2007, and on September 20, 2007, the Washtenaw County Board of Commissioners provided their approval of a recommended strategy for negotiations. Small group discussions subsequently held with the Board of Commissioners to further discuss and analyze economic parameters.

The **vision** for the process has been “***To create a product and process that both the union and management are satisfied with.***” The **guiding principles** that were followed include:

Partnership

Purpose

Right to say “No” ... ensure that everyone is heard

Honesty (full disclosure)

Accountability

Engagement – Communication

Fit with the 10-year Financial Projections

Even Application of Policy

Employee Morale (openness & communication)

Professional Approach (respect & trust)

Measures of Success / Checkpoints

Communication (engagement & employee morale)

Further, the County and the Unions engaged in ***Interest-Based Bargaining (IBB)***, which is a process that provides the following structure for communication and understanding:

Identify **Issues** (problem to be solved)

Focus on **Interests**, not Positions (needs and concerns underlying the issues)

Identify **Options** (alternatives)

Look at **Standards** (Time, \$\$\$, Legality)

It is clear that the IBB process assisted both parties in building trust, through full-disclosure, and enhancing communication to reach the settlements in the professional manner and timeframe that had been determined.

Discussion:

The following economic factors have been agreed to with five (5) of the seventeen unions.

AGREEMENT

Three (3) year contract (2008 – 2010)

WAGES (effective the first day of the payperiod)

2008	0%
1/1/2009	0.5%
1/1/2010	1.5%
7/1/2010	1.5%

ACTIVE HEALTHCARE – Effective 1/1/09

CORE plan for existing employees with by Community Blue PPO1 with \$0/\$30 prescriptions

CORE plan for employees hired 1/1/09 and beyond will be tiered as follows:

First 3 years of employment Community Blue PPO10

Years 4-7 of employment
Years 8+ of employment

Community Blue PPO2
Community Blue PPO1

Mail Order Mandatory for Maintenance Drugs providing a 1-month co-pay for 3-month supply

Prescription Drugs will be carved out with a 3rd party Prescription Benefit Manager

RETIREE HEALTHCARE – for employees hired 1/1/09 and thereafter

Tiered retiree healthcare eligibility / premium share commensurate with years of services. For each year of service, employees shall be credited with 5% employer contribution toward retiree healthcare

PENSION

All employees will move to the WCERS defined benefit plan effective 1/1/09 with the following parameters:

- FAC3
- 2.0 multiplier
- Vesting of 8 years

Upon movement to the defined benefit plan, all MPPP account balances shall be transferred to the WCERS system. As such, existing employees will transfer to WCERS with their current years of service for credit worked at Washtenaw County.

Effective 1/1/09, all employees will contribute 7.5% to the WCERS plan with a shared liability of up to a 10% cap. Effective 1/1/09, the employer shall contribute 7.5% to the WCERS plan with a shared liability of up to a 10% cap. The employer shall assume the first 2.5% increase up to the 10% cap. If additional contributions are required by employees, a minimum of 4-months notice is required. If contributions are reduced below 7.5%, the parties shall negotiate the adjustments.

Extend AFSCME Local 2733 letter of understanding titled Pension Study Committee to Non-Union employees.

Effective for employees hired 1/1/09 and thereafter, implement the Rule of 75 with a minimum age of 55.

Effective 4/1/08 – 12/31/08, reduce the employer contribution to the MPPP by 4.5%.

Effective 4/1/08, increase current WCERS employee contributions to 6% and implement FAC3 for current WCERS employees.

Increase WCERS death benefit to \$7,500.

Effective 7/1/08, modify the WCERS Board Structure as follows:

- County Administrator or his/her designee
- Finance Director
- Two (2) Board of Commissioners
- Two (2) Union Employees
- One (1) Employee At-Large

Employee Representatives would be three (3) years staggered terms. Labor Management Team would appoint the first board, staggering the appointments to agree with staggered terms. Regular elections would occur thereafter.

RETIREE HEALTHCARE CONTRIBUTIONS (VEBA) – effective 1/1/2010

Employees would begin contributing 0.5% toward retiree healthcare with a sunset at 12/31/2010. Employee contributions for VEBA / Retiree Healthcare are held in a trust separate from the official VEBA trust for retiree healthcare use ONLY. At such time the employee retirees, his/her contributions and interest shall be officially deposited in the VEBA trust.

LICENSES / CERTIFICATIONS

The employer shall pay the necessary licenses and/or certifications as required as part of the job descriptions.

HOLIDAY – effective 4/1/08

Remove ½ day for Good Friday in exchange for full day off at Christmas Eve and New Year’s Eve when they fall between Monday and Friday.

TUITION REIMBURSEMENT

Decrease to 25% reimbursement for a 12-month period effective 9/1/08 – 8/31/09. All other tuition reimbursement language remains status quo.

INSURANCE IN THE EVENT OF POSIITON ELIMINATION

In the event a Non-Union employee is laid off and is not eligible for health care elsewhere, the employee shall be provided with health care benefits in accordance with the following schedule, with a sunset of 12/31/2010:

<u>Years of Service</u>	<u># of Months of Insurance Period:</u>
0-5 Years	3 months
6-10 Years	5 months
11+ years	6 months

Impact on Human Resources:

None

Impact on Budget:

The wage adjustments and other benefit modifications have been considered as part of the budget.

Impact on Other County Departments or Outside Agencies:

None

Conformity to County Policies:

Proposed tentative agreement conforms to County policies.

A RESOLUTION APPROVING THE RECOMMENDATIONS SET FORTH AS A
RESULT OF NEGOTIATIONS AND OTHER RELATED MATTERS FOR
NON-UNION EMPLOYEES

WASHTENAW COUNTY BOARD OF COMMISSIONERS

March 19, 2008

WHEREAS, beginning in February, 2007, Administration and Human Resources / Labor Relations brought to the Board of Commissioners an overview of the collective bargaining process, including the status and process for negotiations with those labor union contracts which were set to expire 12/31/2007; and

WHEREAS, on April 4, 2007, May 25, 2007, June 13, 2007, and on September 20, 2007, the Washtenaw County Board of Commissioners provided their approval of a recommended strategy for negotiations. Small group discussions subsequently held with the Board of Commissioners to further discuss and analyze economic parameters; and

WHEREAS, extending the negotiated increases will assist with issues of internal compression and recruitment; and

WHEREAS, extending the associated benefit modifications and other policy changes will provide for consistency in policy application County-wide; and

WHEREAS, the wage and other adjustments have been included in the County's 10-year projections and are within the Board of Commissioners guidelines; and

WHEREAS, in the interest of pursuing a '*World Class Organization*,' these recommendations and options ensure that Washtenaw County is aligned with the current market.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the following:

1. All across-the-board salary adjustments agreed to with AFSCME Local 2733 will be extended to Non-Union employees as follows:

2008	0%
1/1/2009	0.5%
1/1/2010	1.5%
7/1/2010	1.5%
2. Extend the other benefit modifications negotiated with AFSCME Local 2733 to Non-Union employees as follows:

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