



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE
MICHAEL POWERS
County Executive Officer

September 14, 2021

Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

Subject: Public Hearing Regarding Adoption of an Amendment to the 2019-2022 Memorandum of Agreement between the County of Ventura and the Service Employees International Union, Local 721, to Enhance the Deferred Compensation Formula and Adjust Market-Based Premium Payments (No Material Impact on Funding Status of Retirement System).

Recommendations:

It is recommended that your Board:

1. Commence a public hearing regarding adoption of an amendment to the 2019-2022 Memorandum of Agreement (MOA) between the County of Ventura (County) and the Service Employees International Union, Local 721 (SEIU) to enhance the deferred compensation formula and adjust Market-Based Premium Payments; and,
2. Waive the second public hearing required by Article 20, Section 2006(B), of the Personnel Rules and Regulations, and adopt the amendment to the MOA at the conclusion of this hearing.

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Various
Funding Match Required:	None
Impact on Other Departments:	None

Summary of Fiscal Impact:

	<u>FY 2021 – 2022</u>
Total Cost	\$1,070,000

California Government Code sections 31515.5 and 23026 require that the County give written notice of any salary and benefits changes, including an explanation of the financial impact of the change on the funding of the County's retirement system. The cost of the increase to the employer contributing match to the County's deferred compensation plan

is approximately \$800,000 and is not included in pensionable compensation. The \$270,000 annual cost for the proposed adjustments to the Market-Based Premium Pay constitutes a fifty-eight one thousandths of one percent (0.058%) increase, which is well below the actuarially assumed increase of three and one-quarter percent (3.25%) for the retirement system. Accordingly, the recommended action is not expected to have a material impact for the retirement system.

Discussion:

1. Market-Based Premium Payments

Market-Based Premium Payments (MBPP) pursuant to Article 6, Section 622, of the MOA have historically been used by the County to set data driven, competitive pay rates for certain job classifications within the County hospitals for which there is high demand within the healthcare industry. The ease with which healthcare personnel can move from one facility to another based on demand and pay requires that the County be able to respond to fluctuations in market pay for these positions. The MBPP has proven instrumental in the County's ability to recruit and retain highly experienced healthcare professionals within the hospital system. Periodic compensation surveys of industry pay data from the Hospital Association of Southern California and comparable positions at local hospitals and pharmacies are conducted by County staff. Pay adjustments are recommended based on the findings of the market studies. The proposed revision to Section 622 incorporates the recommended pay adjustments for each of the job classifications eligible to receive the MBPP. The MBPP pay adjustments are proposed to be effective September 19, 2021.

In addition to the recommended adjustments to the MBPP, we also recommend adding the job classifications of Operating Room Technician (ORT) I, II, and III to the list of job titles eligible to receive the MBPP of up to \$25/hour. A recent review of the position disclosed a higher-than-average turnover rate for these classifications resulting in a vacancy rate that adversely impacts the hospitals' ability to schedule and perform surgical procedures. A total compensation study of the ORT job classification revealed that the ORT series is approximately 28% behind the market. As a result, your Board approved a pay increase of fifteen percent (15%) for the ORT series on July 27, 2021. At that time, we informed your Board that we also recommended adding the ORT series to the list of job titles eligible for the MBPP.

Representatives of the County Labor Relations team reached out to SEIU 721 staff in late July to propose an amendment to Section 622 to add the ORT series. After several discussions, the parties reached an agreement on August 6, 2021 to add the ORT series to the MBPP list to provide an additional ten percent (10%) pay increase in the form of an MBPP effective August 8, 2021. This additional pay adjustment will allow the County hospitals to compete for and retain ORTs who provide critical support to the County surgical team.

2. Deferred Compensation Plan

We are also recommending a change to the County's deferred compensation formula (Section 629) to increase the employer match for employees who participate in the County's 401(k) plan. An enhancement to the 401(k) formula was discussed during the last round of negotiations but the issue was not resolved at that time resulting in periodic ongoing discussions. After recent discussions with SEIU 721 and with their concurrence, the County will provide a one percent (1%) employer match for a minimum of a one percent (1%) employee contribution. From an equity standpoint, this will help facilitate and encourage participation in deferred savings by employees in the lower pay range. The County will also increase the highest employer match to two-and-one-half percent (2.5%) for employees who contribute a minimum of five percent (5%), with the aim to promote increased savings by employees in the deferred compensation plan. The proposed enhancement is cost effective and will likely result in increased future income stability during retirement for workers who are among the lowest paid in the County service. The estimated fiscal impact of establishing the two new employer match levels is \$800,000 and is not included in pensionable compensation.

Employee Contribution	Employer Match	
	Current	Proposed
1.00 - 1.49%	0%	1.00%
1.50 - 1.74%	1.50%	1.50%
1.75 - 3.99%	1.75%	1.75%
4.00 - 4.99%	2%	2%
5.00% +	2%	2.50%

We recommend that your Board commence a public hearing on the adoption of the proposed Amendment to the MOA, waive the second public hearing required under Article 20, Section 2006(B), of the Personnel Rules and Regulations, and adopt the amendment to the MOA at the conclusion of this hearing.

This letter has been reviewed by the County Executive Office, the Auditor-Controller's Office, the Ventura County Civil Service Commission and County Counsel. If you have any questions regarding this item, please call me at (805) 654-2561.

Respectfully,

SHAWN ATIN

Assistant County Executive Officer/Labor Relations Director

MICHAEL POWERS
County Executive Officer

c: Jeffery S. Burgh, Auditor-Controller
Tiffany N. North, County Counsel
Mike Pettit, Assistant County Executive Officer
Kaye Mand, Assistant County Executive Officer/County Financial Officer
J. Tabin Cosio, Chief Deputy Executive Officer/Labor Relations
Service Employees International Union, Local 721

Attachments:

- Exhibit 1 Amendment #5 to the 2019-2022 Memorandum of Agreement between the County of Ventura and Service Employees International Union, Local 721
- Exhibit 2 Ventura County Civil Service Commission Letter