



July 29, 2016

Status of San Joaquin County and SEIU 1021 Labor Negotiations

In response to public and employee inquiries on the status of SEIU negotiations, San Joaquin County is currently in contract negotiations with SEIU 1021, the union that represents approximately 4,300 employees in San Joaquin County. In spite of bargaining sessions over the past five months between the County and SEIU 1021, negotiations continue.

The details of the negotiations include the following:

- The Memorandum of Understanding between the County and SEIU expired June 30, 2016, last agreement 4% for 3 years, 2013-2016.
- Negotiations between the County and SEIU 1021 started on February 25, 2016.
- Approximately 20 bargaining sessions have occurred. Last one was July 14, 2016.
- During the bargaining sessions the parties reached approximately 29 written tentative agreements on both economic and non-economic issues (an example of each is below)

Economic: The parties agreed to Union Proposal #15 to increase shift differential pay for employees in the Safety, Investigative and Custodial bargaining unit.

Non-economic: The parties agreed to more precisely define the Retirement Formula to reflect statutory language changes.

- The only issues remaining are salaries and the extension of a floating holiday benefit to employees hired after 2011.
- The County's last proposal contained an offer for wage increases (2%-2%-2%) totaling 6% over three years.
- The Union's last proposal contained an offer for wage increases (4%-4%-4%) totaling 12% over three years.
- The County sent the Union a letter dated July 19, 2016 for next steps in bargaining.
- The Union has responded by letter dated July 22, 2016 and the parties are scheduling a bargaining session for August 1, 2016.

The Board of Supervisor's adopted five strategic priorities: Ensure fiscal responsibility; Promote good governance and increase organizational capabilities; Improve public safety and enhance overall criminal justice system; Promote economic development; and Stay informed and proactive in dealing with water issues.

Of the five, the Board's top priority is "Ensuring Fiscal Responsibility." The Board has furthered this priority by insisting that the County maintain a structurally-balanced budget.

In addition, the Board has adopted fiscal policy goals to strengthen fiscal responsibility:

- 1) **To achieve a 5% Contingency Reserve by 2020/2021.** The County currently has just 3.76% of the total appropriations (less Contingency's) in reserve. Having a minimum reserve of 5% allows the County to have "Rainy Day funds" for one time use, if needed for an emergency or severe economic downturn.
- 2) **To contribute from 0.0% - 5.0% of payroll to pay down the Unfunded Retirement Liability over the next ten years.** As of December 31, 2015, County's portion of the unfunded liability is over \$1.4 billion dollars. This is a commitment to our employees that they have already earned and we must fund in order for them to receive.