



January 16, 2020

**Update on Yesterday’s Negotiations Between the County and SEIU**

Dear County Employees:

We are writing to provide an update on the County’s efforts to reach a new agreement with SEIU covering the members of its six bargaining units.

**Yesterday’s Negotiations**

The County met yesterday, January 15, with the SEIU bargaining team in the hope of reaching a new agreement. At the meeting, the Union came in with three alternative proposals. Each of these new Union proposals were tens of millions of dollars higher than what the County can afford. One of the proposals cost approximately \$121 million – almost double the amount the County has determined it can afford within its limited budget.

At the request of the County, the Union reconsidered its three alternative proposals and came back with a single proposal. This new proposal showed significant movement, but its total cost has been estimated at \$85.4 million. The cost of the new proposal is still roughly \$22 million above the County’s offer. In an effort to see if this gap could be bridged, the County suggested confidential mediation (our prior mediator Gerry Adams was present as a facilitator), and the Union agreed.

Unfortunately, mediation failed.

At the end of the day, the Union confirmed that its latest proposal was its Last, Best, and Final Offer. The County confirmed that its prior proposal was its Last, Best, and Final Offer. In summary, here are the County and Union’s proposals:

<b>Item</b>	<b>County</b>	<b>Union</b>		
<b>Term of Agreement</b>	36 months commencing upon Board adoption of MOU	July 1, 2019 – June 30, 2022		

COLA Increase			County Proposal 36-Month Cost	SEIU Proposal 29-Month Cost
	Effective upon Board adoption of MOU	Retroactive to 7/1/19		
Year 1	3%	3%		
Year 2	1%	3%		
Year 3	2%	3%		
<b>TOTAL COLA INCREASE</b>	<b>6%</b>	<b>9%</b>	<b>\$54,612,356</b>	<b>\$76,484,501</b>

Additional Wage Increases				
<b>Equity Adjustments</b>	<a href="#">See Attached</a>	Same as County	\$4,970,783	\$4,970,783
<b>Longevity</b>	2% for employees with 20 years or more of County service	Same as County	\$3,185,151	\$3,185,151
<b>Other Increases</b>	Three additional days of sick leave for part-time employees	Same as County	\$790,393	\$790,393

ADDITIONAL PROPOSALS:				
<b>Salary Survey</b>	Pre-negotiations labor management committee	N/A		
<b>Health Benefits</b>	Status quo, plus Sutter option if preferred by employee; buy ups for dental and vision	Sutter option not allowed in proposal, buy ups for dental and vision included		
<b>TOTAL COST</b>			<b>\$63,558,683</b>	<b>\$85,430,828</b>

<b>ADDITIONAL PROPOSALS:</b>	
Other Items ok'd by each party as part of package:	Uniform allowance provision for certain classifications, overtime for certain exempt IT classes, bereavement leave language change

As is apparent from the above, the parties are approximately \$22 million apart (3-year cost) – a sizable difference. It should also be noted that the Union’s proposal is requesting an effective date that precedes the expiration of the previous agreement. From the County’s perspective, the Union is proposing a 29-month agreement versus the County’s 36-month proposal.

The County advised the Union team that its proposal of a 9% cost-of-living adjustment (COLA) increase over three years is well beyond the maximum the County’s budget can absorb. The Union is also aware of our belief that even a modest increase above the County’s present COLA proposal (3%-1%-2%) would jeopardize important public programming and the County’s long-term fiscal sustainability. The County has provided the Union with documentation that clearly demonstrates this fact.

**Next Steps**

We have asked the Union to submit the County’s offer to the Union membership for a vote, and the Union has agreed. The County is now working with the Union to coordinate the resources necessary to conduct the vote.

**The County Shares Employees’ Concerns with the Delays in Reaching a New Agreement**

We know that many employees are concerned about how long these negotiations have taken. We share that concern. We hope that the Union membership will understand our good-faith efforts and our resolve to reach a fair agreement that is consistent within the County’s financial situation and with our ability to meet the challenges ahead.

We are of course aware of the Union’s strike threats. These threats do not weaken the County’s resolve to offer a fair and sustainable series of pay increases for our employees. Yesterday, we stated our resolve very clearly to the Union - the same resolve the County maintained in response to the strike during the last negotiations. We also made clear that the County would not unilaterally impose the wage increases and other terms of its Last, Best, and Final Offer. Instead, we will wait for the successful completion of negotiations with SEIU.

We know this uncertainty has been a source of strain for you and your families. We hope that the Union membership agrees to the County’s proposal so that the pay increases it calls for can take effect. As always, we are extremely grateful for the dedication and professionalism with which all of you serve the people of San Joaquin County every day.

Sincerely,



Monica Nino  
County Administrator