



August 3, 2020

## **An Update on Negotiations between San Joaquin County and SEIU**

Dear County Employees:

As we write to you for a second time this summer, we hope that you and your family remain safe and healthy. Please know we are doing everything we can to help keep our employees protected. We have also tried our best to conclude contract negotiations to bring some certainty (and higher wages) to our employees in the middle of this pandemic.

As you may know, a three-year agreement, which included cost-of-living adjustments of 3% in the first year, 1% in the second year, and 2% in the third year, was rejected by the Union late last year. The County made one final offer of this same increase in wages to SEIU in March 2020, indicating a desire to reach quick closure in light of the exploding COVID-19 pandemic and the financial challenges it would surely create. The Union did not accept the proposal.

In May, we indicated that because of COVID-19, that offer was no longer available and we extended a new offer to SEIU for an updated contract that still allowed for growth in wages.

Under the most recent version of the County proposal, employees would be offered a 24-month contract featuring a 2% cost-of-living adjustment in the first year, followed by a 1% adjustment in the second year; equity adjustments averaging 4.5% for 42 classifications (positively impacting roughly 700 full-time employees); 2% longevity pay for employees with 20+ years of service, and other enhancements. Unfortunately, SEIU rejected that offer.

Rather than trying to bridge the gap between the parties' proposals, SEIU made a counterproposal on July 22<sup>nd</sup> that widened the gap. SEIU proposed a 26-month contract with a 3% salary increase in the first year; an additional 2% salary increase in the second year if the COVID crisis has ended; 2% longevity pay for employees with 20+ years of service; and, equities for the 42 classifications proposed by the County. The Union also requested an automatic replenishment of up to 160 hours (80 hours per year) of paid COVID-19 sick leave for employees who have exhausted their COVID leave. This additional COVID leave could cost the County millions over two years. Inexplicably, this counterproposal is much more costly than what SEIU had previously proposed in June.

Earlier today, we rejected SEIU's unrealistic counterproposal. SEIU's latest counterproposal would have an ongoing cost of over \$27 million per year; that is roughly \$14 million a year **more** than the Union's previous proposal in June.

The County must ensure that all expenditures, including contract proposals to the Unions, are fiscally sustainable. Please keep in mind that State SEIU employees just accepted a **10% reduction in pay**. In Santa Cruz, employees will take **eleven furlough days**, and many other

counties are seeking contract extensions without wage or benefit increases. In contrast, in San Joaquin County we are offering our employees an **increase in wages and no furloughs**. We are able to do this because we have been continuously mindful with the County's resources. We have repeatedly pointed out that while there may be additional revenue coming into the County, primarily to offset expenses related to COVID-19, it would be irresponsible to assume State and Federal revenues would remain the same in this current economy, and we do not know when the pandemic will end.

In our meeting today with SEIU, we rejected the Union's costly proposal; but we hold out hope that the SEIU bargaining team will make a proposal that can finally lead to a successful conclusion to negotiations. Meanwhile, I appreciate everything you have done to help keep the County going and to serve our residents during these difficult times.

Stay well.

Sincerely,



Monica Nino  
County Administrator