

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
Nancy Nittler, Personnel Director
DATE: August 9, 2011
SUBJECT: Placer Public Employee Organization Layoff Impacts Side Letter of Agreement and Non-codified Ordinance

ACTION REQUESTED

That the Board of Supervisors approves and authorizes the Chairman to execute the attached Placer Public Employee Organization (PPEO) Layoff Impacts Side Letter of Agreement and introduce the attached uncodified ordinance implementing the Agreement.

BACKGROUND

Placer County's population was one of California's fastest growing in the early years of the last decade. This growth led to intense land development activity, as well as rapidly increasing land and real estate values. Since that time, the county's population growth is slower, service demands in land development programs have significantly declined, and county property revenue collections have dropped.

In December of 2007, in response to this economic downturn, the Board implemented an employee hiring freeze which has resulted in 320 fewer employees today than the County had in 2007. The majority of these vacancies were created through employee retirements or other separations and, as a result, Placer County was able to continue to provide a high level of services to constituents in spite of declining revenues, while avoiding the large number of layoffs that have occurred in other jurisdictions. These measures, coupled with several labor cost reductions, successfully aligned the County's ongoing operating costs within available revenues. These labor cost reductions included:

- Limited layoffs (17) due to reduced land development work and revenues; building and other permit activity decreased 46% over the last few years.
- Mandatory Time Off (time off without pay) for management, confidential, and professional / general unit employees of 21 days over several years.
- Increased employee pension and health premium cost sharing by all employee groups.

On April 5, 2011 the Board of Supervisors approved Resolution 2011-84 which delegated authority to direct layoffs to the County Executive Officer for FY 2011-12. On June 21, 2011 staff returned to the Board with a status report on layoff notices that would need to be issued in July, and received approval to move forward with those layoffs.

**Community Development Resource Agency's (CDRA)
Engineering & Surveying Department**

Due to rapid population and land development growth, many Placer County programs experienced a high volume demand for specialized services, particularly in construction or real estate related fields. To address accelerated service delivery needs, the County actively recruited skilled staff with technical expertise in land development and other specialized areas. For several years, the demand for these services has declined, as have the revenue collections which are used to fund CDRA's staff and operations. The county addressed these workload and funding declines by not filling behind employees that separated from service, by reprioritizing the department workload, and by implementing a limited number of layoffs. In FY 2011-12 land development revenue projections continued to be insufficient to fund the current staffing level and, as a result, 1 engineering technician was laid off in CDRA's Engineering and Surveying Department. In accordance with County layoff rules, this incumbent elected to bump back to a position in which she held prior service and remains employed with Placer County.

Department of Child Support Services

Previously the Department of Child Support Services was charged with complete fiscal responsibility for all cases aligned with the department. This work required manual input and financial calculations including collection of payments, reallocation of funds to the appropriate fiscal accounts, calculating payment amounts, interest, etc. Due to changes within the Child Support Program, and with the FY 2007-08 conversions to a statewide child support computer system, certain functions previously handled at the local level were transferred to the State's vendors or rendered obsolete due to automation. Due to these State program changes, the Department of Child Support Services recently reduced the number of fiscal staff from 8 to 3 (issued 5 layoff notices). In accordance with County layoff rules, one of these incumbents elected to bump back to a position in which she held prior service and remains employed with Placer County. Another employee successfully recruited for a Child Support Specialist position. The three remaining employees interviewed for positions in the Sheriff's Department, Clerk Recorder-Elections Department and Administrative Services. Pending the outcome of these recruitments, the three remaining employees were laid off effective July 15th. Subsequently, one of these laid off employees accepted a new position in Revenue Services and began work on July 25th.

Health and Human Services Department

The County has historically been mandated by State law under AB 3632 to provide needed mental health services to special education students to allow for appropriate access to public education. The FY 2010-11 State Budget eliminated direct funding previously sent to counties to provide these services. As a result, the County continued to provide these services to students through a contractual agreement with the Placer County Office of Education (PCOE). On July 12th your Board approved a new contract with PCOE and, as a result, no Health and Human Services staff layoffs are recommended at this time

PPEO LAYOFF IMPACT SIDE LETTER

Implementing layoffs necessitates a meet and confer obligation on the impacts of those layoffs with the appropriate bargaining unit's representative. Over the last several months, layoff impact discussions have been in progress with the Placer Public Employees Organization (PPEO) which represents the employees in positions affected by the layoffs. Recently PPEO and the County's negotiating teams approved the following terms for a side letter of agreement:

1. Laid off employees accepting extra help positions will stay on the re-employment list.
2. Exclusive to the positions laid off in these negotiations, the County will allow these employees the ability to apply for lateral and promotional recruitments for two years.
3. The reemployment list duration shall be for two years from the layoff effective date.
4. The County will reimburse the laid off employee for 80% of the normal employer cost for two months of COBRA medical coverage; extends coverage through October 2011.

FISCAL IMPACT

Twenty-seven employees were originally identified as “at risk” of layoff. After efforts taken by the county’s management and negotiating teams to find alternatives so that “at risk” employees could remain employed with the County, this figure has now been reduced to just 2 positions. Staffs expect that these 2 laid off employees will have a number of opportunities to return to county employment due to the terms negotiated in the Side Letter of Agreement.

Departments affected by layoff are those whose work load has significantly reduced; departments with programs dependent upon revenue from State and / or Federal sources; and / or departments where funding was reallocated to other critical program areas. The additional cost to the County to extend health benefits to laid off employees is estimated at less than \$4,000 and will be absorbed in the department budgets.

Attachment: Layoff Impact Side Letter of Agreement
Ordinance (uncodified)

**PLACER COUNTY AND THE
PLACER PUBLIC EMPLOYEES' ORGANIZATION (PPEO) AGREEMENT
LAYOFF IMPACTS – FY 2011-12**

The Parties mutually agree to the provisions contained herein which will become effective upon the first full pay period after adoption by the Board of Supervisors or on the date indicated:

1. Provide layoff notices:
 - To Community Development Resource Agency (CDRA) and Child Support Services Department (CSS) employees on June 21, 2011 notifying that employee that they are being laid off effective:
 - i. July 6, 2011 (CDRA), and
 - ii. July 15, 2011 (CSS).
2. County will encourage laid off employees to compete for Extra Help recruitments. Laid off employees accepting these positions will not be removed from the re-employment list.
3. County will allow these laid off employees the ability to apply for promotional and lateral recruitments for a minimum of two years from the date of layoff. If hired from a promotional list, the employee will be removed from the re-employment list and, by acceptance of this new position, shall not have a right of return to the re-employment list.
4. The reemployment list duration shall be for two years from the layoff effective date.
5. The County will reimburse the laid off employee for 80% of the normal employer cost for two months of COBRA medical coverage (proof of previous payment required).
6. Employee's vacation hours will be cashed out at separation in accordance with current rules.

Signatures:

Placer Public Employees Organization
and Stationary Engineers, Local 39:

County of Placer:

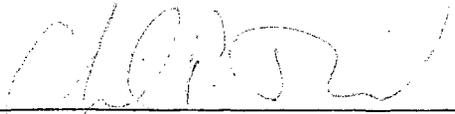
Jerry Kalmar, Business Manager
Stationary Engineers, Local 39

Robert Weygandt, Chairman
Placer County Board of Supervisors

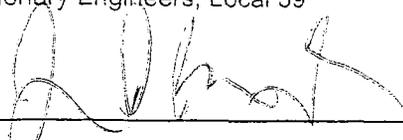
Madison Bland, President

Thomas Miller, County Executive Officer

Joan Bryant, Director of Public Employees
Stationary Engineers, Local 39



Chuck Thiel, Business Representative
Stationary Engineers, Local 39



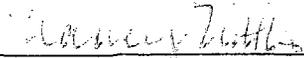
James Britton, Business Representative
Stationary Engineers, Local 39



Clark Gehlbach, PPEO President



Kathleen Ziegelmann PPEO Vice President



Nancy Nittler, Personnel Director

Adopted by the Placer County Board of
Supervisors

**Before the Board Of Supervisors
County of Placer, State of California**

In the matter of: An uncodified ordinance providing for a limited
Waiver of certain provisions Chapter 3 regarding promotional
Appointments and COBRA reimbursement pursuant to Side
Letter of Agreement Placer County Public Employee's
Organization (PPEO) Layoff Impacts

Ordinance No.: _____

First Reading: _____

The following Ordinance was duly passed by the Board of Supervisors of the County of Placer at a
regular meeting held August 9, 2011, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

**THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, DOES
HEREBY ORDAIN AS FOLLOWS:**

Section 1. Pursuant to the Side Letter Agreement dated July 14, 2011, negotiated with the Placer Public Employees Organization (PPEO) regarding the impact of layoffs in fiscal year 2011-12, those individuals identified in the final list of layoffs, and subsequently laid off, shall be entitled to apply and be appointed in lateral and promotional recruitments conducted for a minimum of two (2) years from the date of layoff.

Section 2. According to the terms of the Side Letter Agreement, a limited waiver and exception is hereby provided to the requirements of Placer County Code Sections 3.08.760B and 3.08.910, allowing those employees laid-off to be included in lateral and promotional examinations and eligible for appointments for a two (2) year period after layoff. If such an employee is subsequently hired from a promotional list, the employee will be removed from the re-employment list and, by acceptance of the new position, shall not have a right of return to the re-employment list.

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Section 3. Additionally, laid off employees who purchase CalPERS health insurance COBRA coverage will have up to two (2) months of the County's share of the health insurance premium reimbursed at the current rate. The laid off employee will pay their share.

Section 4. That this ordinance shall be effective July 15, 2011.

Section 5. That this ordinance is adopted as an un-codified ordinance.

