



**MEMORANDUM
HUMAN RESOURCES**
County of Placer

TO: Honorable Board of Supervisors **DATE:** August 23, 2022
FROM: Kate Sampson, Director of Human Resources
SUBJECT: PPEO Side Letter Agreement regarding Tahoe Branch Assignment Premium

ACTION REQUESTED

Approve a side letter agreement between the County and the Placer Public Employees Organization to update the current Memorandum of Understanding regarding Tahoe Branch Assignment Premium.

BACKGROUND

On June 28, 2022, the Board of Supervisors (Board) approved a successor Memorandum of Understanding (MOU) with the Placer Public Employees Organization (PPEO) for a term of July 1, 2022 to June 30, 2025. Included in the MOU are provisions for the payment and eligibility criteria of various additional pays, such as Tahoe Branch Assignment Premium. This premium pay is designed to recruit and retain employees for critical services in the eastern portion of Placer County and compensate in part for the higher cost of living in the North Lake Tahoe region. The current MOU affords \$1,000 monthly to employees assigned to positions in the Tahoe area and residing within 60 driving miles of the Placer County Tahoe Administrative Center in Tahoe City.

The residency requirement for Tahoe Branch Assignment Pay was established via labor negotiations in 2017. With a goal of encouraging employees to live and work in the Tahoe community, the policy first established geographic boundaries corresponding with the Tahoe Basin. Based on departmental concerns about affordable housing within the boundary as a barrier to recruitment, the residency eligibility criterion was expanded in 2019 to include the Reno/Sparks area and other surrounding communities. Subsequently, the 2020 coronavirus pandemic introduced a new intensity to the North Lake Tahoe real estate market as many new residents flocked to the resort community. The resulting lack of housing inventory and high buyer demand pushed the median home price to \$1.175 million in 2021. Although the current MOU expanded the residency boundary once again, employees and applicants may find securing a qualifying permanent residence infeasible in this real estate market.

Following commencement of the current MOU term, the parties met and conferred regarding the Tahoe Branch Assignment Premium. In addition to the impacts of labor competition, affordable housing scarcity, and cost of living in the Tahoe region on the County's ability to fill vacancies with local residents, the parties also discussed recent feedback received from the California Public Employees' Retirement System regarding the residency criterion for this premium pay and compliance with regulatory requirements. Further, the Board recently amended its policy on Tahoe Branch Assignment Premium for management and confidential employees to eliminate

the residency criterion for maximum flexibility in assigning staff to essential positions in the region.

Periodically, MOUs are amended by agreement from both parties to address terms and conditions of employment relating to operational needs, market conditions, or regulatory updates. To best address the factors mentioned above, the County and PPEO agreed to terms amending the eligibility criteria for Tahoe Branch Assignment Premium, documented in the proposed side letter agreement. If approved, employees will be eligible for the Tahoe Branch Assignment Premium based on assignment to a Tahoe area work location only.

FISCAL IMPACT

Approximately 3% of employees assigned to work in a Tahoe location are not currently receiving Tahoe Branch Assignment Premium due to residency. The proposed side letter agreement would extend the premium pay to these employees at a rate of \$12,000 annually. All compensation expenses resulting from the proposed action will be absorbed within the adopted FY2022-23 Budget.

ATTACHMENT

Attachment 1 – PPEO Side Letter

**SIDE LETTER AGREEMENT BETWEEN THE COUNTY OF PLACER AND
PLACER PUBLIC EMPLOYEES ORGANIZATION (PPEO)
REGARDING TAHOE BRANCH ASSIGNMENT PREMIUM**

This Side Letter of Agreement is entered into between the County of Placer and the PPEO ("Parties) to change the current Memorandum of Understanding (MOU) covering the term July 1, 2022 to June 30, 2025, regarding Tahoe Branch Assignment Premium. It is understood that the specific provisions contained in this Side Letter Agreement shall supersede any previous agreements or side letters, whether oral or written, regarding Tahoe Branch Assignment Premium.

The Parties have met and conferred in good faith concerning the terms and conditions of this side letter agreement and its implementation, and now therefore mutually agree that Section 6.15 of the current MOU be replaced with the language shown below effective **August 27, 2022**. New language is noted in bold/underline and deletions are noted in strike through.

SECTION 6.15 TAHOE BRANCH ASSIGNMENT PREMIUM

- a) Effective the first pay period following July 1, 2019, Tahoe Branch Assignment Premium shall be eight hundred and seventy-five dollars (\$875) per month.
 - 1. Effective the first pay period following July 1, 2022, or the pay period following adoption of this Agreement by the Board of Supervisors, whichever occurs later, Tahoe Branch Assignment Premium shall be one thousand dollars (\$1,000) per month.
- b) Effective **August 27, 2022** ~~September 14, 2019~~, employees **permanently** assigned to a position located in the North Lake Tahoe area ~~and who reside within sixty (60) driving miles of the Placer County Tahoe Administrative Center, located at 775 N. Lake Tahoe Blvd in Tahoe City,~~ will qualify for the Tahoe Branch Assignment Premium.
 - 1. ~~Employees will be required to request Tahoe Branch Assignment Premium and will need to demonstrate and certify residency or a rental within the specified areas.~~
 - 2. 1. Employees will be required to notify Human Resources if they **are** no longer ~~reside in an area~~ **assigned to a position** qualifying for Tahoe Branch Assignment Premium.
 - 3. ~~Employees already receiving Tahoe Branch Assignment Premium at the time this Agreement is adopted by the Board of Supervisors will continue to receive the premium for the uninterrupted and continuous duration of the employee's position in the North Lake Tahoe area. If an employee no longer occupies a position in the North Lake Tahoe area, but resumes a position in the North Lake Tahoe area after the adoption of this Agreement, the residency requirement of this section will apply to the employee upon re-occupying the same or different position in the North Lake Tahoe area.~~

The terms and conditions set forth in this Side Letter Agreement have been mutually agreed upon by the designated bargaining representatives of the County and PPEO and will apply to all employees covered by the MOU between the County and PPEO. This Side Letter Agreement shall expire upon the operative effect of the current MOU.

Side Letter Agreement County of Placer and Placer Public Employees Organization
Tahoe Branch Assignment Premium
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Approved by the Placer Public Employees Organization, International Union of Operating Engineers, Stationary Engineers Local 39

By: _____ Date: _____
Bart Florence – Business Manager

By: _____ Date: _____
Jeff Gladieux – President

By: _____ Date: _____
Charlie Solt – Director of Public Employees

By: _____ Date: _____
Stephen Hatch – Business Representative

By: _____ Date: _____
Laura LeSieur – Business Representative

By: _____ Date: _____
Jeremy Burch – President, Placer Public Employees Organization

By: _____ Date: _____
Evan Cloutman – Vice President, Placer Public Employees Organization

Approved by the County of Placer

By: _____ Date: _____
Cindy Gustafson, Chair of the Board of Supervisors

By: _____ Date: _____
Jane Christenson, Acting County Executive Officer

By: _____ Date: _____
Kate Sampson, Director of Human Resources