RIVERSIDE COUNTY/LIUNA, LOCAL 777
LABOR-MANAGEMENT COMMITTEE

Wednesday, June 13, 2007, 11:00 a.m.
LIUNA Offices
4000 10th Street
Riverside, CA 92501

MINUTES

COMMITTEE MEMBERS PRESENT (*Chair)

*Ron Komers, Human Resources
Barbara Olivier, Human Resources
John Mooney, Human Resources
Stephen Switzer, LIUNA
Sandra Brown, LIUNA
Sala Ponnech, LIUNA
Kathie Delgado, LIUNA
Tom Carnes, LIUNA
Linda Gonse, LIUNA

ABSENCES

Fred Lowe, LIUNA
Jack Mosqueda, LIUNA

IN ATTENDANCE

Jim Miller, Building & Safety
David Stone, Flood Control
Neil Davis, RCIT
Shane Corrigan, RCIT
Fernando Vizcarra, RCRMC
Anna Martinez, DPSS
Raymond Garcia, County Fire
Andi Huey, Human Resources
Mark Carleson, Human Resources
Vicky Currier, Human Resources
Sherri Durbin, Human Resources
Tom Prescott, Human Resources
Shawn Atin, Human Resources
Patty Querzola, Sheriff
Tony Carstens, TLMA
Julie Mangram, Probation
Doris Lackey, Human Resources
Lenora Reyes, Human Resources
Sylvia Deporto, Human Resources
Roger Uminski, Community Health
Sarah Franco, Human Resources
George Fernandez, RCIT
Chris Kieskowski, Human Resources
Jennifer Griffin, Human Resources
Christopher Harris, Community Health
Dave Williams, M.D., Human Resources
Dan Sarver, Human Resources
Marilyn Barker, Human Resources

I. INTRODUCTIONS

Members and guests introduced themselves.

II. REVIEW OF MINUTES

The minutes of the March 14, 2007 meeting were reviewed and approved.

III. NEW BUSINESS

A. Building and Safety Issues

Ron Komers referred to previous discussions about the slowdown in building activity. Tony Carstens, Director of TLMA, and Jim Miller, Director of Building & Safety are in attendance today to provide additional explanation of the issues. Ron Komers said they met with the Board of Supervisors to discuss the status of significantly decreased building permits.

Tony Carstens said building permit activity in the residential sector has fallen off to the level that existed in 1999-2000. Current staffing levels were compared with those in place in 1999. There are no indications that there will be an upturn in building activity in the near future. The Building Industry Association projects the slow-down period will continue for the next two years. Management has reviewed various methods of reducing staffing levels. Jim Miller has been working with Human Resources staff to attempt to transfer building inspectors and engineers to related departments. Currently 12 employees have been placed in new work locations, and other transfers are currently in progress. This leaves 10 to 12 employees to be placed, and Tony said his staff is working diligently to find vacancies in other departments.

Management is concerned that they may not be able to relocate all of the affected employees, so other alternatives must be considered. One alternative is to offer a “golden handshake.” The Board is agreeable to this concept. There is adequate funding to offer a two-year golden handshake to some employees. This may include tiering the golden handshake to go with the Building Inspector II series, and this may be extended to more senior levels in that category, depending on the number of employees who wish to take advantage of this opportunity. We are taking this approach so that if there is an upswing in building activity, the County would be in a position to manage the work load.

Ron Komers said it appears there are an excess of 10 to 13 building inspector II’s. Employees must have five years of service to be eligible for golden handshakes, and some are not eligible for retirement due to their age. There may be a number of employees for whom additional service credit might be attractive. The way this works is, if an employee accepts a golden handshake, they would get 6% of salary as an additional pension over their lifetime. This would require a Board resolution, and there would then be a time period during which employees could elect to take a golden

handshake. The employee must agree to retire between 90 and 180 days after accepting the early retirement incentive.

Another alternative that has been discussed is laying off employees based on seniority. It makes more business sense to lay off employees who have fewer working years left, and who may be interested in retiring.

The Building and Safety Division would like to try the incentives discussed above. The alternative would be a layoff, and the layoff would be in inverse order of seniority.

Jim Miller said there has been a concerted effort to move as many employees into other departments as possible, using methods such as the floater program. Layoffs are the least desirable scenario. It is devastating for staff, and the department is in a difficult spot to find qualified workers when work loads increase. Tony Carstens added that building inspectors are funded through a deposit-based fee program, so there are more employees on hand than there are jobs to charge against. Upon inquiry by Stephen Switzer, Jim Miller said the slowdown is occurring earlier than projected, and the County has to respond timely in order to avoid a larger number of layoffs in 2008. The problem culminated during the budget process for 2008.

Ron Komers said it is important to let employees know that we cannot predict a turnaround time on the horizon. There is an advantage to early retirement with respect to the Board's decision to change post-retirement medical benefits. Employees who retire prior to 2009 are able to continue subsidized health care premiums until 2011. Employees who retire in 2009 and after do not have this option.

Upon inquiry by Stephen Switzer, Lenora Reyes reported that there are currently 7 building inspector II's who are ineligible for golden handshakes due to age or years of service. The remaining 11 inspector II's are eligible for golden handshakes.

Tony Carstens said building inspector II's would be the first category to be offered golden handshakes. If there are not a sufficient number of employees that accept the offer, the program would be expanded to senior and principal building inspectors.

Ron Komers said the Building Department must retain the number of positions necessary to function. While there may be employees in other classifications that would like to take advantage of golden handshakes, there is a balancing act necessary to ensure the work is done.

Upon inquiry by Stephen Switzer, Tony Carstens stated it is the department's goal to work through the golden handshake process by the beginning of October.

Jim Miller said there are no new housing tracts under construction at this time in Riverside County. Last month 392 tract home permits were issued, and this is approximately 1,000 less than were issued the same time last year. Large building developers are leaving California, although local builders will still generate some work, but the large, publicly-traded builders are relocating to other states.

Stephen Switzer inquired whether employees have been notified of these developments. Ron Komers explained a resolution has been prepared that will be submitted to the Board, and he suggested it would be a good idea to inform employees at the same time the resolution goes to the Board.

Ron Komers added that one of the conditions for offering a golden handshake is that the County must eliminate the positions from the budget, and they have to remain so for two years. The actions taken by the County in this regard have to be justified to CalPERS. Ron Komers said the County is attempting to pursue less draconian measures first and try everything possible before resorting to layoffs.

B. <u>New Information Technology Class System</u>

Ron Komers said the Board approved the conversion of the Information Technology (IT) competency pay to a more regular staff assignment system with time and grade and regular classifications. Converting to the new system is not without problems, and management will attempt to work this out as much as possible. Based on salary surveys, we believe that the salaries adopted by the Board are good in general. According to our statistics they are in the 96th percentile. We wanted to do this in time for the additional steps that are due to LIUNA employees. There are two additional steps in the near future, and they will be added on to the steps adopted by the Board. There are approximately 20 LIUNA employees that would be Y-rated, meaning their salaries would be frozen until cost-of-living adjustments catch up. Most people will be caught up within the terms of the current contract, and regular cost-of-living adjustments will occur after that.

Ron said that to ensure that the County does not fall behind the market, he has committed to additional salary surveys, and if additional adjustments are necessary, he has committed morally to the Board to proceed with that agenda. Stephen Switzer inquired about the time intervals at which salary surveys would take place. Tom Prescott replied that after the transition there is one classification, Business Systems Analyst (BSA) that will be studied within 12 months, and then between 12 and 18 months a follow-up survey will be conducted. Ron Komers said that, once the transition has taken place, there will be a semi-formal appeal process for employees who disagree with their classification. The

goal is to make right decisions, and we will be very open about that communication. Stephen Switzer inquired about the appeal process. Ron Komers replied that there would be a process where employees file a form which will be reviewed. Human Resources reserves the right to make the final decision. Tom Prescott said there is also a provision in the MOU for working out of class. Tom added that there would be a 20-[working] day period in which to file the first appeal after the initial assignment.

Sala Ponnech asked whether there would be more meetings with Chris Kieskowski. Ron Komers said he would be happy to meet if additional explanation would be helpful. However, approximately 500+ employees are affected, so it is an ambitious project to please every person. The first step is to distribute the initial assessment list. Chris Kieskowski explained that he would be meeting with the Information Technology Advisory Group (ITAG) to clarify the method for classifying employees. Chris will then create employee rosters, and the ITAG committee would review the rosters and make recommendations as they deem necessary. Employees will be notified in early to mid July.

Kathie Delgado noted the Form 11 stated the new pay would become effective June 21. Ron Komers explained that was to establish classifications. The old classifications will not be abolished until the conversion process is complete. Sala Ponnech asked if it would be feasible for someone hired at entry level to achieve journey level in six months. Chris Kieskowki said that employees working as a user technical support or communication technician should be able to progress to journey level within six months. Chris noted that it is possible to extend probationary periods. Sala Ponnech confirmed that Chris Kieskowski said he anticipates taking in most of the new hires at the 2 level already.

A number of IT employees were in attendance, and the discussion was opened for questions. One employee asked who would make the final determination about classifications; managers or Human Resources? Ron Komers replied that Human Resources would make the final decision. However, managers would have significant influence in the assessment of employees.

Another question was asked, who would make the designation between a journey level and master level technician, and whether there is language in the Form 11 that explains the differences. Ron Komers said that would be discussed with departmental management. Ron explained that we are attempting to become more performance-based. Employee must demonstrate that they possess master level skills in order to receive that designation. Information Technology is unique in that technology changes so rapidly that standards and skills are changing all the time. In addition, there can be communication issues in cases where you have a technical employee working for a non-technical supervisor.

There was a question regarding the salary range. Ron Komers said Human Resources used the actual pay compared to the market rather than setting out salary steps that employees may never reach. The goal is to pay everyone in accordance with their skill sets. Chris Kieskowski said the methodology he used to create salary schedules is based on market data that was accurate at the time the salary surveys were conducted. There may be differences when comparing the new pay levels with the former variable-based system. Ron Komers added that this is the reason for agreeing to future salary surveys.

There was a question about the duties of a lead person versus those of a master level employee, and the incentive to become one or the other. Ron Komers replied that that decision would most likely be made by department management, and that one could qualify to that level by being a lead and a master, and it could happen that an employee would be both the lead and a master. However, if it is found in the future that there is not adequate room for employees to grow, we could amend the system. Chris Kieskowski added that the concept in separating these two functions in one class level is to recognize an employee's ability to lead a small group of people as a skill unto itself. We wanted initially to establish the class system as simply as possible to ease the transition. Changes can be made at a later date if it becomes necessary. Ron Komers said we anticipate changes will become necessary as technology advances.

An employee inquired whether scheduled increases have been incorporated into the new steps. Ron Komers said they have not been added on at this point. There will be an additional 2.7% on top of the salaries that have been adopted. The new step will be implemented in 2008.

(Lunch)

C. <u>Return-to-Work Program</u>

Sherri Durbin distributed brochures for the new Return-to-Work (RTW) Program which was approved by the Board of Supervisors in 2005. The program is now being introduced countywide. The program is available to full-time, regular employees who have an illness or injury, whether it is occupational or non-occupational. The goal is to return people to work as soon as medically possible. A major goal is to return them to work on modified duty while maintaining their physical restrictions within their department. However, if that department cannot accommodate the restrictions, there are other departments that will take on those employees.

A pilot return-to-work program in the Sheriff's department resulted in savings of $3 million. A similar modified duty program was implemented at RCRMC, and as a result their disability costs decreased from $271,000

in 2004 to $91,151 in 2004-05. By 2005 they realized a 44% reduction in the number of paid industrial injury hours.

The program focuses on employees' abilities rather than their disabilities. The focus is also on the value of employees and the knowledge they have. It helps people get back to the social environment to which they are accustomed. The program involves a lot of teamwork, including Workers' Compensation adjusters, Human Resources teams, and departments. The return-to-work team works with departments to identify transitional modified duty. It is more beneficial for departments to assist their own employees in returning to work than bringing in a TAP employee. It is more beneficial for employees because they are able to earn their full salary while working on a modified duty basis.

Upon inquiry, Sherri reported that the Return to Work Team ensures that they are in compliance with ADA requirements. Sherri stated it is a temporary program, with duration of 90 days and a possibility of a 90-day extension. The program would not, therefore, accommodate permanent restrictions.

Ron Komers said extensive research demonstrates that, regardless of what type of ailment a person has, the sooner they return to work (consistent with their medical limitations), the better their recovery and the better the results.

Ron Komers explained that the focus of the RTW Program is "presenteeism," or enabling employees to return to work as soon as they are able, regardless of whether it is an occupational or non-occupational injury or illness. It may require an employee to work in a department other than their regularly assigned department. The RTW team will assist departments to work through the complex system involving Workers' Compensation, ADA/FEHA and other related programs. The RTW team will also work closely with physicians to determine activities that an employee is able to perform. The program is task-oriented and it is a temporary situation, therefore classification issues are not applicable.

D. Medical Provider Network

Vicky Currier, the County's Workers' Compensation Manager, explained that in 2004, through labor-management efforts, a subcommittee was formed to address rising medical costs of Workers' Compensation. A Health Care Organization (known as an HCO) was established, which was permissible under current law at that time. The law subsequently changed, and employers are now permitted to create their own Medical Provider Network (MPN). Vicky explained there was an appraisal process where various companies and clinics were considered. The name of the provider selected is CorVel Healthcare Corporation. When the HCO was introduced, a number of employees had asked whether Kaiser could be

their personal physician. One of the benefits of the new network is that the County is partnering with Kaiser, so they will be part of the network.

Vicky Currier explained that the County filed the application with the State of California to change to CorVel, and we are waiting for the response from the State. Once this is received, the Workers' Compensation Division will send notices to employees as required by law. Employees must be given 30 days' notice of the change, as well as an opportunity to designate their personal physician. Employees who are Kaiser members will not need to make this designation; they will simply use Kaiser if necessary. There will be a process that will be explained in the employee notices. The letters will be mailed out in July, and the new network should be implemented in August, provided we receive approval by the State by that time.

Ron Komers explained that the purpose of the Medical Provider Network is to ensure that employees receive appropriate medical care for their Workers' Compensation issues. We really do care that employees receive quality care. When the HCO was implemented union approval was required, and we had approval from both SEIU and LIUNA. As far as we know, there were no complaints about the system. This is an enhancement to the prior program. The medical provider network has saved the County between $2 and $3 million in Workers' Compensation costs.

Vicky Currier said there would be worksite information meetings to explain the program to employees. Workers' Compensation staff has also scheduled meetings with department representatives to make them aware. Once approval is received from the State, employee notices will be sent out. There will also be follow-up sessions. CorVel has offered to provide an 800 number that employees can use for questions.

Vicky Currier said there were lessons learned during the HCO process, and her staff is more familiar now with the types of questions and concerns expressed by employees.

Ron Komers congratulated Vicky and her staff because the County is really doing well in terms of cost control, satisfaction level is high, and we are processing claims at a level that is far superior to other counties. This is attributable to Workers' Comp staff and to the unions for having worked with us.

V. ADJOURNMENT

The LIUNA Labor-Management Committee will meet again on Wednesday, July 11, 2007 at the LIUNA offices at 4000 10th Street, Riverside.

Respectfully submitted,

Marilyn Barker