



COUNTY OF INYO

PERSONNEL DEPARTMENT
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Kevin Carunchio
County Administrator

TO: Janelle Kent, ICEA President

FROM: Sue Dishion, Deputy Personnel Director

DATE: August 1, 2017

SUBJECT: ICEA July 24 2017 Package Proposal

Dear Ms. Kent,

We received your letter and an email from Jane McDonald advising that ICEA prepared a new offer aimed at breaking the impasse in our exhausted MOU negotiations.¹ We appreciate ICEA's motivation to reach an agreement on an MOU. However, contrary to your characterization of ICEA's latest offer as "dramatic movement," the "new" offer does not constitute a material change from ICEA's last offer, and in fact, and as further discussed below, the "new" offer appears to extend the impasse .

As you are aware, the parties reached impasse over economic proposals. ICEA's last offer (provided on May 12, 2017) was for a total of six percent (6%) COLA to be provided to employees with two percent on October 1, 2016, two percent on July 1, 2017, and two percent on July 1, 2018. That offer included the elimination of the sick leave buy back provision. As previously advised, the County is unwilling to create an unnecessary perpetual increase in employee costs, especially now when it is facing unprecedented increases in costs for existing ICEA benefits, most notably employee pension costs. In fact, we understand that the Auditor-Controller has just been advised by CalPERS that next year's unfunded liability payment will be almost \$1.2 in Million higher than the amount of additional pension expenses the Board of Supervisors acted on earlier this year.

Turning to your latest offer, we note that it includes the same six percent (6%) COLA that the County has already rejected. The only difference in the "new" proposal is the schedule in which the 6% is provided. Your "new" proposal provides that employees will receive one percent (1%) on October 1, 2016, one percent on July 1, 2017, two percent on July 1, 2018 and two percent (2%) on July 1, 2019 and provides that the term

¹ As you are aware, ICEA most recently declared impasse on June 2, 2017. Therefore the time to request fact finding under the Meyers Milius Brown Act expired on or about July 3, 2017.

of the MOU will go through June 30, 2020. The extension of this Agreement by an additional 9 months is contrary to the County's interest to only reach agreement through June 2019. As we have shared, the County is facing substantial PERS cost increases and does not want an agreement that extends that far out. Hence, this change does not break the impasse.

Further, we do not consider the reinstatement of the sick leave buy back provision you previously agreed to eliminate in the May 12 offer to be "dramatic movement" toward reaching an agreement. Reinstating that provision with an insignificant increase in the amount of time to receive a 6% increase is not a good faith attempt to reach an agreement. Accordingly, we are still at impasse.

At this time, and without breaking the existing impasse, the County will allow ICEA another opportunity to vote to accept its Last Best and Final Offer (LBFO). If ICEA rejects the LBFO, the County will need to evaluate its ability to keep the LBFO on the table due to changing economic conditions exemplified by the continuing escalation of pension liability charges and current efforts to close a \$6.5 Million deficit in the Fiscal Year 2017-2018 Department Requested Budget.

If you have any questions regarding the above, please do not hesitate to contact me.

Respectfully,



Sue Dishion

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