The Voice

Employee's Association Newsletter

Message from the President

Dear Members,

Today the EA Board voted to recommend ratification of the proposed contract.

I must recognize and thank our Negotiation Committee who have worked very hard on this proposed contract for the last six months. Our team has put in countless hours (my guess is somewhere over 1,600 hours), and we have come to an agreement with the Air District, by which at the end of this contract term, members may see up to a 7+% salary increase in two years. Thank you Robert Cave, Tina McRee, Michael Neward, Michael Wall, Ruby World, Derek Klein and Paul Grazzini. I truly believe we have negotiated the best contract we can get.

The proposed contract can be found by clicking this link [here](). There is also a fringe benefits calculator you can use to calculate your estimated fringe [here.]() Check our website for more contract information [www.ea-voice.org]().

I know there are members that disagree with me, and I know that an underground campaign is being waged to reject this proposed contract. We

District imposing this proposal, in its current version, for one year. There is nothing the EA can do to change those circumstances.

If the Air District were to impose a lousy contract (not the proposed, but something worse), given their current fiscal standing, then we could fight the imposition and most likely prevail, but those aren't the circumstances we are dealing with. Our Negotiation Team did the best they can with the Air District for the proposed contract. Lastly, The Air District negotiated the current proposal in good faith. Thus, reaching an impasse and taking the Air District to arbitration is not a desirable option.

The currently proposed contract is a good contract. It helps to address an issue regarding the growing inequity of healthcare costs. The cafeteria style fringe healthcare system is unsustainable and it puts us in a moral dilemma in which some folks are out of pocket up to $1,000 a month while others are fully covered and getting cash back. The current system is equal in a sense that it provides the same fringe benefits to single employees or employees with dependents. The system assumes that every employee needs the same amount of money to maintain the same level of health coverage. This is clearly not the case for employees with one or more dependents. Let me say that again, some of our members pay over $1,000 out of pocket to maintain the same level of health coverage. The proposed fringe benefit system is the best attempt at this time to promote fairness by providing employees with dependents more help so they can buy the same health care coverage at reduced out of pocket expenses.

I also urge you to think long term. The salary increase of 1% on January 1, 2018 will benefit everyone. Remember, this salary increase is pensionable on top of the COLA increase during the 2 year contract. In total, each employee will realize over a 7% increase in salary by the end of this contract. On the other hand, cash back is not a guarantee and it can go away anytime, and the trend among public agencies has been to do away with it. Lastly, we asked our attorney, who reviews several public agency contracts, stated that our proposed contact is "a pretty good deal" given the trend for public agencies to cover less and less of the costs for family medical coverage, and given the trend for public agencies to provide less and less medical coverage for retirees.

is meant by harmed. I would classify harm as a reduction in pay or loss of benefits. In this contract, everyone sees a salary increase and most the staff have their healthcare benefits covered 100%, so how is anyone harmed?

There is another issue with lower income earners that we are aware of it. We have been working on this and we ask for your patience because this cannot be achieved in one contract. In the words of Derek Klein, “Working at the District shouldn’t allow you to qualify for low income housing”. The EA is working on this and part of this strategy is these classification studies. It is important that we complete these classification studies especially for the Office Assistant, Accounting Assistant and Secretaries.

In closing, I would like to state that we have a fiduciary responsibility to work hard to get the best contract for our members. I believe we have done that and I encourage you to vote "yes" for this contract (and to sign up for the summer picnic, see below).

Thank you.
— Chris Coelho, EA President
eapresident2015@gmail.com

Contract Vote July 13-17

Voting for the contract will be done electronically starting Thursday July 13 at 8:30 a.m. and ending Monday July 17 at 4:00 p.m. Members will be voting to accept or decline the offer.

Members will receive two emails from SimplyVoting. The first email will have your unique username and password and the second email will be a link to vote.

You will be getting an email sent to your Air District email from SimplyVoting.com. If you do not get this email on July 13 on 8:30 a.m., please check your junk or your clutter box. If you still can't find it, then contact your steward.

If you will be out of the office during this period, please

The EA Voice

The EA Voice provides a platform for members to express their opinion. Providing such a platform encourages a robust consideration of the matter at hand. The opinions expressed are those of the Author and do not represent the opinion of the EA Board members in any sanctioned manner.

During and shortly after the July 6 EA General Membership Meeting, a small group of EA members distributed an opinion piece to the membership outside the normal channels provided by the EA By-Laws and procedures. Tamiko Endow then posted a similar opinion piece on the EA Bulletin Board outside of normal channels. EA member Snigdha Mehta subsequently submitted another version of the article (also included in this addition of The Voice) for distribution according to EA By-Laws and procedures.

The article below, written by former EA President and current Meet and Confer Team member Paul Grazzini, was submitted for distribution according to the EA By-Laws and procedures and provides a counter-argument to the original opinion piece attributing it to Snigdha.

Counter Argument to Opinion Piece

By Paul Grazzini:

I believe that the opinion piece sent to EA members urging them to vote "no" for the proposed new MOU is riddled with inaccuracies and I feel I must address these problematic statements. To make sure your vote for the contract is based on accurate information, it is critical that you **read this response** before you vote on the proposed new MOU!

First of all, Snigdha's article starts out by stating that since 1999, our contracts (MOU's) have become progressively weaker over the years. Without defining the term "weaker", she leaves the reader to infer that the MOU has become less enforceable and has somehow given away rights and benefits. Where has this happened? The facts provided do not substantiate this claim. The only benefit that has truly eroded during the past 17 years, to any significant degree, as increases in costs for medical benefits for families has affected virtually all public agencies in the Bay Area. The proposed MOU extension attempts to address this glaring issue in a fair and equitable manner.

Less for Staff, More for Management:

Snighda also proposes that staff accepted benefit cuts as well as pay cuts during bad economic times to avoid lay-offs. The fact of the matter is that nobody lost benefits, and, 65% of bargaining unit members currently receive 100% medical cost coverage. Staff pay was never cut, rather, we might have negotiated a COLA that was below the CPI-W, or, we might have negotiated a COLA cap that was eventually outpaced by CPI-W. However, to flat-out state that staff accepted benefit cuts and pay cuts is not true. While on the topic of benefit cuts for bargaining unit members, Snighda also mentions that management has given itself raises significantly greater than CPI and/ or compensated itself in other ways (1 to 3 weeks of paid time off with the option to cash it out), whereas staff salaries haven't even kept up with inflation. Now that the economy is doing well and management is considering hiring more staff and buying expensive real estate, shouldn't the staff be compensated equitably? What is meant by equitably? How the Air District operates their budget is the BAAQMD Board's prerogative and well within the scope of their authority. Furthermore, real estate purchases are one-time costs whereas increases in COLA are a financial liability that roll into perpetuity.

COLA with Low Ceiling & Floor with No Catch-Up Provision:

Snighda states that the EA Board has been told (ostensibly by management) that a cap on COLA is required in the MOU because the Executive Officer must be able to defend the contract when proposing it to the District's Board of Directors. She goes on to state … "How can management defend double digit increases for itself … but cannot defend a COLA equal to CPI, for the staff?" Since 1999, management salaries have increased 65% to 150%, with an average increase of 138% for APCO and Counsel, and average increase of 94% for rest of the management Since 1999, staff salaries have increased by -60%. Increase in CPI over this period was -61 %. The COLA provisions in our contracts are negotiated. There is no guarantee that COLA will ever automatically match CPI. What is Snigdha's definition of equitable? It is a common practice for management to have some level of benefits in excess of management was compensated with additional time off in the form of administrative leave equal to the value of the EPMC benefit. Furthermore, management does not earn overtime pay, union members do. Thus, they are compensated differently than union members. For Snigdha to compare the compensation that bargaining unit employees receive to the APCO and Counsel, who are “At Will” employees and negotiate their compensation package directly with the Board of Directors, is inappropriate. They should not be considered as a comparator to compensation for union members.

Snigdha’s article includes several charts and figures that compare relative salary and COLA increases (since 1999) for bargaining unit employees and for management employees. Another chart depicts annual increases in management base salaries for the same period of time. To begin with, the charts are misleading because they include compensation for the Executive Officer (APCO) and Counsel (reasons stated above). Secondly, the increases in management’s salaries are not based purely on COLA increases as the chart would lead you to believe. Salary modifications have been made to management as a result of classification adjustments and for other reasons.

The chart highlighting the dip in the economy states that bargaining unit staff took a pay cut when the Air District was going through tough economic times, yet management was experiencing significant pay increases. The fact of the matter is that union members were never required to take a reduction in pay as a result of contract negotiations. While the COLA may have fallen behind CPI-W from time to time, that is not the same as a reduction in pay. During the 2012 - 2014 time-frame, the union negotiated a contract that resulted in a COLA that was less than CPI-W for that period. The total cumulative difference for that time-period noted was 1%. The average management increase listed in this graph combines APCO, Counsel, and Management salaries, and, as previously indicated, includes salary increases due to management restructuring as well as COLA. Please note that while COLA increases for bargaining unit members are taken into consideration in the charts, reclassifications and subsequent salary adjustments for union staff have not been considered. The union successfully negotiated several classification changes in the last few years; each of which has resulted in a salary increase for the staff affected. Two examples include upgrades from Supervising Inspector to Supervising AQ Specialist, and Administrative Analyst to Staff Specialist. The bottom line is that also be noted that the DEO, or Deputy Executive Officer position, did not exist prior to 2015; prior to that year the position was a DAPCO, and thus accounts for the 27.8% increase in pay for her upgraded position.

Fringe Benefit Allowance: Robbing Peter to Pay Paul:

Regarding the statement that the Air District saves approximately $1 Million/year in unused FBA. That is not how FBA money is accounted for. There is no separate account for the FBA, and monies unused do not get rolled over. In other words, there is no savings as money not budgeted for staff salaries and benefits will be used to pay something else (unfunded liabilities and pension funds as an example). The FBA budget is equal to exactly what is estimated to be used by employees. There is no money left over from unused FBA benefits.

Snigdha’s article stated that the new contract would do away with the cash back provision and replace it with a one-time raise of 1 % in the base salary on Jan 1, 2018 and a one-time additional difference of ($ 1200 - 1 % of base salary). There is no make-up provision in the following years (2019+). That is correct; that is why it is a “one-time” cash payout. However, the 1% is pensionable, the cashback never has been pensionable. The article also states that lower salaried members receiving cash-back, who have seen no increase in benefits in 14 years will, see a reduction in benefits due to this change. Everyone will gain 1% in salary, cash back recipients get an additional amount of money; lower salaried members receiving cash back already have the benefit of 100% coverage, the cash back is not a function of salary and can go away for any number of reasons; you don’t get the cash back in retirement; and converting it to a salary bump, even if only 1%, makes it pensionable. Lower salaried members have not seen a loss of benefits to the extent that families have. At one time, there was at least one plan that a member could choose that was 100% covered for families. Now there is no family plan where the member is not paying an out-of-pocket cost. As time goes on, more and more plans under the Employee +1 category are falling below the FBA cap.

The article makes several assertions regarding who stands to gain versus who stands to lose from the deletion of the cash back provision. The bottom line is, at the end of the term of this proposed contract, every employee will be making and there are multiple factors (child born, spouse loses job, increases in health insurance costs etc.) that could affect that money. Another way of putting it: the cash back amount is not guaranteed and a 1% raise is. The real value of the 1% is that it becomes a guaranteed part of your salary that you will receive in retirement. “**The value of that 1% compounds from the day you get it until the day you die; even in retirement”.**

Regarding the article’s comments on FBA caps, using Kaiser as the baseline, and anticipated out of pocket expenses increasing for those with dependents on their medical plan: 48% of members are currently enrolled in Kaiser; 59% of members are enrolled in Kaiser or a cheaper plan. Based on that information, the Air District is pretty well justified in using Kaiser as a baseline, not to mention that Kaiser has the most stable rate over the last 20 years. Under the existing contract, members with one dependent will see a reduction in their cash back benefit as the FBA increase will not match the increase in health care plan costs. Under the proposed cost share plan for the new contract, members with one dependent and paying out of pocket, will see their out of pocket costs significantly reduced. Going forward, as health care costs rise, the people in this category will see an overall savings and have less out-of-pocket costs. The opinion piece states that members with two dependents on Kaiser or a more expensive plan may have to pay even more out-of-pocket, and that single members not currently out of pocket will be forced to switch to Kaiser or pay out-of-pocket, as health insurance costs rise. These are blatantly false assertions! Members in this category will see a $229 reduction in out-of-pocket costs plus a 1% salary increase that will further offset future health care increases. Single members employed prior to 7/1/17 will still be fully covered under the $1763 cap; this cap is currently 78% higher than the highest cost plan in that category. Given the average 6% inflation rate this cost will not be exceeded until 2023 and well beyond the scope of this contract. New employees will be subject to the new cost-share plan, but this is consistent with other public agencies and still offers them a plan or plans where they are 100% covered.

The context of the pie chart that breaks down the % of bargaining unit employees with out of pocket expenses, receiving cash back, etc. is unclear. If an Air District Board member were to look at it, this pie chart would seem to indicate that 65% of bargaining unit members have 100% of their health

Additionally, the pie chart fails to represent the degree to which bargaining unit employees are out of pocket for medical coverage. Fortunately, the EA Meet & Confer Team as well as the EA Board recognize that this issue of disparity cannot be broken down quite this simplistically.

The image with the comparison of Peter versus Paul paints an incomplete picture of how the situation for either party actually pans out. First and foremost, it implies that Paul gets paid an extra $540.00; however, this money never gets deposited into Paul's bank account. Rather, it goes straight to the medical insurance company. The only time Paul sees any of the value of that benefit is when he takes a day off work to take his sick child to the doctor. Also, in addition to the FBA benefit that Paul receives, he has $324 taken out of his paycheck every month to cover the remaining cost of the health insurance (this figure includes Vision and Dental). Accounting for this out-of-pocket expense, Paul's **Net Income** is $7,676. Peter doesn't have to worry about any of that. Peter effectively has a net income of $324 more than Paul. What Peter does with that money is none of Paul's business. Paul holds no ill will toward Peter and accepts that this income difference is the cost of having multiple dependents. Finally, the money paying for the FBA is not coming out of a pool. Peter is not subsidizing Paul; money is not being taken out of Peter's paycheck and given to Paul. Is this equal? No. Is this equitable? Yes. Those two terms mean different things. The specific situations of Peter and Paul are subject to change over time. Peter's partner may lose his/her job, and thus, he/she may have to be added to Peter's insurance. In the event this happens, Peter will use more of the allotted FBA. Likewise, one or more of Paul's dependents may obtain their own insurance and Paul will no longer need the maximum FBA nor will he have to pay the out of pocket costs that come with it.

Opinion Piece From EA Members

The following Article was written by EA Members Snigdha Mehta and Tamiko Endow and is not the opinion of the EA Board

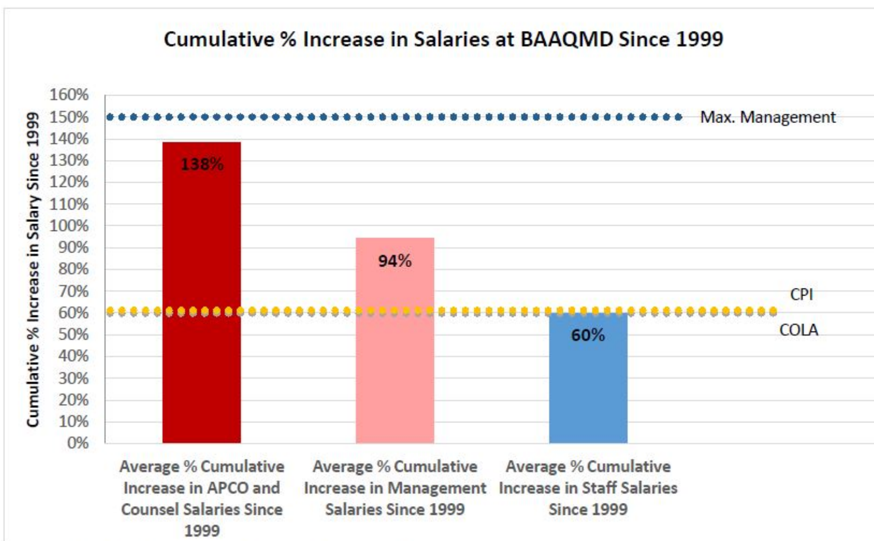
Should the EA Reject This Contract?

Our contracts have become progressively weaker over the years. The staff accepted benefit cuts and pay cuts during bad economic times to avoid lay-offs. At the same time, management has given itself raises significantly greater than CPI and/or compensated itself in other ways (1 to 3 weeks of paid time off with the option to cash it out), whereas staff salaries haven't even kept up with inflation. Now that the economy is doing well and management is considering hiring more staff and buying expensive real estate, shouldn't the staff be compensated equitably?

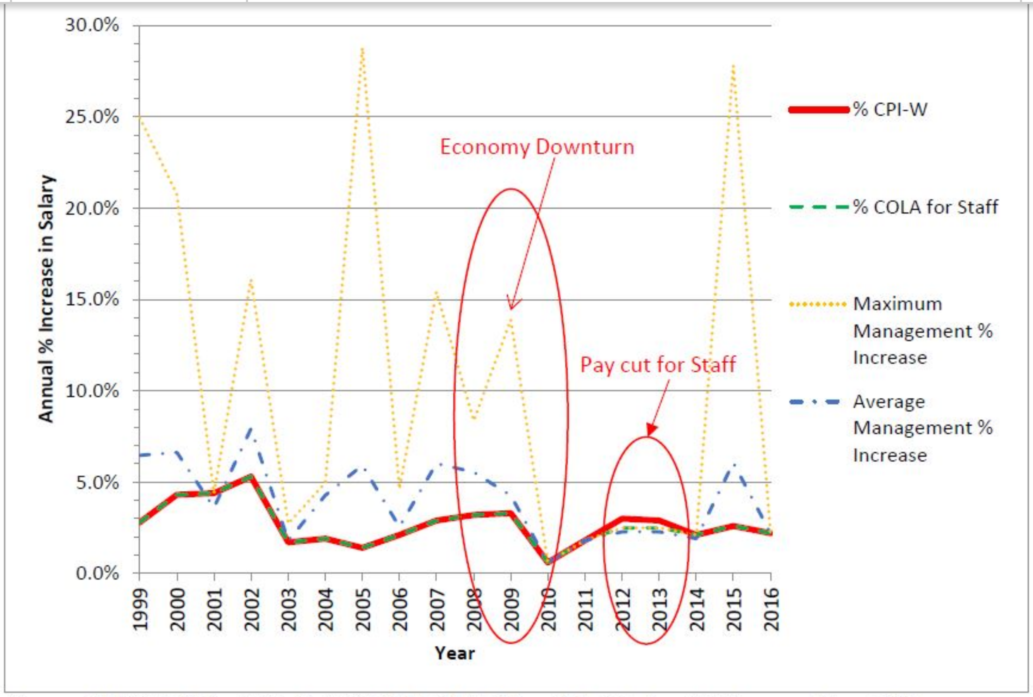
Cost of Living Allowance (COLA): Low Ceiling & Floor with No Catch-Up Provision

The EA Board has been told that a cap on COLA is required because the management must be able to defend the contract before the District Board. How can management defend double digit increases for itself, but cannot defend a COLA equal to CPI, for the staff? Is this equitable?

- Since 1999, management salaries have increased 65% to 150%, with an average increase of 138% for APCO and Counsel, and average increase of 94% for rest of the management.
- Since 1999, staff salaries have increased by ~60%. Increase in CPI over this period was ~61%.
- Prior to 2006, contracts did not have COLA cap. Since COLA has been capped, staff salaries have not kept up with inflation.
- Double Whammy!! COLA cap reduced from 5% in 2006-2009 to 3% and the COLA floor reduced from 2% in 2006-2009 to 1% in 2015-2016.
- COLA cap has been raised to 3.5% in this new contract. Based on statistical analysis of past 32 years of CPI data, the probability of exceeding the cap is 27% - 30%.
- With no provision to catch-up COLA with CPI in the following contract years, if CPI exceeds the cap, staff salaries will continue to decline compared to inflation.



Source: BLS CPI-W for SFO-SJ-OAK; BAAQMD Salary Schedule Step E; Contracts Since 1999



Source: BLS CPI-W for SFO-SJ-OAK; BAAQMD Salary Schedule Step E; Contracts Since 1999

COLA vs. CPI-W vs. Management Increase Since 1999

Year	COLA for Staff	CPI-W of Previous Year	MOU Provision	Average % Increase for Management, Including APCO & Counsel
1999	2.8%	2.8%	CPI-W, No Cap	6.5%
2000	4.3%	4.3%	CPI-W, No Cap	6.6%
2001	4.4%	4.4%	CPI-W, No Cap	3.6%
2002	5.3%	5.3%	CPI-W, No Cap	7.9%
2003	1.7%	1.7%	CPI-W, No Cap	1.8%
2004	1.9%	1.9%	CPI-W, No Cap	4.3%
2005	1.4%	1.4%	CPI-W, No Cap	5.9%
2006	2.1%	2.1%	CPI-W, min 2%, max 5%	2.6%
2007	2.9%	2.9%	CPI-W, min 2%, max 5%	6.0%
2008	3.2%	3.2%	CPI-W, min 2%, max 5%	5.5%
2009	3.3%	3.3%	CPI-W, min 2%, max 5%	4.3%
2010	0.6%	0.6%	CPI-W, min 0%, max = % increase in PERS contribution	0.6%
2011	1.8%	1.8%	CPI-W, min 0%, max = % increase in PERS contribution	1.8%
2012	2.5%	3.0%	CPI-W, min 0%, max = % increase in PERS contribution	2.3%
2013	2.5%	2.9%	CPI-W, min 0%, max = % increase in PERS contribution	2.3%
2014	2.1%	2.1%	CPI-W, min 0%, max = % increase in PERS contribution	1.9%
2015	2.6%	2.6%	CPI-W, min 1%, max 3%	6.1%
2016	2.2%	2.2%	CPI-W, min 1%, max 3%	2.2%
2017	2.7%	2.7%	CPI-W, min 1%, max 3.5%	NA

Source: BLS CPI-W for SFO-SJ-OAK; BAAQMD Salary Schedule Step E; Contracts Since 1999

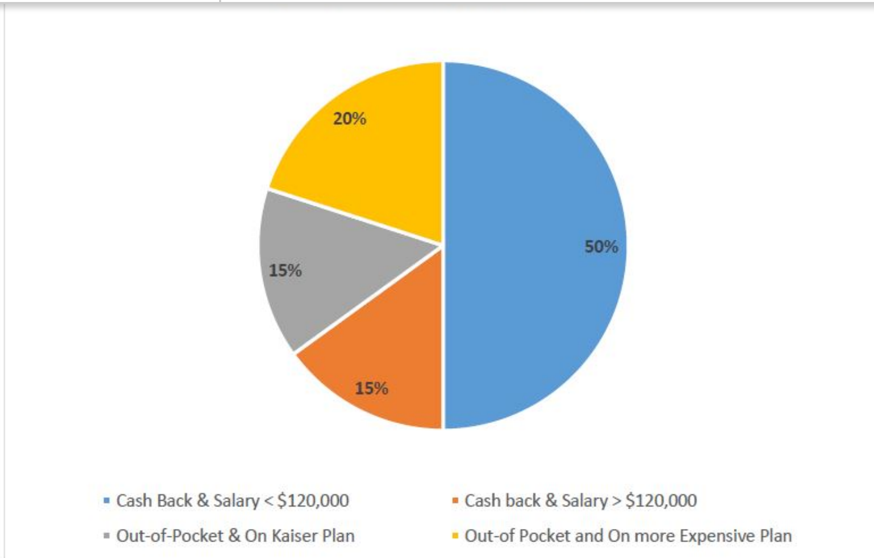
Year	Increase for Staff	APCO	DEO	DAPCO	Counsel	Sr Asst. Counsel	Eng Dir.	CO Officer	Eng Mgr.	HR Director	Bus. Mgr.	Facility Mgr.
1999	2.8%	9.7%	2.8%	2.8%	14.0%	2.8%	2.8%	2.8%	2.8%	2.8%	25.0%	2.8%
2000	4.3%	8.9%	4.3%	4.3%	8.9%	4.3%	4.3%	4.3%	4.3%	20.7%	4.3%	4.3%
2001	4.4%	0.0%	4.4%	4.4%	0.0%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
2002	5.3%	15.3%	5.3%	5.3%	5.3%	16.1%	5.3%	13.3%	5.3%	5.3%	5.3%	5.3%
2003	1.7%	2.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
2004	1.9%	1.9%	5.0%	5.0%	1.9%	5.0%	4.3%	4.3%	5.0%	5.0%	5.0%	5.0%
2005	1.4%	8.5%	1.4%	1.4%	28.8%	1.4%	1.4%	1.4%	1.4%	16.6%	1.4%	1.4%
2006	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	4.6%	4.6%
2007	2.9%	15.4%	2.9%	2.9%	14.3%	2.9%	2.9%	2.9%	2.9%	2.9%	8.0%	8.0%
2008	3.2%	3.2%	8.4%	8.4%	3.2%	3.2%	8.4%	8.4%	3.2%	3.2%	8.4%	3.2%
2009	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	13.9%	3.3%
2010	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
2011	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
2012	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	0.0%	2.5%	2.5%
2013*	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	0.0%	2.5%	2.5%
2014*	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	0.0%	2.1%	2.1%
2015*	2.6%	2.6%	27.8%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	15.5%	2.6%	2.6%
2016*	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%

- Additional leave time: 80 hours/year for management and 120 hours/year for DAPCO

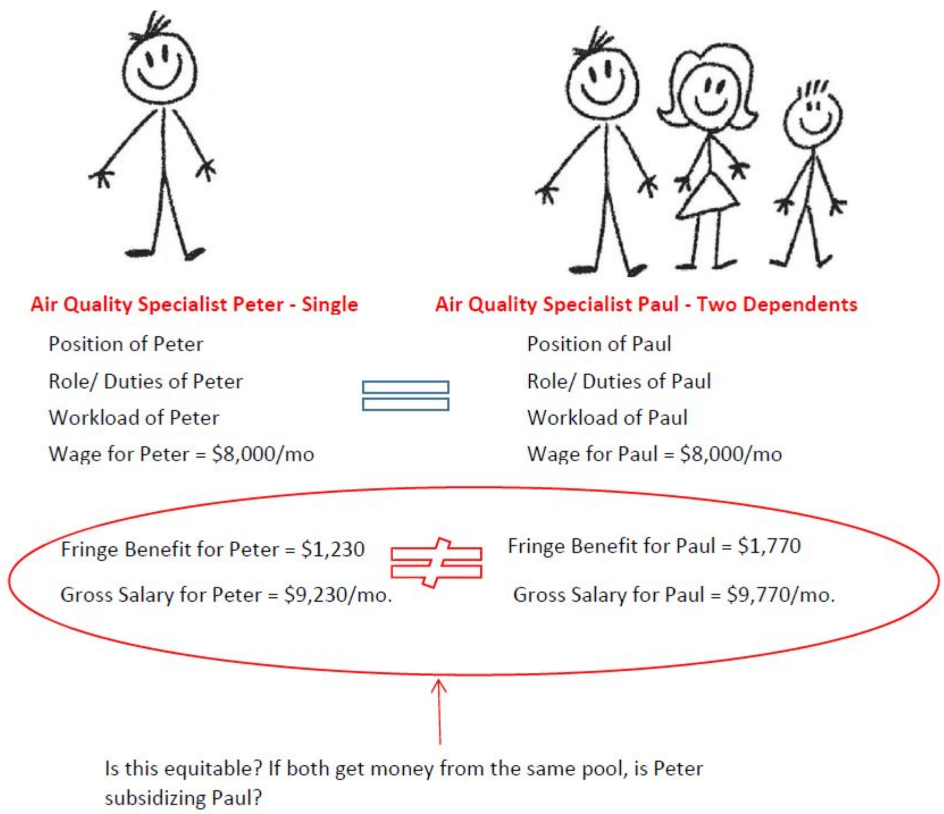
Fringe Benefit Allowance: Robbing Peter to Pay Paul?

The Fringe Benefit Allowance (FBA) has previously been set to 100% of the cost of the lowest health insurance plan for an employee plus two dependents. A cafeteria plan/cash-back provision was added in 2003 as a token to equalize the benefit between members with dependents and single employees. Based on 2016 data:

- 93 employees (35%) use the full FBA and pay out-of-pocket. 173 employees (65%) do not use the full FBA and get up to $100/month back. Although the FBA has increased by approx. $1200/month since 2000, the cafeteria cash back has not been increased at all. No increase in benefits for 2/3 of staff in the past 14 years.
- Rough estimates indicate that the District saves approximately $1 Million/year in unused FBA.
- The new contract takes away the cash back provision and replaces it with a one-time raise of 1% in the base salary on Jan 1, 2018 and a one-time additional difference of ($ 1200 – 1% of base salary). There is no make-up provision in the following years (2019+).
- Members using the full FBA who have benefitted from the FBA increases over the past 17 years will gain 1% due to this change. Lower salaried members receiving cash-back who have seen no increase in benefits in 14 years will see a reduction in benefits due to this change.
- Members receiving cash-back whose current hourly base salary is below $56 or whose annual base salary is below $120,000 will lose from this change, starting 2019. The lower their base salary below this threshold, the longer it will take to break-even. Some may not break-even at the time of their retirement. Based on EA Board's estimates (unverified by author at the time of writing this article), approx. 50% of the membership will see a decrease in benefits with this switch-out provision.
- The proposed contract caps the FBA and ties the health benefit to the cost of Kaiser (second lowest cost plan). Members with one dependent currently on Kaiser or a more expensive plan may have to pay out-of-pocket under the proposed contract. Members with two dependents on Kaiser or a more expensive plan may have to pay even more out-of-pocket. Single members not currently out of pocket will be forced to switch to Kaiser or pay out-of-pocket, as health insurance costs rise.



Source: Enrollment data provided by EA Board and EA Board's estimates obtained through written communication



Some Things to Consider

Robert Cave – Meet and Confer Committee Chair

My purpose in writing this article is not to convince you how to vote on the proposed Contract Extension, but rather to provide my thoughts and unbiased; far from it. I do not believe the proposed Contract Extension to be a fair deal given the money that the District shells out for real estate speculation, ill-defined or otherwise useless programs such as the production system and Executive Management in general. However, I do believe this deal is the best that was available to us given the constraints provided in these negotiations. Hopefully, the following will inform your decision as to whether you agree with this assessment.

COLA stands for cost of living adjustment, and is a means of ensuring that salaries keep up with inflation. Six times a year, the US Department of Labor calculates the year to year change in cost of goods and services for the SF-Oak-SJ area (Feb to Feb, April to April, June to June, Aug to Aug, Oct to Oct, Dec to Dec). These are then averaged to give the annual average percentage increase for each year (the consumer price index or CPI). The Labor department does this for all urban consumers (CPI-U) as well as that for urban wage earners and clerical workers (CPI-W). Comparing the two indices, W seems to be a bit less volatile than U but they are usually within 0.1 and 0.5 of each other; U has been greater than W for the last four years but that was reversed for the three years prior. When times are bad economically, the CPI goes down; when times are good, it goes up.

For a one year contract, one can easily look up last year’s CPI and there is your COLA, or you might choose to bump it up or down a bit to get a nice round number. Multiple year contracts require a bit more guesswork. Some public agencies look at how the CPI is trending, pick a nice round number and negotiate a three-year contract with a 2 or 3 percent COLA for each year. Others, like the District, tie COLA to the CPI within a range of values. The floor of this range protects the employee, the ceiling protects the employer. For the last 20 years, the annual CPI-W has averaged 2.7% and has been as high as 6.1 in 2001, and as low as 0.3 in 2009. Generally speaking, COLA caps go up and down as the CPI goes, but bear in mind that there is a year lag so when times switch from good to bad sometimes agencies don’t want to provide a COLA based on last year’s high CPI for this year’s low economic conditions. The last four years the CPI-W has been between 2.4 and 2.6, so a 3% cap in a contract may seem reasonable; however, the first two reported yearly deltas for 2017 (Feb and April) have pushed above 3, making 3.5 or higher appear to be a more reasonable number.

relatively stable and lower cost of vision and dental plans. Single-year contracts can provide a set dollar amount based on the previous year's index. Multi-year contracts point to an indexed rate that is yet to be determined. I believe that at one time the District tied their FBA to Kaiser and then CalPERS and Kaiser had a spat and so for a few years Kaiser wasn't offered by CalPERS so there went that index. Many agencies utilize cost-sharing where the employer pays the majority of the cost (e.g. 75, 95, 90, 95%) and the employee pays the rest.

At the District, the FBA provided by the contract has been problematic almost since adoption and this has been exacerbated by the rising cost of Health Care and the specter of unfunded liability a la PEPRA, or PEMHCA or whatever other acronym you want to use. Attempts to make it more equitable or more manageable have largely made it worse over time. 100% coverage for families good; unused balance for singles bad. Answer: Cafeteria plan with $100 cash back for staff, but $300 for management, WHAT?!? No cost of living applied to cash back provision means any COLA applied to salary of those getting cash-back is less than that for employees not getting cash-back. Health care costs rise so FBA is tied to lowest cost plan or lowest cost plan not actually offered where employees actually live. Answer: Attempt to introduce cost sharing by only covering a portion of increase in cost of lowest cost plan available which is constantly changing. Wait – isn't out of pocket cost its own form of cost-sharing?

CalPERS offers a variety of plans with a variety of costs. The cost of a plan is dictated both by coverage as well as how many are enrolled. Basically, the cost is determined by relative value combined with supply and demand. As more people enroll in a plan, the cost of that plan increases. CalPERS periodically offers new low cost plans to encourage enrollment therein.
As for the prevailing trend for FBA, most agencies are moving towards some form of cost sharing arrangement. Some have introduced tiers of coverage to address different levels of coverage (employee, +1, +2 or more). Most are moving away from cafeteria plans offering a cash-back provision.

With all that background, let's turn our gaze to the upcoming changes to how the FBA is provided in the proposed contract extension. It introduces a formal cost-sharing through a tiered system of coverage (90% for E+2, 95% for E+1, 100% for E only) which is more equitable so this is good. Cash-back will be if you are a low earner. The 1% is pensionable and the earlier you get it, the better, not to mention that the prevailing trend is elimination of cash-back.

Tying the FBA to Kaiser is better than tying it to "the lowest cost plan", because the latter is a constantly moving target. There seems to always be a "lowest cost plan" introduced each year which keeps that index low. Kaiser seems to be more stable and more likely to track the overall trend in Health Care costs. Regardless of Kaiser's volatility or current cost, it is much better to have this in the contract than our current contract which specifies the cost of the "lowest cost plan" of three years ago plus 2/3 the increase in the cost of the lowest cost plan.

In conclusion, I am not providing an argument for or against this proposed MOU extension. I do not think that it is the best we could possibly imagine for a Contract. I do not even think that it is fair. I do think that it is the best deal that we could get given the constraints of our negotiations. Please make an informed and well considered decision and vote accordingly.

EA Options Upon Rejection of TA

The following commentary is provided by the EA's Attorney.

1. The EA can return to the bargaining table. Although the EA believes that the current offer will represent the District's last, best and final offer, the District has not explicitly stated so.
2. If there is no further movement at the table and the parties are at impasse (ie. parties have bargained in good faith and reached a point that further discussions/negotiations would be futile), the EA and District must follow any local or statutory impasse procedures, or may agree on a procedure to address the impasse.
3. The Ad. Code allows the parties to agree to mediation but does not require it. (Ad. Code I, 10.6 (k)) Thus, the EA could suggest mediation in an attempt to break the impasse and proceed if the District agreed.
4. The MMBA allows the EA to request factfinding. (Govt. Code sec. 3505.4, 3505.5) Once requested by the EA, it is mandatory. Factfinding is a process whereby a panel hears the basis of the dispute and makes a non-binding, advisory recommendation of settlement terms based on

5. The District cannot implement its last, best and final offer (or terms and conditions reasonably comprehended in pre-impasse proposals) until after any impasse procedures have been completed.
6. The EA can engage in certain concerted activities, the timing and extent of which must be discussed separately.

Nomination Committee

Are you interested in taking the next step with your union? We are currently seeking motivated individuals to serve on the next EA Board after the current Board Members' term expires this September. We will be having a General Membership Meeting on September 6 to elect the new board. If you are interested or have questions, please contact the head of the Nomination Committee, Paul Grazzini.

Sign Up for the Softball Game at the Summer Picnic!

Sign up for the Softball Game at the Summer Picnic!

We're using SignUp.com to organize our upcoming Softball Game at the annual summer BBQ!

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2) Review the options listed and choose the spot(s) you like.
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ALL STAFF MEMBERS AND FAMILIES ARE INVITED TO JOIN US THIS YEAR AT OUR ANNUAL SUMMER PICNIC AT MILLER/KNOX REGIONAL SHORELINE PARK IN RICHMOND.
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