



# COUNTY OF INYO

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### **COUNTY RELEASES DOCUMENTATION OF UNION NEGOTIATIONS**

On Wednesday, Inyo County posted 154-pages of documents on its website providing details about labor contract negotiations that have been ongoing between the County and the American Federation of State, County and Municipal Employees since February, 2016.

As has been reported, AFSCME members voted down a new collective bargaining contract with Inyo County and, on June 2, 2017, declared impasse. It was the second time the union declared impasse and walked away from the bargaining table. The contract offer rejected by the AFSCME membership included the same cost of living adjustment accepted by all other employee groups that have negotiated in the recent past.

The documents include copies of the written offers and correspondence exchanged between the County and AFSCME pertaining to the contract negotiations, as well as the Ground Rules that governed contract negotiations between ICEA and the County. In summary, the documents show:

- The County actively engaged in negotiations with AFSCME, conducting more than 20 in-person meetings with the union representatives.
- As required by the Ground Rules, the Board of Supervisors received an exact copy of every offer and all correspondence about those offers provided by AFSCME.
- The County's negotiating team, with Board direction, provided detailed written responses to each AFSCME issue and clearly explained the basis for its offers and counter offers. AFSCME leadership, however, refused to provide those written responses to its voting members.
- It took approximately 5 months for the union to present and attempt to provide a rationale for its demand for a 12-percent cost of living adjustment (COLA). The correspondence from the union shows the union's reasons for wanting a raise kept changing as the negotiations continued.
- The County presented documentation on July 1, 2016 showing that Inyo County workers actually gained ground in terms of purchasing power over the current contract term, which expired on September 30, 2016.

- During the term of its last MOU with the County, employees in the Inyo County Employee Association bargaining unit represented by AFSCME received a 6% COLA, an average 6% “equity adjustment” raise, and many received additional 5% step increases and/or multiple longevity increases.
- AFSCME repeatedly changed its position on negotiating big picture issues – such as major changes in work schedules and a two-tiered employee health care system – the County wanted as re-openers to improve recruitment of tough to fill positions and address growing employee health care costs.
- Despite not agreeing on money, the documents detail 18 Tentative Agreements the County reached with the union on non-monetary issues.

“The documentation is thorough, and provides facts that speak for themselves,” said Assistant County Counsel John Vallejo, a member of the County negotiating team.

The Ground Rules included in the documentation also shed light on why County staff and the members of the Board of Supervisors have refrained from negotiating with the union in public, or engaged in discussions with AFSCME supporters who talk about their feelings about the negotiations during the public comment portion of Board meeting agendas. Ground Rule #9 states:

“[d]uring negotiations that take place prior to the completion of any impasse mediation process, contact with those represented by the other side of the table other than officially designated representatives at the table on matters pertinent to ongoing negotiations for an MOU will be prohibited. During that timeframe, ICEA Bargaining Team or members of the bargaining unit agrees not to go to the Board of Supervisors and Administration agrees not to discuss with bargaining unit members.”

While it may be easily misinterpreted, the County’s caution in joining such public discussion is also in line with the requirements of California’s Brown Act. Members of the Board of Supervisors and County staff may make limited responses to statements made during the Public Comment portion of the agenda, but California’s open-meeting laws preclude the Board discussing matters under the public comment portion of the agenda which are not otherwise agendized.

The County maintains that its offer is fair and points out that that it compares favorably to agreements negotiated with the labor organizations representing most of the other County workers. The County is concerned, however, that the American Federation of State, County and Municipal Employees has chosen to continue to make demands that, if implemented, would erode the County’s ability to provide services and could jeopardize jobs.

Asked about the status of negotiations, Sue Dishion, Deputy Personnel Director and the County’s lead negotiator said, “We all recognize the work that everyone in the County does to get services out the door. Most of our employees are great, and work hard. We have to continue to pay employees what’s fair, and at the same time balance the other demands on the County budget.”

The County is currently working on the County Budget for Fiscal Year 2017-2018, which starts with departments submitting budget requests. This year, the total Requested Budget submitted by County departments identifies \$83,982,687 in revenues and seeks \$90,494,848 in expenses, which means the Department Requested Budget has a \$6,512,161 deficit. The size of gap the County has to bridge could grow if the reduction in hotel bed tax is more than the \$800,000 loss the County is projecting due to Furnace Creek Resort being substantially off-line this year, or if the Coso Geothermal property tax assessment decreases from last year or gets challenged. The Department Requested Budget numbers include the first year's cost of the County's offer of a 4% raise over 3-years, the "roll-up" cost impacts that the salary increases will have on other benefit costs, and unprecedented increases in pension costs.

When the Board of Supervisors approves the County Budget later this summer, by law it must be balanced. To do so, the County will have to close the \$6.5 Million budget gap by decreasing the amount of money some departments are asking for, moving money in from various accounts where it can for "one-time" costs and qualifying on-going expenses, looking at possible increases in fees and other revenues, and relying on money left in last year's budget. If the County were to pay what the union demands, the size of the \$6,512,161 deficit that already exists in the Fiscal Year 2017-2018 Department Requested Budget would increase, and the bigger budget deficit would still need to be zeroed out by cutting costs somewhere and/or or increasing fees and other revenue sources.

"We will figure it out," said Inyo County Administrator Kevin Carunchio, who also wears the hat of County Budget Officer. "We have to."

Inyo County, like most other municipal employers in California, has experienced a radical increase in employee compensation costs outside of directly paid wages. During fiscal year 2017-2018 Inyo County taxpayers will pay the California retirement fund more than \$8.5 million or roughly \$21,500 per employee. This represents a \$1.4 million increase. Although these payments do not boost what an employee takes home on a weekly basis, they are real and cannot be ignored.

Despite difficult economic challenges, Inyo County has resisted following the course of so many other government employers that have reduced benefits while requiring increased, out-of-pocket financial participation on the part of the workers. The documents posted on Wednesday show that what has been offered to employees represented by ICEA and AFSCME is a contract which recognizes the important work performed by County employees and preserves nearly all of the substantial benefits enjoyed by County employees. In addition, the County has offered an increase in wages designed to recognize increased costs while still maintaining the County's ability to pay for other cost increases and maintain or improve programs and services. Highlights of the proposed contract that was rejected by AFSCME include:

- An across the board wage increase of 4% over the three year contract term.
- The County will continue to absorb 80% of the cost for a quality medical insurance plan for employees and their family members.
- The County will continue to pay for Dental Insurance for employees and their family.
- The County will continue to pay for Vision Insurance for employees and their family.

- Maintaining up to 25 days of fully paid vacation each year.
- Maintaining 11 annual holidays with full pay.
- Maintaining 5 additional personal days off with pay.
- Maintaining 15 annual paid days of sick leave per year
- Maintaining Retirement benefits allowing employees retiring with 30 years of service to receive in excess of 60% of their annual salary with annual cost of living adjustments. Provided at no cost to the employee.
- Upon retirement, 80% of annual medical insurance premium continued to be paid by County for employee and family; fully paid after age 65.
- Numerous changes to procedures and wording as requested by the Union.

Inyo County already spends more on employee salary, retirement and health benefits, as a percentage of its total revenues, than 46 other California counties – Inyo ranks number 12 – and Inyo has more employees per 1,000 people than 51 other California counties.

“We all value County employees and appreciate the work they do on behalf of the taxpayers,” said Carunchio. “That’s why, over the years, the County has taken great care to maintain a benefit package that are now almost unheard of at the local government level in California, while avoiding layoffs during some tight budget times.”

During the past 12 years the County has balanced its budget and provided services at a relatively high level without resorting to lay-offs. Only five positions have been laid-off during this time period, which includes the economic collapse of 2008, and all of those positions were cut due to reductions in corresponding State funding. All but one of the people ended up getting reinstated in other county jobs, and the one person chose not to accept a job that was offered.

“It’s unfortunate that some union representatives have chosen to make statements to the media that are unfounded and potentially damaging to long-standing relationships. I’m worried about the effect on our employees and our community as a whole,” said Carunchio. “It’s unfortunate, but not surprising. These are the same negative tactics the new local AFSCME leader has taken in previous dealings with Northern Inyo Hospital and the Superior Court. People have seen it before, and it is sad. While I would be the first to admit the County has challenges, and like the court and the hospital, might be able to do things better, these organizations are comprised of friends and neighbors and ‘they’ are ‘us’ and are a reflection of our community.”

Since the County did not receive indication from the AFSCME that it intends to break its current declaration of impasse in its negotiations with the County nor to request mediation or “fact-finding,” the County said is now in a position to release the documents in compliance with the Ground Rules. The complete document package can be viewed at <http://www.inyocounty.us/negotiations/AFSCME/>

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