

Union Contracts Update

I am pleased to report that the Board of Supervisors reached an agreement with two Service Employees' International Union, Local 521 units and one with the Kern County Prosecutors Association (representing Deputy District Attorneys), which have a term of three years. The Board also imposed a one-year contract on the Kern County Probation Officers Association. Negotiations have already resumed with the Probation Officers Association to hammer out a lasting deal.

The contract accepted by the SEIU unions states that all employees who had not been contributing anything to their retirement or health care premiums will pay 33% of their retirement contribution, and 20% of their health care premiums by year three. I understand that this will be a significant shock to the pocketbooks of these employees, but a 2% raise in the second year of the contract will help to offset the additional employee contributions. Employees hired in recent years already pay 20% of their healthcare premiums and 100% of their retirement contribution.

The three-year contract that was signed with the prosecutors in the District Attorney's Office states that all will pay 20% of their health care premiums, and will, over the life of the contract, pay 100% of their retirement costs, with a 6% raise in the first two years.

The County had previously reached agreements that are very similar with the unions representing firefighters and sheriff's patrol and detention deputies. The most significant change in their contracts involve the change from the "3 percent at 50" retirement formula to a lesser "2 percent at 50" formula for all new hires.

Per an actuarial review done for the county's retirement fund in 2005, the fiscal impact of all public safety employees retirement tier being reduced to [2@50](#), and full employee retirement contributions, is \$64 million over the first ten years and \$180 million over the first 20 years!

The agreements reached with county unions in the last two months were the result of a difficult process that spanned approximately two years. It is my hope that these contracts present the best balance between respect of the taxpayer and respect of the employee, and sets the course for the county to reign in personnel costs that have put a severe damper on the ability of the county to provide services that the taxpayer expects and deserves.