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MEMORANDUM

TO: Felicia Brabec  
***Chair, Ways & Means Committee***

FROM: Diane M. Heidt  
***Human Resources / Labor Relations Director***

THROUGH: Verna J. McDaniel  
***Washtenaw County Administrator***

RE: Tentative Agreement–***Public Defenders Association–Units I & II***

DATE: March 20, 2013

**RECOMMENDED ACTION:**

The Negotiating Team recommends approval of the Resolution approving the Union ratified agreement with Public Defenders Association – Units I & II.

**BACKGROUND:**

In January, 2013, Administration and Human Resources brought to the Board of Commissioners an overview of the collective bargaining process, including the status and process for negotiations with those labor union contracts which were set to expire 12/31/2013. Additionally, the various County union partners had requested that Washtenaw County enter into expedited economic negotiations to protect union security for their membership.

Given the ongoing economic challenges in Washtenaw County and the State of Michigan, Administration put forth a strategy with the following interests:

- eliminate the County's long-term legacy costs
- ensure pension funding for retirement
- work within the established budget projections
- increase general fund reserves
- ensure the long-term fiscal stability of the organization
- secure union security with and for union partners

In February and March, 2013, the Washtenaw County Board of Commissioners provided their approval of a recommended strategy for negotiations.

The vision for the process was “To create a product and process that both the union and management are satisfied with.” The guiding principles that were followed include:

- Partnership
  - Purpose
  - Right to say “No” ... ensure that everyone is heard
  - Honesty (full disclosure)
  - Accountability
- Engagement – Communication
- Fit with the 10-year Financial Projections
- Even Application of Policy
- Employee Morale (openness & communication)
- Professional Approach (respect & trust)
- Measures of Success / Checkpoints
- Communication (engagement)

The continued use of the Interest-Based Bargaining process assisted both parties in building trust, through full-disclosure, and enhancing communication to reach the settlements in the professional manner and timeframe that had been determined.

The bargaining units consist of the following employees:

**Unit I:**

All Assistant Public Defenders I, II, and III.

**Unit II:**

Employees responsible for supervision Assistant Public Defenders, including First Assistant Public Defenders I and II, and the Senior Assistant Public Defender, but excluding the Chief Assistant Public Defender.

The parties reached tentative agreements, and such agreements have been ratified by the membership.

**DISCUSSION:**

The terms and conditions of the ratified agreement are set forth in the attachment to the Resolution. The highlights are as follows:

**DURATION**

March 21, 2013 through December 31, 2023

**WAGES**

**2014:** Restore 3.85% to employee’s salary by elimination of Banked Leave days  
A 2% non-structural increase shall be paid to employees in bi-weekly payments effective with the first pay period of January, or as a lump sum the first pay period of March if elected by the employee.

**2015:** In the event there is no increase in property tax revenue, the minimum structural salary adjustment shall be 1% effective July 1<sup>st</sup>. In the event the annual equalization report indicates that property tax revenues increase from the prior year, the following formula shall apply allowing for structural salary change:

- 4% increase in property tax, a 2% raise would become effective July 1st
- 5% or higher increase in property tax, a 3% raise would become effective July 1<sup>st</sup>.

**2016:** A 2% structural salary increase effective January 1<sup>st</sup>

**2017:** A 2% non-structural increase shall be paid to employees in bi-weekly payments effective with the first pay period of January, or as a lump sum the first pay period of March if elected by the employee.

**2018** In the event there is no increase in property tax revenue, the minimum structural salary adjustment shall be 1% effective July 1<sup>st</sup>. In the event the annual equalization report indicates that property tax revenues increase from the prior year, the following formula shall apply allowing for structural salary change:

- 4% increase in property tax, a 2% raise would become effective July 1st
- 5% or higher increase in property tax, a 3% raise would become effective July 1<sup>st</sup>.

**2019:** A 2% structural salary increase effective January 1<sup>st</sup>

**2020:** A 2% non-structural increase shall be paid to employees in bi-weekly payments effective with the first pay period of January, or as a lump sum the first pay period of March if elected by the employee.

**2021:** In the event there is no increase in property tax revenue, the minimum structural salary adjustment shall be 1% effective July 1<sup>st</sup>. In the event the annual equalization report indicates that property tax revenues increase from the prior year, the following formula shall apply allowing for structural salary change:

- 4% increase in property tax, a 2% raise would become effective July 1st
- 5% or higher increase in property tax, a 3% raise would become effective July 1<sup>st</sup>.

**2022:** A 2% structural salary increase effective January 1<sup>st</sup>

**2023:** A 2% non-structural increase shall be paid to employees in bi-weekly payments effective with the first pay period of January, or as a lump sum the first pay period of March if elected by the employee.

## **RETIREMENT**

### ***Defined Contribution***

All employees hired prior to 1/1/14 shall remain in the current defined benefit plan, unless they voluntarily make the election to transfer to the defined contribution plan.

Effective for employees hired 1/1/14 and thereafter, implement a defined contribution system with the following Employer / Employee pre-tax contributions:

- Employer 6%
- Employee 6%

The following increase in annual contribution rates shall apply during the length of the contract:

#### **1/1/16 – 12/31/17**

- Employer 7%
- Employee 7%

#### **1/1/18 – 12/31/23**

- Employer 7.5%
- Employee 7.5%

Vesting for Employer contributions:

- 0-3 years 0%
- 4-5 years 25%
- 6-7 years 50%
- 8-9 years 75%
- 10+ years 100%

Employees hired prior to 1/1/14 shall have a one-time opportunity to elect to transfer their WCERS employee account to the newly created defined contribution system. Such election must be made within the window of 1/1/14 – 2/28/14.

### ***Defined Benefit (WCERS)***

The defined benefit plan (WCERS) will be closed to employees hired 1/1/14 and thereafter. The following cap schedule shall be implemented for employee contributions:

- 2014 – 2015 10%
- 2016 – 2017 9%
- 2018 – 2019 8.5%
- 2020+ 8%

Additionally, the cap schedule shall be overlaid with the already existing formula. Therefore, the cap indicates the most an employee would have to contribute. In the event the annual actuary valuation shows an overall reduction in contributions needed, such reductions will be applied to the employer and employee consistently.

## **ACTIVE HEALTHCARE**

The Employer shall adopt the hard-cap option in accordance with PA 152. Employees shall contribute \$75/month in medical premium sharing. The Employer will review, on an annual basis, to ensure compliance with PA 152 as it related to premium sharing.

The Employer will notify the Union of compliance by November 1<sup>st</sup> of each year and/or during open enrollment.

In the event that another employee group within the Employer is afforded an exemption by the County to opt out of Hard Cap or 80/20 coverage as defined in PA 152, parity shall be provided to the Public Defenders Association. However, in the event the State of Michigan amends PA 152, so as to exempt a specific employee group (effective after the signing of this agreement), parity shall not apply.

### **RETIREE HEALTHCARE**

Employees hired 1/1/14 and thereafter shall receive active healthcare benefits as negotiated. However, the Employer shall establish a retiree health reimbursement account (HRA) with the following Employer pre-tax contributions for new hires:

- 0-10 years     \$100/pay     \$2,600 annually
- 11-15 years    \$125/pay     \$3,250 annually
- 16-20 years    \$150/pay     \$3,900 annually
- 21-25 years    \$175/pay     \$4,550 annually
- 26+ years     \$200/pay     \$5,200 annually

Upon normal retirement eligibility, and corresponding retirement, retiree would not receive any continuation of health care coverage, however, would have full access to his/her HRA account for eligible medical expenses as defined under IRC Section 213(d).

### **BANKED LEAVE DAYS**

Effective 1/1/14, restore employee salaries by 3.85% for banked leave days utilized in 2012/2013.

Beginning in 2015, and in the event that the Equalization report indicates a decline in property tax revenue or other unplanned decrease not yet identified by the State of at least 2% or more, the County **may** implement up to four (4) banked leave days. Notification would be made to the Union no later than May 1<sup>st</sup> and prior to implementing any banked leave days. This language would replace the current language in the collective bargaining agreements.

### **COMPARABLE SALARY STUDY**

Beginning in April, 2014, and occurring on each even year, the parties agree to identify comparable communities and perform a salary analysis/comparison of all classifications within the bargaining unit. Such findings shall be presented no later than July 1<sup>st</sup>. Any agreed upon salary modifications will become effective September 1 of such year.

### **DUTY ASSIGNMENT (ARTICLE 26)**

Effective April 1, 2013

- (b) Weekend Work - The Public Defender will assign the weekend work at the Juvenile Court on a rotating basis among those who are regularly assigned at the Juvenile Court. Those that are assigned will receive 7.5 hours pay or administrative time for the weekend assignment. If the employee works more

than 7.5 hours, he/she will be compensated for the time actually worked. No attorney with religious objections will be assigned weekend work.

**TUITION REIMBURSEMENT**

Forgo tuition reimbursement in exchange for reimbursement, with the following implementation schedule:

July 1, 2013	\$175
2014 – 2017	\$350
2018 – 2021	\$450
2022 – 2023	\$550

Reimbursement shall be allowed for the following:

- Local bar dues and section memberships
- Educational materials related to the performance of duties in the Public Defender’s Office, such as books, periodicals, video material, or software/apps
- Attending conferences, meetings, seminars related to the practice of law, as long as they are administered by the State Bar of Michigan, the Washtenaw County Bar Association, National Criminal Defense College, Criminal Defense Attorneys of Michigan, National Association of Criminal Defense Attorneys, the Institute for Continuing Legal Education, or the Women Lawyers Association of Michigan. Other related professional educational associations may be approved by the Public Defender.

**457 PLANS**

Employer agrees to allow employee to take loan withdrawals on 457 plan accounts if legally feasible with the 457 vendor.

**ME TOO**

In the event that another employee group within this Employer receives a contractual net gain (wages and benefits), parity shall be provided to the Public Defenders Association. This provision excludes Sheriff’s Department labor groups.

***All other provisions of the collective bargaining agreement apply.***

**IMPACT ON HUMAN RESOURCES:**

None

**IMPACT ON BUDGET:**

All modifications have been considered as part of the budget.

**IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:**

None

**CONFORMITY TO COUNTY POLICIES:**

Proposed tentative agreement conforms to County policies.

A RESOLUTION APPROVING THE AGREEMENT WITH PUBLIC DEFENDERS  
ASSOCIATION – UNITS I & II AND WASHTENAW COUNTY FOR THE PERIOD OF  
MARCH 21, 2013 THROUGH DECEMBER 31, 2023

WASHTENAW COUNTY BOARD OF COMMISSIONERS

March 20, 2013

WHEREAS, in January, 2013, Administration and Human Resources brought to the Board of Commissioners an overview of the collective bargaining process, including the status and process for negotiations with those labor union contracts which were set to expire 12/31/2013, and

WHEREAS, the various County union partners had requested that Washtenaw County enter into expedited economic negotiations to protect union security for their membership; and

WHEREAS, given the ongoing economic challenges in Washtenaw County and the State of Michigan, Administration put forth a strategy with the following interests:

- eliminate the County's long-term legacy costs
- ensure pension funding for retirement
- work within the established budget projections
- increase general fund reserves
- ensure the long-term fiscal stability of the organization
- secure union security with and for union partners; and

WHEREAS, in February and March, 2013, the Washtenaw County Board of Commissioners provided their approval of a recommended strategy for negotiations; and

WHEREAS, the vision for the process was "To create a product and process that both the union and management are satisfied with." The guiding principles that were followed include:

- Partnership
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WHEREAS, the continued use of the Interest-Based Bargaining process assisted both parties in building trust, through full-disclosure, and enhancing communication to reach

the settlements in the professional manner and timeframe that had been determined;  
and

WHEREAS, the bargaining units consist of the following positions:

**Unit I:**

All Assistant Public Defenders I, II, and III.

**Unit II:**

Employees responsible for supervision Assistant Public Defenders, including First Assistant Public Defenders I and II, and the Senior Assistant Public Defender, but excluding the Chief Assistant Public Defender.

WHEREAS, the parties reached tentative agreements, and such agreements have been ratified by the membership

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby approves the agreement with the Public Defenders Association – Units I & II and Washtenaw County for the period March 21, 2013 through December 31, 2023 as attached hereto and made a part hereof

BE IT FURTHER RESOLVED that the Labor Relations Director is authorized to draft a new collective bargaining agreement consistent with the terms of the attached agreement, to be presented to the Chair of the Washtenaw County Board of Commissioners, who is authorized to sign the agreement.



## **TENTATIVE AGREEMENT**

### ***Washtenaw County & Public Defenders Association – Units I & II***

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March 21, 2013 through December 31, 2023

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