

Notice of Labor Dispute

Retirement Offset Elimination

"Effective June 9, 2017, the offset shall be eliminated."

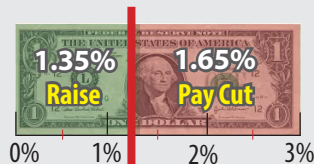
Bargaining Unit	Retirement Tier	Remaining Offset
CR & CM	Tier A	3%
CR	Tier B	2.33%
CM	Tier B	2%
CR & CM	Tier C	0%

Is Your Wage Increase an Even Exchange for the Remaining Offset Elimination?

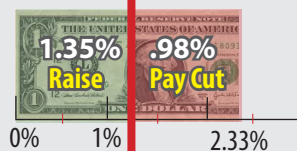
"Effective June 9, 2017, all employees shall receive a wage increase as an even exchange for the remaining offset elimination."

The County's Proposed Wage Increase Amounts

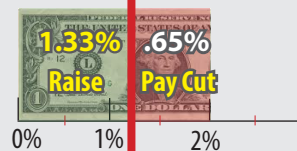
Bargaining Unit	Wage Increase
CR Unit	1.35%
CM Unit	1.33%



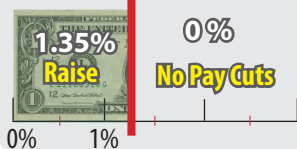
Tier A (CR & CM)
Is a 1.35% wage increase an even exchange ...for a 3% offset elimination?



Tier B (CR)
Is a 1.35% wage increase an even exchange for a 2.33% offset elimination?



Tier B (CM)
Is a 1.33% wage increase an even exchange for a 2% offset elimination?



Tier C (CR & CM)
Is a 1.35% wage increase an even exchange for a 0% offset and No offset elimination?

Friday
June 9

Labor Dispute

On June 9, 2017, the remaining employer-paid retirement offset went away per our current MOA.

In 2013, we bargained for and agreed to plain contract language that we understood to be a "dollar-for-dollar" wage increase as a "break even" exchange for the remaining offset elimination minus the County's "load" or labor cost burden.

However, ASDCE received written conformation from the County that employees were only getting a **1.35% CR** and **1.33% CM** wage increase. When we asked why these amounts, the County said, "We intend to spread the wage increase to all employees" in Tier A, B and C, with or without an offset elimination.

In our opinion, the County is not offering an "even exchange for the remaining offset elimination" per the contract language. We have a significant disagreement with the County's calculation method of the offset payment amounts. By paying either **1.35% or 1.33%** wage increases spread across-the-board to all employees, (**even those with no offset to exchange**) the calculation is dramatically diluted, reducing the take home pay for those employees who will now have between **2% & 3% MORE** deducted from their paychecks, to pay for retirement for the rest of their careers. **In the County's calculation method, Tier A & B employees subsidize wage increases for Tier C employees, who have no offsets, and give nothing up in exchange.** As a result, we have a grievance with the County and intend to enforce the "plain language" of our current contracts as written.

ULP & Injunction Filed

On advice of attorney, the Board of Directors voted unanimously to file an Unfair Labor Practice (ULP) charge with an injunction through the Public Employee Relations Board (PERB) to stop the County from implementing the offset elimination on June 9, 2017. **ASDCE filed the ULP and injunction on June 2, 2017 however PERB did not grant the injunction (6-13-17).**

The next step will be an expedited ULP & hearing and then we may file grievances with binding arbitration with an independent arbitrator. We will keep you informed as things move forward. Call or email if you have any questions or concerns.

Why is the offset being eliminated?

The employer paid retirement offset is being eliminated to comply with the CA Pension Reform Act (CAL-PEPRA). All "classic" Tier A & B CR & CM employees "phase in by 2018" to pay 100% of their employee retirement costs by law.

Fair is Fair! "A Break-Even Exchange"

The intent of this wage increase was to fairly compensate all employees with remaining offsets for the losses of income they incur when the employer paid retirement offset is eliminated because it increases retirement costs by the same amount. The offsets were originally negotiated in lieu of wage increases.

Every time ASDCE goes into negotiations, we say the same thing, **"We want to go home with more money in our paychecks"**. It was no different in 2013, when we negotiated the offset elimination remedy due to increased cost sharing for retirement benefits. ASDCE never agreed to an "even exchange" as an across-the-board wage increase for the remaining offset elimination. We think the plain language of the contract is conditional but clear and stands as written. Please read the contract language above on the top right of the page.

What remedy is ASDCE seeking?

ASDCE is asking the County to do the right thing for "classic" Tier A & B retirement employees who will now be paying 100% of their retirement costs, greatly benefiting the County and the taxpayers! All employees with a remaining offset should get a wage increase as an even exchange for the remaining offset elimination which should amount

The Plain Language of the Contract as Written

MOA CR 2013-2017 -- ARTICLE 9: EMPLOYEE BENEFITS

Effective June 9, 2017, the offset shall be eliminated.

"Effective June 9, 2017, all employees shall receive a wage increase as an even exchange for the remaining offset elimination.

The amount of this even exchange shall be based on the Fiscal Year 2016-17 Adopted Budget for the Bargaining Unit and will be determined by converting the amount

appropriated for offset to a percentage of the total salaries and benefits. Total salaries and benefits shall include base salary, supplemental pay, employer retirement contributions, other post employment benefits, OASDI and Medicare.

The amount of this increase for employees will be cost neutral to the County and in no way shall it result in a cost increase to the County."

to the cost of the offset minus the County's costs. (i.e. Tier A - 3% offset is net approximately 2.75% because of the County's 2017 Adopted Budget labor costs).

What is a ULP & an Injunction?

A ULP is an Unfair Labor Practice charge made by ASDCE against the County that says the contract has been violated. The Public Employee Relations Board handles the ULP, however, they did not grant a temporary restraining order/injunction to stop the County from implementing the offset elimination at the proposed calculation. PERB did grant ASDCE an expedited ULP decision which will be coming soon.

What is a grievance per the MOA?

A grievance is defined as an allegation by an employee or a group of employees that the County has failed to provide a condition of employment which is established by the current Memorandum of Agreement or by a Departmental Policy or Procedure Manual. Grievances are resolved with binding arbitration per the MOA.

What is binding arbitration per the MOA?

Except when an agreed statement of facts is submitted by the parties, it shall be the duty of the arbitrator to hear and consider evidence submitted by the parties and to thereafter make written findings of fact and a disposition of the grievance which shall be binding. The decision of the arbitrator shall be based solely on the interpretation of the appropriate provisions of the Memorandum of Agreement applicable to the grievance, and he/she shall not add to, subtract from, modify or disregard any of the terms or provisions of the Agreement.

How long will this process take?

It depends on the rulings from PERB. It could take a while.

Does this affect the new successor MOA and 5-Year contract?

No, the new contract takes effect June 23, 2017.

What can ASDCE members do to help?

If ASDCE ends up filing grievances, you can join by filing a grievance as well. We will keep you informed.

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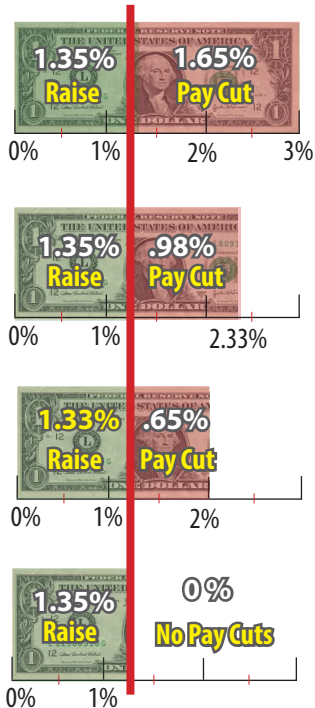
June 2017

MOA CR & CM 2013-2017 -- ARTICLE 9: EMPLOYEE BENEFITS A. Retirement Offset

“Effective June 9, 2017, all employees shall receive a wage increase as an even exchange for the remaining offset elimination.”



Is Your Wage Increase an Even Exchange for Your Remaining Offset Elimination?



Tier A (CR & CM)
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Tier B (CM)
Is a 1.33% wage increase an even exchange for a 2% offset elimination?

Tier C (CR & CM)
Is a 1.35% wage increase an even exchange for a 0% offset and No offset elimination?



On Your June 30th Paycheck...

You Get A Wage Increase of...

Bargaining Unit	Wage Increase
CR Unit	1.35%
CM Unit	1.33%

...as an Even Exchange for Your Remaining Retirement Offset Elimination...

Bargaining Unit	Retirement Tier	Remaining Offset
CR & CM	Tier A	3%
CR	Tier B	2.33%
CM	Tier B	2%
CR & CM	Tier C	0%

...but the Wage Increase is Not an “Even Exchange” for the Offset Elimination!

On advice of attorney the ASDCE Board of Director’s filed an Unfair Labor Practice charge against the County. ASDCE won the PERB decision and charge. The Public Employee Relations Board charged the County of San Diego with violation of the 2013-2017 MOA! ASDCE will now file grievances with binding arbitration. Stay tuned, we will keep you informed and let you know what you can do to help.