



TO: SOUTHERN NEVADA DISTRICT BOARD OF HEALTH DATE: September 28, 2017

RE: *Approval of Collective Bargaining Agreement (CBA) Reopener of Article 20, Wages, between the Southern Nevada Health District and Service Employees International Union (SEIU), Local 1107 (General and Supervisory Units)*

PETITION #30-17

That the Southern Nevada District Board of Health approve the General and Supervisory Units CBA Reopener of Article 20 Wages to provide a 2.5% COLA in fiscal years 2018 and 2019, and 2-Step increase in fiscal years 2018 and 2019 for Health District employees current and active as of September 28 2017. Payments for fiscal year 2018 will be retroactive to July 1, 2017. On September 14, 2017, the General and Supervisory Bargaining Units ratified this language.

PETITIONERS:

Andrew J. Glass, FACHE, MS, *Director of Administration*
Joseph P. Iser, MD, DrPH, MSc, *Chief Health Officer*

DISCUSSION:

In March 2017, Health District and SEIU representatives commenced reopener negotiations regarding CBA Article 20 Wages, for FY 2018 and FY 2019. On August 25, 2017, the parties signed a tentative agreement to amend the language of the Supervisory Unit and General Unit August 28, 2014 CBA, Article 20 Wages. On September 14, 2017, the SEIU Local 1107 membership voted and ratified this agreement. Attachment A shows language added to and deleted from the CBA, Article 20 Wages. Attachment B is the fully executed tentative agreement. Attachment C contains the estimated financial impact to the ending fund balance for fiscal years 2018 and 2019. Attachment D is a memo to the Board from Dr. Joseph Iser regarding the tentative agreement and financial considerations.

FUNDING:

| Personnel Costs | | |
|---|---------------|--------------|
| Current Adopted Budget FY18 | \$ 51,851,123 | |
| Estimated Cost of 2.5% COLA FY18 | \$ 1,124,081 | |
| Estimated Cost of additional step increase FY18 | \$ 506,687 | \$ 1,630,768 |
| Estimated Cost of 2.5% COLA FY19 | \$ 1,152,183 | |
| Estimated Cost of additional step increase FY19 | \$ 355,210 | \$ 1,507,393 |
| The revised Personnel Cost budget for FY18 will be \$53,481,891 | | |
| The projected Personnel Cost budget for FY19 will be \$54,989,284 | | |

General and Supervisory Units
Article 20 – Wages

ATTACHMENT A

1. The District and the Union agree to maintain a fourteen (14) step salary plan, which reflects:

- ~~A. No general increase for FY2015;~~ **A. Two and One-Half Percent (2.5%) cost of living increase for FY 2018**
- ~~B. No general increase for FY2016;~~ **B. Two and One-Half Percent (2.5%) cost of living increase for FY 2019**
- ~~C. No general increase for FY2017;~~

2. **Current active employees of the District as of September 28, 2017, will receive a two (2) step increase for FY 2018 and another two (2) step increase for FY 2019.**

~~2. Only current active bargaining unit eligible employees as of October 1, 2014 who were hired on or before July 1, 2014, will receive a one time payment of one and one half (1.5) percent of the employee's annual base salary that will be distributed on the first pay period of October 2014.~~

3. An incumbent within a specific job classification will not be paid at a lower rate than a new hire within the same classification. If the incumbent's rate is lower than the new hire's rate the incumbent's rate will be increased to the new hire's rate.

4. On initial hire, an employee will be eligible for a maximum of one (1) step salary increase at successful completion of the initial probationary period.

5. An existing employee who is reclassified to a new position having a higher salary schedule will be eligible for a maximum of two (2) steps after completion of one (1) year in the new classification.

6. **The parties will comply with the side letter regarding Article 20 dated December 2015.** ~~When an employee is promoted, the employee shall be entitled to the lowest step in the higher salary schedule that provides a minimum of five (5%) percent over the salary rate last received up to the maximum of the salary range. If the employee had more than six (6) months in the previous classification, the employee will also be given a one (1) step increase at the previous salary scale. The next step increase will be due twelve (12) months after the date of the promotion.~~

7. Employees of the District will receive a one (1) step increase upon completion of an additional twelve (12) months service until the maximum step is achieved.

8. It is not the intent of either party to permanently stop the practice of annual two step increases for employees who have not reached the top of the pay scale; rather this is the parties' attempt to alleviate concerns during the current economic crisis. The parties look forward to amicable negotiations and an improved economic environment in the future wherein a return to two (2) step increases can be reinstated.

~~9. This article will be reopened for negotiation for FY 2018 and FY 2019.~~

ATTACHMENT B

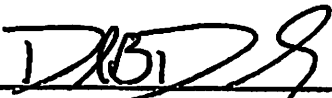
**SNHD PROPOSAL #9
8-24-17
General and Supervisory Units**

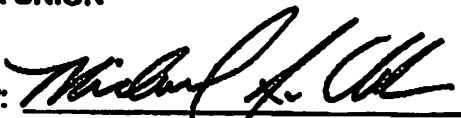
Article 20 – Wages

1. The District and the Union agree to maintain a fourteen (14) step salary plan, which reflects:
 - A. Two and One-Half Percent (2.5%) cost of living increase for FY 2018
 - B. Two and One-Half Percent (2.5%) cost of living increase for FY 2019
2. ~~Current active Employees of the District as of September 20, 2017,~~ will receive a two (2) step increase for FY 2018 and another two (2) step increase for FY 2019.
3. An incumbent within a specific job classification will not be paid at a lower rate than a new hire within the same classification. If the incumbent's rate is lower than the new hire's rate the incumbent's rate will be increased to the new hire's rate.
4. On initial hire, an employee will be eligible for a maximum of one (1) step salary increase at successful completion of the initial probationary period.
5. An existing employee who is reclassified to a new position having a higher salary schedule will be eligible for a maximum of two (2) steps after completion of one (1) year in the new classification.
6. The parties will comply with the ~~December 2015~~ side letter regarding Article 20.
7. Employees of the District will receive a one (1) step increase upon completion of an additional twelve (12) months service until the maximum step is achieved.
8. It is not the intent of either party to permanently stop the practice of annual two step increases for employees who have not reached the top of the pay scale; rather this is the parties' attempt to alleviate concerns during the current economic crisis. The parties look forward to amicable negotiations and an improved economic environment in the future wherein a return to two (2) step increases can be reinstated.

TA EMPLOYER

TA UNION

By: 

By: 

Date: 8/25/17

Date: 8/25/17

SOUTHERN NEVADA HEALTH DISTRICT
FUND BALANCE
3 YEAR PROJECTION

| | Total General & Special Revenue Funds | | | | | |
|--|--|----------------------------|------------------------------|----------------------------|------------------------------|------------------------------|
| | 2015/16 Actual | 2016/17 Adopted | 2016/17 Estimated | 2017/18 Adopted | 2018/19 Projected | 2019/20 Projected |
| Beginning Fund Balance | \$15,412,928 | \$15,412,928 | \$16,239,647 | \$ 17,947,376 | \$15,994,925 | \$12,709,394 |
| Revenues | 69,137,124 | 68,514,554 | 71,388,998 | 69,347,158 | 70,475,182 | 71,122,046 |
| Expenditures | (64,865,500) | (64,232,628) | (66,312,130) | (70,324,609) | (72,785,712) | (73,739,093) |
| Other Financing Sources (Uses) | | | | | | |
| Transfer from Grant Funds | 5,204,280 | 5,530,398 | 5,107,720 | 3,868,910 | 3,868,910 | 3,868,910 |
| Transfer to General Fund | (5,198,546) | (5,285,452) | (5,107,720) | (3,868,910) | (3,868,910) | (3,868,910) |
| Transfer to Liability Reserve Fund | - | - | - | (125,000) | (125,000) | (125,000) |
| Transfer to Bldg Reserve Fund | (2,350,639) | (1,350,639) | (1,900,639) | (850,000) | (850,000) | (850,000) |
| Transfer to Capital Fund | (300,000) | - | (1,468,500) | - | - | - |
| Transfer to Proprietary Fund | (800,000) | (2,557,504) | - | - | - | - |
| Change in Fund Balance | 826,719 | 618,729 | 1,707,729 | (1,952,451) | (3,285,531) | (3,592,046) |
| Restricted Emergency Fund Balance | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Ending Fund Balance | \$16,239,647 | \$16,031,657 | \$17,947,376 | \$ 15,994,925 | \$12,709,394 | \$ 9,117,348 |
| | 23.77% | 23.61% | 25.76% | 22.43% | 17.23% | 12.20% |

Assumptions:

- 2-1/2% COLA in 2018
- 2-1/2% COLA in 2019
- 2 Annual merit (step) increases (2.5%) to all employees not topped out
- Reduce transfer to Bldg Reserve Fund
- Comp & Class Study included

ATTACHMENT C



September 28, 2017

Southern Nevada District Board of Health
280 S. Decatur Blvd
Las Vegas, NV 89107

Dear Board of Health Members,

We have worked with you and the union leadership to offer to them for this year and next a 2.5% COLA and, for those employees who have not yet topped out of their pay grade, a two-step increase. The union has approved this agreement, and today that agreement comes to you for discussion and possible approval. With your approval at this Board of Health meeting, the terms will be retroactive to July 1, 2017.

I wholeheartedly believe that Health District employees deserve to be paid a salary commensurate with their responsibilities and the cost of living in Clark County. During the course of negotiations and in my communications with you, I have tried to strike a balance between my belief in, and support of, the men and women who are the backbone of the District, and fidelity to my commitment to you, my board, to be the steward of a financially stable Health District. I have been open about what I believe are the potentially serious consequences that approval of this agreement will have on the District's long term financial stability.

You have seen the resulting likely decrease in the end fund balance this agreement will cause, bringing the District below the BOH mandate of 16.6% within a short period of time. As you know, the District has a single dedicated revenue stream based solely upon property tax dollars generated throughout Clark County and local governments within Clark County. Absent changes in the economy, such a decrease in the end fund balance would dramatically limit the District's flexibility to respond to both known and predicted grant losses - losses which impact the financial stability of the District, the scope and availability of certain programs and services, as well as and the District's ability to keep employees on staff once grant funds are no longer available. Given the long-term unpredictability of the economy, I hope for the best while continuing to place the District in the best position to respond to the often-unpredictable nature of public health.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink that reads 'Joseph P. Iser'.

Joseph P. Iser, MD, DrPH, MSc
Chief Health Officer