

ORANGE COUNTY MANAGERS ASSOCIATION (OCMA)

Minutes of October 29, 2008 Meeting-Board Planning Rm, Hall of Adm., Santa Ana, CA

OBTAIN INFORMATION AT OUR WEB-SITE: www.ocma.info

Present: Board Members Dave Sankey, Sharron Gibson Casler, Tony Bernard, Oscar Garza, Mark McDorman and OCMA Executive Director Karen Davis, plus 151 Administrative Managers (sign-ins on file).

I. CALL TO ORDER

The meeting was called to order at 12:02 pm. Dave welcomed everyone and thanked managers for attending. He introduced the Board of Directors and noted that this was Tony's last Membership Meeting and asked for a round of applause to thank him for his hard work.

- OCMA Holiday Party – Dave asked everyone to mark their calendars for December 3rd, the OCMA Holiday Party, which will begin at 5:00 pm and will be held at Original Mikes in Santa Ana. Last year we had approximately 125 managers and executives attend the party and we are hoping for an even bigger turn-out this year. It's really a fun event – and you'll even get presents!
- P4P – Dave indicated that there will be a discussion in regard to Pay for Performance later in the meeting.

II. APPROVAL OF MINUTES OF July 30, 2008 MEETING

Tony noted that the minutes from the July 30th meeting are posted on the OCMA web-site, however due to a technical problem were not copied for vote at this meeting. They will be approved at the next membership meeting.

III. TRESURER'S REPORT

A verbal Treasurers report was provided by Oscar Garza, who identified where OCMA funds were deposited and that the fund was solvent, with a healthy balance.

IV. COMMITTEE REPORTS

- **Membership:** Karen reported that OCMA currently has 809 dues paying members of approximately 1050 total County administrative managers. Also, Karen reminded the membership that \$ 30 will be paid to any member who brings in a new OCMA dues paying member. She asked for membership committee volunteers and requested that they see Debra Lakin after the meeting.

V. ELECTION OF OCMA BOARD MEMBERS

Sharron announced that the OCMA By-Laws provide that OCMA conduct free and democratic elections by secret ballot for election of Board members. Two Board members shall be elected in even years (2008) and nomination forms from Oscar Garza and Stephen Schrieber-Smith have been received. Sharron asked each of the nominees to stand and give a one minute presentation as to why they wish to be a member of the Board of Directors. Sharron called for the election, whereby all voting members turned in their ballots – resulting in the re-election of Oscar Garza and the election of Stephen Schrieber-Smith.

VI. EQUITY REQUEST/REVIEW PROCESS

Karen announced that phase II of the 2008 Equity Review is ongoing. During the current process, 89 requests were received, 59 from OCMA members and 30 from various County Department/Agencies. OCMA has been meeting with County Human Resources for approximately one month. Ten requests were deemed to be salary adjustments that various Departments could make and those adjustments already have been made. Final decisions on

the remainder of the equity requests will be made within the next two weeks – with pay adjustments to be processed during the following pay period.

VII. OCMA SUPPLEMENTAL BENEFIT OPTIONS/OPEN ENROLLMENT

Steve Pettee from Pacific Group Agencies (OCMA's supplemental benefit insurance administrator) discussed the various supplemental benefits available to OCMA members, including: Personal Accident Insurance with Medical Evacuation Services provided free to members, the Vision Plan, the Dental Plan, and the Legal Services Plan. Hand-outs were provided to the membership for review. Steve noted that the 2009 Open Enrollment Packets would be mailed to members homes next week. Also, Steve introduced Leonard Wollin from AFLAC who discussed some new optional voluntary benefits that will be available to members this year. These include Long Term Care, Serious Illness, and Hospitalization plans. The new AFLAC plans will be part of the supplemental benefit packet distributed in November.

VIII. PAY FOR PERFORMANCE (P4P)

Dave announced that we wanted to take some time today to discuss P4P and get some feedback from you. Dave gave some background, noting that in a 2007 survey OCMA members voted that a salary pool was their highest priority. Your current contract, which was overwhelmingly approved, includes a salary pool for managers who are rated exceeds and exceptional. After contract approval, another OCMA questionnaire was provided asking members to rank specifics of a performance plan so that one could be developed. Of the 10 surveyed plan elements, 8 elements exist in the current P4P plan. In 2007 all managers received a 2% salary increase in January, because the P4P had not yet been finalized and OCMA had negotiated this "fall back" position in the event that development of P4P was not completed.

Now in 2008, the procedures for the plan is almost complete; we have all been to training on P4P and we are now going through the process of rating managers using the new rating standard and introducing the new expectations. Salary increase opportunities of between 2 to 5% exist for managers rated "exceeds and exceptional". Since the plan "procedures" are not fully complete, the County has contacted OCMA to discuss the possibility of implementing the new P4P evaluation portion of the process, holding off on the new monetary reward portion of the plan (2-5%) and providing all managers rated standard and above a straight 2% salary increase - thereby phasing in the salary pool portion of the plan in the 2009 evaluation year. Several discussion points were brought forward by the OCMA Board of Directors:

1. County: By phasing in the salary pool portion of P4P, the County will save approx. \$ 500,000 this year. It is our understanding that concerns are being expressed from Department Heads about rating some managers "meets expectations" and potentially causing morale issues, since they will not get a salary adjustment – something that OCMA has been saying is a problem from the very beginning.
2. Rumors: There are a lot of rumors going around the County in regard to P4P evaluations (quotas, bell shaped curve ratings, rumors of reported direction from the Board/CEO that support these concerns). OCMA has been assured that this is not the case – but of course we won't know until the ratings are completed.
3. Managers rated Meets Expectations: Under P4P, managers rated Meets Expectations will not receive a portion of the salary pool. However, this is consistent with the OCMA contract that was approved by the membership. If we

were able to reach agreement with the County on the 2% across the board – these managers (and all higher rated managers) would receive a 2% salary increase in January 2009.

4. Managers rated Exceeds and Exceptional: Now, under P4P, managers rated above “meets expectations” will receive salary increases of between 2% and 5%. If the salary pool portion of P4P is phased in, these managers would now lose the opportunity for additional salary increases for their outstanding performance. This issue has been a concern expressed to OCMA for several years – that outstanding performers are not getting appropriately awarded – P4P and the salary pool addresses this issue.
5. P4P future: If managers want to phase in the salary pool portion of P4P, it is likely that we will not have a pay for performance plan in the future. We will be negotiating our new contract beginning in Sept./Oct. of 2009 - the 2009 ratings, nor salary decisions will be made by then. The County could say that P4P just didn't work out and OCMA would not have any documentation that it did. Strategically, this could be a grave disadvantage during future contract negotiations.

After a lengthy discussion, a straw vote (show of hands by membership meeting attendees) was taken, which reflected interest in the 2% phased P4P plan. The Board of Directors determined that a vote of the entire membership was necessary – post cards will be sent out next week directing members to the OCMA web-site for voting.

IX. OTHER ISSUES

- Health/Pension Consultant Update: Karen reported that our Health Benefit Consultant, Rael & Letson, has been working for a couple of months now and as sections of their review are provided to the Board of Directors, the membership will be advised. They have reviewed the pension costs and member contributions thereto and are now reviewing the retiree medical grant. Karen reminded the membership that the Consultant costs are being split between OCMA and OCAA. Since the OCAA contracts requires that a design for a new retiree health program be developed in order for them to receive their 2009 salary increase, the consultant is reviewing options that could be developed to replace, augment, or provide retiree medical accounts that are individual and portable.
- Proposed Scholarship Program: Oscar brought up the possibility of OCMA providing a Scholarship Program to OCMA member's children and grandchildren. He noted that the Board had discussed providing three annual scholarships at \$1000 each. A straw vote was taken, with approximately 40% of attendees expressing interest.
- Public Records Requests: Mark reported that the County had received yet another public records request from the Register. He noted that the County had put a process in place that would provide protection to employees whose names qualified for redaction from the report. Now, once your name is redacted from this public records request, it will remain redacted for all future requests.

X. ADJOURNMENT

The membership was thanked for attending; the meeting was adjourned at 1:05 pm.