

ORANGE COUNTY MANAGERS ASSOCIATION (OCMA)

Minutes of February 3, 2010 Meeting-Board Planning Rm, Hall of Adm., Santa Ana, CA

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

Present: Board Members Mark McDorman, Sharron Gibson Casler, Oscar Garza, Stephen Schrieber-Smith, Mike Montijo and OCMA Executive Director Karen Davis, plus 114 Administrative Managers (sign-ins on file).

I. CALL TO ORDER

The meeting was called to order at 12:03 pm. Mark welcomed everyone and thanked managers for attending. He asked the Board members to introduce themselves, including their Board Officer designations: Mark said that he had been selected as President; Sharron introduced herself as continuing in the Vice President role; Stephen is now Secretary for the OCMA Board, Oscar said he will continue in the Treasurer role, and Mike introduced himself as the new Member-At-Large. Mark recognized past President and founding OCMA Board member Dave Sankey for his long standing commitment to OCMA. Dave was not in attendance, but a round of applause was provided as a thank-you for all his hard work.

Mark discussed a new retiree re-employment policy that the Board of Supervisors is slated to adopt in March, which provides for retirees to be re-employed by the County at no more than 80% of their salary upon retirement, or not more than the mid-point of the salary range of any lower position.

Lastly, Mark noted that AOCDS has ratified their employment contract and they will now contribute 5% toward their retirement – with no salary increases.

II. APPROVAL OF MINUTES OF THE OCTOBER 28, 2009 MEETING

Stephen indicated that the meeting minutes from the prior membership meeting were posted on the web-site and provided at the meeting, then called for a motion to approve the minutes. Debbie Miller offered the motion to approve the minutes, seconded by Becky Robins, and the minutes were approved by a vote of the membership.

III. TRESURER'S REPORT

A verbal Treasurers report was provided by Oscar Garza, who announced that OCMA was solvent and provided the balance of OCMA assets. Also, he indicated that a 2009 audit and Financial Statement had been ordered and would likely be available for review at the new membership meeting.

IV. COMMITTEE REPORTS

- **Membership Committee:** Debbie Lakin reported that OCMA currently has 807 dues paying members of approximately 1049 total County administrative managers, or approximately 80% of the managers are OCMA members. Also, Debbie reminded the membership that \$ 30 will be paid to any member who brings in a new OCMA dues paying member.

V. STATE BUDGET DISCUSSION

Stephen indicated that the Board put this item on the agenda for discussion and assurance to the membership that OCMA was following both the State budget and the County budget to determine fiscal impacts. He indicated that it is still too early to determine any County impact, however Health and Human Services could be impacted. He asked if there were any questions and assured the membership that OCMA would continue to monitor it.

VI. COUNT LAY-OFF AND WORK FURLOUGH STATUS

Karen reported that during this quarter, there are additional layoffs and work furloughs across the County, due mostly to the recent mid-year 5% budget reduction.

Thus far, the following Departments are affected:

- Clerk of the Board will have mandatory work furlough for all employees
- The Sheriff will lay-off approximately 66 employees (later reduced to 24), however no Adm. Managers
- Internal Audit instituted mandatory work furlough for all employees
- Probation will lay off approximately 58 employees, including 3 managers
- District Attorney continues mandatory work furlough for all employees

VII. PAY FOR PERFORMANCE (P4P)

Karen reported that OCMA has been meeting with the County to develop a P4P agreement that will cover the period of time between when you are notified of your 2009 P4P reward and October 2010 when you'll actually receive it. As you may remember, OCMA negotiated a "fall back" position in your 2007-10 employment contract that if the Board of Supervisors did not adopt a "salary pool" that all manager rated "meets expectations" and above would receive a 2% salary increase. Otherwise managers would participate in a 2.5% salary pool annually if your performance was rated above "meets expectations". In the 2007 evaluation year, the P4P guidelines and salary pool were not available – so, managers received a 2% across the board salary increase. In the 2008 evaluation year, the P4P guidelines and "salary pool" were in place, however the membership voted to save the County .5% of their salary increase and accept a 2% across the board increase instead of participating in the "salary pool". For the 2009 evaluation year, the P4P guidelines and the 2.5% salary pool will be provided and based on any evaluation rated above "meets expectations", you will receive a salary increase of between 2% and 5%. Since you will not receive the 2009 performance award until October 2010, the attached P4P Agreement will be used as the County/OCMA policy.

It was noted during the meeting that, based on rating statistics, if the P4P "salary pool" had been implemented in 2006, 76% of managers would have received rewards, in 2007, 74% of managers would have received rewards, and in 2008, 72% of managers would have received rewards. OCMA will review the 2009 ratings/rewards and will continue to participate in the monitoring of the ratings.

VIII. TIER III RETIREMENT UPDATE

Karen indicated that during negotiations in June 2009, OCEA agreed to a new tier of retirement (Tier III). The retirement benefit is 1.62% at age 65, with a defined benefit contribution to the new retirement plan. Your current retirement benefit is 2.7% at age 55 (clearly a better benefit). Adoption of the Tier III retirement is on hold by the County as they review vendors to administer the plan. Also, the County was unaware of an IRS ruling that states that if an existing retirement plan is changed for current employees, the entire plan becomes taxable. Therefore, the County will only offer Tier III as an option to new employees. In the meantime, they are requesting an IRS ruling that would allow current employees to elect whether they want to switch to the new Tier III plan also. OCMA has yet to agree to the Tier III plan and the committee (Mark and Karen) will continue to work with the County in this regard.

IX. HEALTH REIMBURSEMENT PLAN (HRA)

Karen reported that the OCMA contract extension language includes OCMA meeting with the County to discuss an HRA (which is a tax free defined benefit plan with an employee and employer contribution); the OCMA Committee includes Stephen, Mike, and Karen. A couple of years ago, AOCDS agreed to an HRA to replace their retiree medical grant and it has been officially operational for just a few months and seems to be going well. An HRA would work in tandem with your current retiree medical grant (grant

description on the OCMA website, under benefits) and would eventually replace it. The County's position is that the retiree medical grant is not vested, it is not portable, and it does not provide funding to pay the premiums for most retiree medical plans.

OCMA has agreed to most of the components in the AOCDS HRA plan design document, however are still working on a couple of details of disagreement. Next we will be discussing the contribution level, which will be a very important factor of the plan.

X. OTHER ISSUES

- **Holiday Event:** Mark recapped the OCMA holiday event which was held in December 2009. He said that he had a good time and hoped that everyone else did too. He said we plan to have another holiday event this year and welcomed any suggestions that might make the event even better.
- **Movie Tickets:** Mark said that the OCMA practice of selling movie tickets at a discounted rate will continue in 2010 – since it is very popular with our members and an excellent benefit to our members. This year an annual maximum of 24 tickets will be available, with one-half (12 tickets) available in any one month. Movie ticket details are posted on the web-site for your review.

XI. ADJOURNMENT

The membership was thanked for attending; the meeting was adjourned at 12:54 pm.