



Hope your summer is off to a great start!

The election has just passed and I hope all of you had a chance to cast your ballot. Although politics can be brutal at times- the election process is a great reminder of the democracy we have in the United States and the privilege we have to choose our leaders. No matter what the end result is, or where we stand on issues and candidates, the FDSA will continue to carry on in the most professional way. We also respect and are willing to work with all of those officials who are elected to serve us in Fresno County, and the State of California.

FDSA Re-opener

I have been receiving inquiries from several FDSA members in regards to the MOU reopener that exists in the Unit 1 contract. Most of the questions pertain to the re-openers for salary. The follow up questions have included: what are we doing with that? Are we negotiating with the County? The answer to both of those questions is yes.

We have reopened for the 'salary portion' of the language in the contract and we have also opened discussions for the 'annual leave donations' component of the contract.

The language is specific in our contract - the salary can be revisited in years 2014 and 2015 *and* can *only increase*, not decrease. The reopener, in regards to salary, does not affect any other financial component of the MOU. This is part of the salary that was given up during the 2011 MOU.

I want to remind you that every other labor group in Fresno County took real "pay cuts." These are cuts that are not guaranteed back to their bargaining groups. Not only are they pay cuts, in addition, other benefits have been stripped as well. Some groups have taken Fresno County to 'fact-finding'; however, this process is non-binding. This means the arbitrator can find fault on Fresno County's behalf or the employee's behalf, as it pertains to bargaining violations. However, essentially neither side is obligated to take action as a result of this process.

We opened negotiations with the County in March of 2014. So far, there have been two meetings. These sessions are confidential, for purposes of maintaining the integrity of the bargaining process. Also, historically these discussions have allowed the FDSA to strike a deal with Fresno County- without any outside sources hindering the process.

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The process is going fine; however, unlike regular negotiations, there is really no hurry from either side to rush a deal. As of June 1, 2014, we have not reached a deal, but I am pleased to at least report the talks are going well and nothing is contentious.

• Current MOU

Many of you have also inquired when we will start to see some of the money coming back into our contract that we gave up during the 2011-2013 MOU with Fresno County. I am pleased to let you know that the first return of 2% will be added to your paychecks on Monday, June 9, 2014. Each of you will receive that back into your salary.

• Steps Increases

During the last negotiation process, the County was determined to change the way they use their "step increases," in all job classifications. With FDSA Unit 1 employees, deputy sheriff and dispatcher classifications were on the 6-step at 5% step in those classifications. The other employee groups, (crime scene tech, criminalist, CSO, and Coroner) were still on the 5-Step at 5% step program.

During the last negotiation round, the County of Fresno was determined to get everyone on an 8 or 9 step program. The FDSA negotiated with the County to get those on the 5-step process, onto the 6-step program, which was then renamed a 9-step program. This move put everyone who belongs to the FDSA on the old 6-step program, rather than staying on an 8 step program.

What this meant was those on the old 5-step program received a 2% pay increase in December 2013. There will then be another 3.125% pay increase in December 2014. This is essentially putting all of Unit 1 employees on the same step program that had us staggered since 2006.

I know it is a lot to follow, but it was huge feat to accomplish for all classifications in the FDSA. I have heard from a lot of you in those classifications asking if the 2% was part of the return of the salary forfeited or whether it is new money. The answer is it is new money. That 2% along with the 3.125% coming in December 2014 is the money dedicated to the equity adjustment, which brings everyone up to the same step program.

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This transition was a very important matter for the FDSA to accomplish at a critical time, when other bargaining groups within the County of Fresno were taking severe pay cuts with no relief in sight.

I will update the membership on this process as much as I can, when it comes to the current reopener.

A few comments I have heard regarding the reopener also include: "Do we reopen, gain salary and then close?" Unfortunately, it's not that simple. I would like to assure you, the FDSA bargaining team is looking at a variety of options to accomplish the most for its members during this process.

I ask for your patience during this process, as it is a first for the County of Fresno and a first for the FDSA, as far as opening up our contract in the middle of an MOU.

FDSA Insurance Trust

The FDSA/FSSA Insurance Benefits and Trust (IBTF) met on Friday, May 30, 2014, with our insurance broker, DiBuduo & DeFendis to get a snap shot of the experiences since the first quarter of 2014.

The updates are as follows:

HMO account is doing very well - our experience rating is sitting at about 56%. This means that of the premiums we pay as an IBTF, the insurance companies are paying out only 56% for all claims. The other 44% is profit for them and this is what companies like to see.

PPO account – not fairing as well as the HMO account. Our experience on that plan is about 101%. Although this is not the type of rating we want to see when it comes to renewals, we are optimistic- since the last few months have shown a downward trend. Keeping that downward trend will hopefully allow us the means to dip below the 100% mark and make the insurance company pleased with our group.

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Looking at 2014 and 2013, the positive outlook is at the same time last year, the HMO plan was sitting at about 65% experience rating, and the PPO plan was just shy of 130% experience rating. This is encouraging for the IBTF. If this trend continues, we should be in a better position than last year.

During the 2014 renewal, IBTF made the decision to use some money in our investment account to buy down the rates. This kept 'out of pocket' contributions down for employees. This renewal year it was discussed to review what, if any, increase we would be looking at. Depending on where it is at, and what our usage is, will determine whether we may or may not buy down again to keep those costs under control.

DiBuduo & DeFendis will start the negotiations with the different insurance carriers in August of this year. I will again update you all as we near that time of the year.

Ventura County Initiative to Eliminate Defined Benefit Pension System

I want to give you a snap shot synopsis about what is occurring in our neighboring 1937 Act County to the south. This does cause us great concern, since there are only 20 Counties in California. Fresno County is one of them, which also falls under the 1937 Act Retirement System.

These are words from Ventura County Supervisor Peter Foy, ***"When we pass this pension reform initiative in Ventura County, we will put it on the ballot in every 1937 Act jurisdiction in 2016"***.

This quote was made during a heated and contentious Board of Supervisors meeting in Ventura County earlier this year. Foy doesn't care that the other four (4) members of the BOS are opposed to his plan, because Foy is also the California chairman of Americans for Prosperity (AFP) - - the Koch Brothers backed group that is advancing an anti-public employee, anti-pension agenda nationwide.

Foy's words are not idle threats, according to Ventura County DSA. There are direct financial and political connections between the Ventura County initiative and the anti-pension measures already passed in San Diego and San Jose. Financial backers of the Ventura measure have also been consistent backers of Mayor Chuck Reed and his destructive pension proposals.

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What does this pension initiative do? Eliminates the County's defined benefit system and replaces it with a 401(k) defined contribution for **ALL** new employees beginning in July 2015. Also includes a 5-year wage freeze for all current active employees, and it prohibits the existing retirement system from administering the new plan.

The initiative proponents managed to collect the necessary signatures to place this on the ballot in Ventura County in November 2014.

Ventura County has set up a separate PAC, **Citizens for Retirement Securities** which includes Ventura DSA, Ventura County Public Employees. Other groups who have already stepped up to provide assistance, PORAC, SEIU, CA Nurses Association, CA Federation of Teachers, to name a few.

Ventura DSA is asking for backup. They are up against billionaires who, so far, have given \$75,000 just to get the "war chest" started to try and get this initiative passed by voters. The bad news is, based on polling done so far this initiative is expected to pass- based on the initial arguments of the proponents. A lot of work must be done to defeat this measure.

I will keep you informed as I receive more information about this initiative and updates on the status from Ventura DSA. I have spoken to these leaders already and they have shared some measures being taken, but asked, at this point- to not publically share them.

I sat on the Fresno County Pension Reform Committee for six months. This committee was internally established by Supervisor Judy Case, in 2011. The group was made up of 12 members of the Fresno County community who didn't share any favorability to County employees and the pension we earn while employed. The final outcome was a report that was rejected by the Fresno County Board of Supervisors. FDSA put up a lot of opposition to this committee and spoke against it during the presentation. We opposed it on the basis that this was a knee jerk reaction to eliminate a retirement system, blaming employees, and sustainability. PEPR was drafted shortly thereafter in an effort to help sustain all retirement systems.

Fireworks Stand Fundraiser

The Fourth of July is around the corner and we are preparing for another successful year of fundraising through our fireworks stand. Our stand will be in the

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same location as years prior, on the southwest corner of Blackstone and Barstow in Northeast Fresno. This fundraiser has been profitable in the past and sales are continuing to grow each year. As always, we need volunteers to work various shifts. We are open from 10 in the morning, until 9/10 at night starting Saturday June 28 through the 4th of July. Thank you in advance for your help. I will be putting out a signup list in the next week. The proceeds from this event go to fund the Fresno DSA Peace Officer Memorial Fund.

Stay safe and stay cool,

Eric

A handwritten signature in purple ink, appearing to read "Eric Schmidt", enclosed in a hand-drawn oval.

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