



Memorandum

To: Hospital and Medical Staffs, Foundation and Volunteers
From: Pete Delgado
President/CEO
Date: May 13, 2016
Re: Board Action

In an effort to move negotiations forward, today the Salinas Valley Memorial Healthcare System Board of Directors voted unanimously in open session to implement our Last, Best, Final Offer (LBFO) proposed to NUHW. The Board chose not to implement the sub-contracting provision of the LBFO, nor language directly related to some contract terms that involve strikes and union recognition.

In specific, the Board approved:

- Pay increases for NUHW-represented employees of 2 percent effective May 30, 2016. Paychecks issued June 10 will reflect this increase.
- A new incentive program with specific objectives that will provide additional payment equivalent to 1.5% of pay if the goals are achieved at target. This program will be initiated for Fiscal Year 2017 (which begins July 1, 2016).
- A new, enhanced health plan with changes to employee contributions at some levels, with no-cost single coverage still in place.
- A new program of payment for education hours for certain classifications.
- A number of changes consistent with the Hospital's Last, Best, and Final Offer, including but not limited to changes related to PTO, shift differential, on-call pay and leaves of absence.

A thorough explanation of the LBFO will be distributed later today.

The Board Resolution approved today reads in part:

"The Board notes that the Hospital has urged NUHW to engage in a fact finding process, utilizing a neutral party appointed by the Public Employment Relations Board. The Board endorses fact finding, or alternatively mediation with an experienced labor mediator. State law specifically authorizes these procedures, and they have proven to be effective in the past. The Board sincerely hopes that its actions today will move the negotiations toward a quick and mutually acceptable resolution."

The Board took this action as a way to get pay increases to employees and put other important elements of our proposal in place without additional delay. We hope this action provides momentum to encourage further work in mediation or fact finding to come to agreement on a contract.