

MINUTES OF THE PERSONNEL COMMITTEE
OF MT. VIEW SANITARY DISTRICT
JANUARY 21, 2016

The Personnel Committee of the Mt. View Sanitary District convened a duly Noticed Committee Meeting at the Mt. View Sanitary District Conference Room, 3800 Arthur Road, Martinez, County of Contra Costa, State of California on January 21, 2016 at 9:05 am.

1. ROLL CALL

PRESENT: Chairman Gregory T. Pyka and Director Elmer "Al" J. Schaal
ABSENT: None

Also Present: STAFF – District Manager Neal Allen

2. PUBLIC COMMENT

None.

3. NEW BUSINESS

A. DISTRICT PROVIDED PENSION BENEFITS - CONSIDERATION OF DISTRICT
EMPLOYER PAID MEMBER CONTRIBUTION FOR "CLASSIC" MEMBERS

1. RECEIVE REPORT FROM STAFF

District Manager Allen provided as background for discussion, a reminder that during the Fiscal Year 2015-2016 budget hearings at both the Personnel Committee and Board level, whether the District should continue to provide the employer paid member contribution (EPMC) toward District employee pensions was a topic of discussion. EPMC is 8% of total payroll for Classic CalPERS members. The discussions at the time resulted in a decision to continue to provide the benefit for Fiscal Year 2015-2016. The Committee and the Board each expressed a desire to reconsider the EPMC benefit as part of future budget discussions.

The District Manager reported that he had discussed with staff the potential that the District would no longer pick up the EPMC. Staff understands the continued pressure for public pension reform and is willing to pick up the 8% employee contribution provided that additional compensation was provided to offset the

effective reduction in pay. They also indicated that if offsetting compensation was provided, the preference would be for full implementation as opposed to phasing in the transition.

2. GENERAL DISCUSSION

The Committee expressed concern that District ratepayers may have a difficult time accepting the need for offsetting compensation in exchange for the employee taking on the employee contribution. Such additional compensation, even if offset by the employees, results in higher annual payroll which, in turn, results in higher employer costs as well as a larger pension obligation. The Committee expressed concern that these increased obligations may have an impact on future sewer service charge rate increases.

The Committee also expressed concern about the impact of an effective pay cut to District employees. The committee members discussed that the District may have provided the EPMC in lieu of compensation and/or other benefits in the past. District Manager Allen stated that he had not been able to determine what the circumstances of the provision of EPMC may have been.

The District Manager reminded the Committee that analysis of this issue last year showed that an average 5.5% increase in salaries in exchange for employee pick up of the 8% employee contribution would maintain compensation equity based on total compensation when compared to the District's comparator agencies.

3. PROVIDE DIRECTION

The Committee members expressed a desire to transition the employee contribution from the District to District employees and directed the District Manager to perform additional research and bring a more thorough examination of the impact of eliminating EPMC under a variety of scenarios. The additional research should, at a minimum, include the following:

- Contact CalPERS or other pension experts to identify the impact on the District's pension liability for increased payroll.
- Updated salary comparison (using the Koff & Associates spreadsheets).
- Updated total compensation comparison (using the Koff & Associates spreadsheets).
- Survey of comparator agencies to update status of their EPMC
- Presentation of options for implementation including cost impacts and benefits to staff as well as to the District.

ADJOURNMENT

Business having been concluded, the meeting was adjourned at 10:53 am.



Neal Allen, District Manager