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Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Dave Van Mullem, Air Pollution Control Officer

CONTACT: Kristina Aguilar, Administrative Manager (961-8813)

SUBJECT: Salary and Benefits for Management and Confidential-Unrepresented Employees

RECOMMENDATION:

1. Adopt a Resolution amending the Management Personnel Benefits Policy for Management and Confidential-Unrepresented Employees (Attachment 1); and
2. Adopt a Resolution (Attachment 2) amending the District's Classification and Salary Plan to implement a 2% COLA increase to Management and Confidential-Unrepresented employees (Units 32 and 43) effective January 1, 2016; and a 2% COLA increase to Management and Confidential-Unrepresented employees (Units 32 and 43) effective January 1, 2017.

DISCUSSION:

The Management and Confidential-Unrepresented group represents 9 employees, including the APCO. In December 1997 your Board adopted a Management Personnel Benefits Policy for Management and Confidential-Unrepresented Employees. Periodically, this resolution requires amendments to reflect changes to benefits provided to unrepresented employees. The last amendment took place in October 2014. The following are the most significant amendments to this resolution:

1. Benefits – Effective July 1, 2015 the District will contribute an additional semi-monthly benefit of \$24.79 to the employee-only premium of the medical benefit OR as a matched contribution to the employee's 457 Deferred Compensation plan, when employee contributes that amount to the 457 plan; effective January 1, 2017 the District shall contribute an additional semi-monthly benefit of \$10.00 to the employee-only premium of the medical benefit OR as a matched contribution to the employee's 457 Deferred Compensation plan, when employee contributes that amount to the 457 plan; and
2. Holiday Break – Holidays for the dates December 28, 29, 30 and 31 for 2015; and holidays for the dates December 27, 28, 29 and 30 for 2016; this provision will sunset December 31, 2016;

Salaries for Management and Confidential-Unrepresented employees are outlined in the District's Classification and Salary Plan. Consistent with the parameters set by your Board and negotiated by the represented employee groups, we are proposing a 2% COLA increase effective January 1, 2016 to all Management and Confidential-Unrepresented employees (Units 32 and 43); and a 2% COLA increase effective January 1, 2017 to all Management and Confidential-Unrepresented employees (Units 32 and 43).

FISCAL IMPACT:

During recent years the District has reduced in size and seen its budget process further refined. With the adoption of the Fiscal Year 2015-2016 budget, the District is able to provide an increase in benefits and salary. Increases provided to Management and Confidential-Unrepresented employees are consistent with the parameters set by your Board. The below outlines the fiscal impact of these changes to Management and Confidential-Unrepresented employees:

1. Providing an increase in the District paid employee-only portion of the medical plan OR a 457 match to employee defined benefit plans, effective July 1, 2015 will have an annual impact of \$5,150;
2. Providing an increase in the District paid employee-only portion of the medical plan OR a 457 match to employee defined benefit plans, effective January 1, 2017 will have an impact for the 2016-2017 Fiscal Year of \$960, and then \$1,900 in subsequent Fiscal Years;
3. Providing a 2% COLA increase effective January 1, 2016 will have an impact for the 2015-2016 Fiscal Year of \$10,350, and then \$20,700 in subsequent Fiscal Years;
4. Providing a 2% COLA increase effective January 1, 2017 will have an impact for the 2016-2017 Fiscal Year of \$10,550, and then \$21,100 in subsequent Fiscal Years; and

5. Lastly, providing eight additional holidays for 2015 and 2016 is consistent with the benefits that were negotiated with the represented employee groups. While the holidays do not increase the District's appropriation for salaries and benefits, the District will lose productive hours. However, closing the office for eight additional days over the two years, would benefit the District and county citizen's through energy savings and reduced commute-generated air pollution emissions. Based on an average productive hour cost of \$84.19 the District would be providing a benefit valued at \$21,550 per year, with no direct fiscal impact.

ATTACHMENTS (2):

- Management Benefits Resolution Amendment
- Salary Resolution