

MINUTES OF THE PERSONNEL COMMITTEE
OF MT. VIEW SANITARY DISTRICT
May 7, 2012

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 May 7, 2012 at 5:33 p.m.

ROLL CALL

PRESENT: Chairman Gregory T. Pyka and Board Member Elmer "Al" J. Schaal

ABSENT: None

Also Present: STAFF – District Manager Michael D. Roe and Assistant District Manager Neal B. Allen

PUBLIC COMMENT

None

NEW BUSINESS

1. EMPLOYEE COMPENSATION POLICY

District Manager Roe identified that the District's Strategic Plan included a goal under Personnel Management to develop policy direction on total staff compensation for recruitment and retention policies. Assistant District Manager Allen then presented the salary survey performed for the FY 2012-2013 Budget process. The survey compares the District's salary and benefits package for each position to those of seven comparison agencies identified during the FY 2011-2012 budget process as either very similar agencies or agencies with whom the District directly competes for staff. The survey also took differences in the cost-of-living between the Martinez area and the areas served by the comparison agencies. Mr. Allen identified that the total salary and benefit package, adjusted for cost of living differences, resulted in the majority of District positions to fall within the 70th percentile rank of the comparison agencies. Assistant District Manager Allen, recommended to the committee that a policy identifying the District's desire to maintain total salary and benefits within the 70th percentile ranking compared to the seven comparison agencies would address the District's Strategic Plan goal.

Mr. Allen also identified that the recommended policy statement will lead to equity adjustments to three or more positions.

After much discussion, the Committee directed staff to prepare a draft policy for consideration by the full Board incorporating the District's desire to provide "competitive" salaries and benefits rather than a defined percentile ranking. The Committee also expressed a desire for the policy to provide sufficient flexibility for District Management and the Board of Directors to be able react to changes in the economy and the District's ability to recruit and retain staff. The direction also included a recommendation to the full Board to adopt the seven comparison agencies.

2. COST OF LIVING ADJUSTMENT(S)

Assistant District Manager Allen pointed out that staff salary adjustments should typically be based on either of two justifications. The first justification is that salaries have lost their purchasing power due to inflation. Adjustments due to inflation are often described as cost of living adjustments (COLA). The second justification would be that the salary for a particular position is no longer a competitive salary that fairly compensates the employee for the services provided. This justification is typically based on a salary survey and is often described as an equity adjustment.

Mr. Allen further stated that to maintain the purchasing power of District employees, District salaries would need to be adjusted to reflect the changes in employee cost of living due to either inflation or deflation based on a local or national inflation index. The District utilizes an inflation index based on the average annual increase in CPI of the all urban index for the San Francisco, Oakland and San Jose Region for the previous calendar year. Staff has determined the inflation index to be used for the Fiscal Year 2012-2013 Budget equal to 2.6%. District staff received no cost of living adjustments for Fiscal Year 2011-2012 due to a reported change in CPI approximating zero. Although the current inflation index is 2.6%, the District Manager and Assistant District Manager are recommending no increase in User Service Charges for Fiscal Year 2012-2013, but believe a COLA for District staff is appropriate. In consideration of the recommendation for no rate increase and the associated impact on District revenues, the District Manager and Assistant District Manager recommended a COLA of 2% for Fiscal Year 2012-2013 to the Committee.

After discussion the Committee directed staff to prepare a staff report recommending a 2% Cost of Living Adjustment for all staff for consideration by the full Board of Directors.

3. EQUITY ADJUSTMENTS

Assistant District Manager presented the FY 2012-2013 Salary Survey to the Committee and made an initial recommendation that since all of the comparison agencies have five step salary ranges future comparisons would be made easier by adjusting the District's existing salary ranges to five steps by creating four steps below the District's current top step to put the District's ranges in step with the comparison agencies. Mr. Allen also informed the Committee that staff is also recommending changes to existing personnel policies to extend an employee's anniversary date to 12 months from the last salary action. This will then make employees eligible for step increases on an annual basis rather than the existing 6 month basis and bring the District's compensation practices more in line with those of the comparison agencies.

The salary survey indicates the need for equity adjustments for the following positions.

District Biologist / District Chemist

The District Biologist and District Chemist positions were established as part of the Aligned Organization Strategic Plan Goal. Due to the unique working relationship required by the District of these two positions, it was determined that the two positions would maintain salary parity. The District Biologist job description was used to compare to the job description and salary range of public agency Natural Resource Management positions in the Sacramento area. This initial salary range was thought to be potentially on the lower end for these kinds of positions. The 2012 Salary Survey finds the District Biologist position to be approximately 10.5 % below the 70th percentile of salary plus benefits adjusted for differential cost of living. Adjusting the District Biologist salary range to have a top step of \$8274.12 puts the salary at the 70th percentile. This recommended adjustment would also apply to the District Chemist salary range. Management recommends moving the incumbent District Biologist and District Chemist to a new Step 3 at \$7467.40 per month, an increase of 6.91 percent over their current rate of pay (4.1% after a 2% COLA). The incumbents would then be eligible for a 5% step increase in 12 months, and after a total of 24 months would top out at Step 5 at the recommended rate of \$8,274.12.

Wastewater Operations Supervisor

The Salary Survey finds the District Wastewater Operations Supervisor position to be approximately 5 percent below the 70th percentile of salary

plus benefits adjusted for differential cost of living. Adjusting the Wastewater Operation Supervisor salary range to have a top step of \$7,750.00 per month places the salary at the 70th percentile. Management recommends moving the incumbent Wastewater Operation Supervisor to a new Step 3 at \$6994.38 per month, a 5.75% increase of over the current rate of pay (3.8% after a 2% COLA). The incumbent would then be eligible for a 5% step increase in 12 months, and after a total of 24 months would top out at Step 5 at the recommended rate of \$7,750.00.

Office Administrator

In reviewing comparable positions and the District Office Administrator position, staff found that the comparison agencies trended toward incorporating District Board Secretary functions into the position description and the salary included compensation for those activities. The District Board Secretary receives a monthly stipend on top of the monthly salary as compensation for those additional duties. For the purpose of comparison, the compensation of the District Office Administrator included the monthly stipend for serving as the District Board Secretary. The Salary Survey finds the Office Administrator position to be approximately 12% below the 70th percentile. Adjusting the Office Manager salary range to have a top step of \$7,551.60 and increasing the District Board Secretary stipend by the proposed 2% COLA places the Office Administrator combined compensation at the Management recommends moving the incumbent Office Administrator to a new Step 5 of \$7,551.60 and increasing the District Board Secretary stipend by the proposed 2% COLA to \$231.92 for a combined monthly salary of \$7,783.54. This represents a combined 3% increase over the current combined rate of pay (1% after a 2% COLA).

Assistant District Manager also informed the Committee that the Salary Survey finds the Assistant District Manager position to be approximately 9% above the 70th percentile of salary plus benefits adjusted for differential cost of living. As identified last year, comparison agencies do not have an Assistant District Manager. The larger agencies have multiple departmental managers reporting to the General Manager. Smaller agencies may have an in-house District Engineer who likely serves in the absence of the General Manager, but without the day to day business, policy, human resources, financial, and administrative duties of the District's Assistant District Manager. The size of the District does not warrant multiple departmental managers, but does require expertise within each of the key areas of finance, human resources, policy and administration. In addition, by virtue of requiring the Assistant District Manager to have a Professional Engineer license, the Assistant District Manager also takes on part of the District's Capital Improvement and Facilities Rehabilitation

programs in conjunction with the District Engineer, reducing the District's reliance on outside consultants. Due to the breadth of the responsibilities of the Assistant District Manager position, District Manager Roe recommended the Board of Directors modify the proposed employee compensation policy to allow for Board approved exceptions for certain positions and to designate the Assistant District Manager position as an exception.

After discussion the Committee directed staff to prepare a staff report recommending the proposed equity adjustments for the District Biologist, District Chemist, Wastewater Operations Supervisor and District Office Administrator/Board Secretary positions for consideration by the full Board of Directors.

ADJOURNMENT

Business having been concluded, the meeting was adjourned at 6:57 p.m.


Neal Allen, Assistant District Manager