

MINUTES OF THE PERSONNEL COMMITTEE
OF MT. VIEW SANITARY DISTRICT
June 21, 2011

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 June 21, 2011 at 5:30 p.m.

ROLL CALL

PRESENT: Chairman Gregory T. Pyka and President Elmer "Al" J. Schaal
ABSENT: None
Also Present: STAFF – District Manager Michael D. Roe and Assistant District Manager Neal B. Allen, District Legal Counsel J. Daniel Adams

PUBLIC COMMENT

None

NEW BUSINESS

1. CONSIDER POSSIBLE LEGISLATIVE CHANGES RELATED TO FUNDING OF CALPERS PENSION

District Manager Roe presented and discussed potential legislation and/or initiatives that are anticipated to be approved in some form as either a part of the State's Budget deal, or if not addressed through the legislature, through the initiative process. These proposals are likely to require that all public employees pay a portion of the cost of their retirement plans. For District employee's this could be as much as 13% of salary under the most far reaching proposal. It is also anticipated that any savings a District receives as a result of the implementation of such a requirement will be mandated to go towards reducing the unfunded liability of the pension program.

District Manager Roe raised the question of whether it would be in the best interest of the District to take action before any of these anticipated changes occur to maintain the current cost sharing relationship between the District and its employees. One way to accomplish this would be to require the District's employees to pay the 8% employee normal cost and enact offsetting increases to the base pay. This could be done in as close to a cost neutral way as actuarial calculation will allow. District Manager Roe noted that some legislative proposals have included a 50/50 split of the cost of pensions and retiree health care, which could represent as much as 20% of an employee's wages.

The impact of such actions could impact employee morale and could result in putting the District at a competitive disadvantage with respect to attracting and

retaining quality staff. District action prior to such mandates could provide the District with a long term competitive advantage over other agencies that do not act similarly.

After much discussion and presentation of very preliminary numbers to demonstrate the potential impact to the District and its employees, the Committee directed staff to:

- Investigate what other similarly situated districts are doing with respect to the employee's share, the specific pension plan (i.e. 2@55 or other), and any action they may be contemplating in light of the current proposals.
- Identify and evaluate alternatives for the Board to Consider and develop a recommendation.
- Schedule a follow-up Personnel Committee meeting (tentatively scheduled for July 12, 2011) to present staff's findings and recommendations to the Committee for possible full Board consideration.

At District Legal Counsel Adams' request, the Committee took up Agenda Item 3 out of order.

3. CONSIDERATION OF WORKPLAN FOR PROPOSED STRATEGIC PLAN GOAL 5.2 – UPDATE OF DISTRICT POLICIES AND PROCEDURES

Assistant District Manager Allen presented a proposed work plan for the subject strategic plan goal, identifying a two-year process to completely review and, as necessary, revise the District's current policies. The work plan begins a prioritized list of policies based on the Table of Contents of the Sample Policy Handbook prepared by the California Special Districts Association. The first priority policies for review include those most directly related to personnel, with operational policies following as the second priority.

The work plan also includes budget for legal review that is considered above and beyond the scope of the Legal Services Agreement with Turner, Huguet, and Adams.

The Committee provided the following direction to staff:

- Proceed with the work plan, as presented.
- Due to the large number of policies to be reviewed, (96 in FY 2011/2012 and 100 in FY 2012/2013) the Committee will meet roughly quarterly to review the policies completed during the preceding three months.
- The Committee may consider including the policies completed to date as part of the agenda for the District's Annual Strategy Session to reduce the impact on the full Board.
- Finalize the Task Order for legal review and recommend approval at the July 21 Regular Board meeting.

District Counsel Adams was excused and left the meeting.

2. CONSIDERATION OF CERTIFICATION PAY FOR OPERATORS.

District Manager Roe provided a verbal report, recalling that as part of the Aligned Organization staff proposed and was directed to review an incentive plan to increase the level of certification of the District's Operators. The District would benefit in terms of succession planning and overall operational excellence by increasing the level of State Operator Certification obtained by each of the District's Operations staff. A higher level of incentive is desired for achieving Grade III certification, with a lower level of incentive for the Grade IV and Grade V certificates. Staff has proposed a stipend in the form of a percentage of base pay for those Operators obtaining higher certification than required for their District position. The Stipend would be conditioned as follows (at a minimum):

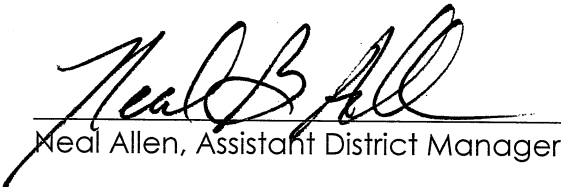
- Signed agreement to act in the absence of an employee whose position requires the level of certification obtained.
- Stipend would not count toward base pay, and therefore would not be included in retirement or overtime calculations.
- Stipend would be forfeited in the event of the imposition of disciplinary action or a poor performance evaluation.

After discussion the Committee provided the following direction:

- Prepare a proposal for consideration by the Committee prior to consideration by the full Board.
- Evaluate a 3% monthly stipend for an Operator who obtains a Grade III certification and 1 to 1-1/2% stipends for the higher grades
- Prepare the conditions to which an employee must agree to be eligible to receive the incentive (stipend).

ADJOURNMENT

Business having been concluded, the meeting was adjourned at 6:45 p.m.


Neal Allen, Assistant District Manager