

# CROCKETT COMMUNITY SERVICES DISTRICT

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## MINUTES OF PERSONNEL COMMITTEE MEETING FEBRUARY 6, 2019

CALL TO ORDER: The meeting was called to order at 4:00 PM by Acting-Chairperson Burnett. Also present were Mr. Bartlebaugh and Mr. Wilson. General Manager McDonald was also in attendance. Director Barassi and Director Sutton were absent.

PUBLIC COMMENTS: None

1. DISTRICT EMPLOYEE EARNINGS SUMMARY: Mr. McDonald presented the earning summary for the period January through December 2018. The summary has been created since 2010 in part to prepare for the 2018 Government Compensation in California (GCC) report. Along with the report, a memo with a costs comparison graph from past years was presented. Mr. Wilson said payroll costs for pool employees remain the highest expense for recreation. There was discussion on the rate differences between CalPERS Classic and PEPRAs members and unfunded liability calculated annually. The District currently has one PEPRAs employee. Employer CalPERS rate has been slowly increasing and it is expected to continue to rise for the foreseeable future. Pension costs were higher in 2010 due to a higher employer contribution rate that year and one addition full time employee thru June 2010.
2. HEALTH CARE BENEFITS: Mr. McDonald said the District currently does not provide health care benefits to its employees or annuitants. He said the Committee previously discussed the need and reviewed options in 2017. Mr. Wilson remembers that it was not in the employee's best interest for the District to offer health benefits as they would lose their subsidized Covered California's Affordable Care Act (ACA) medical coverage. Mr. McDonald shared his concern that if the District does not offer health benefits it will face significant challenges when it has to recruit new employees for key positions of the District. It is estimated that it will take between 4 and 6 months to develop a health care benefit program. If a vacancy exists for any length of time the District will face severe disruption to its operation. There was discussion on what the costs would be and where funding would come from to pay for the benefits. Mr. McDonald said ultimately it would be up to the Board to decide how much the District would contribute to the health benefit program but recommends a tiered program; something like contributing 90% of employee costs, 80% for employee plus 1, and 70% for employee plus family using a baseline premium rate from a provider like Kaiser. Whatever is decided the District should contribute enough so that there is little to no increased burden to its existing employees when they lose ACA medical coverage. Mr. Burnett asked if the recreation department is operating in the black and would they be able to absorb a \$27-30K annual expense. He expressed the need to make sure we have the ability to stay solvent. Mr. Wilson said they are breaking even. He added we owe it to those who supported the recreation tax increase to spend it wisely. Mr. McDonald raised the question whether increasing rental fees could be considered to help fund benefits. Mr. Wilson and Mr. Burnett were concerned that the amount of increase required, in the hundreds of dollars per rental, would deter future rentals and not result in the additional income required to offset the added health benefit costs. The Committee agreed that the question on offering health benefits is important and critical to the District. The Committee supported gathering additional information from CalPERS on who would be covered and if it can be offered to employees who work less than 20 hours. The Committee said funding for the program must be identified. Mr. McDonald will contact CalPERS to get answers to

questions raised and will look into funding sources then bring the item back to the Personnel Committee for continued discussion.

**3. GENERAL MANAGER ALLOCATION OF PAYROLL BETWEEN DEPARTMENTS:** Mr. McDonald presented a memo and breakdown of his time billed between departments. He said he began using time-tracking software in August that has resulting in very accurate accounting of his time on various tasks. He asked for opinions from the Committee on the allocation splits and their impact so that he can share them with the Budget & Finance Committee. It is clear that over the years the amount of time spent on District (CSD) business has increased. Currently Mr. McDonald spends 35% of his time on CSD business. CSD business includes items that affect all departments like processing payroll, implementing personnel law changes, researching changing bidding thresholds to be compliant with the California Uniform Public Construction Cost Accounting Act (CUPCCAA), dealing with board elections, questions raised on general vs. ward elections, etc. The CSD allocation splits are discussed annually as part of the budget process and a Cost Allocation Rates table is developed and approved in June. The ratios used to split CSD costs vary but are primarily percentages based on a combination of population served and budgeted expenditures. There was discussion on the property taxes the District receives from the County. The property tax is deposited into the general CSD Fund 3240 and is distributed to the Crockett Sanitary Department (CVSan) and Recreation Department (REC) based on historically Tax Rate Area (TRA) splits that were in place before the formation of the District. Since the formation new burdens have been placed on the District and new responsibilities taken on. By law, only the enterprise activities of the District, CVSan and Port Costa Sanitary, can raise fees to cover their services without the need to go before the voters. This has resulted in the non-enterprise activities of the District, REC and Maintenance, struggling to fund the additional general burdens imposed. The Committees' feeling is that REC seems to be getting the short end of the stick economically and questioned whether this historical allocation is fair and whether it should be re-examined as a way to address ever increasing CSD needs. Mr. McDonald said there is no law requiring the TRA allocation to remain the same, it is set by Board policy. The Committee supports re-examination the property tax split and for staff to look into what would be fair to all departments taking into consideration the totality of the District's needs today.

**4. CREATION OF COMMUNICATION ASSISTANT POSITION:** Item was postponed. It will be brought up at a future regular Personnel Committee meeting.

**5. GENERAL DISCUSSION OF EMPLOYMENT ISSUES:** Mr. McDonald said that Mr. Barnhill's contract is expiring March 31, 2019. He said that a closed session will be needed to begin labor negotiations. Mr. Wilson has conflicts on Wednesday afternoons and asked to move the meetings to another day. It was decided to schedule the regular Personnel Committee meetings on the 2<sup>nd</sup> Tuesday of the month. A special closed session Personnel Committee meeting will be scheduled for Tuesday February 19, 2019 at 4:00 PM.

**ADJOURNMENT:** The meeting was adjourned at 5:43 PM.

Respectfully submitted,

Dale McDonald  
February 8, 2019