

OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

(805) 646-5548 • FAX (805) 640-0842

www.ojaisan.org

MEETING OF THE BOARD OF DIRECTORS' PERSONNEL COMMITTEE

Date & Time:

April 10, 2018

Tuesday, 5:30 p.m.

Location:

OVSD Board Room
1072 Tico Road, Ojai

Members
Stan Greene
William Ulrich
Peter M. Kaiser

A G E N D A

1. **Call the Meeting to Order**
2. **Select Chairman For The Committee**
3. **Public Comment - (Items not on the agenda - 3 minute limit)**

FOR DISCUSSION & RECOMMENDATION

4. **Cost-of-Living Salary Adjustment – Resolution No. 2018-05**

FOR DISCUSSION & REVIEW

5. **Retirement Health Savings Program**
6. **Reports**
 - a. Committee Members pursuant to Government Code §54954.2
 - b. General Manager on District Activities related to this Board Committee.

A staff report providing more detailed information is available for most agenda items, and may be reviewed in the District office during regular business hours. Copies of individual reports may be requested from Brenda Krout (646-5548).

ATTEST TO POSTING:

Brenda Krout, Clerk of The Board

April 6, 2018 4:00 p.m


Date & Time Posted At District Office

ITEM #4

Memorandum

Ojai Valley Sanitary District

April 6, 2018

To: Personnel Committee – Bill Ulrich, Peter Kaiser & Stan Greene
From: Jeff Palmer – General Manager 
Subject: COST-OF-LIVING SALARY ADJUSTMENT – RESOLUTION NO. 2018-05

Attached is a **DRAFT letter** to the Board for the April 23rd regular Board Meeting, requesting a 3.6 percent cost-of-living salary adjustment (COLA) effective with the first pay period in July beginning July 1, 2018.

The draft letter explains the computation of the CPI using the 12-month period ending February 2018 and is presented for your review.

If you have any questions or need additional information please call me at 646-5548.



OJAI VALLEY SANITARY DISTRICT

A Public Agency

1072 Tico Road, Ojai, California 93023

(805) 646-5548 • FAX (805) 640-0842

www.ojaisan.org

April 12, 2018

Board of Directors
Ojai Valley Sanitary District
Ojai, CA 93023

DRAFT

COST OF LIVING SALARY ADJUSTMENT - RESOLUTION NO. 2018-05

District Staff annually reviews the Consumer Price Index (CPI) to determine the annual change in the cost of living. To be consistent, year to year the change in the CPI for the 12-month period ending February is used to determine the percentage, if any, of a cost of living salary adjustment that staff will recommend for all District employees, excluding the General Manager.

The CPI used for reference is prepared by the United States Department of Labor Bureau of Labor Statistics nationally and for 28 local areas. The Los Angeles Area CPI, included in this report, covers Los Angeles, Orange, San Bernardino, Riverside and Ventura Counties. A copy of the February 2017 to February 2018 report is enclosed.

This year the Bureau reports a 3.6 percent increase in the Area CPI for all urban consumers for the 12-month period ending February 2018. The percent change in the CPI is computed as follows:

CPI February 2018	263.012
CPI February 2017	<u>253.815</u>
	9.197
<u>9.197</u>	= 0.036235 = 3.6% (rounded)
253.815	

DRAFT

The cost to the District for a cost-of-living adjustment of 3.6 percent is estimated at \$75,500 for direct wages and related benefits, excluding the General Manager. Direct wages is all employees' regular wages excluding any amounts included in the budget for extra help, standby wages, etc.

Management recommends that a cost-of-living adjustment in an amount equal to the February 2017 to February 2018 CPI (3.6 percent) be granted.

The approved Fiscal Year 2017-18 Budget included funds for a 2.7 percent cost of living increase. Consequently, it would be appropriate to transfer \$20,975 from the Contingency & Stabilization Reserve to provide the additional funding required for a 3.6 percent cost of living adjustment.

Budget Adjustment No. 2018-26 transferring funds from the Contingency & Stabilization Reserve to provide funding for the cost-of-living adjustment is presented for your adoption.

A cost of living adjustment was discussed with the Board's Personnel Committee at their April 10, 2018 meeting. The Committee ??????????

If the Board chooses not to grant a cost-of-living adjustment no further action is necessary; the current salary schedule, adopted January 22, 2018 will remain in effect.

RECOMMENDATION:

DRAFT

It is recommended the Board:

- a. Approve a 3.6 percent cost-of-living adjustment of salary ranges for all District employees, excluding the General Manager;
- b. Adopt Resolution No. 2018-05, Adoption of the Ojai Valley Sanitary District Salary Grid reflecting a 3.6 percent cost-of-living adjustment, Effective July 1, 2018.
- c. Adopt Budget Adjustment No. 2018-26 transferring \$20,975 From the Contingency & Stabilization Reserve to provide funding for the cost-of-living adjustment.

Jeff Palmer
General Manager

DRAFT

Enc.

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE

February 2018

ALL ITEMS INDEXES

(1982-84=100 unless otherwise noted)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending					Year ending	1 Month ending	
	Feb 2017	Jan 2018	Feb 2018	Jan 2018	Feb 2018	Feb 2018	Feb 2017	Jan 2018	Feb 2018	Jan 2018	Feb 2018	Feb 2018
U. S. City Average.....	243.603	247.867	248.991	2.1	2.2	0.5	237.477	241.919	242.988	2.1	2.3	0.4
(1967=100).....	729.727	742.499	745.866	-	-	-	707.371	720.604	723.788	-	-	-
Los Angeles-Long Beach-Anaheim	253.815	261.235	263.012	3.5	3.6	0.7	244.254	251.785	253.243	3.7	3.7	0.6
(1967=100).....	749.881	771.805	777.054	-	-	-	721.845	744.102	748.411	-	-	-
West	252.252	258.638	259.986	3.1	3.1	0.5	243.810	250.416	251.704	3.3	3.2	0.5
(Dec. 1977=100)	407.752	418.073	420.252	-	-	-	392.277	402.906	404.978	-	-	-
West - A*.....	259.316	266.498	268.106	3.3	3.4	0.6	248.896	256.300	257.891	3.6	3.6	0.6
(Dec. 1977=100)	422.851	434.563	437.184	-	-	-	402.914	414.900	417.475	-	-	-
West - B/C**(Dec. 1996=100).....	147.451	150.564	151.200	2.8	2.5	0.4	146.832	150.288	150.911	3.0	2.8	0.4

BI-MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending					Year ending	2 Months ending	
	Feb 2017	Dec 2017	Feb 2018	Dec 2017	Feb 2018	Feb 2018	Feb 2017	Dec 2017	Feb 2018	Dec 2017	Feb 2018	Feb 2018
San Francisco-Oakland-Hayward.....	271.626	277.414	281.308	2.9	3.6	1.4	265.569	271.342	275.699	3.1	3.8	1.6
(1967=100).....	835.053	852.847	864.818	-	-	-	808.680	826.260	839.526	-	-	-
Seattle-Tacoma-Bellevue.....	259.503	265.850	268.031	3.5	3.3	0.8	255.471	262.485	264.477	4.0	3.5	0.8
(1967=100).....	791.065	810.414	817.064	-	-	-	757.726	778.529	784.437	-	-	-

* A = greater than 2,500,000 population

** B/C = 2,500,000 population or less

Dash (-) = Not Available

Release date March 13, 2018. The next monthly releases are scheduled for April 11, 2018. The next bi-monthly releases are scheduled for May 10, 2018.

In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI). Additional information on the geographic revision is available at: www.bls.gov/cpi/georevision2018.htm.


For questions, please contact us at BLInfoSF@bls.gov or (415) 625-2270.

ITEM #5

Memorandum

Ojai Valley Sanitary District

April 6, 2018

To: Personnel Committee – Bill Ulrich, Peter Kaiser & Stan Greene
From: Jeff Palmer – General Manager 
Subject: RETIREMENT HEALTH SAVINGS PROGRAM

Staff is always on the lookout for programs that can provide long-term benefits to District employees at no cost or minimal cost to the District. Over the last few months we have been researching Retirement Health Savings Programs (RHS) which seems to fit this criterion.

A Retirement Health Savings Program (RHS) is a program that helps employees build assets before they retire on a tax-free basis to cover medical expenses they may be responsible for during their retirement.

A RHS is allowed by IRS under the rules governing “integral part trusts”. To qualify as an “integral part trust” the employer must exert “substantial control” directing the RHS and must have “substantial financial involvement”.

Substantial control means the employer controls the trust by holding the power to amend or terminate it and to appoint trustees to manage the trust; it also means that the employer has the primary responsibility for funding the trust. The IRS considers direct employer contributions, mandatory contributions of accumulated unused leave and mandatory contributions from compensation to be “employer” contributions which establishes “substantial financial involvement”. In other words the employer can structure a RHS to be fully funded by mandatory contributions from all eligible employees resulting in no cost to the employer.

The funds an employee deposits into a RHS can only be withdrawal after the employee retires from District employment and can only be withdrawn to pay out-of-pocket medical related expenses, including any health, dental or vision insurance premium costs.

Staff will continue to research the steps to establish an RHS and bring this back to you for consideration.

If you have any questions or need additional information please call me at 646-5548.