



Santa Clara Valley Water District

File No.: 18-0152

Agenda Date: 3/21/2018

Item No.: 3.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting Compensation Plan for Unrepresented Employees in the Executive Service - Effective July 1, 2018.

RECOMMENDATION:

Adopt Resolution APPROVING COMPENSATION PLAN FOR UNREPRESENTED EMPLOYEES IN THE EXECUTIVE SERVICE.

SUMMARY:

Consistent with the actions taken earlier today as part of the approval of the Memorandum of Understandings for the three bargaining groups, the benefits package and terms for the Executives and Board Appointed Officers are also being revised as noted below. The details of these changes are set forth in Exhibit-A to Attachment 1 (Santa Clara Valley Water District Compensation Plan For Unrepresented Employees In The Executive Service (July 1, 2018 Through June 30, 2022.):

Salary adjustments will be:

- 4.0% effective the first full pay period in July of 2018
- 4.0% effective the first full pay period in July of 2019
- 4.0% effective the first full pay period in July of 2020
- 4.0% effective the first full pay period in July of 2021

Medical - Plan Design Changes Effective April 1, 2018:

- Co-Pay for Office visits for Kaiser members from no charge to \$10
- Co-Pay for Office visits for Blue Shield HMO members from \$5 to \$10
- Co-Pay for Kaiser Prescriptions from \$5 to \$10 generic; \$15 name brand; \$30 non-formulary; 30-day supply for retail; 90-day supply for mail order with two co-payments
- Co-Pay for Emergency Room Services for all plans \$100

Medical - Plan Design Changes Effective April 1, 2019:

- Increasing calendar year deductible for Blue Shield PPO plan from \$100 per person to \$250 per person - maximum \$500 for family.
- Increasing out-of-pocket maximums for all plans to \$2,000 per person or \$4,000 maximum for family.

Pension

- Employees participating in the PERS 2.5% @ 55 formula and the PERS 2.0% @ 60 formula (Classic) will pay the following contributions towards their pension benefits which includes the employee required contribution as well as an additional amount towards the employer's contribution:
 - Effective the first full pay period in July of 2018 - 9.5%
 - Effective the first full pay period in July of 2019 - 10.0%
 - Effective the first full pay period in July of 2020 - 10.5%
 - Effective the first full pay period in July of 2021 - 11.0%
- Employees participating in the PERS 2.0% @ 62 formula (PEPRA) will contribute the following contributions towards their pension benefits:
 - Effective the first full pay period of July 2018, 50% of total normal cost as determined by CalPERS plus an additional .50%
 - Effective the first full pay period of July 2018, 50% of total normal cost as determined by CalPERS plus an additional 1.0%
 - Effective the first full pay period of July 2018, 50% of total normal cost as determined by CalPERS plus an additional 1.5%
 - Effective the first full pay period of July 2018, 50% of total normal cost as determined by CalPERS plus an additional 2.0%

FINANCIAL IMPACT:

The estimated net impact of the salaries and benefits changes for the employees in the Executive service are listed below and will be incorporated in the budget for FY 2019.

- Annual Raises - Estimated cost of the first-year wage increase is \$363,000 including salary range adjustments. Total wage increase for four years is \$1,236,000.
- Medical Plan Design Changes - Estimated savings for first-year changes is \$27,000. Second-year changes provides for an additional estimated \$13,000 in savings. Total medical plan design change savings for four years is \$147,000.
- Pension Changes - Estimated additional employee contribution for first-year is \$34,000. Total estimated additional employee contribution for four years is \$338,000.
- Tuition Reimbursement - The increase of \$500 to the tuition reimbursement program will likely be less than \$5,000 for the first year. Total cost for four years will likely be less than \$20,000.

The first year (FY 2019) net cost is estimated to be \$307,000 and the total four-year cost (net) is estimated to be \$771,000.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have potential for resulting in direct or reasonably foreseeable indirect physical changes in the environment.

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ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

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