



Midpeninsula Regional
Open Space District

**SPECIAL MEETING
ACTION PLAN AND BUDGET COMMITTEE**

Administrative Office – Board Room
330 Distel Circle
Los Altos, CA 94022

October 31, 2014

REVISED DRAFT MINUTES

I. ROLL CALL

Director Kishimoto called the Special Meeting to order at 2:03 p.m.

Members Present: Yoriko Kishimoto, Curt Riffle, and Pete Siemens

Members Absent: None

Staff Present: General Manager Steve Abbors, Assistant General Manager Ana Ruiz, Assistant General Manager Kevin Woodhouse, Administrative Services Manager Kate Drayson, Human Resources Supervisor Candice Basnight, and District Clerk Jennifer Woodworth

II. ORAL COMMUNICATIONS

There were none.

III. ADOPTION OF AGENDA

Motion: Director Siemens moved, and Director Riffle seconded the motion to adopt the agenda.

VOTE: 3-0-0

IV. COMMITTEE BUSINESS

1. Approve the Minutes from the October 7, 2014 meeting.

Motion: Director Riffle moved, and Director Siemens seconded the motion to approve the minutes.

VOTE: 3-0-0

2. Development of Employee Compensation Guiding Principles (R-14-135)

Assistant General Manager Kevin Woodhouse summarized edits to the draft Employee Compensation Guiding Principles policy made since the October 7, 2014 Committee meeting.

Mr. Woodhouse provided an example illustrating the difficulty of using salary increases to make up the difference between salary and total compensation when taking benefit levels into account.

Director Siemens questioned the exclusion of the Social Security benefit from the provided example because whether the District pays into Social Security may affect the amount the District would pay into CalPERS for retirement benefits and therefore affects total staff compensation.

Director Riffle suggested inclusion to the phrase “or situation” to the end of the policy’s purpose statement. The Committee agreed to this change by consensus.

Director Riffle suggested numbering the guiding principles in the policy. The Committee agreed to this change by consensus.

Director Siemens suggested listing core benefits in the policy, which would be the same for all District employees. Miscellaneous benefits which are not utilized by all District employees, such as uniform allowances or tuition reimbursement, would not be listed in the policy. Listing core benefits would prevent benefits from being applied differently to various employee groups.

Mr. Woodhouse explained the difficulties associated with listing core benefits in a Board policy because core benefits are discussed as part of labor negotiations.

Public comment opened at 10:26 p.m.

Alex Hapke, member of the Field Employees Association, inquired if the Committee had responses to any of the written comments he submitted at the last Committee meeting. Mr. Hapke also requested information on when employees would be Y-rated when within +/-5% of the median. Finally, Mr. Hapke thanked Director Siemens for his comments regarding payment of Social Security benefits by various comparator agencies.

Casey Hiatt provided comments regarding a letter submitted by members of the District’s Planning Department’s and regarding employee retention. Ms. Hiatt stated that the District has a history of hiring excellent staff, which also makes them in high demand to other employers in the public and private sector. High costs of living in the District make it difficult for employees to live and work in the District without looking for employment elsewhere.

Tina Hugg provided comments regarding the difference between cost of living and cost of labor. Ms. Hugg explained that the cost of living can fluctuate wildly in the District in a short time period, and acknowledgement of this by the Committee and Board would be appreciated.

Public comment closed at 10:34 a.m.

Director Kishimoto provided comments regarding the high cost of living in the Bay Area, and suggested there may exist other innovations, such as District-owned employee housing or providing housing allowances to all District employees instead of limiting this benefit to Board appointees.

Director Riffle provided comments regarding use of median salary as a benchmark stating that this may not be the benchmark to use in order to allow the District to continue to attract exceptional staff.

General Manager Steve Abbors provided comments regarding potentially using median salary as a floor for compensation or increased examination of the cost of living in the area.

Director Siemens suggested removal of +/-5% as an applicator of the median. Director Siemens also provided comments regarding increased revenue to the District from increased property taxes are not necessarily a positive change because District employees are also paying these increased property taxes and suggested the District pay above the median, perhaps up to 25% above.

Director Kishimoto expressed her concerns regarding using 25% above the median as a benchmark due to fact that this may lead to continuing increasing salaries and prefers use of the policy's flexibility clause to remain competitive as an employer.

Director Riffle suggested that this discussion should be held by the full Board of Directors. Director Riffle stated that the goal of the District should be to endeavor to pay above the median and not below. Director Riffle suggested the District also look at surrounding factors in the economy to determine if salaries should be above the median in any given year.

The Committee directed staff to return to the Committee with additional information regarding the implications of the changes the Committee had suggested. Those suggestions being defining a competitive salary as 55% of the median +/-5% and that no employee be paid below the median salary~~the effect of defining competitive salary as 55% of the median and 60% of the median~~. The item will be agendized for the November 18, 2014 Action Plan and Budget Committee meeting.

V. ADJOURNMENT

Director Kishimoto adjourned the special meeting of the Action Plan and Budget Committee of the Midpeninsula Regional Open Space District at 11:30 a.m.

Jennifer Woodworth, CMC
District Clerk