



Midpeninsula Regional  
Open Space District

## **ACTION PLAN AND BUDGET COMMITTEE**

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

**December 10, 2014**

### **DRAFT MINUTES**

#### **I. ROLL CALL**

Director Kishimoto called the Special Meeting to order at 5:31 p.m.

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

**Members Absent:** None

**Staff Present:** General Manager Steve Abbors, General Counsel Sheryl Schaffner, District Controller Mike Foster, Assistant General Manager Ana Ruiz, Assistant General Manager Kevin Woodhouse, Administrative Services Manager Kate Drayson, Real Property Manager Mike Williams, Natural Resources Manager Kirk Lenington, Public Affairs Manager Shelly Lewis, Planning Manager Jane Mark, Operations Manager Michael Newburn, and District Clerk Jennifer Woodworth

#### **II. ORAL COMMUNICATIONS**

No speakers present.

#### **III. ADOPTION OF AGENDA**

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

**VOTE: 3-0-0**

#### **IV. COMMITTEE BUSINESS**

##### **1. Approve the Minutes from the November 18, 2014 meeting.**

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

**VOTE: 3-0-0**

**2. Employee Compensation Guiding Principles (R-14-157)**

Assistant General Manager Kevin Woodhouse summarized previous direction provided by the Action Plan & Budget Committee and corresponding cost analysis completed by District staff. Mr. Woodhouse described three alternatives for Principle number 6 (Competitiveness) of the Employee Compensation Guiding Principles and provided cost analysis for each alternative describing the constraints of completing and applying the costs to all District staff. Mr. Woodhouse described the benefits and costs of Option C described in the staff report and addressed comments received from members prior to the Action Plan & Budget meeting. Finally, Mr. Woodhouse outlined proposed next steps for the process.

Director Siemens suggested that rather than using set percentages to calculate benefits for the policy to list core benefits that will be provided to all District staff. Director Siemens also suggested that the following language be removed from number 6 “with no employee’s top-range salary below median or above 60<sup>th</sup> percentile unless under the Board’s decision-making flexibility as provided in this policy.”

Director Riffle inquired if analysis has been completed regarding increases to salary and benefit costs as compared to revenue growth.

District Controller Michael Foster explained that increases to salary and benefits would be affordable to the District, but in the future it could constrain future budget actions.

Director Kishimoto inquired regarding the current CalPERS Public Employees’ Pension Reform Act (PEPRA) retirement formulas.

Mr. Woodhouse provided the current formulas for new and classic CalPERS employees and explained that District employees are currently paying the 8% employee contribution allowed under PEPRA.

General Manager Steve Abbors provided comments on Option C, which is the option recommended by staff, stating that Options A and B would limit the District’s ability to hire staff and complete projects funded by Measure AA.

Public comment opened at 6:24 p.m.

Alex Hapke quoted an article from *San Jose Mercury News* regarding the high cost of homes in the Bay Area compared to salaries.

Kristin Johnson provided comments regarding the high rental costs in the Bay Area and offered comments regarding availability of staff housing for field staff.

Grant Kern spoke in favor of adoption of the 55/55% option and tying implementation of the formula to District revenue to prevent salary and benefit costs from outpacing District revenues.

Ken Bolle provided comments regarding the savings District staff provide to the District and the high quality of work completed by staff.

Brennon McKibbin provided comments regarding the value of District staff and staff's commitment to complete Measure AA projects.

Eric Stanton provided comments regarding the funding for completion of Measure AA projects as compared for funding of District staff salary and benefit costs. Mr. Stanton also provided comments regarding the Field Employee Association's support of Measure AA and sacrifices made by employees that they were told would help Measure AA pass, but now feel they should be supported by the Board and District.

Donald Mackessy provided comments regarding competitiveness as outlined in the draft Employee Compensation Guiding Principles and defined by the three options outlined in the staff report. Mr. Mackessy also provided comments regarding the high quality of work completed by District staff and its value.

Public comment closed at 6:38 p.m.

The Committee members provided comments on whether or not they should be setting general guidelines or strict policies regarding Employee Compensation Principles.

Director Riffle provided comments on the need for employee benefits to be "caught up." However, the "catch up" may be done gradually.

Mr. Abbors provided comments regarding the District's ability to retain staff and prevent overspending.

Director Kishimoto expressed her support for Option C with the inclusion of specific guidelines including not paying public safety benefits and salaries, do intend to raise benefits for staff to be at median or above, and direct staff to clarify core benefits

**Motion:** Director Riffle moved, and Director Siemens seconded the motion to forward to the Board the draft Employee Compensation Guiding Principles with all three options as outlined in the current draft policy, and the Committee recommends adoption of Option C with the understanding that the full Board would provide input on the wording of Option C. The Committee also directs staff to return with additional information regarding historical employee retention data.

**VOTE: 3-0-0**

## V. ADJOURNMENT

Director Kishimoto adjourned the meeting of the Action Plan and Budget Committee of the Midpeninsula Regional Open Space District at 7:03 p.m.

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Jennifer Woodworth, CMC  
District Clerk