



July 18, 2019

Board of Directors
Ventura Regional Sanitation District
Ventura, California

REPORT ON FULL COMPENSATION FOR THE POSITION OF GENERAL MANAGER

RECOMMENDATION

Receive and File report disclosing full compensation costs for the position of General Manager in Fiscal Year 2019-20.

FISCAL IMPACT

The funding for this position as described herein is included in the approved FY2019-20 District budget.

BACKGROUND/ANALYSIS

At its June 20, 2019 meeting, the Board approved an amendment to the agreement with General Manager Chris Theisen approving an approximately 1.90% salary increase. At that time, the Board requested that the total compensation, not just the salary, be disclosed at a future meeting.

A summary of all compensatory benefits offered by the District, as well as a summary of the benefits and associated costs specific to the position of General Manager, is provided below in response to the Board's request.

SUMMARY OF BENEFITS PROVIDED TO ALL DISTRICT EMPLOYEES:

VCERA (Ventura County Employee's Retirement Association) – The District offers defined pension benefits to its employees through VCERA. As of June 19, 2019, half of the District's 76-employees were under the "Classic" pension plan and the other 38 fell under the California Public Employees' Pension Reform Act (PEPRA), which was approved in 2012 and took effect January 1, 2013 (i.e., pension plan for employees hired as a public employee after 12/31/2012). The employer rates below include the annual cost as well as an unfunded liability component. The District's unfunded liability as of June 2017 was estimated at \$2.86M. The approximate benefit and costs associated with each plan are found below:

PLAN	CLASSIC	PEPRA
Final Compensation	Final 3-year average	final 3-year average
Formula	<u>2@60</u>	<u>2@62</u>
COLA	0%	0%
Employer Rate	18.4%	17.09%
Employee Rate	6.17% (Less \$86.23 annual offset)	7.50%

Public Agency Retirement Services (PARS) Retirement Enhancement Plan – In December 2003 and again on July 2, 2012, the District offered this additional retirement program that brought the VCERA formula down to 2% @55 and provides for a 2% Cost of Living Adjustment. When implemented in 2003, the program was adopted retrospectively, meaning that it applied the new formula from the beginning date of service with the District for all eligible employee. Currently, there are 28 active employees and 37 retirees eligible for and taking advantage of this benefit. The District's unfunded liability for the PARS benefit as of June 2017 was estimated at \$4.47M, due in large part to the retrospective application of the PARS benefit. The District's contribution rate is 23.08%, while the employee contributes 1%.

Social Security – The District participates in the federal Social Security program thereby contributing 6.2% of all subject wages (up to \$8,239.80 for 2019) to the program as well as collecting and remitting an equal amount from each employee.

Medicare - The District participates in the federal Medicare program thereby contributing 1.45% of all subject wages to the program as well as collecting and remitting an equal amount from each employee.

Cafeteria Plan – Provides an allowance for health, dental and vision coverage for the employee, spouse and qualified dependents. In lieu of health care coverage, a maximum of \$6,336 per year can be taken as cash.

Current PEMHCA (Public Employees Medical and Hospital Care Act) – The District participates in PEMHCA through CalPERS (California Public Employees' Retirement System) and is required to contribute a minimum health premium for all active members and retirees. The District, as part of past negotiations with the labor groups, agreed to make the PEMCHA contribution an additional benefit for active employees. The District therefore pays the minimum established monthly figure (\$136 for 2019) towards active and retired employees' health care coverage.

Future PEMHCA (Public Employees Medical and Hospital Care Act) – The District's participation in PEMHCA requires that the District allow retirees of the District to participate in the District's health care plan, and contributes the minimum health premium for its retirees. The District contributes, based on periodic valuations, an amount designated to cover the future costs of the District's minimum health premium contributions. For fiscal year 2020, that amount has been established as \$1,500 per employee.

Workers Compensation Insurance – The District obtains workers compensation coverage through the CSRMA (California Sanitation Risk Management Authority). This insurance provides benefits to employees injured during the performance of District business.

Unemployment Insurance & Employee Training Tax (UI & ETT) - The District participates in the State's UI & ETT program thereby contributing 4.1% of all subject wages (up to \$7,000 for 2019) to the program.

State Disability Insurance (SDI) – The District participates in the State's Disability Insurance program. However, the District does not contribute to the program directly but rather collects and remits contributions of 1% of all subject wages (up to \$1,183.71 for 2019) to the program.

Life Insurance – The District provides accidental life insurance coverage for employees at up to \$10,000. The employer cost is \$2.54 monthly. The benefit is limited to accidental death of the employee. Additional life insurance coverage beyond that paid by the District is offered at a cost borne entirely by the employee.

Employee Assistance Program (EAP) – All District employees have available an employee assistance program that assists with personal and/or work-related problems that may impact their job performance, health, mental and emotional well-being. The employer cost is \$2.41 monthly.

Paid Leave Cashout – The District allows employees the option of cashing out paid leave hours an employee has earned as long as the employee has taken at least 80-hours of leave during the year. While the cost to the District is unpredictable as it depends on how many employees choose to cash out leave and how many hours, the maximum annual cost of the exposure can be estimated for a given employee as the employee's hourly rate multiplied by the maximum amount of cashable hours accrued per year.

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DETAIL OF GENERAL MANAGER ANNUAL TOTAL COMPENSATION:

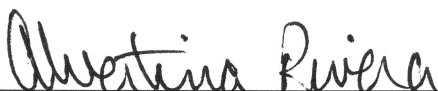
		Employer		Employee
Salary	\$	216,340.80	\$	-
VCERA 18.4%	\$	42,438.64	\$	13,262.00
PARS	\$	-	\$	-
Social Security	\$	8,239.80	\$	8,239.80
Medicare	\$	3,228.96	\$	3,228.96
Health Cafeteria Plan	\$	14,304.00	\$	13,073.06
PEMHCA-Current	\$	1,650.00	\$	-
PEMHCA-Future	\$	1,500.00	\$	-
Workers' Comp Ins	\$	1,223.13	\$	-
UI & ETT	\$	287.00	\$	-
SDI	\$	-	\$	1,183.71
Life	\$	30.48	\$	-
EAP	\$	28.92	\$	-
Cash Out Value of Paid Time Off	\$	17,396.71	\$	-
Maximum Position Costs	\$	306,668.45	\$	38,987.53

This letter and the associated contract have been reviewed by Legal Counsel as to form.

If you should have any questions or need additional information, please contact me by phone at (805) 658-4646 or via email at tinarivera@vrsd.com.

ALVERTINA RIVERA, DIRECTOR OF FINANCE

APPROVED FOR BUDGET IMPACT:


Alvertina Rivera, Director of Finance

APPROVED FOR AGENDA:


Chris Theisen, General Manager

Attachments: None