

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS**

MINUTES OF THE ADMINISTRATIVE COMMITTEE MEETING

May 14, 2012
8:00 A.M.

Chairperson McDonald called the Administrative Committee Meeting to order at 8:15 a.m. All present stood for the pledge of allegiance, led by Chairperson McDonald.

ADMINISTRATIVE COMMITTEE MEMBERS PRESENT:

Melody McDonald, Chairperson
David Raley, Director
Clare Henry Day, President

ADMINISTRATIVE COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, Administrative Services Specialist

GUEST PRESENT:

None

1. PUBLIC PARTICIPATION

Chairperson McDonald announced this as the time for any persons present, who so desire, to make an oral petition to the Administrative Committee. Hearing none, the meeting proceeded with the published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

3. APPROVAL OF MINUTES FROM THE SEPTEMBER 28, 2011, MEETING

It was moved by Director Day and seconded by Director Raley to approve the minutes of the September 28, 2011 as amended. The motion carried unanimously.

4. DISCUSS POTENTIAL CHANGES TO CALPERS AND DISTRICT PARTICIPATION IN EMPLOYEE SHARE

At the last Board Budget workshop Director Raley requested a review of the employee share of PERS. To begin the Committee Discussion he suggested that the District move the entire employee share over to employee cost. He indicated currently the employee is paying 1.5% into their CalPERS employee share contribution. The identified employee share is 7%.

Director Raley identified that many water districts pay all or most of the employee share. Cities, counties and other agencies can also pay a portion of the employees share depending on the level of benefit and employee bargaining unit and salary levels. He would like the District to move toward the State of California approach and have the full costs of employees share paid by the employees gradually as to not financially harm the employees until they reach the full 7%.

Director McDonald handed out a copy of the presentation by Irvine Ranch Water District (IRMWD) as well as Vested Rights and PERS law. She also spoke with CalPERS at the ACWA Conference to discuss the options the District may have in making amendments to the current CalPERS contributions. She stated that the District will need to adopt a policy pertaining to retirement as they look into making these changes.

Mr. Cozad stated that the State of California does not pay any part of the employee share. However, almost all State employee bargaining units enjoy lifetime health benefits not offered by the District. Unlike the District the State of California and many cities and counties unfunded health care costs will be in the billions. The District has fully funded its retiree health care liability in 2011. In 2012 the District also fully funded the Amortization Pool Side Loan to PERS at approximately \$179,000 leaving just the ongoing amortization estimated at 13-14% of salary.

Director Day stated that the difference between private and public sectors was that when you were working in the private sector you would receive higher compensation and pay your own benefits or you would receive less compensation and receive benefits paid.

Director Raley does not feel the need to change the 2.5% at 55 formula. His concern is pertaining to employee share contributions.

Mr. Cozad suggested that some agencies use a two tier system where current employees would not be affected by the change where new employees would have reduced benefits. Director Raley would like to keep all employees on one tier. Discussion ensued.

Director Raley motioned to have the employee shared contribution paid by employees move from 1.5% to 3.5% increasing incrementally by .5% until the entire 3.5% is reached. There was no second, but discussion ensued.

Mr. Cozad, Director Raley and Director Day all noted that the effect to the budget is not significant. Director McDonald is leery in regards to changing our current contributions until researched further. The Board directed Staff to bring additional information back to the next Administrative Committee Meeting to discuss in further detail prior to making any changes to current benefits.

5. ADJOURN

It was moved by Director Day and second by Director McDonald to adjourn. The motion carried unanimously.

There being no further business, the meeting adjourned at 9:20 a.m.