

# Livermore Area Recreation and Park District

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TO: Chair Furst and Personnel Committee

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager  
Julie Dreher, Finance Officer  
Robert Sanchez, Human Resources Analyst

DATE: May 10, 2022

**SUBJECT: Agenda Item: FY 2022-23 Salary and Benefits Budget Assumptions**

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**RECOMMENDATION:** Staff recommends that the Personnel Committee recommends that the Board of Directors approve its plans for FY22-23 Salary and Benefits to be incorporated in the District's Approved Operating Budget for FY22-23.

**BACKGROUND:** Each year the District updates its salary schedule, reflecting various changes associated with factors such as market compensation studies, minimum wage requirements, organizational changes resulting in adjustments to responsibilities, and input from Supervisors and Managers related to recruiting and retention challenges. In addition, the Human Resources team surveys the District's health care providers to gauge anticipated changes in medical and dental premiums and determines the extent to which changes to the District's contribution to benefited employees' health insurance coverage can be supported.

Staff recommendations for salary and benefits for the upcoming fiscal year are reviewed with the Board's Personnel and Finance Committees prior to the annual Board Budget Workshop (when the District's proposed operating budget is reviewed), which is slated for May 25, 2022. From that point, the Board's feedback on these compensation plans will be reflected in staff's Budget proposal that will be presented to the Board in June.

**SALARY AND BENEFIT PROPOSALS for FY22-23:**

- 1. **HEALTH BENEFITS:** No change to the District’s contributions for medical, dental, and vision/hearing coverage is proposed for the District’s 94 benefited staff, meaning some employees (those 58 current employees who elect coverage for themselves and at least one family member) will take on any increases that occur in health and dental premiums beginning in February, 2023.
  - a. Recall that the District made significant increases to coverage levels in February 2019 while simultaneously introducing the Regular, full-time employee status that enabled 45 staff members to move to full-time benefit levels from part-time; in addition, 46 part-time benefited staff members saw their benefit contribution increased significantly. Changes to the District’s benefit contributions since 2019 are outlined here:
    - i. In 2019, the District’s medical contribution increased from \$1,500 to \$1,600 per month for full-time staff, and from \$900 to \$1,200 per month for part-time benefitted staff; in 2021, the District’s medical contribution increased to \$1,645 per month for full-time, and \$1,245 per month for part-time staff.
    - ii. In 2019, The District’s dental contribution increased from \$95.37 to \$100.00 per month for full-time and from \$32.91 to \$75.00 per month for part-time benefitted staff; contribution levels for dental have not changed since.
  - b. In 2019, hearing and vision increased from \$375 per year to \$560 per year for part-time benefited staff, while the contribution for full-time staff remained at its \$750 per year level.

**2. RETIREMENT BENEFITS:**

- a. 457 Plan Contributions and Match (Deferred income): no change to the District’s 2% contribution to Regular (full-time but non-pensioned) staff is proposed (implemented in January, 2019, this elective contribution was implemented in conjunction with the onset of the Regular employee status in 2019).
- b. No change is proposed to the District’s 457 match, which is up to 4% of employee salaries and available to all Part-Time Benefited and Regular employees.
- c. ACERA: the District is benefiting greatly from the June, 2021 retirement of ~95% of the unfunded accrued actuarial liability (UAAL), and from ACERA’s favorable investment returns and other actuarial trends in 2021. As a result, the District’s contribution rates (% of salaries), effective each September, for each of the three active employee tiers are trending as follows:

Tier 1	7 EEs	FY20-21: 38.07%	FY21-22: 14.88%	FY22-23: 10.97%
Tier 3	13 EE	FY20-21: 43.82%	FY21-22: 19.94%	FY22-23: 16.41%
Tier 4	18 EE	FY20-21: 36.60%	FY21-22: 13.13%	FY22-23: 9.23%

- d. Relative to the Preliminary FY22-23 Budget, in which we assumed a 5% increase in ACERA contribution rates, the new Budget proposal reflects a \$146k reduction in expense based on the above FY22-23 rates, which have been confirmed by ACERA as final for planning purposes. What

changed is the ACERA’s confirmation of its investment performance and actuarial data impact, along with the recent retirement of one of our pensioned staff, who we assume will be replaced by a non-pensioned Regular full-time employee.

### 3. SALARIES:

- a. **A Cost of Living Adjustment (COLA) of 3.0%** for all classification ranges, effective July 1, 2022;
  - i. The COLA recommendation is below the 5.2% increase in the consumer price index (CPI) for the San Francisco Bay Area for the 12 months ending February, 2022.
- b. The District’s salary budget continues to reflect **a shift toward service delivery** as the organization’s management structure has evolved.
- c. **Complying with Minimum Wage Requirements:** the District is compliant with the minimum wage requirement of Alameda County, currently set at \$15.00 per hour.
- d. **Steps:** employees who are eligible for steps and are in good standing will receive a 5% pay increase upon the anniversary of their hire date or, if they’ve subsequently received an adjustment in their pay range (via a job classification change, promotion, etc..), on the anniversary of that adjustment.

### 4. District Salaries and Benefits, FY18-19 through the proposed FY22-23 Budget:

- a. The following table provides a summary level view of the District’s personnel cost components, including a view of what staff will present to the Board of Directors at the upcoming Budget workshop.
- b. Of note: the projected budget for FY22-23 includes a positive overall net operating contribution (revenue less expenses).

**LIVERMORE AREA RECREATION AND PARK DISTRICT (LARPD)**  
Expenses by Type View: FY22-23 Proposed Budget

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY22-23	Increase/(Decrease)	
	Actual	Actual	Actual	Mid-Year Budget	Preliminary Budget	Proposed Budget	\$	%
<b>Salaries and Benefits</b>								
Salaries - Full-time	\$5,746,727	\$7,074,272	\$6,077,388	\$6,528,891	\$6,796,261	\$6,832,007	\$35,746	1%
Salaries - Part-time Benefited	\$2,346,671	\$1,496,691	\$990,908	\$776,787	\$974,912	\$966,807	(\$8,105)	(1%)
Salaries - Part-time	\$2,561,659	\$1,749,256	\$629,067	\$1,638,351	\$1,915,934	\$1,947,412	\$31,478	2%
Stipends - Board	\$23,500	\$28,950	\$31,400	\$33,000	\$36,000	\$36,000	\$0	0%
Retirement	\$1,265,065	\$1,683,358	\$1,524,108	\$880,097	\$832,361	\$691,668	(\$140,693)	(17%)
Employee Group Insurance	\$1,706,047	\$1,898,746	\$1,584,006	\$1,589,441	\$1,802,781	\$1,813,332	\$10,551	1%
Workers' Compensation	\$560,344	\$399,917	\$251,742	\$327,954	\$387,128	\$380,793	(\$6,335)	(2%)
Unemployment	\$0	\$112,249	\$404,991	\$36,000	\$72,000	\$0	(\$72,000)	(100%)
Medicare/FICA Payroll Tax	\$523,855	\$503,779	\$355,012	\$453,098	\$516,896	\$518,698	\$1,802	0%
<b>Total Salaries and Benefits</b>	<b>\$14,733,868</b>	<b>\$14,947,217</b>	<b>\$11,848,622</b>	<b>\$12,263,619</b>	<b>\$13,334,273</b>	<b>\$13,186,717</b>	<b>(\$147,556)</b>	<b>(1%)</b>
<i>% of total spend</i>	<i>69%</i>	<i>70%</i>	<i>70%</i>	<i>65%</i>	<i>64%</i>	<i>64%</i>		