

# 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, Administrative Services Manager

DATE: February 9, 2021

**SUBJECT: Discussion item: 2020 Compensation and Benefit Actions**

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In response to the COVID-19 pandemic and in the interest of maintaining the fiscal viability of the District, a number of decisions were made during FY20-21 that affected the District's organizational structure and on-going cost profile. This staff report is meant to facilitate a discussion of those FY20-21 decisions that are now under consideration to be reversed as we begin the process to complete the District's mid-year Operating Budget for FY20-21 and preliminary FY21-22 forecast.

**BACKGROUND:** On September 22, 2020, GM Fuzie presented, and the Board approved, significant organizational changes that included layoffs, reductions in weekly hours for regular staff, revisions to job classifications for staff whose roles had changed in response to COVID-driven restrictions to program offerings, and a suspension of the District's 457 plan match (which had been up to 4%). Prior to September 22<sup>nd</sup>, the FY20-21 Board-approved budget, adopted in June, 2020, reflected the suspension of its annual cost of living (COLA) adjustment that would have occurred in July, the suspension of annual step increases for those who were eligible for them during FY20-21, and the furlough of 43 part-time benefited staff for up to 120 days beginning April 19, 2020.

## **SALARY AND BENEFIT COMPONENTS UNDER CONSIDERATION:**

1. **Scheduled hours for regular (full-time, non-pensioned) staff (excluding ESS) – return to 40 hours per week from 38;** estimated cost impact of, at most, \$100k per year
  - a. The timing of this change would be determined on a program/department-specific basis, depending on the nature of the demand for work in each area.
2. **Reinstate a COLA:** if reinstated as of July 1, estimated impact is \$200k-\$250k (at 2%)
  - a. Bureau of Labor Statistics data indicate the latest 12-month increase in the Bay Area's consumer price index (CPI) is 1%;
  - b. A COLA is particularly important for staff who have reached their maximum step.
3. **Reinstate Step increases** (each are 5%) for staff who are eligible for them: estimated cost per year is \$175k-\$200k

- a. Preliminary planning reflects a potential change to the District’s compensation policy with respect to the timing of steps: prior to their suspension for FY20-21, step increases occurred on the anniversary date for each employee who had not already reached the top step for their job classification (5 steps exist for all classifications). The District is strongly considering changing its policy to read that all step increases will occur with the onset of the fiscal year (July 1<sup>st</sup>).
4. **Reinstate the District’s 457 match of up to 4%:** estimated cost impact is \$80k per year.
    - a. Note: the District did not suspend its 2% 457 plan match for regular staff
  5. **Reinstate the job classifications and full-time status for five Recreation department employees:** three Facilities Coordinators were reclassified to Senior Facility Attendants as their roles were impacted by the COVID-related restrictions on programming that rendered their leadership roles temporarily unnecessary. As programming restrictions ease, the reinstatement of these classifications will be considered. Similarly, the status of two Senior Facilities Attendants who were moved from full-time regular status to part-time benefited will be revisited as facility hours expand.

**Other Considerations:**

**Health Benefits:** no changes were made to the District’s contributions for medical, dental, and vision/hearing coverage during FY20-21, and none are currently envisioned for FY21-22, though staff are currently pursuing estimates for premium increases that could impact this direction.

Background: 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, as outlined below:

- Medical 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;
- Dental 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;
- 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.
- Our working assumption, preliminary until we obtain estimated increases from the County, through whom we obtain our plans, is for 5% increases to premiums for the Feb22-Jan23 plan year; the current assumption is that any such increase would be absorbed by staff.

**Note re: Minimum Wage Requirements:**

- a. For FY21-22, the District will need to adjust its Salary Schedule to accommodate the \$15 per hour minimum wage that will be in place as of January, 2022. At this point, staff believe the District can avoid compression issues and simply adjust the pay ranges for the six job classifications that will be impacted by the change to \$15. It’s not currently possible to quantify the impact of this change as these six jobs are all casual (non-benefited) staff whose hours plans are not yet clear for the coming fiscal year.