

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Employee Guide Workshop
February 7, 2013

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Ron Duncan, Director
Ted Haring, Director
Ray Morris, Director
Barbara Voigt, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Employee Guide workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President John Jeter at 1:30 p.m., February 7, 2013, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** There were no changes to the agenda.
3. **Public Comment:** There was no public comment at this time.
4. **New Business:**
President Jeter turned the meeting over to Director Morris, Chair of the Employee Guide Committee.
 - A. **Discussion of New Pension Law.** General Manager Davis summarized the events that brought about the atmosphere in which the Pension Reform Act was passed by the legislature, and Finance Manager Todd summarized the Act for the Board, based on a workshop he attended last week. He noted that the Act primarily impacts new employees hired by the Agency who have not previously been in the CalPERS system. The Act requires all newly hired employees to be covered under the 2% at 62 formula, and that all such employees would have to pay 8% of their salary into PERS. Staff informed the Board that the Act will require staff to bring a resolution to the Board that will bring Agency policy into compliance with the Act. Staff emphasized to the Board that no changes to retirement benefits can be made for current employees because of statutes and legal precedent. Further, staff noted that no changes to payments for costs related to retirement benefits are mandated under the Act. Finance Manager Todd passed out a spreadsheet summarizing the Agency's salary and benefits over the past five years as a percentage of Agency General Fund revenue and also in comparison to the Consumer Price Index. It was noted that, without merit increases received by staff, salaries and benefits have not

kept up with the CPI over this time period. General Manager Davis pointed out that the primary purpose of this handout was to demonstrate to the Board and the public that employee salaries and benefits have not increased greatly in the past several years, and in fact have not kept up with inflation. He also noted that the percentage of employee salaries and benefits as a percentage of General Fund revenues has decreased significantly during this time.

B. Discussion of Health Insurance Costs and Benefits. General Manager Davis informed the Board that this item was requested by the Board at the previous Employee Guide workshop in July, as the Board did not know what the status of the Affordable Care Act would be pending Supreme Court rulings and the presidential election. After some discussion of employee benefits, including health insurance benefits, and a summary from Finance Manager Todd of a webinar he attended on the subject, there was no action taken by the Board.

C. Discussion of Life Insurance as a Potential Future Option for Employees. General Manager Davis reminded the Board that this was briefly discussed at a previous workshop, but that staff did not have any information at that time so the issue was put off. Finance Manager Todd handed out two quotes from insurance providers on the annual cost of life insurance for each employee equal to one year's salary. Three options were discussed—taking no action, implementing a program where employees could pay the cost of life insurance through payroll deductions, and the Agency paying for life insurance for the employees equal to one year's salary. After discussion, the Board instructed staff to get additional quotes for a single amount of insurance for each employee, and to come back to the Board with this as an additional option. Amounts of \$100,000, \$250,000, and \$500,000 were discussed. No action was taken.

5. **Announcements:** Director Morris reviewed the following announcements:
- A. Engineering Workshop, February 11, 2013 at 1:30 pm.
 - B. Water Conservation and Education Workshop, Wednesday, February 13 at 1:30 pm.
 - C. Office closed Monday, February 18 for Presidents' Day.
 - D. Regular Board Meeting, Tuesday, February 19 at 1:30 pm.
 - E. President Jeter appointed an ad hoc committee on the General Manager's evaluation consisting of Director Melleby, Chair, Director Dickson, and Director Voigt.
6. **Adjournment:** The Employee Guide workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 2:43 p.m.


Jeffrey W. Davis, Secretary of the Board