

San Gorgonio Pass Water Agency

DATE: November 16, 2020

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Lance Eckhart, General Manager

SUBJECT: ANNUAL STAFF COST OF LIVING ADJUSTMENT INCREASE

RECOMMENDATION

Staff recommends that the Board approve a 2.4% cost of living increase for staff, retroactive to July 1, 2020, not including the General Manager, for fiscal year 2020-21.

PREVIOUS CONSIDERATION

- Finance and Budget Workshop - May 26, 2020: The Committee discussed a staff cost of living allowance increase (COLA) and moved the item to the Board of Directors for consideration.
- Board of Directors - June 1, 2020: Additional information regarding the staff COLA was requested by the Board, no vote taken

BACKGROUND

At the June 1 Board Meeting, the Board considered a 2.4% COLA increase for staff excluding the General Manager. In order to maintain competitive consistency with the labor market and keep pace with inflation, the Board has a consistent history of providing staff with an annual COLA increase.

At the May Finance and Budget workshop, the Board was presented with inflation data for Riverside, San Bernardino, and Ontario from the Bureau of Labor Statistics (included in this agenda package). This rate, for the past twelve months, was 2.4%.

On June 1st, 2020, the Board discussed the proposed COLA increase along with the effects of the Covid-19 pandemic on inflation rates and greater local economic pressures. Several COLA increase options were considered by the Board and ultimately no action was taken at the June 1st meeting. This item was requested by the Board to be brought back for consideration before the end of 2020.

ANALYSIS

Staff inquired of water districts and agencies in the surrounding area, to gather information about recent COLA increases and found the following results listed in the table below. Not all districts responded to staff's request.

Agency	Rate Increase	Effective Date	Measurement Period
BCVWD	1.7 %	January 1, 2020	August '18 to August '19
SBVMWD	3.0%	July 1, 2020	March '19 to March '20
City of Banning	3.0%	July 1, 2019	Negotiating new rate

The following chart shows COLA increases granted by the Board in previous years.

Year	Rate Increase	Effective Date	Measurement Period
FY 2019-20	2.8%	July 1, 2019	April '18 to April '19
FY 2018-19	3.2%	July 1, 2018	April '17 to April '18
FY 2017-18	2.7%	July 1, 2017	April '16 to April '17
FY 2016-17	2.5%	July 1, 2016	April '14 to April '16 (2 yrs.)
FY 2015-16	0.0%		
FY 2014-15	1.5%	July 1, 2014	April '13 to April '14

FISCAL IMPACT

The proposed staff COLA increase was anticipated and is included in the current fiscal year budget. Assuming retroactive enactment to the beginning of the current fiscal year (July 1, 2020), the proposed COLA increase costs are approximately \$8,250 or 0.077% of the \$10.7 million 2020-21 fiscal year budget

ACTION

Approve recommended COLA staff increases (excluding the General Manager) from July 1, 2020.