



Midpeninsula Regional
Open Space District

R-12-26
Meeting 12-08
February 29, 2012

AGENDA ITEM 5

AGENDA ITEM

Approval of Resolution Implementing Amended PERS Regulations for Existing Special Compensation for the Board Appointee Group: General Manager, General Counsel and District Controller

AD HOC BOARD APPOINTEE EVALUATION COMMITTEE'S RECOMMENDATION

1. Adopt the attached resolution implementing amended PERS Regulations for Existing Special Compensation for the Board Appointee Group: General Manager, General Counsel and District Controller.

SUMMARY

The California Public Employees' Retirement System (PERS) adopted amended regulations regarding regular and special compensation. In order to implement these amendments for the Board Appointee Group, adoption of a resolution ratifying the existing special compensation for this Group is required. There is no fiscal impact resulting from this action.

DISCUSSION

The California Public Employees' Retirement System (PERS) adopted two amended regulations effective in August, 2011. The purpose of the regulations is to insure consistency between PERS employers and enhance transparency of public employee compensation by requiring that employees' pay rates be listed on a publicly available pay schedule and that items of special compensation be set out in a written policy or agreement.

The first regulation, set out in Section 570.5 of PERS regulations, requires each agency to have a publicly adopted and available pay schedule for all employees. The District is in compliance with this regulation as it has adopted and posted on its website such a pay schedule. (See Report R-11-110).

The second regulation, set out in Section 571 of PERS regulations, similarly requires a publicly adopted and available policy for payment of items of special compensation. Special compensation is an item of pay provided by the District as part of employee compensation. These items are reported to PERS as part of employee compensation. Upon retirement, such items may be eligible to be included in the calculation of pension benefits. For example, the Memorandum of Agreement between the District and the Field Employees Association includes various items that are reported to

PERS in this category. These include shift differential pay, longevity pay, and uniform allowance. The District's Personnel Policies and Procedures Manual sets out items of special compensation for office, supervisory, and management employees.

A similar document is required for the Board Appointee Group. The attached resolution fulfills this requirement. The resolution states the existing and long-standing policy of the District regarding the two items of special compensation received by this group: merit pay and Employer Paid Member Contributions (EPMC). EPMC is that portion of the PERS- required employee contribution to the District's PERS premium. The current amount of EPMC for all employees is 6%. The EPMC for the Board Appointee Group has been reported to PERS as special compensation since adoption of the first publicly adopted Board resolution establishing EPMC for all employees in 2007. It was last revised in 2008. (See Reports R-07-09 and R-08-32).

The District has had a merit pay system for this Group for over twenty years. In 2008, the Board tasked the Board Appointee Evaluation Committee with establishing a more structured and updated evaluation system for its Appointees identifying with more specificity the performance goals and objectives upon which payment of merit pay would be based. (See Report R-08-47). The Board has publicly implemented this system (See Report R-09-88 and Report R-10-82).

Attachment 1 to the Resolution before the Board is the current evaluation system for this Group. Upon adoption of the Resolution, the District will be in compliance with the amended PERS regulations.

FISCAL IMPACT

Adoption of this Resolution will have no fiscal impact. It restates and ratifies existing policy.

PUBLIC NOTICE

All public noticing requirements of the Brown Act have been met. No additional notice is necessary.

CEQA COMPLIANCE

This item is not subject to the California Environmental Quality Act.

NEXT STEPS

If approved, the Resolution will become effective immediately.

Attachments:

1. Resolution Implementing Amended PERS Regulations for Existing Special Compensation for the Board Appointee Group: General Manager, General Counsel and District Controller.

Submitted by:

Ad Hoc Board Appointee Evaluation Committee
(President Riffle and Directors Cyr and Harris)

Contact Person:

President Riffle, Chair

RESOLUTION NO. 12-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT IMPLEMENTING AMENDED PERS REGULATIONS FOR EXISTING SPECIAL COMPENSATION FOR THE BOARD APPOINTEE GROUP: GENERAL MANAGER, GENERAL COUNSEL AND DISTRICT CONTROLLER AND APPROVING AND RATIFYING ITS EXISTING POLICY REGARDING SPECIAL COMPENSATION FOR THE GROUP

WHEREAS, on April 25, 2007 by Resolution 07-16 and on February 27, 2008 by Resolution 08-12, the Board of Directors of the Midpeninsula Regional Open Space District adopted a policy of reporting the value of Employer Paid Member Contributions (EPMC) for the Board Appointee Group as special compensation for PERS purposes; and

WHEREAS, the Board has and has had a policy of reporting merit pay for the Group as special compensation pursuant to identified performance goals and objectives; and

WHEREAS, the Board has a Process and System for Evaluation of the Board Appointee Group including the conditions upon which merit pay may be awarded and the amount of merit pay eligibility;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Midpeninsula Regional Open Space District Board Appointee Group consists of the General Manager, General Counsel and Controller.
2. It has been and is the policy of the Board of Directors of the Midpeninsula Regional Open Space District to pay the following two items of special compensation to the Board Appointee Group: a. the value of Employer Paid Member Contribution (EPMC); and b. Merit Pay.
3. The EPMC paid on behalf of the Board Appointee Group is 6% of the employee's compensation. This percentage may change from time to time and, if so, this Resolution shall be updated with the applicable percentage if any.
4. Merit Pay is paid in the amount and upon the conditions set out in the attached Board Appointee Group Evaluation System and Process, attached hereto and made a part of this Resolution as Attachment 1.
5. This Resolution shall be effective immediately upon adoption by the District's Board of Directors.

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ATTACHMENT ONE

Midpeninsula Regional Open Space District

Board Appointee Employment Class: Annual Evaluation System and Form

The purpose of this document is to memorialize the system used by the Board of Directors of the Midpeninsula Regional Open Space District to conduct its annual performance evaluation of the Board Appointee Employee Classification.

Each Board Appointee Employment Agreement includes a requirement that the employee’s performance be reviewed annually by the Board of Directors based on objectives and performance goals to which the Board and its employees have agreed.

In addition, this process enables the Board and its Appointee Class the opportunity to plan for and identify performance goals and objectives and assess performance in that context. The Board may evaluate its Appointee Class more frequently as needed.

Employee: [General Manager, General Counsel, and District Controller]

Evaluation Period: April 1, through March 31 (District Fiscal Year)

Date of Evaluation:

Planned Objectives and Accomplishments for the Evaluation Period

List objectives for this period including key items of the annual Action Plan, and suggested areas for improvement from previous evaluation

Objective	Performance Standard	Accomplishment

Unplanned Accomplishments for Evaluation Period

Objective	Accomplishment	Comment

Timing Assumptions for Annual Performance Review Process:

January through March: Board and ABC Committee develop and approve next fiscal year budget and approve Action Plan.

April-May: Presentation of Annual Action Plan Review for prior fiscal year

May: With this information, Board begins appointee evaluation process

May 1- 15: Using Evaluation Form, appointees complete Objectives and Accomplishments Sections, self-assess Performance Factors and suggest Objectives for next evaluation period; senior managers provide Board President with optional written feedback to the Board President for Board consideration during the review process. The Board President distributes such feedback in hardcopy to the Board Members.

May 15-31: Full Board reviews Evaluation Form information and any other relevant factors during a performance evaluation closed session. Board meets with its Appointees to review Form and discuss any performance issues of interest or concern. Board determines factor ranking. Thereafter, BAE Committee facilitates process and writes performance summary and suggested areas of development based on comments from evaluation closed session.

June 1-15: Board meets with each employee in closed session to provide evaluation feedback. Employee may include comments on their evaluation form.

Full Board authorizes BAE Committee to negotiate any compensation and benefit adjustments or employment agreement amendments with each employee. Merit pay levels are determined by overall Board rating.

BAE reports back to Board.

June 15-30: Any adjustment in compensation, benefits, or amendments to employment agreements are then approved by the full Board in public session. A final copy of each Appointee's evaluation Form, signed by the Board President, is distributed to each Appointee and to the Board of Directors.

November: Full Board meets with each employee for a mid-year narrative session and will suggest changes to Objectives if needed. Board discusses any performance issues or concerns with its appointees.

January: The District Clerk shall schedule the required evaluation sessions in the annual Board Calendar at the start of each calendar year.