



Board of Directors AGENDA

PLEASANT HILL RECREATION & PARK DISTRICT

BUDGET AND FINANCE COMMITTEE

Thursday, February 16, 2023

Special Meeting- 10:00 AM

**LOCATION: Board Conference Room
147 Gregory Lane – Pleasant Hill**

Public comments can be submitted to the District prior to the meeting by emailing mlacy@pleasanthillrec.com. Public comments will also be taken on each agenda item during the meeting.

The Board will take public comment on each listed agenda item when the item is taken up. Each speaker will be allotted five minutes for comment per item unless a shorter comment period is specified by the Board at the meeting (e.g., if there is an unusually large number of speakers).

Chair: Sandy Vinson
Member: Quy Tran

1. Public Comment

This item on the agenda provides an opportunity for members of the public to comment on any item within the jurisdiction of the Board that is not on the agenda. When an item is not listed on the agenda, State law prohibits Board discussion or action. Board members may only “briefly respond” to statements made and questions posed. For example, State law allows Board members to ask questions for clarification and provide a reference to staff or other resources for factual information. Additionally, the Board may direct staff to report back and/or place a matter on a future agenda for discussion.

2. Discussion and recommendation regarding potential cost-of-living adjustment for eligible employees effective January 1, 2023 (Attachment A)
3. Presentation of 2023-2025 Operating Budget Preparation Timeline and Identification of Meeting Dates (Attachment B)

Documents that are disclosable public records required to be made available under California Government Code Section 54957.5 (b) (1) and (2) are available to the public for inspection at no charge during business hours at our administrative office located at 147 Gregory Lane, Pleasant Hill, California.

The Pleasant Hill Recreation & Park District will provide reasonable disability-related modification or accommodations to a person who requires such in order to participate in the meeting of the Board of Directors. Please contact Susie Kubota (925) 682-0896 at least 48 hours before the meeting.



STAFF REPORT

Date: February 16, 2023
To: Budget and Finance Committee
From: Michelle Lacy, General Manager
Re: Discussion and recommendation regarding potential cost-of-living adjustment for eligible employees effective January 1, 2023

BACKGROUND:

Typically, on an annual basis the District typically evaluates its fiscal ability to provide Cost-of-Living-Adjustments (COLAs) for eligible employees. This usually is part of the annual budgeting process. Eligible employees include all full-time permanent employees and Category B, part-time permanent employees that have been employed with the District for at least five years. There are currently 56 employees eligible for a COLA benefit.

Adoption of the 2022/23 Operating Budget included increases to salaries based on the bi-annual salary survey, but did not include any adjustments of COLA. At that time the Board of Directors (Board) requested the General Manager monitor the budget and consider a COLA increase at mid-year.

DISCUSSION:

After reviewing the mid-year operating financials, the District currently has a surplus of \$289,274 in revenue over expenses. At adoption of the budget, I was concerned that the District could not afford a COLA in addition to the significant salary increases from the salary survey process. While the District finished the 21/22 Fiscal Year with a significant operating surplus, I wasn't sure what the outlook would be for revenue in the first two quarters of the fiscal year.

Since the revenue has outperformed budget numbers, I am confident that the District can consider a COLA increase for employees effective January 1, 2023. In reviewing the CPI for San Francisco-Oakland-Hayward, CA the Urban Wage Earners and Clerical Workers CPI was 6.4% for year ending October 2022 and 4.6% for December 2022 (Exhibit 1).

Options I considered for CPI increase include 3%, 5% and 6% effective January 1, 2023.

<i>CATEGORY</i>	<i>3%</i>	<i>5%</i>	<i>6%</i>
Full-Time A	\$92,102	\$153,503	\$184,203
Part-time B	\$30,883	\$51,471	\$61,766
TOTAL ANNUAL INCREASE	\$122,985	\$204,974	\$245,969

The total amount of additional salary is an annual amount, but if the COLA was effective January 1, 2023, then the additional salary for fiscal year 22/23 is half of the total in the table.

Since the CPI for Urban Wage Earners between October and December 2022 was 6.4% - 4.6%, I am recommending the Budget Committee approve requesting a 5% COLA for all eligible employees to the full Board of Directors at their next regular Board meeting. The additional salary cost for fiscal year 22/23 would be \$102,487.

The District has adequate funding to pay for the additional costs in this years Operating Budget.

EXHIBITS:

Exhibit 1: Consumer Price Indexes Pacific Cities and U.S. City Average- December 2022

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE December 2022

(All items indexes. 1982-84=100 unless otherwise noted. Not seasonally adjusted.)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending	Year ending				1 Month ending		
	Dec 2021	Nov 2022	Dec 2022	Nov 2022	Dec 2022	Dec 2022	Dec 2021	Nov 2022	Dec 2022	Nov 2022	Dec 2022	Dec 2022
U. S. City Average.....	278.802	297.711	296.797	7.1	6.5	-0.3	273.925	292.495	291.051	7.1	6.3	-0.5
West.....	296.102	315.919	314.599	7.1	6.2	-0.4	289.076	308.801	306.762	7.3	6.1	-0.7
West – Size Class A ¹	304.574	324.407	323.322	7.0	6.2	-0.3	295.852	314.709	312.793	6.9	5.7	-0.6
West – Size Class B/C ²	172.722	184.626	183.686	7.2	6.3	-0.5	173.533	186.153	184.829	7.7	6.5	-0.7
Mountain ³	116.728	125.655	125.349	8.3	7.4	-0.2	117.779	127.162	126.516	8.6	7.4	-0.5
Pacific ³	114.454	121.695	121.105	6.7	5.8	-0.5	115.475	122.900	122.023	6.8	5.7	-0.7
Los Angeles-Long Beach-Anaheim, CA.....	297.925	314.633	312.601	6.0	4.9	-0.6	288.910	304.902	302.271	5.9	4.6	-0.9
BI-MONTHLY DATA (Published for odd months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending	Year ending				2 Months ending		
	Nov 2021	Sep 2022	Nov 2022	Sep 2022	Nov 2022	Nov 2022	Nov 2021	Sep 2022	Nov 2022	Sep 2022	Nov 2022	Nov 2022
Riverside-San Bernardino-Ontario, CA ³	117.206	125.272	125.983	8.4	7.5	0.6	117.840	125.762	126.453	8.2	7.3	0.5
San Diego-Carlsbad, CA.....	326.422	350.721	348.145	8.2	6.7	-0.7	311.014	334.068	331.524	8.3	6.6	-0.8
Urban Hawaii.....	302.332	321.799	319.971	6.6	5.8	-0.6	300.105	319.481	318.464	6.8	6.1	-0.3
BI-MONTHLY DATA (Published for even months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending	Year ending				2 Months ending		
	Dec 2021	Oct 2022	Dec 2022	Oct 2022	Dec 2022	Dec 2022	Dec 2021	Oct 2022	Dec 2022	Oct 2022	Dec 2022	Dec 2022
Phoenix-Mesa-Scottsdale, AZ ⁴	159.850	176.337	175.019	12.1	9.5	-0.7	159.460	176.673	174.903	12.8	9.7	-1.0
San Francisco-Oakland-Hayward, CA.....	315.805	332.062	331.222	6.0	4.9	-0.3	312.019	329.331	326.465	6.4	4.6	-0.9
Seattle-Tacoma-Bellevue, WA.....	304.856	330.173	330.489	8.9	8.4	0.1	301.139	325.897	324.906	9.4	7.9	-0.3
Urban Alaska.....	243.568	261.093	256.634	7.6	5.4	-1.7	243.612	260.901	255.001	7.6	4.7	-2.3

1 Population over 2,500,000 2 Population 2,500,000 and under, Dec 1996 = 100 3 Dec 2017=100 4 Dec 2001=100

NOTE: In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI): www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf

1967=100 base year indexes and tables with semiannual and annual average data are available at: www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm

Release date January 12, 2023. The next release date is scheduled for February 14, 2023. For questions, please contact us at BLSinfoSF@bls.gov or (415) 625-2270.

STAFF REPORT



Date: February 16, 2023
To: Budget and Finance Committee
From: Michelle Lacy, General Manager
Re: Presentation of 2023-2025 Operating Budget Preparation Timeline and Identification of Meeting Dates

BACKGROUND:

On an annual basis the General Manager prepares the budget for presentation to the Board of Directors. Board Policy 3020: Budget Preparation, identifies the process by which the annual budget is prepared. 3020.30 directs that prior to the review by the Board of Directors, the Board's Budget and Finance Committee shall meet with the General Manager and review his/her annual budget proposal during the month of May.

The Board policy also identifies the first meeting in June as the initial review by the full Board of Directors. Working with the timeline identified in policy, it is recommended the Budget & Finance Committee calendar meetings during the staff identified periods below for the 2023-2025 Operating Budget preparation.

Target Dates	Task
April 24-May 26	Initial Review of 2-year Budget Proposal (3 Meetings)
May 29-June 2	Review Final Budget Proposal
June 8	Present 2023-2025 Operating Budget to Board
June 22	Board Adopt 2023-2025 Operating Budget to Board