



Board of Directors Regular Meeting Minutes Thursday February 23, 2023

BOARD PRESENT: Sandra Bonato, Sandy Vinson, Derek Wurst, Bobby Glover, and Quy Tran

Page

1. Call to Order

The February 23, 2023 Regular Meeting of the Pleasant Hill Recreation & Park District Board of Directors was called to order by Board Chair Bonato at 7:00 pm at the Community Center, McHale Room.

2. Pledge of Allegiance

Board Member Wurst led the Pledge of Allegiance.

3. Roll Call

All Board Members were present.

4. 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.

There was no public comment.

5. Reports and Presentations

5.1. Report from the General Manager

7

[A. GM Report 022323.pdf](#) 

General Manager Lacy gave a shout out to Aquatic staff for exceeding enrollments for Spring clinic, lessons and classes and a shout out to Ally Crow, Youth Services Coordinator, and Katrina Hunn, Teen and Youth Services Manager for their video promoting the Summer Camp Expo for February 25.

She announced she will be out of the office from March 2-8. Nicole Watson, Recreation Superintendent. will be Acting General Manager.

6. Consent Calendar

[B. Consent Calendar Memo 022323.pdf](#) 

To approve consent calendar as presented

Moved by: Sandy Vinson

Seconded by: Derek Wurst

Aye Sandra Bonato, Sandy Vinson, Derek Wurst,
Bobby Glover, and Quy Tran

Carried 5-0

- 6.1. **Approve Bills to be Paid Warrants #16876 – #16962 (Exhibit 1)**
- 6.2. **Approve Minutes of January 26, 2023 (Exhibit 2)**

7. Action Items

- 7.1. **Authorize General Manager to Enter into a Professional Services Contract with Tramutola LLC in an amount not to exceed \$90,000 to Provide Consulting Services to Determine the Feasibility of Placing a Tax Measure on a Future Ballot and Pre-Electoral Planning and Public Information Services and Authorize Transfer of \$150,000 from the General Fund to Capital Improvement Fund**

9 - 14

[C. Consultant Contract revised Report with Exhibit.pdf](#) 

General Manager Lacy reported at the last board meeting, the Board requested some specific questions on the timeline. She explained the timeline and stated it will be about 5 months

for Tramutola LLC to collect their findings and make a recommendation. The professional services contract is attached to the board packet. Lacy is asking the Board to authorize her to enter into contract for Professional Services with Tramutola LLC in the amount not to exceed \$90,000 to provide consulting services to determine the feasibility of placing a tax measure on a future ballot, plus designate an additional \$60,000 for future expenses not related to the consulting services such as polling for a total amount of \$150,000.

The Board of Directors had some questions that were answered by General Manager Lacy and Consultant Larry Tramutola. There were some changes and additions recommended by the Board that Consultant Larry Tramutola agreed upon. The Board of Directors were content with the contract with the additions and revisions recommended.

To authorize General Manager to enter into a Professional Services Contract with Tramutola LLC in an amount not to exceed \$90,000 to provide consulting services to determine the feasibility of placing a tax measure on a future ballot with recommended changes to the agreement and pre-electoral planning and public information services, and authorize transfer of \$150,000 from the General Fund to Capital Improvement Fund

9 - 14

Moved by: Bobby Glover

Seconded by: Sandy Vinson

Aye Sandra Bonato, Sandy Vinson, Derek Wurst, Bobby Glover, and Quy Tran

Carried 5-0

7.2. **Authorize a mid-year 5% cost-of-living adjustment for eligible employees effective January 1, 2023 at an additional cost of \$102,487 for fiscal year 2022/23**

15 - 17

[D. COLA.pdf](#)  [D.1 consumerpriceindex summary western.pdf](#) 

General Manager Lacy reviewed the report and stated the Board requested she come back mid-year with a CPI

adjustment for employees since it was not included in the salary adjustments at the beginning of the fiscal year. She said the CPI has increased to 8% and recommends eligible employees, full time and Category B employees a 5% Cost of Living Adjustment (COLA) retroactive to January 1, 2023.

Budget and Finance Committee Chair Vinson spoke about the discussion and questions presented at the Budget and Finance Committee Meeting on February 16. Board Chair Bonato expressed some concerns about surplus, the unforeseen future and recommended a lower percent for a COLA increase. Further discussion with the Board continued. All Board Members agreed they all value staff and all are in favor of a COLA increase, but not for the same percentage amount.

To authorize a mid-year 5% cost-of-living adjustment for eligible employees effective January 1, 2023 at an additional cost of \$102,487 for fiscal year 2022/23

15 - 17

Moved by: Sandy Vinson

Seconded by: Bobby Glover

Aye Sandy Vinson, Derek Wurst, and Bobby Glover

Nay Sandra Bonato and Quy Tran

Carried 3-2

8. Verbal Report from Committee Chair and Opportunity to Set Meeting Dates

General Manager Lacy said she will be contacting a couple of the Committee Chairs to set future meetings dates. The Budget and Finance Committee will be meeting in April.

- 8.1. **Land and Facilities Development Committee –TBD**
- 8.2. **Personnel Committee – TBD**
- 8.3. Budget & Finance Committee – TBD
- 8.4. **Program Committee – TBD**
- 8.5. **District/City Liaison Committee – TBD**

8.6. **Ad Hoc Committee for Board Policies – TBD**

9. **Board Announcements and Requests to Staff**

Board Member Glover made the following announcements/requests to staff:

- He said he is looking forward to the PHBA Opening Day and hopes the rain holds out for the event and on the same day, in the evening, is the Sequoia Elementary GALA event.

Board Member Wurst made the following announcements/requests to staff:

- He is looking forward to working on a possible bond measure and working with Tramutola.
- He is looking to a good turnout for the Summer Camp Expo.

Board Member Tran made the following announcements/requests to staff:

- He received the iNews letter and appreciates staff trying to do more on DEI efforts by trying new things to engage staff.
- He has two copies of the Spotlight and is ready for the Summer Camp Expo and hope there are backups and there are successful registrations.
- He said the approval tonight to move forward for a possible bond measure is to express we are here and can do more publicity, and we are here to do a better job for the District.

Board Member Vinson made the following announcements/requests to staff:

- She attended the Spirit Luncheon at Zachary's Pizza that was well attended with about 15 employees.
- She will stop by the Camp Expo and is looking forward to seeing how the process works.

Board Chair Bonato made the following announcements/requests to staff:

- She said the State of the City, Mayor's Breakfast is on Tuesday, February 28. She remarked it will be a good opportunity to mingle within the room and meet other members of the community.
- She wanted to check with the PHBA Opening Day festivities. She wondered if they will be speaking or just to have our presence. General Manager Lacy stated it will be good to have our presence and participation of the Board for the event.

10. **Adjourn**

8:37pm

Board Chair Bonato adjourned the meeting at 8:37 p.m.

A handwritten signature in blue ink, appearing to read "ML", is positioned above a horizontal line.

Michelle Lacy, Clerk of the
Board

MEMORANDUM



Date: February 23, 2023
To: Board of Directors
From: Michelle Lacy, General Manager
Re: General Manager's Report for February 23, 2023

AQUATICS: We are getting ready for spring programs. Swim try outs were held 2/11, with the next tryouts 2/27. Try outs are free and helps make sure swimmers are signed up for the correct program. Spring Swim Clinics start March 1 and has over 50 swimmers enrolled. The Dolphins season begins April 10 and registration is exceeding expectations, with 143 swimmers and Mini-Dolphins signed up for the 2023 season (compared to 79 at this time last year). Underwater Egg Hunt is April 1 and we expect this popular event to sell out.

COVID LOCAL EMERGENCY DECLARATION ENDS FEBRUARY 28, 2023: In March 2020, the District adopted a Local Emergency Declaration around the pandemic. That declaration is set to expire at the end of February due to the Contra Costa Board of Supervisors approving termination effective February 28, 2023.

GENERAL MANAGER SCHEDULE – I will be out of the office beginning March 2 and will return on March 8, 2023. Nicole Watson, Recreation Superintendent will serve as Acting General Manager while I am on vacation.

HOLIDAY SCHEDULE- District offices and facilities will be closed on Monday, February 20 in observance of President's Day.

INCLUSIVE RECREATION: Senior Center staff hosted an Inclusive Recreation Dance in the Chateau Room on February 10 where about 45 dancers participated plus caregivers.

PARK MAINTENANCE - The staff has been busy with annual weed control, prepping fields and courts for upcoming sporting seasons. The Park Superintendent is further investigating portable security camera systems that are solar powered to provide the ability to rotate cameras to hot spots as issues migrate to other parks and facilities. While we are still getting some graffiti, incidents have been greatly reduced at Pleasant Oaks Park since we have been using the security camera and working with PHPD.

SENIOR CENTER: The Senior Board Members handed out Valentine's treats to seniors in the building on 2/14 for Random Acts of Kindness Week.

Senior Center Staff & Pleasant Hill Police are holding an active shooter training for senior volunteers on 2/23 at the Senior Center.

STAFF REPORT



Date: February 23, 2023
To: Board of Directors
From: Michelle Lacy, General Manager
Re: Consent Calendar

Consent Calendar items are considered to be routine by the Board of Directors and will be enacted by one motion. By approval of the Consent Calendar the staff recommendation will be adopted. There will be no separate discussion on these items unless a Board Member or a member of the public request removal of the item from the Consent Calendar.

CONSENT CALENDAR FOR FEBRUARY 23, 2023

- a. Approve Bills to be Paid Warrants #16876 – #16962 (Exhibit 1)
- b. Approve Minutes of January 26, 2023 (Exhibit 2)



STAFF REPORT

Date: February 23, 2023
To: Board of Directors
From: Michelle Lacy, General Manager
Re: Authorize General Manager to Enter into a Professional Services Contract with Tramutola LLC in an amount not to exceed \$90,000 to Provide Consulting Services to Determine the Feasibility of Placing a Tax Measure on a Future Ballot and Pre-Electoral Planning and Public Information Services and Authorize Transfer of \$150,000 from the General Fund to Capital Improvement Fund

BACKGROUND:

At the Board's Meeting on February 2, 2023, Larry Tramutola of Tramutola LLC, provided an overview to the Board of the steps required to plan for a tax election. At that time, the Board requested staff to return with a proposal to retain Tramutola LLC to provide consulting services to examine the feasibility of a future tax measure, as well as assistance with pre-electoral public information services.

At its regular meeting on February 9, 2023, the Board requested staff further negotiate terms with Tramutola LLC including termination option and reimbursable expenses.

DISCUSSION:

After providing additional information and discussing the potential timeline, it is proposed that the District enter into an agreement for a minimum of five months up to a maximum of nine months at a flat rate of \$10,000 per month. The contract will begin on March 1, 2023. The minimum amount of the contract will be \$50,000 and the maximum amount will be \$90,000. The agreement does provide for termination options for both parties if material breach occurs during the contract.

Attached as Exhibit 1 is the proposed contract for services with Tramutola LLC.

In addition to the Tramutola contract, the District will enter separate contracts additional contractors which may include a polling firm and/or other marketing contractors as deemed necessary to provide the District with the greatest chance for future success.

Since these are unknown at this time it is recommended the Board authorize \$60,000 in unencumbered General Fund dollars to be reserved for future contracts.

RECOMMENDATION:

It is recommended the Board authorize the General Manager to enter into a professional services contract with Tramutola LLC in an amount not to exceed \$90,000 and authorize transfer of \$150,000 from the General Fund to the Capital Improvement Fund.

EXHIBITS:

Exhibit 1: Proposed Services Agreement with Tramutola LLC through November 30, 2023

TRAMUTOLA

SERVICES AGREEMENT

THIS SERVICES AGREEMENT is effective as of the Effective Date (as defined below) by and between Tramutola LLC, a California limited liability company ("Consultant"), and Pleasant Hill Recreation & Park District, ("Client").

Basic Terms: Consultant shall, as an independent contractor, with consultation from Client and for the direct benefit of Client, provide the services set forth below during the Term (as defined in the attached Terms and Conditions) pursuant to the terms and conditions set forth in this Agreement.

Services: Consultant shall, with consultation from Client and for the direct benefit of Client:

- (a) Determine the feasibility of placing a tax measure on the ballot by assessing the District's unique universe of voters and evaluating recent local elections;
- (b) Review of the District's facility needs and plan to address them;
- (c) Review and assessment of Pleasant Hill Recreation and Park District's existing public communications efforts;
- (d) Collaboration on design and interpretation of public opinion research to understand current voter perceptions of your issues and needs;
- (e) Recommendations for moving forward, including a candid assessment of current levels of support for the District and what it will take to position the District for electoral success;
- (f) Planning and Public information services may include: assistance in development and implementation of community outreach program including strategic targeting, development of stakeholder engagement strategy, analysis and recommendations for determining best election type, optimal election date, tax rate and essential components and language of the plan;
- (g) Collaborate and review work with your Financial and Legal Advisors.

Compensation: \$10,000.00 (Ten Thousand Dollars) per month plus business expenses

Effective Date: March 1, 2023

Termination Date: November 30, 2023*

*Services continued beyond a termination date will initiate auto renewal periods of 3 months unless there is a prior addendum, in writing, to this contract.

This Contract can be terminated by Client after 5 months.

This Services Agreement, including the attached Terms and Conditions collectively, constitute the "Agreement" as that term is used herein. This Agreement is hereby executed by duly authorized representatives of Consultant and Client as of the Effective Date.

Pleasant Hill Recreation & Park District, 147 Gregory Lane, Pleasant Hill, CA 94523

By: _____

Name: _____

Title: _____

Date: _____

TRAMUTOLA, LLC, 191 Ridgeway Avenue, Oakland, CA 94611

By: _____

Larry Tramutola, Managing Member

Date: _____

Terms and Conditions

1. Terms and Conditions. Client hereby agrees that terms and conditions set forth herein (the "Terms and Conditions") are in addition to the covenants, terms and conditions set forth in the Services Agreement. All terms used but not defined in the Terms and Conditions shall have the meanings ascribed to such terms in the Services Agreement. In the event of a conflict between the Terms and Conditions and the Services Agreement, the Terms and Conditions shall control. The Terms and Conditions and the Services Agreement (including the Basic Terms set forth therein) shall be collectively referred to herein as this "Agreement".

2. Client's Obligations. At all times while Consultant is providing the Services (as defined in the Basic Terms) ("Services") or otherwise assisting Client, Client shall promptly provide Consultant with access to the facilities, personnel and other resources reasonably necessary for Consultant to provide the Services.

3. Compensation. The fee for the Services shall be the amount set forth in the Basic Terms (Compensation). The compensation of \$10,000.00 (Ten Thousand Dollars) per month shall be paid on or before the first of each month beginning March 1, 2023. **This monthly fee is a discounted rate and will expire February 28, 2023.**

4. Consultant's Expenses. Client shall separately reimburse Consultant for Consultant's reasonable and necessary expenses (the "Expenses") including, travel, photocopying, express mail, incurred in performing the Services hereunder. These expenses shall be charged by Consultant and Consultant shall be reimbursed by Client within thirty (30) days following presentation of Consultant's invoice or statement.

5. Vendor Costs and Payments. Subject to prior approval of Client, Consultant is authorized to enter into third party contracts on behalf of Client for Client's public information efforts. Payment of vendors for all goods, services, and costs shall be Client's sole responsibility, and shall be in addition to the Compensation or any other fees for the Services. Such third party contracts include, without limitation, contracts for printing, graphic artwork, demographic data, opinion research, mailing services, and postage.

6. LIMITED WARRANTY; LIMITATION ON LIABILITY. CONSULTANT WARRANTS THAT IT SHALL COMPLY WITH THE APPLICABLE STANDARD OF PROFESSIONAL CARE IN THE PERFORMANCE OF THE SERVICES. CONSULTANT MAKES NO WARRANTY, EXPRESS OR IMPLIED, CONCERNING THE RESULTS OF THE SERVICES. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, AND, TO THE FULL EXTENT PERMITTED BY LAW, ALL IMPLIED WARRANTIES ARE HEREBY EXCLUDED. CONSULTANT'S SOLE AND MAXIMUM LIABILITY FOR A BREACH OF THIS AGREEMENT, INCLUDING ANY WARRANTY, SHALL BE A REFUND OF THE COMPENSATION ACTUALLY PAID TO CONSULTANT UNDER THIS AGREEMENT. IN NO EVENT SHALL CONSULTANT BE LIABLE FOR INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR ANY OTHER TYPE OF DAMAGES ARISING OUT OF OR RELATED TO THE SERVICES OR THIS AGREEMENT. SUCH LIMITATION APPLIES REGARDLESS OF WHETHER SUCH DAMAGES ARE CAUSED BY BREACH OF CONTRACT, WILLFUL MISCONDUCT, NEGLIGENT ACT OR OMISSION, OR OTHER WRONGFUL ACT OR OMISSION.

7. Indemnification. Each party agrees to indemnify, defend and hold harmless the other party from all loss, liability, damage, claim, cost or expense (including reasonable attorney fees or court costs) to the extent caused by the actual or alleged infringement of any patent, copyright, trade secret, or other proprietary right arising from or related to any material it furnished to such other party pursuant to this Agreement.

Each party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other party from all loss, liability, damage, claim, cost or expense (including reasonable attorney fees or court costs) arising from or relating to any personal injury, death, damage to property, or economic loss to the extent caused by the Indemnifying Party's negligent act or omission, intentional misconduct, or other breach of duty. In the event both Consultant and Client are at fault, indemnification shall be proportionate to their respective shares of fault. In the event neither party is at fault, each party shall bear responsibility for its own losses, expenses and liabilities.

8. Term: Termination.

(a) In the event Consultant is in default of one or more of its obligations under this Agreement, Client shall have the right to terminate this Agreement if within thirty (30) days of written notice to Consultant with a detailed description of Client's basis for such termination, Consultant fails to cure any such breach, or commence to cure such breach if the breach will in good faith take a longer period to cure.

(b) Consultant may terminate all or any portion of the Services for cause, at its option and in its sole discretion, by sending written notice thereof to Client. Such termination, for cause, shall be effective immediately upon written notice to Client thereof. In the event of a termination by Consultant pursuant to this Section 8(b), Client shall pay the entire outstanding balance of the total contracted Fee within ten (10) days of such termination. The following shall constitute "cause" for termination: (i) Client engages in willful misconduct; (ii) Client fails to make timely payments pursuant to the schedule set forth in Section 3 above; (iii) Client defaults or breaches any term, condition, or covenant set forth in this Agreement; or (iv) Client publicly disparages Consultant or any of the Consultant's employees.

9. Ownership of Work Product. All work product of Consultant, including but not limited to print copy, audio or videotapes, slogans, themes, designs, are and shall be the exclusive property of Consultant.

10. Agreement Is Confidential. Client agrees that Client shall not during, or at any time following termination of Agreement with Consultant, disclose or divulge to other parties, the specific terms of this Agreement, except as required by law.

11. Protection of Confidential Information. Consultant has and will develop, compile, and own certain proprietary techniques and confidential information and data that have great value in its business (such techniques, and information and data are referred to in this Agreement collectively as "Confidential Information"). Confidential Information includes, without limitation, (a) all information that has or could have commercial value or other utility in the business in which Consultant is engaged or in which it contemplates engaging and (b) all information of which the unauthorized disclosure could be detrimental to the interests of Consultant, whether or not such information is identified as Confidential Information by Consultant.

Client shall keep confidential any and all Confidential Information regardless of means of transmission and storage. Failure to mark any of the Confidential Information as confidential or proprietary shall not affect its status as Confidential Information under the terms of this Agreement. Client shall take all reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information. Without limiting the foregoing, Client shall take at least those measures that Client takes to protect its own most highly confidential information. Client acknowledges that it is impossible to measure fully, in money, the injury that will be caused in the event of a breach or threatened breach of this provision and Consultant shall be entitled to injunctive relief to enforce the provisions of this Agreement, without prejudice to any other remedy that such party may have at law or in equity.

12. Insurance. Consultant shall obtain and maintain at its sole cost and expense throughout the Term the following insurance coverage:

(a) Professional Liability with limits of liability \$1,000,000.00 each claim and \$1,000,000.00 annual aggregate.

(b) Commercial (Comprehensive General) Liability with minimum limits of \$1,000,000.00 (One Million Dollars) for bodily injury and property damage per occurrence and \$1,000,000.00 (One Million Dollars) for bodily injury and property damage in the aggregate.

(c) Workers' Compensation with minimum limits as required by the Labor Code of the State of California.

At Client's request, Consultant shall deliver to Client, certificates evidencing all required policies. All such information regarding insurance coverage shall be deemed to be Confidential Information.

13. Late Charges. Consultant may charge a late fee of 1.5% per month on any payment due under this Agreement and not paid in full on the date due, and on any balance due and unpaid more than thirty (30) days after presentation of any statement or invoice from Consultant.

14. Notice. All notices required or permitted under this Agreement must be in writing and will be deemed given (a) when delivered personally, (b) two (2) days after having been sent by commercial express courier with written verification of receipt, or (c) on the earlier of receipt or seven (7) business days after having been sent by U.S. first class mail, return receipt requested, postage prepaid. The delivery address for any such notice shall be as follows:

Consultant: Tramutola LLC
Attn: Larry Tramutola
191 Ridgeway Avenue
Oakland, CA 94611

Client: Michelle Lacy, General Manager
Pleasant Hill Recreation & Park District
147 Gregory Lane
Pleasant Hill, CA 945523

15. Survival. All terms and provisions hereof intended to be observed and performed by the parties after the termination hereof, shall survive such expiration or termination and shall continue thereafter in full force and effect, subject to applicable statutes of limitations. Provisions that shall survive include, without limitation, Sections 3, 5, 6, and 8 through 20, inclusive.

16. Severability. If a court of competent jurisdiction finds any provision of this Agreement void, illegal, invalid or unenforceable as applied to any person or circumstance, the remainder of this Agreement and the application of such provision to other persons or circumstances shall be interpreted so as best to effect the intent of the parties hereto. The parties further agree to replace any such void, illegal, invalid or unenforceable provision with a valid and enforceable provision that will achieve, to the fullest extent possible, the economic, business, and other purposes of such provision

17. Assignment Prohibited; Binding Effect; No Third Party Rights. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt to assign such rights or obligations shall be null and void. Notwithstanding the prior limitation, this Agreement shall be binding on and inure to the benefit of the parties hereto, their successors and assigns. This Agreement shall not create any rights or benefits to parties other than Client and Consultant. No third party shall have the right to rely on Consultant opinions rendered in connection with the Services without the prior written consent of Consultant.

18. Attorney Fees and Expenses. In the event of any action or proceeding arising from or related to this Agreement, the prevailing party shall be entitled to recover its costs including, without limitation, reasonable attorney fees and expenses.

19. Governing Law; Venue. This Agreement shall be governed by the laws of the State of California without regard to any conflicts of law doctrine. In any action or proceeding brought to enforce this Agreement or any other claim arising out of or related to this Agreement, the exclusive venue shall be Alameda County, California. Each party submits to the exclusive jurisdiction of any state or federal court sitting in Alameda County, California and waives, to the maximum extent permitted by law, any and all rights, either substantive or procedural, which in any way limit or prevent enforcement of the terms of this Agreement.

20. Entire Understanding; Waiver; Modification. This Agreement constitutes the complete and exclusive statement of the agreement among the parties about the described subject matter. It supersedes all prior written and oral statements, including any prior representation or statement. No waiver or indulgence of any failure to keep or perform any promise or condition of this Agreement shall be a waiver of any preceding or succeeding breach of the same or any other promise or condition. No waiver of any right shall be construed as a waiver of any other right. Neither party shall be required to give notice to enforce strict adherence to all terms of this Agreement. No waiver or modification of any of the terms of this Agreement shall be valid unless in writing, signed by the party to be bound.



STAFF REPORT

Date: February 23, 2023
 To: Board of Directors
 From: Michelle Lacy, General Manager
 Re: Authorize a mid-year 5% cost-of-living adjustment for eligible employees effective January 1, 2023 at an additional cost of \$102,487 for fiscal year 2022/23

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 considered for CPI increase include 4%, 5% and 6% effective January 1, 2023.

<i>CATEGORY</i>	<i>4%</i>	<i>5%</i>	<i>6%</i>
Full-Time A	\$122,802	\$153,503	\$184,203
Part-time B	\$41,177	\$51,471	\$61,766
TOTAL ANNUAL INCREASE	\$163,979	\$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.

The Budget Committee requested information related to the comparable agencies and the percentage of personnel costs in the operating expenses. The District’s adopted budget had 64.60% of its expenditures allocated to personnel costs (salaries and benefits).

Below is a table of comparable agencies adopted 22/23 operating expenses and personnel costs with percentage of total budget.

Agency	Adopted Operating Expenses 22/23	Personnel Costs	% of Expenditures
HARD	37,544,021	23,707,836	63.15%
Concord	111,681,000	79,931,000	71.57%
Walnut Creek	91,520,000	63,100,000	68.95%
Pleasant Hill	32,348,000	19,882,357	61.46%
LARPD	23,032,734	13,287,346	57.69%
EBRPD	190,486,230	133,751,481	70.22%
Martinez	30,833,844	22,467,769	72.87%

If the Board approves a 5% COLA then the District’s percentage of personnel costs will be 65.61% which is a 1% increase.

The Budget and Finance Committee reviewed the General Manager’s recommendation and concurred with recommending a 5% COLA

RECOMMENDATION:

It is recommended that the Board authorize a 5% cost-of-living adjustment for eligible employees effective January 1, 2023 at an additional costs of \$102,487 for fiscal year 2022/23.

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.

EXHIBIT 1