



Agenda Report

DATE: April 27, 2021

TO: Isla Vista Community Services District Board of Directors

FROM: IVCSA Staff Pay & Benefits Ad-Hoc Committee
IVCSA Assistant General Manager

SUBJECT: Report of Staff Pay and Benefits Ad-Hoc Committee recommendations for establishing IVCSA compensation and benefits to attract and retain Staff.

Recommendation: To establish annual salary ranges for existing positions as shown in Exhibit A, to establish District health benefits as shown in Exhibit B, and to establish District retirement benefits as shown in Exhibit C. Authorize staff to set dates for the Board to consider staff contracts. Authorize staff to work with GSRMA to fill out required paperwork to begin service. Authorize staff to identify a 457(b) plan provider for Board approval.

Executive Summary: Staff Pay and Benefits Ad-Hoc Committee members Directors, Spencer Bertrand, Jay Freeman and Robert Geis, directed staff to collect total compensation information from 16 comparable public agencies for analysis and consideration in establishing a total compensation package for IVCSA employees.

Staff provided the information and data needed for analysis and consideration by the Ad-hoc Committee, and the Committee agreed that at the present time the CSD total compensation plan will include regular pay, health, dental, and vision insurance, and a retirement plan.

The Committee set new salary ranges for the General Manager, Assistant General Manager, and Community Engagement Director. A salary step schedule will be drafted in the future for consideration.

The Committee determined that a 457(b) retirement plan would be most advantageous for the District and employees at this time, with required participation and a 9% District contribution and 3% employee contribution. A final decision will be made on a vendor at a future date.

The Committee determined that GSRMA, the District's current liability and workers compensation provider, would be best suited to provide health, dental, and vision benefits. Full time employees will receive a platinum health plan with 100% of the premium covered, with the same for vision and dental. Part time employees will receive a silver health plan with 100% of the premium covered.

A housing benefit for residency in/near Isla Vista is still being considered.

Background:

Staff participated in the California Special Districts Association (CSDA) Administrative Salary & Benefits survey and provided the results to the Board of Directors. A Staff Pay and Benefits Ad-hoc Committee was established, directed Staff to conduct a salary survey of comparable California Community Services Districts, and present the information for analysis, total compensation consideration, determination, and recommendation for action to the Board of Directors.

The IVCSD currently has 2 full time employees: a General Manager (\$78,750) and Assistant General Manager (\$68,250). IVCSD plans to hire another full time employee and a new part time employee.

The IVCSD currently participates in a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA), which is a plan designed to help employees pay for health insurance and medical expenses. Staff participating in this plan receive a monthly payment of \$441, or \$5292 annually.

A Simple IRA retirement fund plan is offered to employees, employees may make contributions to the fund as desired. The CSD provides a 3% matching contribution to the fund. The Committee found that current employees are not partaking of this benefit.

Analysis:

[Staff salary and benefits data from the following comparable public agencies was collected.](#)

These agencies were selected due to their location, services, staff size, and budget size.

1. Isla Vista Recreation and Park District
2. City of Goleta
3. Channel Islands Beach Community Services District
4. Silverado - Modjeska Recreation and Park District
5. Capistrano Bay Community Services District
6. Emerald Bay Service District
7. Pajaro/Sunny Mesa Community Services District
8. City of Buellton
9. City of Solvang
10. Casmalia Community Services District
11. Embarcadero Municipal Improvement District
12. Santa Ynez Community Services District
13. Mission Hills Community Services District
14. Vandenberg Village Community Services District
15. Cuyama Valley Recreation and Park District
16. Los Alamos Community Services District

Analysis of the data collected from comparable agencies resulted in the following findings:

Salaries:

The 16 survey agencies paid a General Manager (or equivalent) an annual salary generally within the range of \$80,000 to \$150,000, an Assistant General Manager (or equivalent) annual salary range was \$65,000-\$120,000. Current IVCS staff salaries fall at the lowest ends of these ranges.

The Committee decided ranges with a 25% differential would work best to limit the size of the ranges while allowing for employees to continue to earn raises over their expected term of service.

Setting the low end of the GM salary range at \$80,000, per the survey, the high end would be \$100,000. Setting the AGM salary range to begin \$10,000 less than the GM, per precedent, the high end would be \$87,500. Setting the Community Engagement Director at a \$60,000 low end results in \$75,000 for the high end. The new salary range table is proposed in Exhibit A.

Health, Dental, and Vision Benefits:

The Committee determined it is necessary to provide full time employees with a fully covered, simple to access, and robust (Platinum) health, dental, and vision plan, for both recruitment and retention purposes. Nearly all public agencies provide such benefits to their employees, but especially the most direct comparison points. The Committee also determined that part time employees should receive some of these benefits and recommended fully covering a basic (Silver) health plan, but without dental and vision. [An overview of these benefits can be found here.](#)

At this time the Committee decided not to cover the cost of dependents.

A taxable cash benefit on top of a tax-free QSERHA plan was considered, but determined to be too expensive and complex to implement for both the District and employees.

GSRMA can best meet the current needs of the District with its pricing, customer service commitments, and established relationship with the District. While GSRMA will handle many of the administrative functions required to provide these benefits, there will still be an impact on the District's staff time to administer these benefits on both an annual and regular basis. GSRMA's premium prices are all-inclusive of administrative costs.

Retirement:

Many of the surveyed agencies participate in a defined benefit plan through CalPERS. This is not feasible at this time for the District due to the lengthy set up time to become a participant of CalPERS. Most others provided a deferred compensation plan, with a minority providing no plan.

With a relatively new District staff, more mobile benefits were preferred for staff who may not continue as public employees. The Committee sought to identify a middle ground between the robust and expensive CalPERS and the simple and low-priced SIMPLE IRA.

A 457(b) retirement plan was found to be the ideal option, which was previously considered by the Board in 2019. It allows employees to contribute to retirement before taxes, does not have a low cap for contributions like the IRA, and allows for portability.

To determine the level at which to contribute, the Committee sought to match an amount similar to the Isla Vista Recreation and Park District. [Based upon review of IVRPD's most recent CalPERS Annual Valuation Report](#), a 9% employer contribution was determined to result in a similar benefit to the employee from the employer. However, the Committee felt it important to require participation in the plan and with an employee contribution of 3% for their own financial security.

The District and its employees will continue to pay into Social Security.

Fiscal Impact:

GM	Current	Proposed	Increase
Salary	\$78,750	\$78,750	\$0*
Taxes	\$6,200	\$6,200	\$0*
Health/Vision/Dental	\$5,292	\$12,339	\$7,047
Retirement	\$2,400	\$7,100	\$4,700*
Housing Incentive	\$0	\$0	\$0
Total	\$92,642**	\$104,389**	\$11,747

AGM	Current	Proposed	Increase
Salary	\$68,250	\$68,250	\$0*
Taxes	\$5,400	\$5,400	\$0*
Health/Vision/Dental	\$5,292	\$12,339	\$7,047
Retirement	\$2,100	\$6,200	\$4,100*
Housing Incentive	\$0	\$0	\$0
Total	\$81,042**	\$92,189**	\$11,147

Immediate fiscal impact of \$22,894 in annual costs.

***pending future contract negotiation**

****not the full cost of employment (excludes worker's comp, SUI)**

Exhibit A - IVCSA Salary Ranges

Position	Current Annual Salary Range	New Annual Salary Range
General Manager	\$70 - \$80,000	\$80 - \$100,000
Assistant General Manager	\$60 - \$65,000	\$70 - \$87,500
Community Engagement Director	N/A	\$60 - \$75,000
Compost Collective Program Manager	N/A	TBD

Exhibit B - District Health Benefits

Employee	Medical	Dependent Coverage	Dental	Vision
Full Time	100% - Platinum PPO (Valued at \$961/mo)	N/A	100% - DPO (Valued at \$53.66/mo)	100% - VSP (Valued at \$17.75/mo)
Part Time	100% - Silver PPO (Valued at \$629/mo)	N/A	N/A	N/A
Temporary	N/A	N/A	N/A	N/A

[All prices, regulations, and benefit details can be found here.](#)

Employee	Current Annual Benefits Cost	New Annual Benefits Cost
Full Time	\$5,292/year	\$12,339/year
Part Time	\$2,646/year	\$7,550/year

Exhibit C - Retirement Plan

- District regular (full & part time) employees will be required to participate in the 457(b) retirement plan. Temporary employees will not be eligible or participate in the plan.
- District will contribute 9% of the Employee's annual salary.
- Employees will contribute 3% of their annual salary.