



# EXECUTIVE DECISION DOCUMENT

<b>GENERAL MANAGER APPROVAL:</b>		DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		<b>GENERAL MANAGER ACTION REQ'D:</b>	
DATE: 1/10/2025		1/16/2025		BOARD INITIATED ITEM: No	
<b>Originator/Prepared by:</b> Ray Hathorn <b>Dept:</b> Human Resources Administration	<b>General Counsel</b>	<b>Controller/Treasurer</b>	<b>District Secretary</b>	<b>BARC</b>	
DocuSigned by: <i>Ray Hathorn</i> F7D91EE7AAEE42B...	DocuSigned by: <i>Amelia Sandoval</i> 2528C067C44147D...	Signed by: <i>Steph Brach</i> 7D9A7C6E7348456...		DocuSigned by: <i>D. Melikian</i> 8D65AF8B6F63484...	
<b>Signature/Date:</b> 1/14/2025	1/14/2025 [ ]	1/14/2025 [ ]	[ ]	1/14/2025 [ ]	

## Revision to Special Compensation Provisions for Non-Represented Employees

### PURPOSE:

To approve revisions to special compensation provisions for shift differential and management incentive pay for Non-Represented employees in a form prescribed by the California Public Employees' Retirement System ("CalPERS")

### DISCUSSION:

The District contracts with CalPERS for employee retirement benefits. CalPERS' rules control whether compensation qualifies as reportable to CalPERS for purposes of retirement calculations. For special compensation to be reportable for purposes of retirement calculations, CalPERS requires that the eligible special compensation provisions be approved by the Board.

For represented employees, collective bargaining agreements ("CBAs") are approved by the Board and, therefore, serve to document their special compensation provisions for CalPERS compliance purposes. The General Manager has the authority to approve wages and benefits for Non-Represented employees. However, this does not meet the requirements to be considered "compensation earnable" by CalPERS. Therefore, an administrative action is needed by the Board to document the District's special compensation provisions for Non-Represented employees.

The revision to shift differential will allow management classifications in pay band 9 and above within the Maintenance Department to receive shift differential when assigned to the special shift. In order for the District to ensure that the District's safety, reliability, and cost savings goals are met, the Maintenance Department requires greater oversight of the graveyard shift, which is between the hours of midnight and 8:00 a.m.



The revision to management incentive is to add the new classifications of "Chief Financial Officer" and "Assistant General Manager, Finance" to the list of eligible classifications. Management incentive pay is only reportable to CalPERS for employees who are classic members first hired prior to January 1, 2013.

The Board last approved special compensation provisions for Non-Represented employees on March 25, 2021. If approved, these proposed changes will be effective January 1, 2025.

**FISCAL IMPACT:**

The total annual costs associated with this action is estimated to be \$21,631, which is the District's CalPERS share for the estimated \$220,498 in shift differential payments to Maintenance Department management employees. If the employee eventually hired as the Assistant General Manager, Finance is a CalPERS classic member, the additional annual cost would be \$471, which is the District's CalPERS share for the \$4,800 in management incentive payments to that employee.

**ALTERNATIVES:**

To not approve the attached special compensation provisions for documentation purposes for CalPERS. However, failure to do so will prevent the District from reporting the special compensation to CalPERS for determination of Non-Represented employees' retirement benefits, which will adversely impact pension calculations for Non-Represented employees.

**RECOMMENDATION:**

Approve the following motion.

**MOTION:**

The Board approves the attached special compensation provisions for non-represented employees effective January 1, 2025.