



LAS VIRGENES MUNICIPAL WATER DISTRICT
4232 Las Virgenes Road, Calabasas CA 91302

MINUTES
SPECIAL MEETING

9:00 AM

November 26, 2018

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Angela Saccareccia.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Peterson in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, CA 91302. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Len Polan, Glen Peterson, and Lee Renger

Absent: None

Staff Present: David Pedersen, General Manager
David Lippman, Director of Facilities and Operations
Joe McDermott, Director of Resource Conservation and Public Outreach
Don Patterson, Director of Finance and Administration
Josie Guzman, Clerk of the Board
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA

Director Lewitt moved to approve the agenda. Motion seconded by Director Caspary. Motion carried unanimously.

3. PUBLIC COMMENTS

None.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATIONN AGENDA ITEMS

A Succession Plan

Receive and file the Succession Plan.

Don Patterson, Director of Finance and Administration, presented a PowerPoint presentation. He reviewed the District's workforce by age; employee retirement eligibility; employee attrition rates and demographics; and total attrition, unemployment, and CPI. He also reviewed the Succession Plan implementation strategies, including attracting new employees, retention of current employees, and knowledge transfer. Lastly, he reviewed the initiatives for knowledge sharing, including formalizing a program to transfer knowledge, providing opportunities for training, and maintaining an employee onboarding process.

General Manager David Pedersen responded to a question regarding measuring the District's return on investment for staff's ongoing education by stating that staff could develop a matrix to track and examine the value of training.

Director Renger moved to receive and file the Succession Plan. Motion seconded by Director Polan. Motion carried unanimously.

5. FINANCE AND ADMINISTRATION

A Final Classification and Total Compensation Study

Receive and file the Final Classification and Total Compensation Study.

Lynda Lo-Hill addressed determining the 75th percentile and the median salary by using the box and whisker charts. She proposed a few options for the Board to consider should the Board wish to simplify and change the 90 percent of the 75th percentile compensation philosophy:

- Keep the existing compensation philosophy.
- Make exceptions when there is an inverted salary range.
- Go back to the history of the previous compensation philosophy from 16 years ago when the compensation philosophy was 10 percent below the 75th percentile to just the 75th percentile.
- Consider going from the 50th percentile to perhaps the 70th percentile to avoid salary inversions.
- Change the 50th percentile to 90 percent of the 75th percentile to a slightly higher percentage to solve the inversion issue, such as 50th percentile to 95 percent of the 75th percentile.
- Consider the median (50th percentile) and choose a salary range near this number.

Sherri Paniagua, Human Resources Manager, presented a PowerPoint presentation. She noted that the final study included corrections to grammatical errors, corrections to the dates of employees' interviews, and the addition of the box and whisker charts to the explanation page. She referenced Table 3, District-wide and Employee Group Base Salary and Total Compensation Results, showing the percent above/below labor market median based on the individual groups for base salary, total compensation, and total compensation without FICA, and stated that the table provided the best explanation of the District by market for each of the individual groups as of December 31, 2017.

Director Lewitt moved to receive and file the Final Classification and Total Compensation Study. Motion seconded by Director Caspary.

Ms. Paniagua responded to a question regarding whether the study was based on the labor market agency ranking provided on November 7, 2018. She further responded to a question regarding the use of market information from agencies located in Northern California by stating that the Board had historically agreed to use the information from the 18 agencies mentioned in the study. She noted that in working collaboratively with the District's employee association and union, the Board had approved using these 18 agencies for the study in April 2018.

Motion carried unanimously.

B Review and Discussion of Compensation Philosophy

Consider an update to the District's compensation philosophy.

General Manager David Pedersen provided an oral report and PowerPoint presentation. He noted that the Classification and Total Compensation Study results found that nearly 40 percent of the positions in the District resulted in an inverted range for the compensation philosophy, and he addressed the history of the District's compensation philosophy dating back to 1998. He referred to Director-elect Lo-Hill's suggestion to address the issue with inversion and simplify the compensation philosophy, and suggested that one option could be to continue with the median (50th percentile) but express the upper range in a percentile to eliminate the inversion. He also suggested a second option to use the approach taken in 2003 with 10 percent below the 75th percentile but not less than the median. He expressed concern that this option could become complicated because it could apply only at certain times, and it would make the median a single point as opposed to a range for certain positions. He stated that he believed the best approach would be to simply express it in terms of percentiles, and he recommended that the Board consider this approach.

A discussion ensued regarding seeking a value between the 75th percentile and the median in order to avoid the inversion issue, and setting a goal that all positions would be within the compensation philosophy.

Director Caspary moved to set the compensation philosophy between the median and the 75th percentile as an advisory policy. Motion seconded by Director Renger. Motion carried unanimously.

6. CLOSED SESSION

A Conference with Labor Negotiator (Government Code Section 54957.6):

Agency Designated Representatives: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; Sherri Paniagua, Human Resources Director; and Kristi Recchia, Liebert Cassidy Whitmore

Employee Organizations: General and Office Units represented by the Service Employees International Union Local 721

B Conference with Labor Negotiator (Government Code Section 54957.6):

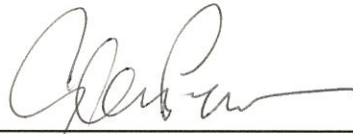
**Agency Designated Representatives: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; Sherri Paniagua, Human Resources Director; and Kristi Recchia, Liebert Cassidy Whitmore
Employee Organization: Las Virgenes Manager, Supervisor, Professional and Confidential Employees Association**

The Board recessed to Closed Session at **9:41 a.m.** and reconvened to Open Session at **11:40 a.m.**

Keith Lemieux, District Counsel, announced that that during the Closed Session the Board received a report regarding labor negotiations and there was no reportable action.

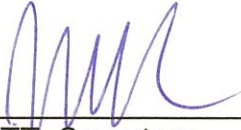
7. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **11:41 p.m.**



GLEN PETERSON, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



JAY LEWITT, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)