



Date: May 12, 2022
To: Board of Directors
From: Rick Benson, Interim General Manager
Subject: General Manager Compensation

Recommendation:

Direct the Interim General Manager to take the necessary actions to enroll the District General Manager position and other administrative staff in the California Public Employees Retirement System (CalPERS) and classify the position as salaried (\$12,350.00-\$13,899.60/month), part-time (24-30 hrs./week)

Rationale for Recommendation:

The District has had difficulty recruiting and retaining qualified individuals for the manager position. One of the most common benefits associated with public employment is participation in a retirement plan. Currently, KPPCSD does not offer this benefit, which makes the district much less competitive in attracting qualified candidates.

Background:

For the KPPCSD, finding the right person to fill the role of General Manager has been an ongoing challenge. After more than one interim manager occupied the position, the District utilized the services of a professional recruiting agency successfully obtaining the services of the prior General Manager who left after less than a year. Her decision to leave was based, in part, on the compensation offered by the district. Kensington KPPCSD is competing with numerous cities, other districts and counties when seeking to hire a professional manager. Unfortunately, the pool of qualified individuals is rather limited.

Last October your Board addressed this issue and modified the compensation to include either medical insurance, a 457 plan contribution or additional compensation of \$1,383 per month. At your February 10 meeting your Board directed staff to further explore the compensation package.

Discussion and Analysis:

The current salary for the position has a range of \$95 per hour to \$106.25 per hour and it is designated to be part-time, defined as no more than 30 hours per week. Assuming the director works 30 hours every week at \$105 per hour this computes to an annual compensation of approximately \$148,000 or a full-time equivalent of \$218,000. This is before the application of the "cafeteria plan" compensation. Based on the responses to the District's recruiting efforts, this package may not be adequate.

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The single greatest hindrance in securing the services of a permanent manager is that the position does not provide for CalPERS retirement, while at the same time, CalPERS does not allow a retired annuitant to serve as a permanent manager. Therefore, it is desirable to provide for this benefit.

Based on information provided by CalPERS and discussion with the District's financial consultant we are now able to estimate the cost of this benefit and its impact on the District budget. In order to include the General Manager in the program, per CalPERS rules, the District will also be required to include all other administrative staff working more than 20 hours per week. Currently, this includes the Financial Manager and Administrative Assistant. Assuming all of the affected individuals are Pepra employees, meaning they were not part of CalPERS prior to January 1, 2013, the cost to the District is approximately 8% of the payroll or roughly \$24,000 annually.

Another recruiting obstacle is that the position is defined as part-time with an hourly rate rather than a set salary. While it can remain part-time, a salaried part-time position offers a greater sense of stability to potential candidates.

Fiscal Impact:

The fiscal impact is approximately \$24,000 annually. After a review by our financial consultant, it is well within the District's means particularly if it results in securing the services of a qualified General Manager.