



Wastewater Treatment



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WASTEWATER  
TO RESOURCES



Recycled Water



Energy Production



Biosolids Reuse

# FY23/24 Cost-of-Living Adjustment and Applicable Percentage Increase

Board of Directors Meeting  
July 12, 2023

# FY23/24 Cost-of-Living Adjustment



- All three Bargaining Unit MOUs and employment agreements for unrepresented employees provide for an annual Cost-of-Living Adjustment (COLA)
  - Based on SF Bay Area's April-to-April Consumer Price Index (CPI) for SF/Bay Area Wage Earners—**3.6%** for April 2022-to-April 2023
  - Per MOUs, annual COLA has a range of 2.0%-5.0%
- **FY23/24 COLA of 3.6%** represents an **annual labor cost increase of \$392k** (included in adopted FY23/24 Budget)
  - Note: Overall **FY23/24 labor budget decreased by \$656k**

# FY23/24 CalPERS Contributions

## 55% of Employees are PEPRA



**18** Classic Members  
2.7% @ 55



Employees pay full cost of Employee  
CalPERS Contribution Rate = 8.0% (capped)

**12** Classic 2<sup>nd</sup> Tier Members  
2.0% @ 55



Employees pay full cost of Employee  
CalPERS Contribution Rate = 7.0% (capped)

**37** PEPRA Members  
2.0% @ 62



Employees pay full cost of Employee  
CalPERS Contribution Rate = 8.0%  
(increased from 7.25%)

**Total Employees = 67**

# FY23/24 “Applicable Percentage” Adjustment for Classic 2<sup>nd</sup> Tier Members



- MOUs provide an Applicable Percentage benefit
  - Classic 2<sup>nd</sup> Tier Members: Hired after June 30, 2012, or hired on or after January 1, 2013, with reciprocity recognized under CalPERS
- District contributes to 401(a) plans for these employees
  - Amount equal to the Applicable Percentage of the employee’s pensionable compensation with the District
  - Difference between Employer Total Normal Cost percentages for each fiscal year for the 2.5% @ 55 and 2.0% @ 55 formulas
    - Actuarially determined annually by CalPERS

- **FY23/24 Applicable Percentage = 1.58%**, which is +0.18% higher than FY22/23 value (1.40%)
  - Estimated annual labor cost increase = \$3,927

# Recommended Actions

- Adopt Resolution approving updated Salary Schedules incorporating FY23/24 annual COLA as provided for in Bargaining Unit MOUs and employment agreements for unrepresented employees
- Adopt Resolution approving Applicable Percentage as provided for in Bargaining Unit MOUs