

Number: **BP 045**

Related Admin. Procedure: None
Authority: Board of Directors
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Initiating Dept./Div.: SOD



BOARD POLICY

BOARD COMPENSATION, BENEFITS, AND NON-TRAVEL EXPENSE REIMBURSEMENT

PURPOSE

The purpose of this policy is to set forth compensation, benefits, and expense reimbursements for the District Board Members, including when they should be compensated in the form of a meeting stipend and/or non-travel expense reimbursement (as stated in Section 4 below).

BACKGROUND

Section 6489 of the California Health and Safety Code and California Water Code sections 20200 et seq. provide that compensation shall be paid to Board Members for each day's attendance at meetings of the Board or for each day's service rendered as a Board Member at the request of the Board, so long as that compensation does not exceed more than one meeting per day and six meetings per calendar month. In accordance with Assembly Bill (AB) 1234 (California Government Code Section 53232 et seq.), and to encourage participation and attendance at conferences and organizations which serve the interests of and provide benefit to the District, the Board has determined that Board Members may be compensated and reimbursed expenses for each day's attendance at certain events and meetings.

POLICY

1. **Annual Review of Board Member Compensation and Benefits**
 - a. In accordance with the recommendation in Contra Costa Grand Jury Report No. 1104 ("Elected Board Membership") that all cities and special districts should conduct an annual public review of compensation and benefits provided to their respective elected councils and boards, the District will conduct an annual public review of Board Member compensation and benefits. Such review will be held during the first quarter of each calendar year at a properly noticed public hearing.

2. **Compensation (Meeting Stipend)**

In accordance with the Health and Safety Code and the California Water Code, the Board periodically adopts ordinances amending District Code Section 2.04.030, which provides for the “Compensation of Board Members” (hereinafter “meeting stipend”). The current meeting stipend is set by ordinance and is subject to change based on the Board’s annual review.

- a. Activities Eligible for Meeting Stipend. Board Members may receive meeting stipends for the following:
 - 1) Board and Committee Meetings. Each of the District Board meetings, including workshops attended, and each Standing Committee meeting or Ad Hoc Committee meeting attended either as a Committee Member or alternate (see Board Policy No. BP 013 – *Board Committees*).
 - 2) Service as Board Liaison, Representative, or Alternate. Each day of service when appointed and serving as the District liaison, representative, or alternate, to the entities specified in BP 044 – *Board Leadership and Community Representation*, provided District business is conducted.
 - 3) Executive Team Performance Evaluations. Meetings between the President and/or President Pro Tem with the General Manager, Secretary of the District, and District Counsel to convey closed session performance evaluations.
 - 4) Meetings with Liaison City Mayors and/or Managers. Board liaison meetings with mayors and/or city managers.
 - 5) Presentations at Liaison City Council Meetings. Presentations at liaison city council meetings concerning District business.
 - 6) Mandatory Training. Participation in mandatory two-hour ethics training and harassment prevention training as evidenced by a certificate of completion. Participation may be via training at a conference where expenses are reimbursed, online training, or in-house training offered to the District employees.
 - 7) Central San Academy. Only the final session of any Central San Academy cycle is eligible for the meeting stipend. Because the final session includes a question-and-answer session with Board Members, any participating Board Member will receive a meeting stipend.

- 8) Attendance at Grand Jury-related matters related to the District's business
 - 9) Formal Meetings, scheduled by the General Manager, with the Bargaining Units
 - 10) Meeting Stipend for Items Not Listed Above: Board Members may receive the meeting stipend for attendance at a meeting, conference, or another event not listed above where the attendance is of significant benefit to the District, and if approved by the Board in advance at a Board meeting.
- b. Activities Not Eligible for Meeting Stipend. Board Members may not receive meeting stipends for participation in the following:
- 1) Management/Leadership Academies
 - 2) Signature events hosted by the District
 - 3) Signature events hosted by other agencies and cities
 - 4) State of the City events
 - 5) Annual City Council reorganizations or ceremonial events
 - 6) Mayor monthly breakfasts
 - 7) Presentations by the District staff of Household Hazardous Waste Annual Report at Mt. View Sanitary District Board meeting
 - 8) Presentations of resolutions of commendation to officials of sister agencies or entities to which the District has appointed a Board liaison or representative (see BP 044 – *Board Leadership and Community Representation*)
 - 9) Attendance at city council meetings with no expectation of presenting
 - 10) Meetings with bargaining units¹
 - 11) Participation in Delta Discovery Voyage activities
 - 12) Meetings with staff to prepare for Liaison City meetings
 - 13) Events for which there is no nexus to District business
- c. Declination of Stipend. Board Members who may otherwise be eligible to receive a meeting stipend for serving as an appointed Board liaison or representative of the District may decline to accept the meeting stipend by giving notice to the Secretary of the District.

¹ From time to time, , the District's bargaining units may request to meet with Board Members to discuss issues of mutual interest, not scheduled through the General Manager. Unless approved in advance by the Board at a meeting, such meetings are not eligible for the meeting stipend.

3. Benefits

- a. Election to Receive Group Insurance Benefits. The Board of Directors elects to receive the same group insurance benefits as are offered to District employees, as permitted under Government Code Section 53208.5, including medical, dental, vision, and life insurance. The District will pay 100 percent of the medical premium cost up to the family rate of the “core” plans for Board Members and 100% of the premium cost for dental, vision, and life insurance.
- b. Dual Coverage – Health Flexible Spending Arrangement Option. Upon proof of outside medical coverage, Board Members may waive District medical coverage and participate in the District’s Section 125 Cafeteria Plan (Health Flexible Spending Arrangement). Participation is voluntary. the District will contribute \$41.66 per month into a Flexible Spending account for each participant (contributions are limited under the Affordable Care Act to \$500 per year).

Board Members may either receive health coverage or participate in the District’s Health Flexible Spending Arrangement option, but not both.

- c. Deferred Compensation. Board Members are required to make a minimum contribution of 7.5% of their compensation to the District’s 457 Deferred Compensation Plan. (This amount is roughly the equivalent of Social Security and Medicare taxes.) Board Members may elect to defer all or a portion of their compensation up to IRS limits and select from a range of investment options for their contributions.
- d. Benefits Upon Separation from Service. Upon separation from service, a former District Board Member will be eligible to enroll in CalPERS for District medical coverage, and the District will pay the PEMHCA (Public Employees Medical and Hospital Care Act) minimum for Board Members if the following conditions are met:
 - 1) Board Members must contribute (no maximum threshold) to the District’s Section 457 Deferred Compensation Plan as an active Board Member.
 - 2) After separation from the District, the Board Member must be eligible for and elect to receive those contributions as an annuity. The current Deferred Compensation Plan provider, ICMA, has an annuity option available for Board Members.
 - 3) Receipt of the annuity must begin within 120 days of separation.

The balance of the premium costs beyond the PEMHCA minimum must be borne by the former Board Member.

Board Members may enroll in dental and vision coverage on a self-pay basis upon separation of service from the District; however, they are ineligible to purchase group life insurance.

- e. Survivor Benefits Upon Separation from Service. The surviving spouse of a Board Member who has separated service from the District is eligible for the PEMHCA minimum toward medical coverage and must pay any premium costs beyond the PEMHCA minimum. Dental and vision coverage is available on a self-pay basis.
- f. Survivor Benefits Upon Death in Office. A Board Member's surviving spouse and eligible dependent(s) will continue to receive the same level of medical, dental, and vision coverage as was in effect at the time of a Board Member's death while in office. A surviving spouse would receive coverage for life (including if he or she remarries), and any dependent children would receive coverage for as long as the plan allows. However, no new dependents may be added.
- g. Health and Wellness. Board Members may utilize the District's employee gym during working hours and may participate in the Health and Wellness program activities offered to all employees.
- h. Electronic Devices. Pursuant to BP 014 – *District-Owned Mobile Computing Devices for Board Members*, computing devices equipped with a cellular data plan are offered at no cost to each Board Member to facilitate access to electronic agenda packets.

4. **Expense Reimbursement**

- a. Travel Expense Reimbursement. The District pays registration, travel, and other expenses for Board Members to attend various conferences. Reimbursement for those expenses is covered in BP 008 – *Travel Expense Reimbursement* and the supporting Administrative Procedure No. AP 008.
- b. Non-Travel Expense Reimbursement. The Board has determined that public resources should be used to reimburse expenses incurred when attending meetings, local conferences, or events related to District business and are of interest and value to the District. These meetings, local conferences, or events include, but are not limited to:

- 1) Events or activities associated with serving as an appointed Board liaison or representative (see BP 044 – *Board Leadership and Representation*), unless specifically excluded below.
 - 2) Regular monthly events hosted by the following industry associations:
 - Contra Costa County Mayors' Conference
 - Industrial Association of Contra Costa County (IACCC)
 - 3) Events sponsored by organizations for which the District is a dues-paying member, including the East Bay Leadership Council, provided the event has a clear nexus and benefit to the District. Where no clear nexus or benefit to the District is apparent, advance approval of the Board is required in accordance with section (c) below.
 - 4) Local public official informational meetings or other meetings where the topic is of interest to the District or promotes inter-agency cooperation and partnerships.
 - 5) Mandatory training for ethics and harassment prevention.
- c. Expense Reimbursement for Activities Not Listed Above: Board Members may receive expense reimbursement for meetings, events, or activities not listed above where the attendance is of significant benefit to the District, and if approved by the Board in advance at a Board meeting. Alternatively, the General Manager has been delegated the authority to use his/her discretion to approve Board Member expenses, up to \$100, for various events.
- d. Mileage Reimbursements. Board Members are eligible for mileage reimbursement for traveling to qualifying events, such as Board liaison and Board representative meetings; however, they are not eligible for mileage reimbursement for traveling to and from Board and Committee meetings.
- e. Activities Not Eligible for Expense Reimbursement. Board Members will not receive expense reimbursement for the following activities:
- 1) Attendance at staff presentations of Household Hazardous Waste Annual Report at Mt. View Sanitary District Board meetings
 - 2) Presentations of resolutions of commendation to officials of sister agencies or entities to which the District has appointed a Board

liaison or representative (see BP 044 – *Board Leadership and Representation*)

- 3) Attendance at city council meetings with no expectation of presenting
- 4) Participation in Delta Discovery Voyage events
- 5) Events for which there is no nexus to District business

4. Compliance with Assembly Bill (AB) 1234

- a. Reporting Requirements. AB 1234 requires Board Members to provide brief written or oral reports at Board meetings for those meetings or events for which they received the meeting stipend, and for meetings, conferences, or events they have attended for which the District has paid their expenses. As a courtesy, the Secretary of the District will track these events and incorporate appropriate wording into the agenda sufficient to comply with Board Member reporting requirements under AB 1234.

[Original retained by the Secretary of the District]