

# HEBER PUBLIC UTILITY DISTRICT REPORT TO BOARD OF DIRECTORS

**MEETING DATE:** November 19, 2015

**FROM:** Laura Fischer, General Manager

**SUBJECT:** Approve Resolution Number 2015-16 to Include the Cost of Providing and Maintaining the Uniforms for Field Employees as an Allowance Reportable to CalPERS.

## **ISSUE:**

Shall the Board of Directors adopt Resolution Number 2015-16 to include the cost of providing and maintaining the uniforms for field employees as an allowance reportable to CalPERS?

## **GENERAL MANAGER RECOMMENDATION:**

It is recommended that the Board adopt Resolution Number 2015-16 to include the cost of providing and maintaining the uniforms for field employees as an allowance reportable to CalPERS.

## **FISCAL IMPACT: NONE**

This action will not change the current salaries or require any expenditures. This action is only necessary to meet the CalPERS audit finding and to ensure that HPUD is compliant.

## **BACKGROUND:**

The CalPERS Office of Audit Services performed a review of the Heber Public Utility District CalPERS accounts in September 2014. The purpose of the CalPERS review was to determine whether HPUD complied with applicable sections of the Government Code and the CalPERS retirement System. The Audit Services team noted two findings during the review.

- 1) Pay schedule did not meet one of the requirements of CCR Section 570.5
- 2) Special compensation was not reported as required by CCR Section 571.

The Cal PERS audit team stated that the uniforms provided to the field employees is a benefit, thus the HPUD must contribute into the employees CalPERS account the calculated amount of retirement based on the value of the uniform benefit. The HPUD staff will make the calculation at the end of each Fiscal Year and make the appropriate contributions for each employee.

## **DISCUSSION:**

The CalPERS audit team required that HPUD staff make contributions into employee retirement accounts retroactive for the past four Fiscal Years up to June 2015. The total amount for the four year period was \$2,442. In 2015 the amount deposited into one Full-Time employee's retirement account was about \$391. Staff has completed the calculation and deposited the amount into each retirement account.

Staff sent each NRTA employee a memo stating that HPUD would start calculating the value of the uniform benefit and would deposit into their retirement account the appropriate amount in June of each year.

**CONCLUSION:**

In order to correct this finding and to remain in compliance, the Board of Directors must adopt Resolution 2015-16 as presented in the attached documents.

**ALTERNATIVE:**

- 1) Do not approve the Resolution as presented, which will result in the HPUD not complying with the CalPERS audit requirements and could result in fines and or sanctions.
  
- 2) Provide alternative direction to staff.

Respectfully Submitted,

Laura Fischer,  
General Manager

Attachment: Resolution 2015-16

## **RESOLUTION 2015-16**

### **A RESOLUTION OF THE HEBER PUBLIC UTILITY DISTRICT, TO INCLUDE THE COST OF PROVIDING AND MAINTAINING THE UNIFORMS FOR FIELD EMPLOYEES AS AN ALLOWANCE REPORTABLE TO CALPERS.**

**WHEREAS**, The Heber Public Utility District contracted with CalPERS effective June 16, 1988 to provide retirement benefits for local miscellaneous employees.

**WHEREAS**, By way of contract with CalPERS, Heber Public Utility agreed to be bound by the terms of the contract and by the Public Employees' Retirement Law (PERL).

**WHEREAS**, The Heber Public Utility District had an audit review from CalPERS, which finding 2 states: "The Heber Public Utility District did not report special compensation as required by CCR571", and the recommendation is to report the monetary value of uniforms as special compensation and ensure its written labor agreement specifies the monetary value and conditions of payment for special compensation items.

**WHEREAS**, The Heber Public Utility District and its employees, represented by the recognized Natural Resources Technical Association have an agreement through a Memorandum of Understanding (MOU) that passed, approved and Adopted by Resolution No. 2013-10 on the 18<sup>th</sup> day of July of 2013.

**WHEREAS**, The Heber Public Utility District and the Employees have agreed in Section 6. The conditions for the Uniform Allowance.

**WHEREAS**, Heber Public Utility District needs to be in compliance with CCR Section 571 (b), and the Uniform allowance needs a not to exceed amount and a time period.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the Heber Public Utility District as follows:

1. The preceding recitals are true and correct.
2. Heber Public Utility District hereby determined to report to CalPERS the monetary value for providing and maintaining the employee's required uniforms. The District will report the uniform allowance on an annual basis to CalPERS in June each year. The uniform allowance amount reported to CalPERS will derive from the Heber Public Utility District's total fiscal year budgeted amount for providing and maintaining the employee's uniforms, not to exceed \$500 per year, per employee.

**PASSED, APPROVED AND ADOPTED** this 12th day of November 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Eduardo Valdez-Belmonte  
President of the Board

ATTEST:

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Raquel R. Carrillo  
Clerk of the Board of Directors