

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

June 13, 2011

Cost of Living Adjustment

Synopsis

The Board of Directors is requested to include in the Fiscal Year 2011-2012 budget funding for some form of a cost of living adjustment.

Report

At the May 23, 2011 study session, the Board directed staff to include in the Fiscal Year 2011-2012 budget \$74,000 for a possible cost of living adjustment. The discussion focused on a one-time bonus type cost of living adjustment. The intent is that during the mid-year budget review, the Board would decide if it wants to proceed with a cost of living adjustment and how that adjustment would be done.

Following the May 23, 2011 study session, conversation among staff occurred about the discussion at the study session. Staff recognized that management was in an awkward position of being unable to present reasons in favor of a cost of living adjustment for fear of sounding self-serving. Yet, employees felt that the Board ought to hear their perspectives. Since some employees have difficulty attending Board meetings or are hesitant making comments in public, it was suggested that any employees who would like to share their thoughts regarding the cost of living adjustment could provide written comments that would be shared with the Board. Rather than try to summarize the comments received, the comments were compiled verbatim and attached to this report. Again, the overall purpose is to give the Board of Directors an understanding of employees' perspectives that have not be filtered by management.

Recommendation

Staff has included an additional \$74,000 in the budget for a possible cost of living adjustment, most likely in the form of a one-time bonus, to be decided later in the year.

Suggested Motion

The Board does not need to take formal action under this agenda item but rather direct staff whether \$74,000 should remain in the budget. Staff will be available to answer any questions. The formal action will be under the approval of the Fiscal Year 2011-2012 budget of whether this line item should not be included in the budget.

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Respectfully submitted,

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General Manager