

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

**June 11, 2012**

**Longevity Pay Policy**

**Synopsis**

The Board of Directors is requested to discuss the longevity pay policy and decide how it may want to modify it.

**Report**

Board member Dan Offret requested that the longevity pay policy be placed on the agenda as part of the discussion of the budget. At the April 30, 2012 study session and in the accompanying report, it was noted that the Board established a longevity pay for long-term employees in 2008 to acknowledge their dedication and commitment to Metro Water. The longevity pay is \$100 per year of service every five years. When the longevity pay was started, the focus was on 5, 10, and 15 year employees. Based on the number of employees with those years of service, more than \$8,000 is included in the budget. Upon reviewing the policy, it was realized that there is no limitation on the longevity pay a given to an employee and it did not stop at 15 years. This fiscal year, there will be 8 employees who will reach their 20 year anniversary with the District. Therefore, an additional \$16,000 plus benefit costs is included in the budget. The total amount in the budget for longevity pay is \$24,946, which includes tax and retirement costs.

Legal Counsel has advised that the Board may change or discontinue this policy at any time. No employee is vested with the longevity pay because it is a promise to do something in the future but employees do not have a present right to claim it.

**Staff Recommendation**

Staff recommends that the Board of Directors discuss the longevity pay policy and decide whether it would like to maintain it as currently administered, modify it or discontinue it.

Respectfully submitted;

Mark R. Stratton  
General Manager