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Marina Coast Water District
From: Georg Krammer, Project Manager
Subject: Medical Premiums Included in the Total Compensation Study
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In November 2017, Koff & Associates (“K&A”) conducted a comprehensive Total Compensation Study for Marina Coast Water District (“MCWD”). This compensation review process was precipitated by:

- The concern of management that employees should be recognized for the level and scope of work performed and that they are paid on a fair and competitive basis that allows MCWD to recruit and retain a high-quality staff;
- The desire to have a compensation plan that can meet the needs of MCWD that is growing and expanding its service delivery areas, including water resources and groundwater; and
- The desire to ensure that internal relationships of salaries are based upon objective, non-quantitative evaluation factors, resulting in equity across MCWD.

The goals of the compensation study are to assist MCWD in developing a competitive pay and benefit plan, which is based upon market data, and to ensure that the plan is fiscally responsible and meets the needs of MCWD with regards to recruitment and retention of qualified staff.

Summary of Findings

The results of the total compensation study showed that:

- ***MCWD’s base salaries, overall, in comparison to the market median are 15.7% below the market.***
- ***MCWD’s total compensation, overall, in comparison to the market median is 0.8% below the market.***

Benefits – Medical Premiums

The market benefits data reveals the major contributing factors that give MCWD a competitive advantage are MCWD’s contributions to retirement (including paying the full employee PERS contribution), participation in Social Security, as well as its contribution to medical insurance. None of the comparator agencies pay any EPMC and MCWD has the highest medical contribution of all agencies surveyed.

It should be noted that the reason that MCWD’s cost for medical insurance is so high is that there is a limited selection of health plans to choose from due to the District’s geographic location. For example, there are no Health Maintenance Organization (HMO) Plans in the region. In order to provide a competitive level of benefit, the District has to pay relatively more compared to agencies that are located in more urban geographic locations with a greater abundance of more affordable health plans available to them. This means that the cost of the health plan, in this case, does not necessarily translate to a greater benefit for the employees.