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## Alameda Corridor Transportation Authority

December 10, 2020

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| <b>To:</b>      | Governing Board   |
| <b>From:</b>    | Michael C. Leue, Chief Executive Officer  |
| <b>Subject:</b> | ACTA Staff Salary Adjustments (APPROVAL)  |

**Recommendation:**

The Governing Board is asked to select a salary increase for ACTA staff from 0 to 5% and authorize the Chief Executive Officer to implement salary adjustments for ACTA staff effective January 2021 at the approved amount.

**Discussion:**

The FY2021 Draft Budget was presented to ACTA Governing Board on April 9, 2020. At that time, a cost of living salary increase of 4.5 percent was recommended for ACTA employees for FY2021. The recommended increase was based on the anticipated CPI for FY21 and to help capture the CPI differential that was not fully realized in FY19 and FY20 (see table below). The Governing Board decided to postpone the salary increase at that time due to the uncertainty of economic impacts of COVID-19, but requested ACTA management to bring the item back to the Governing Board by the end of the year.

In FY2018, staff salaries were realigned to better match responsibilities. Board-approved staff salary increases compared to the CPI for FY19, FY20, and FY21 are shown in the adjacent table, which indicates a total lag of 5.1 percent. It is understood that economic conditions have not improved since the Board meeting on April 9, 2020, but the Ports' and ACTA's performance is only slightly reduced from last year. ACTA staff stands at eight full-time staff employees, who are currently working extra hard to bring on a new accounting system and to provide retained knowledge to support two new ACTA officers.

| FY   | Approved |      |              |
|------|----------|------|--------------|
|      | Raise    | CPI  | Lag          |
| 2019 | 3.0%     | 4.3% | -1.3%        |
| 2020 | 3.0%     | 3.4% | -0.4%        |
| 2021 | tbd%     | 3.4% | -3.4%        |
|      |          |      | <u>-5.1%</u> |

**Budget Discussion:**

If the Governing Board decides to approve a salary increase for staff (excluding the CEO and CFO positions), the annual cost will be approximately \$18,500 for each 1% of salary increase. To put this in context, the new accounting system will save nearly \$200,000 a year and the overall annual obligations of ACTA exceed \$100 million.

These facts are presented to the Governing Board for discussion and a decision on approved increase for staff salaries.



**Co-General Counsel Review:**

ACTA's Co-General Counsel has reviewed this Board Report and there are no legal issues at this time.