Agenda	**AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION** **April 23, 2015** **2:30 P.M.** **651 Pine Street, Room 101, Martinez**

Rick Wise, East Bay Leadership Council, *Chair*
Margaret Eychner, Contra Costa Taxpayers' Association, *Vice Chair*
Michael Moore, Member, Contra Costa County Civil Grand Jury, *Secretary*
Margaret Hanlon-Gradie, Central Labor Council of Contra Costa County, AFL-CIO
Stuart McCullough, Contra Costa Human Services Alliance

Facilitator: Stephen L. Weir, Contra Costa County Administrator's Office

Agenda Items:	Items may be taken out of order based on the business of the day and preference of the Committee

1. Call to Order and Introductions

2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

3. RECEIVE and APPROVE the Record of Action for the April 16, 2015 Ad Hoc Committee on BOS Compensation meeting.

4. RECEIVE compilation of research data requested by the Committee on April 16 and provide direction to staff on next steps.

5. The next meeting is currently scheduled for May 7, 2015.

6. Adjourn

The Ad Hoc Committee on Board of Supervisors Compensation will provide reasonable accommodations for persons with disabilities planning to attend the Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Ad Hoc Committee on Board of Supervisors Compensation less than 96 hours prior to that meeting are available for public inspection at 651 Pine Street, 10th floor, during normal business hours.

Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.

For Additional Information Contact:

Julie DiMaggio Enea, Committee Staff
Phone (925) 335-1077, Fax (925) 646-1353
julie.enea@cao.cccounty.us

Contra Costa County
Board of Supervisors

Subcommittee Report

AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

Meeting Date:	04/23/2015
Subject:	RECORD OF ACTION FOR THE APRIL 16, 2015 AD HOC COMMITTEE MEETING
Submitted For:	Stephen L. Weir, Facilitator
Department:	County Administrator
Referral No.:	
Referral Name:	
Presenter:	Steve Weir
Contact:	Julie DiMaggio Enea 925.335.1077

Referral History:

Referral Update:

Recommendation(s)/Next Step(s):

Attachments

Record of Action Ad Hoc Cte on BOS Compensation 4-16-15

AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

RECORD OF ACTION FOR
April 16, 2015

Agenda

Margaret Hanlon-Gradie, Central Labor Council of Contra Costa County, AFL-CIO
Michael Moore, Member, Contra Costa County Civil Grand Jury
Stuart McCullough, Contra Costa Human Services Alliance
Margaret Eychner, Contra Costa Taxpayers' Association
Rick Wise, East Bay Leadership Council

Facilitator: Stephen L. Weir, Contra Costa County Administrator's Office

Present: Margaret Eychner
Margaret Hanlon-Gradie
Michael Moore
Rick Wise
Stuart McCullough

Staff Present: Steve Weir, Facilitator
Julie DiMaggio Enea, CAO Staff

1. Call to Order, Roll Call, and Introductions

Facilitator Steve Weir called the meeting to order at 3:05 p.m.

2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

No members of the public asked to speak under Public Comment.

Michael Moore suggested that, once the Committee determined a set of recommendations, that the recommendations be listed on two Committee agendas in order to provide more than one opportunity for members of the public to view and comment on the recommendations.

3. RECEIVE and APPROVE the Record of Action for the April 9, 2015 Ad Hoc Committee on BOS Compensation meeting.

The Committee approved the Record of Action for the April 9, 2015 meeting with the following clarification: that the Deputy Sheriff's Association filed the petition for referendum and a coalition including the Contra Costa Taxpayers' Association, the Bay Area News Group, labor groups and many individuals gathered the signatures required to qualify the referendum.

AYE: Margaret Eychner, Margaret Hanlon-Gradie, Michael Moore, Rick Wise, Stuart McCullough

Passed

4. NOMINATE and VOTE to elect Committee officers: Chair, Vice Chair and Secretary.

The following slate was nominated and approved by unanimous vote:* Chair*, Rick Wise;* Vice Chair*, Margaret Eychner; and* Secretary*, Michael Moore.

AYE: Margaret Eychner, Margaret Hanlon-Gradie, Michael Moore, Rick Wise, Stuart McCullough

Passed

5. RECEIVE draft compilation of research data on the characteristics of Bay Area county governments and the compensation factors of their governing bodies, and provide direction to staff on next steps.

CAO staff presented the Draft Bay Area Board of Supervisors Compensation Chart. This draft included information from the nine Bay Area counties including: Population; Budget; FTE (full time equivalent employees); compensation factors for Board of Supervisors including salary, pension contribution and vesting, county health benefits contribution, county retirement health benefits contributions and vesting; county contribution to deferred compensation or other pension enhancements (IRA); auto allowance; vacation, sick leave, or other paid accruals that can enhance terminal pay or retirement basis and other county-paid perquisites. Staff noted that the information was acquired informally through phone and email inquiries and web searches, and needed to be refined and verified.

Staff also provided supplemental information on Alameda, San Mateo, and Contra Costa counties, including the ACERA Retiree Benefits Plan and Monthly Medical Allowance for Alameda County retirees, the employer/employee contributions to Contra Costa health plan premiums, and a more detailed comparison of benefits among Alameda, Contra Costa, and San Mateo counties. Supplemental documents were added to the meeting record.

Staff clarified that Contra Costa health benefit contributions are a fixed dollar amount that varies by plan rather than a fixed percentage of a premium or flexible spending allocation (as occurs in some of the other Bay Area counties).

Steve Weir explained why staff chose to focus on Alameda and San Mateo counties for the more detailed comparisons and asked the Committee for direction on which counties it preferred to focus on for further analysis. There was consensus among the Committee members that only Bay Area counties should be considered and that Alameda and San Mateo appeared to be most closely aligned with Contra Costa County in size, scope, and complexity.

Staff reviewed each element of the comparison with Alameda and San Mateo counties. Michael Moore suggested that in terms of the value of the pension benefit as a component of total compensation, the quality and value of the benefit to the retiree should be considered rather than the dollar amount contributed by a county towards the premium, because amounts contributed by a county may be due to unfunded accrued actuarial liability (UAAL) vs. the actual value of an individual's retirement benefit. After further discussion, there appeared to be a general consensus on this point.

With regard to comparing the quality of health benefit plans, the Committee asked to be provided the Cheiron report on Medical Benefits Trends that was provided to the Board of Supervisors at its

January 27 retreat.

The Committee asked staff to verify what, if any, mileage reimbursement is provided to Board members in addition to the monthly auto allowance, and how the San Mateo County retiree health benefit applies to its Board members, who do not accrue sick leave.

The Committee engaged in a broad discussion of issues including equity and fairness for Board compensation. There was consensus that the elected County Supervisor is a full-time job in terms of hours but, as a legislator/policy-maker, is not equivalent to, nor should the salary be tied to, an administrator, county department head, or operating department employee. The Committee discussed its overall charge and acknowledged that the Board Member salary should be set high enough so as to not pose an barrier to individuals seeking political office, and should be determined via peer to peer comparison. There was interest in knowing more about the San Francisco Civil Service Commission salary-setting procedures. Staff is to report more on this and try to include other examples where such a salary setting commission operates.

Attachments "2015 Contra Costa County Board of Supervisors Committee Assignments"; "FPPC Form 806"; and "Government Code section 1770" were acknowledged by the Committee.

The Committee asked staff to report back with the following information:

- *10 years of history on general county salary increases for management/unrepresented, Local 1, and the Deputy Sheriff's Association, including any difference in the timing of COLAs*
- *10 years of history on health benefit changes for management/unrepresented, Local 1, and the Deputy Sheriff's Association*
- *10 years of history on Contra Costa elected officials' salary adjustments*
- *10 years of history on SF County elected officials salary adjustments*
- *how the Civil Service Commission at the City/County of San Francisco is composed, appointed, and how it operates to set elected official salaries*
- *which supplemental pays are retirement compensable under CCCERA*
- *any other examples that could be found of an independent commission for salary determination*

AYE: Margaret Eychner, Margaret Hanlon-Gradie, Michael Moore, Rick Wise, Stuart McCullough

Passed

6. The next meeting is currently scheduled for April 23, 2015.

The committee decided to cancel its April 30 meeting.

AYE: Margaret Eychner, Margaret Hanlon-Gradie, Michael Moore, Rick Wise, Stuart McCullough

Passed

7. Adjourn

Chairman Wise adjourned the meeting at 4:50 p.m.

For Additional Information Contact:

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julie.enea@cao.cccounty.us

Contra Costa County
Board of Supervisors

Subcommittee Report

AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

Meeting Date:	04/23/2015
Subject:	STAFF RESEARCH ON ITEMS REQUESTED BY THE COMMITTEE ON APRIL 16
Submitted For:	Stephen L. Weir, Facilitator
Department:	County Administrator
Referral No.:	
Referral Name:	
Presenter:	Steve Weir
Contact:	Julie DiMaggio Enea 925.335.1077

Referral History:

At the April 16 meeting, the Committee reached consensus on the following principles regarding board of supervisors compensation:

- *The Board Member salary should be determined via peer to peer comparison.*
- *Only Bay Area counties should be considered, and that Alameda and San Mateo appeared to be most closely aligned with Contra Costa County in size, scope, and complexity.*
- *With regard to the pension benefit as a component of compensation, the quality and value of the benefit to the retiree should be considered rather than the dollar amount contributed by a county towards the premium, because amounts contributed by a county may be due to unfunded accrued actuarial liability (UAAL) vs. the actual value of an individual's retirement benefit.*
- *The elected County Supervisor is a full-time job in terms of hours but, as a legislator/policy-maker, is not equivalent to, nor should the salary be tied to, an administrator, county department head, or operating department employee.*
- *The Board Member salary should be set high enough so as to not pose a barrier to individuals seeking political office, and should be determined via peer to peer comparison.*

The Committee requested staff to compile the following additional information:

- *With regard to comparing the quality of health benefit plans, the Committee asked to be provided the Cheiron report on Medical Benefits Trends that was provided to the Board of Supervisors at its January 27 retreat.*
- *What, if any, mileage reimbursement is provided to Board members in addition to the monthly auto allowance.*
- *Which supplemental pays are retirement compensable under CCCERA.*
- *How the San Mateo County retiree health benefit applies to its Board members, who do not accrue sick leave.*

- *More information about the San Francisco Civil Service Commission salary-setting procedures and other examples where such a salary setting commission operates.*
- *10 years of history on general county salary increases for management/unrepresented, Local 1, and the Deputy Sheriff's Association, including any difference in the timing of COLAs*
- *10 years of history on health benefit changes for management/unrepresented, Local 1, and the Deputy Sheriff's Association*
- *10 years of history on Contra Costa elected officials' salary adjustments*
- *10 years of history on SF County elected officials salary adjustments*
- *How the Civil Service Commission at the City/County of San Francisco is composed, appointed, and how it operates to set elected official salaries*
- *Any other examples that could be found of an independent commission for salary determination*
- *Which supplemental pays are retirement compensable under CCCERA*

Referral Update:

Health Benefits Comparison

The Committee asked to see a comparison of county-offered health plans and benefits. See Attachment A for the report prepared by Cheiron on Medical Benefits Trends that was provided to the Board of Supervisors on January 27.

Mileage Reimbursement for Contra Costa Board of Supervisors Members

County Ordinance section 24-26-006(b) provides that each Supervisor shall receive reimbursement for reasonable expenses necessarily incurred in the conduct of his/her office, including an automobile allowance of $600/month plus all mileage at the rate per mile allowed by the IRS. Receipt of the automobile allowance requires that a private automobile be furnished for county business. Actual mileage claimed in March 2015 by the Supervisors ranged from 0-748 miles each and was reimbursed at the current IRS mileage deduction rate of $0.575/mile.

Therefore, when comparing auto allowances among Contra Costa, Alameda, and San Mateo counties, it must be noted that neither Alameda nor San Mateo County supplement the auto allowance with mileage reimbursement.

Clarification of San Mateo County Paid Leave Accrual Policy for Board of Supervisors

The San Mateo County Human Resources Department clarified that its Board members accrue leave hours as all their management positions do. However, the Board’s leave hours cannot be cashed out in order to increase the final salary upon retirement. Board members are eligible to use their sick leave balances to purchase retiree health plan subsidies in the same way that other employees may. See Attachment H for updated Tri-County Comparison table.

CCCERA Retirement Base

The following list applies to the calculation of benefits for all active or deferred employees who first became CCCERA members before January 1, 2013 ("Legacy Members.") All of the current Contra Costa County board members are legacy CCCERA members. New members after that date will have their retirement allowances calculated under the provisions of the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). See Attachment B for CCCERA’s Post AB 197 Compensation Earnable Policy, which explains the preceding list in more detail.

"Compensation earnable" ordinarily includes:

- Regular base salary
- FLSA premium pay for regularly scheduled work assignment (fire and law enforcement)
- Longevity pay
- Cash payments for special skills and qualifications and unique services, such as:
  - bilingual pay
  - shift differential
  - special assignment differential
  - holiday pay
- Educational incentive pay (e.g. POST, CPA)
- In-service leave cash outs (earned and payable each year, regardless of when actually paid)
- Allowances (e.g. uniform, automobile)
- Standby or on-call pay (for work during normal working hours, required by the employer and not voluntary, and ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period)

"Compensation earnable" ordinarily excludes:

- Overtime pay
- Expense reimbursements
- The monetary value of advantages received in kind, such as:
  - uniforms
  - employer payments to third-party insurers
  - lodging
  - transportation
  - the use of an automobile.
- Employer contributions to deferred compensation plans
- Lump sum at termination for accrued unused leave that could not be cashed out annually during service
- Severance pay

The Committee asked specifically if the retirement base would include any lump sum payment of the $12,000 annual deferred compensation benefit to which a Supervisor is entitled if, for any reason, all or part of such deferred compensation cannot be paid into a deferred compensation account. The CCCERA Board has the authority to review individual “legacy” member compensation to determine if any element of final year compensation will “spike” the final annual salary. Staff was unable to obtain a definitive opinion from CCCERA on the Committee’s question.

Other-Agency Compensation Commissions

The Committee requested information about how the San Francisco Civil Service Commission is composed, appointed and how it operations, and also information on similar commissions in other jurisdictions.

City and County Civil Service Commission: Salary Setting Function

The San Francisco Civil Service System was established under the 1900 Freeholder Charter. The

Commission provides Rules and policies interpretation, reviews and audits merit system operation, approves contracting out based on the scope of services, and conducts training and outreach on the merit system.

In 2002, voters approved a Charter Amendment determining that the job of the members of the Board of Supervisors is full time and that the salaries are to be set by the Civil Service Commission once every 5 years.

Salary setting for elected officials is only one of many functions of the Commission. To carry out the current merit system provisions of the Charter, the Civil Service Commission:

- Establishes and revises Rules, policy and procedures on the merit system applicable to City & County of San Francisco departments, the Municipal Transportation Agency and classified employees of the San Francisco Unified School District and the San Francisco Community College District;
- Conducts hearings on appeals on examinations, eligible lists, minimum qualifications, discrimination complaints, future employment with the City, and other merit system matters under its jurisdiction;
- Reviews, monitors and audits the operation of the merit system - receives reports, conducts hearings and takes remedial action as required and where appropriate;
- Provides an Inspection Service to applicants, employees, departmental representatives, union representatives, and members of the public;
- Conducts training and outreach on the merit system;
- Approves contracting out based on the scope of services;
- Publishes the Civil Service Adviser and other merit system informational materials;
- **Sets salaries of elected officials**; and,
- Performs functions authorized in Employee Relations Ordinance administration

The five commissioners are appointed by the Mayor.

<u>Salary Setting</u>. Under the City/County Charter, the SF Civil Service Commission, every five years, conducts a salary survey to rebalance the board of supervisors' salary in the context of peer boards and councils (defined as full time California City Councils and County Boards of Supervisors). The Commission has typically also indexed the updated salary annually to changes in consumer prices for the San Francisco Area – All Urban Consumers (CPI-U) from 0-5% annually, until the start of a new five-year cycle. If labor contracts are amended to reduce compensation for employees, the Commission may reduce the Supervisors salary as necessary to achieve comparable cost savings.

Following the 2002 ballot measure, in which the electorate confirmed that the board position is full time and established a five-year salary cycle, the Civil Service Commission in 2003 initially set the board salary at $112,320 for one year. When the Commission conducted its first salary survey in 2004, it considered salary and other information from California jurisdictions with full-time City Councils and County Supervisors including: total number of members and population represented; administrative responsibilities and/or job functions; total number of city/county departments and employees; budget; outside employment policy; internal and external committee structure; consumer price index; cost of living comparison; and, examples of applicable charter provisions. In its deliberations, the Commission considered the complex nature of the position, the importance of the position in the framework of City and County of San Francisco governance, the budget, the special nature of a combined city and county governing function, the salary in relation to staff, and comparison to other similar jurisdictions. Based on that study, the Commission reset the board salary at $90,000 for a five year cycle (July 2004-June 2009), with an annual escalator based on the January CPI-U. The subsequent cycle ran from July 2009 through June 2014.

The most recent Commission Salary Survey Work Plan looked like this:

Commission Meeting/Report	**Activity**
Dec 2013	Presentation of preliminary work plan; outline of Civil Service
Jan-May 2014	Survey and obtain annual salary information for Councilmembers and/or Member of Board of Supervisors for California cities and counties that have full time City Councils and County Supervisors.
Feb 2014	Obtain Consumer Price Index Report for All Urban Consumers (CPI-U) issued by the United States, Department of Labor, Bureau of Labor Statistics, for the period December 2012 to December 2013.
Apr 2014	Progress report
May 2014	Analyze, finalize and prepare salary information **to** present to Commission.
May 19, 2014	Presentation of salary survey findings & recommendation at the Civil Service Commission Regular Meeting; Commissioners make decision & set base salary; forward salary decision/notice of action to the Controller for inclusion in the FY 2014-15 budget.

Two salary histories for the San Francisco Board of Supervisors are provided in Attachment C. One is based on amounts contained in city ordinances. The other was excerpted from the May 19, 2014 Civil Service Commission Report on the 2014/2019 Salary Cycle.

Other Salary Review Commission Models

Both Santa Barbara County and San Luis Obispo County use ad hoc committees selected by their CEOs to set their board of supervisors' salary. These ad hoc committees are generally composed of representatives from the taxpayers' association, chambers of commerce, non-profits, and private sector businesses.

Santa Barbara County. Late last year, the Santa Barbara County Administrator set up a six-person committee to make recommendations to the supervisors on their current salary and the methodology for setting that salary now and in the future. The County of Santa Barbara Board of Supervisors Compensation Ad Hoc Committee met several times in December and January. A March 11 news article reported that the supervisors voted 3-1 (one absent) to adjust the board salary annually based on the CPI (see news article in Attachment D for context).

San Luis Obispo County. Prior to December 2014, San Luis Obispo County set its supervisors' salary using the average pay seen in a collection of other counties, but on December 16, 2014, the supervisors granted themselves a 5% pay increase based upon a recommendation of the human resources director to change the method used to determine the board's salary to be consistent with the method used to determine the prevailing wages of other employee groups. The County expanded market comparator organizations to include a broader spectrum of agencies ("new market") than had been previously utilized. This new market has been used by the county in negotiations with all employee organizations and replaces a previous contractual formulaic approach to establishing wages. The former formulaic approach was also included in the Board of Supervisors' current compensation ordinance, which was eliminated in the December amendment. The December amendment also incorporated other economic factors important in consideration of establishing wages including the County's financial stability.

California Citizens' Compensation Commission. See Attachment E for a summary.

Gallatin County, MO Compensation Board. There is a county compensation board consisting of the county commissioners, three of the county officials described in subsection (1) appointed by the board of county commissioners, the county attorney, and two to four resident taxpayers appointed initially by the board of county commissioners to staggered terms of 3 years, with the initial appointments of one or two taxpayer members for a 2-year term and one or two taxpayer members for a 3-year term. The county compensation board shall hold hearings annually for the purpose of reviewing the compensation paid to county officers. The county compensation board may consider the compensation paid to comparable officials in other Montana counties, other states, state government, federal government, and private enterprise.

The county compensation board shall prepare a compensation schedule for the elected county officials, including the county attorney, for the succeeding fiscal year. The schedule must take into consideration county variations, including population, the number of residents living in unincorporated areas, assessed valuation, motor vehicle registrations, building permits, and other factors considered necessary to reflect the variations in the workloads and responsibilities of county officials as well as the tax resources of the county.

A recommended compensation schedule requires a majority vote of the county compensation board, and at least two county commissioners must be included in the majority. A recommended compensation schedule may not reduce the salary of a county officer that was in effect on May 1, 2001.

Multnomah County, OR Salary Commission. See Attachment F for recent report.

<u>10-Year History of Negotiated Wage and Health Benefit Changes for Selected Employee Groups</u>

See Attachment G for history table.

<u>Related News Articles</u>
See Attachment J for related news articles.

<u>Recommendation(s)/Next Step(s):</u>
RECEIVE compilation of research data requested by the Committee on April 16 and provide direction to staff on next steps.

Fiscal Impact (if any):

None. This is an informational item only.

Attachments

Attachment A Cheiron Report on Health Benefit Trends in CA Counties

Attachment B CCCERA Policy on Compensation Earnable - Detailed

Attachment C-1 SF Salary History

Attachment C-2 SF Salary History

Attachment D Santa Barbara County News Article

Attachment E CA Citizens Compensation Commission

Attachment F Multnomah Co OR Salary Commission Report

Attachment G Contra Costa County Labor Package History for Selected Groups

Attachment H Updated Tri-County Comparison

Attachment J-1

Attachment J-2

Attachment J-3

Contra Costa County

CHEIRON

Classic Values, Innovative Advice.

Medical Benefit Trends in the Bay Area

January 27, 2015

Michael Schionning, FSA, Cheiron

Agenda

- Overview
- Employee Benefits
- Retiree Benefits
- Questions
- Appendix
  – Benefit Comparisons
  – Contribution Methodology

Overview

- Provide a comparison of benefit offerings by other counties in the Bay area of California
- Discuss the key components of medical benefits for both employees and retirees
- Review the current premium cost to both the County and employees
- Provide general commentary on future trends in benefit coverage

Overview

- The counties studied were:
  - Alameda
  - Marin
  - Napa
  - Sacramento
  - San Francisco
  - San Joaquin
  - San Mateo
  - Santa Clara
  - Santa Cruz
  - Solano
  - Sonoma
  - Stanislaus

Employee Benefits

- The focus was on the key components of the medical benefits offered
  - Number and type of plans offered
  - Total premium cost of coverage
  - Contributions toward coverage
  - Other key features
    - Waiver of coverage incentives
    - Rating tiers used
    - Extension of coverage to Part-time employees

Employee Benefits

- Benefit plan offerings
  - Contra Costa County sponsors 8 health benefit plans for non-safety employees
    - 2 are Preferred Provider Option (PPO) plans
    - 6 are Health Maintenance Organization (HMO) plans
    - Additionally, certain safety employees participate in CalPERS Sponsored or Public Employees' Medical and Hospital Care Act (PEMHCA) health plans.
- 3 counties participate solely in the PEMHCA (Napa, Santa Cruz and Solano)
  - Excluding these 3 counties, the range is 3 to 6 plans, with an average of 4
  - 4 of 12 peers offer one or more High Deductible Health Plan (HDHP) options
    - Marin, Sacramento, San Mateo, and Stanislaus

Employee Benefits

- The appendix (see pages 22, 23 & 24) compares key benefit coverage features for the Kaiser HMO, which is offered by all but 1 county and the most commonly offered PPO plan
- The table below shows the current enrollment in PPO and HMO type benefit plans for the County

	Active Employees			**Retired Employees**		
	HMO Plans	PPO Plans	Total	HMO Plans	PPO Plans	Total
County Sponsored Plans	5,679	14	5,693	4,070	298	4,368
PEMHCA Plans	849	112	961	793	334	1,127
Total Contra Costa County	6,528	126	6,654	4,863	632	5,495

- Note that most of the County's employees and retirees are in HMO type benefit plans

Employee Benefits

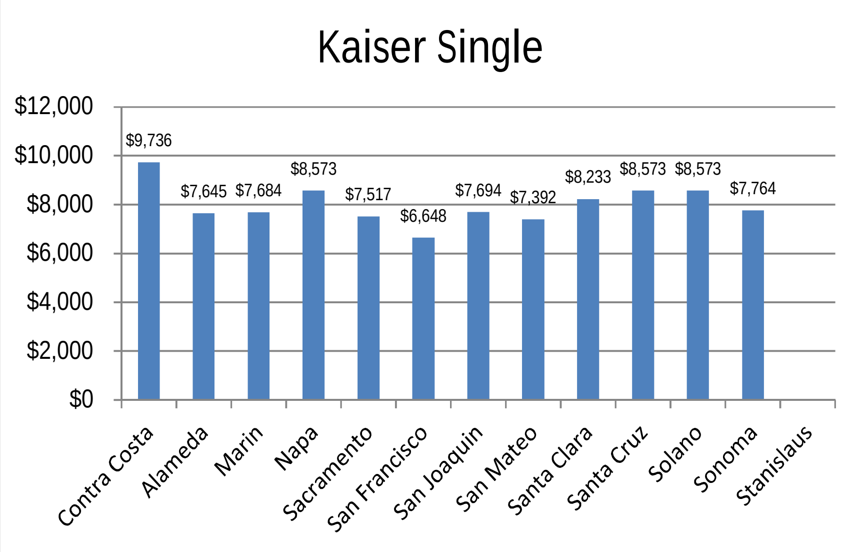
- For the Kaiser HMO Plan
  - In the comparison counties, the most common physician copay is $15 compared to $10 for the County
  - The most common emergency room copay is $50 compared to $10 for the County
  - 3 counties also have a per admission copay for inpatient hospital visits
- Overall, the County's most common Kaiser HMO plan provides a higher level of coverage (lower co-pays/user fees) than the other counties studied

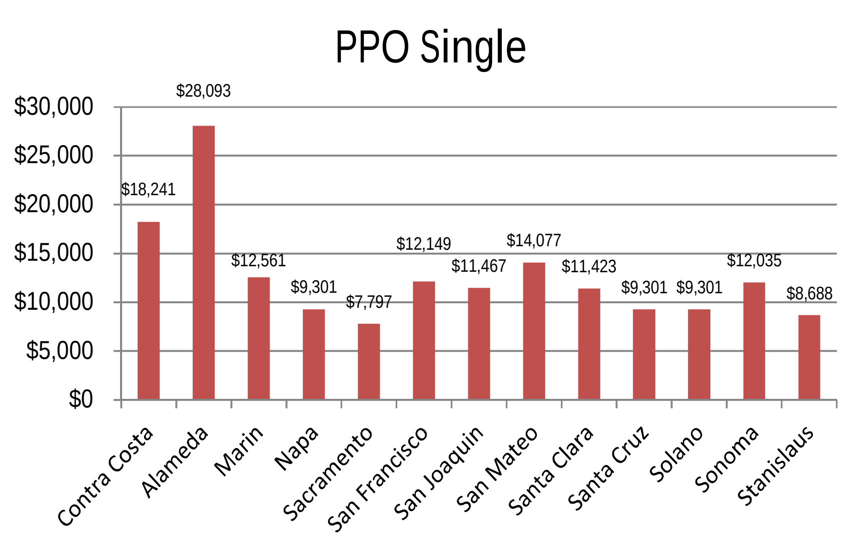
Employee Benefits

- For the most common PPO Plan
  - The annual deductible is at the lower end of the range offered by the other counties; $500 is the most common deductible
  - The out-of-pocket maximum for the County is somewhat lower at $1,500 compared to the most common amount of $2,000 for the comparison counties studied
  - The in-network coinsurance of 10% is consistent with most other plans and the out-of-network is better at 30% compared to the most common amount of 40%
  - The prescription drug copayment of $5 for all drugs is the lowest of the counties studied
- Overall, the County's most common PPO plan provides a higher level of coverage than the other counties studied

Employee Benefits

- The charts below compare the annual premiums for single coverage for Kaiser HMO and the highest cost PPO plan offered in each county

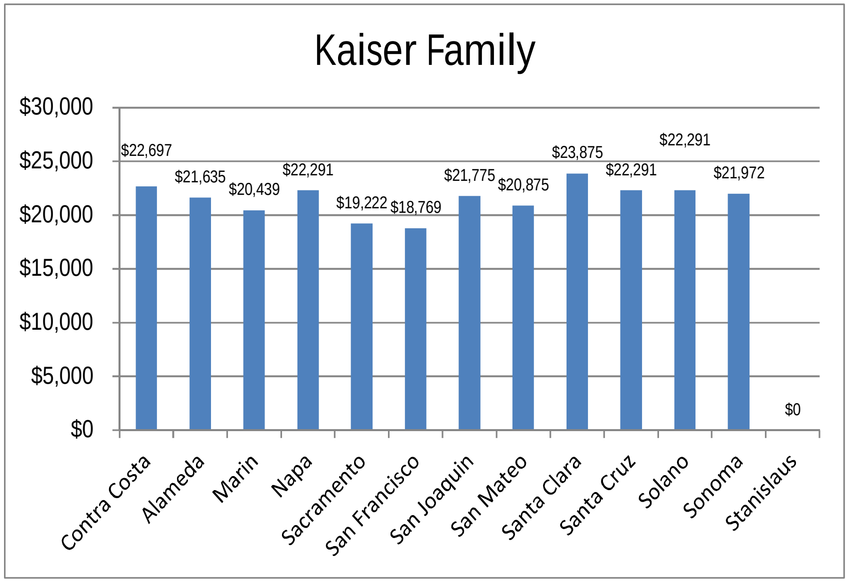


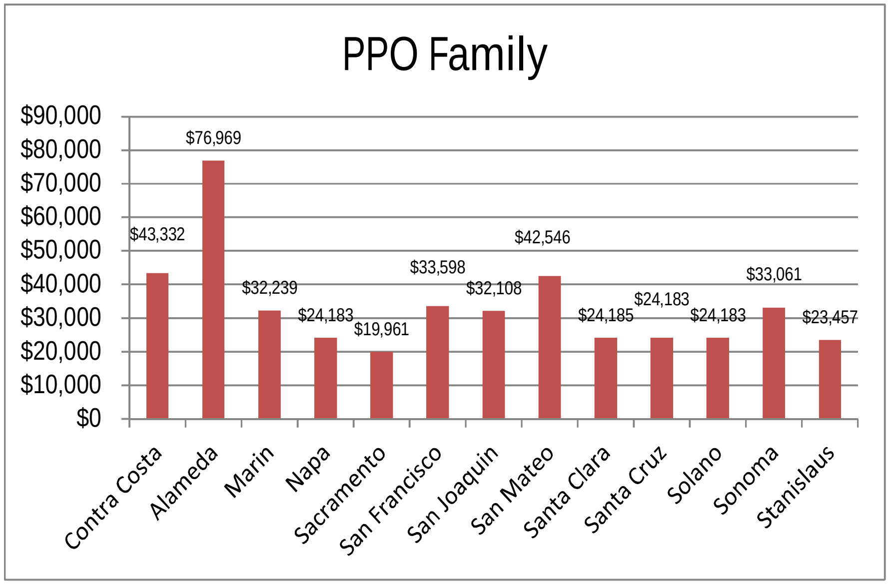


- The County has the highest cost Kaiser HMO plan and the second highest cost PPO plan
- Stanislaus County does not offer a Kaiser HMO plan

Employee Benefits

- The charts below compare the annual premiums for full family coverage for Kaiser HMO and the highest cost PPO plan offered in each county

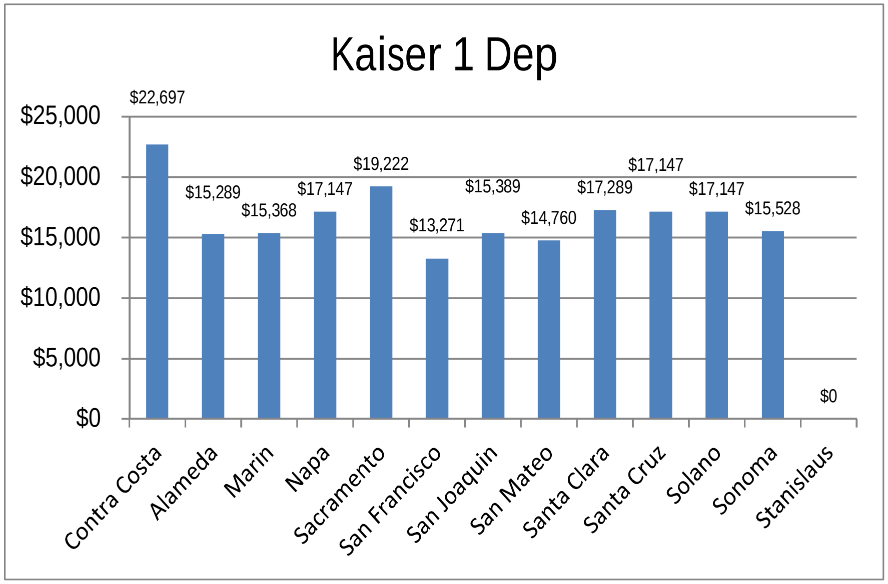


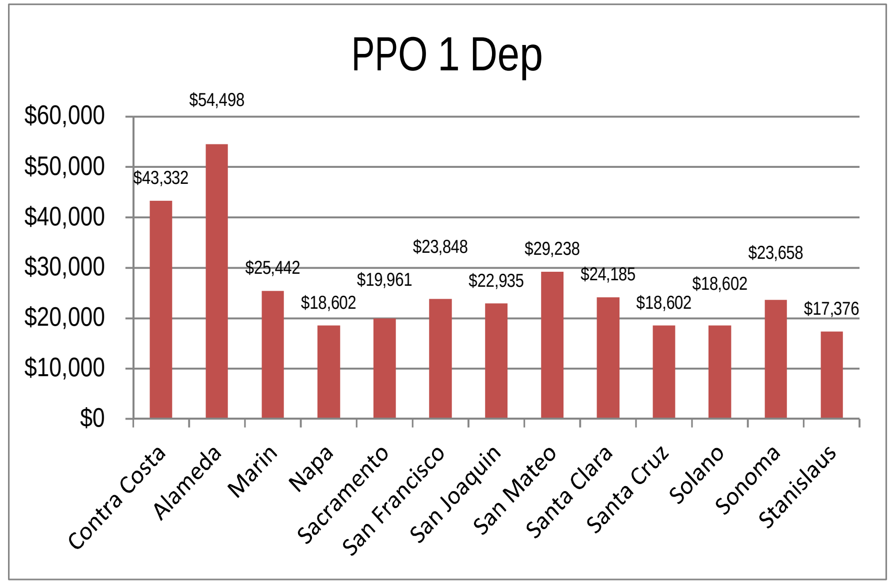


- The County has the second highest cost Kaiser HMO plan and the second highest cost PPO plan
- Note that most of the other Counties offer 3-tier rating structures so that premiums are lower for 1 dependent

Employee Benefits

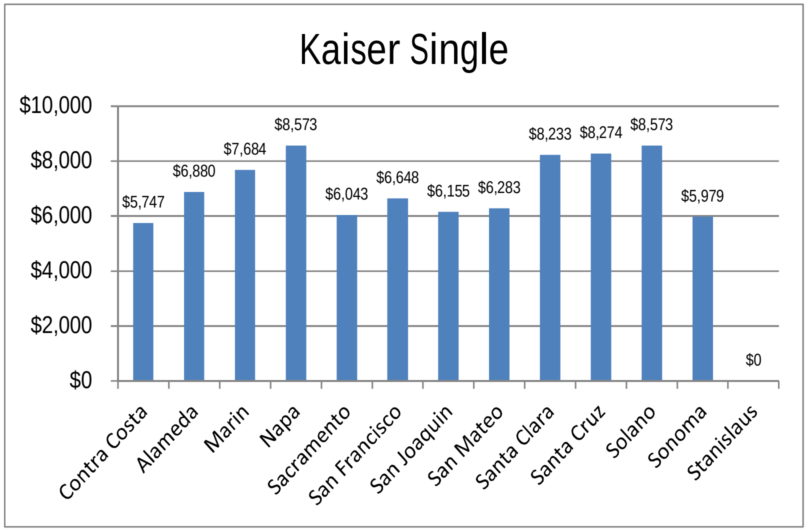
- The charts below compare the annual premiums for employee with one dependent coverage for Kaiser HMO and the highest cost PPO plan offered in each county

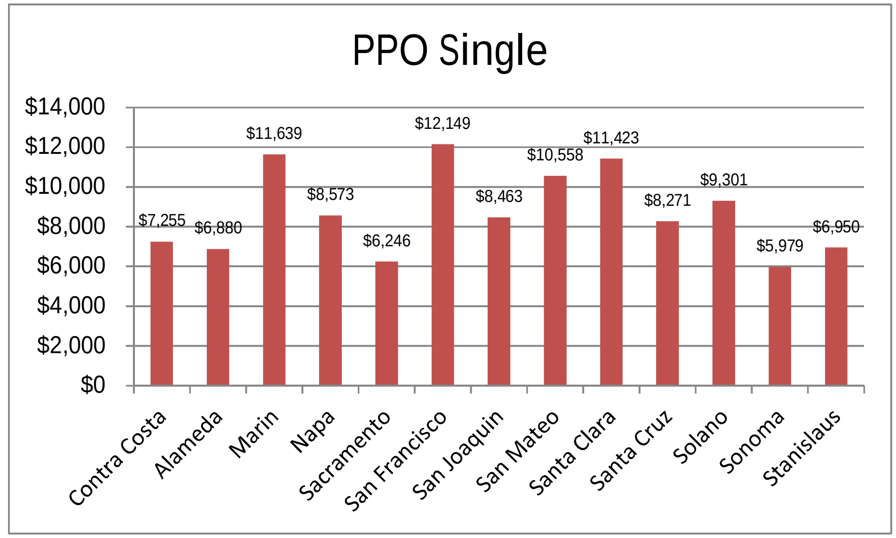




- The County has the highest cost Kaiser HMO plan and the second highest cost PPO plan
- For the PPO plan, the total premiums in other counties are much lower because Contra Costa County's one dependent rate is the same as the full family rate

- The charts below compare the annual County subsidy for single coverage for Kaiser HMO and the highest cost PPO plan offered in each county

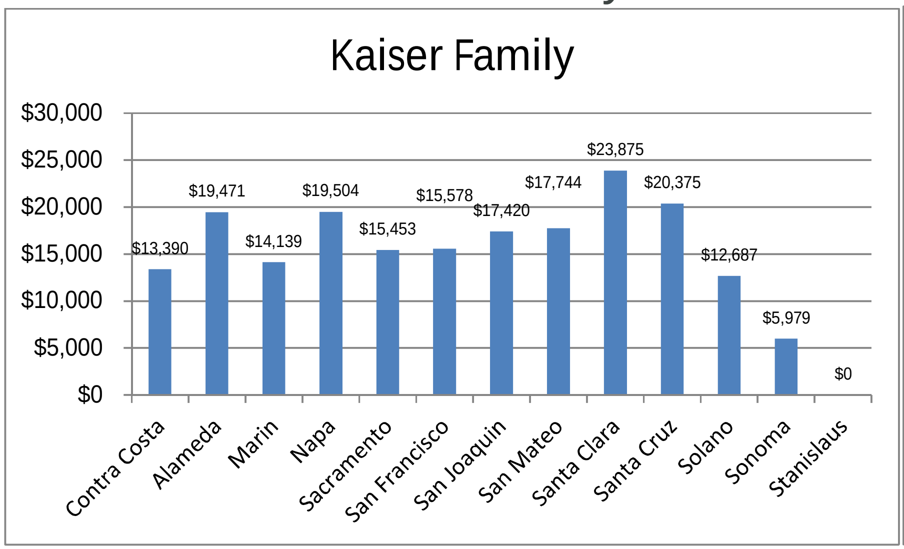


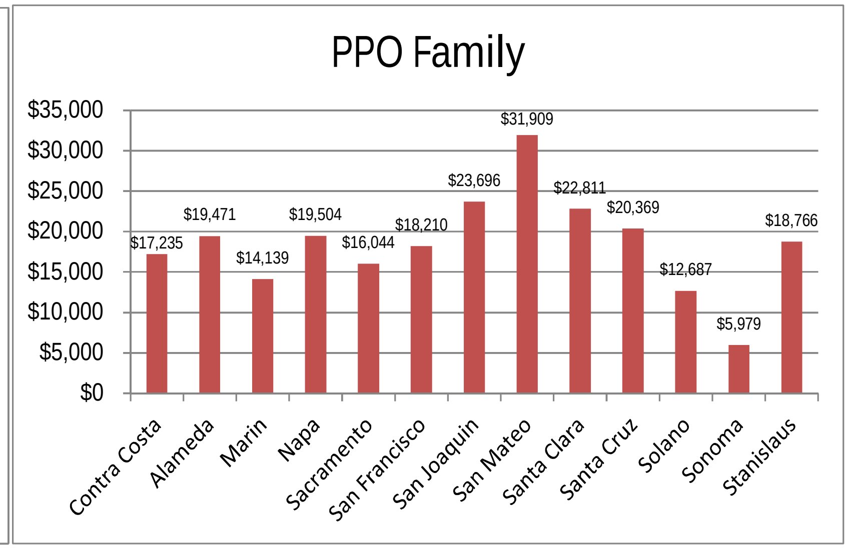


- The County has the lowest subsidy for the Kaiser HMO plan and is in the middle of the range for PPO coverage
- Five of the Counties subsidize 100% of the single premium for the Kaiser HMO plan
- Pages 29 and 30 of the appendix show representative annual employee contributions for single and full family coverage

Employee Benefits

- The charts below compare the annual County subsidy for employee with full family coverage for Kaiser HMO and the highest cost PPO plan offered in each county

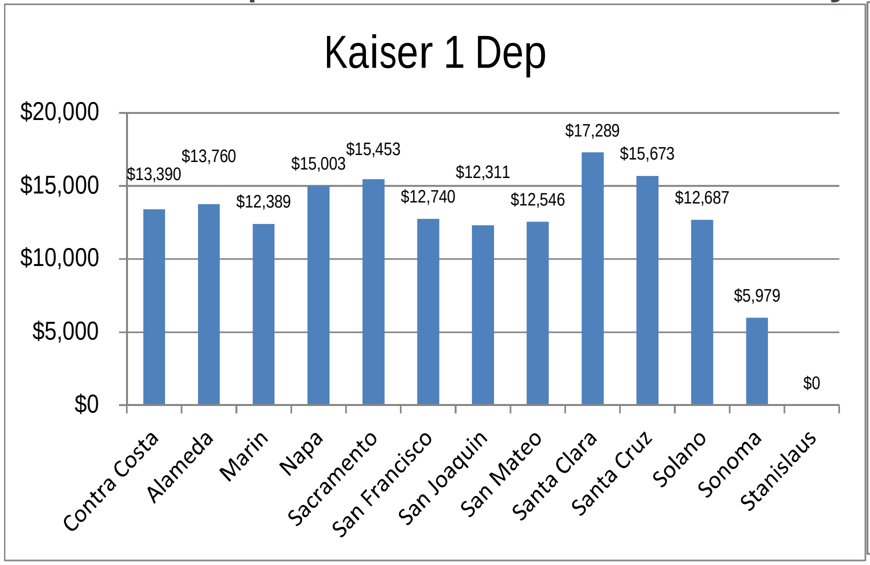


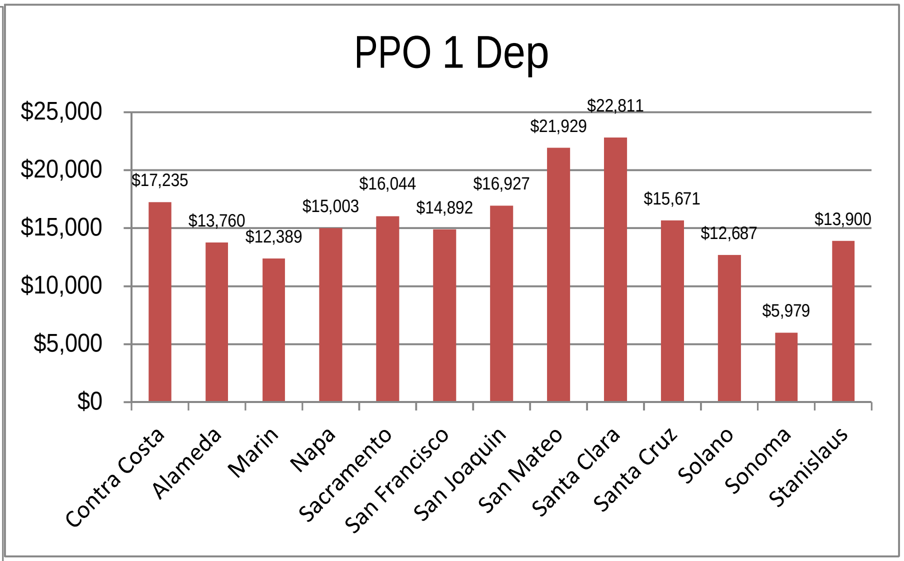


- The County subsidy on a dollar basis is in the middle of the range for the other counties
- On a percentage basis, only 2 counties contribute a lower percent of premium for Kaiser HMO and the PPO plan

Employee Benefits

- The charts below compare the annual County subsidy for employee with one dependent coverage for Kaiser HMO and the highest cost PPO plan offered in each county





- The County subsidy is higher for this category because it only offers a full family rate
- On a percentage basis, only 2 of the comparison counties subsidize a lower percent of premium for Kaiser HMO and the PPO plan

Employee Benefits

- Waiver of coverage
  - Contra Costa County does not provide incentives
  - 7 of 12 peer counties offer an incentive for employees who waive coverage
  - Incentives range from $50 to $385 per month
- Rating tiers
  - Contra Costa County uses a two tier structure (Single and Family)
  - 10 of the 12 other counties use a three tier structure (Single, Two Party, and Family)
  - Sacramento uses a two tier structure
  - Santa Clara uses a four tier structure (Single, Employee and Spouse, Employee and Children, and Employee and Family)

Employee Benefits

- Part time employee coverage
  - Contra Costa County provides the same subsidy to employees who work 20 or more hours per week
  - Threshold for providing full county subsidy:
    - 3 counties require 20 hours per week
    - 9 counties require 40 hours per week
  - Of the 9 counties that provide a partial subsidy to some part-time employees:
    - 8 counties prorate the subsidy based on scheduled part-time hours and threshold for full subsidy
    - 1 county offers part-time employees a special medical plan

Retiree Benefits

- All of the counties studied provide some level of retiree coverage
  - Three counties only provide access to coverage at the same premium as active employees
- The County is one of the leaders in addressing this liability through:
  - Pre-funding the benefit
  - Changing the program to reduce the liability

Retiree Benefits

- The chart on the next page compares some key measures of the retiree medical costs:
  - The total actuarial liability
  - The amount of any assets to support the liability
  - The funded ratio of the plan
  - The actuarial liability as a percentage of payroll
- All but four of the comparison counties are providing some level of pre-funding for the benefit
- As a percentage of payroll, the County is the fourth highest plan
- The County is in the top six in pre-funding the liability

Retiree Benefits

County	CAFR Date	Liability	Assets	% Funded	Liability as % of Payroll
Contra Costa	**FYE 14**	**$923.8**	**$129.4**	**14.0%**	**150.5%**
Alameda	FYE 14	$724.6	$617.6	85.2%	79.0%
Marin	FYE 13	$361.7	$26.4	7.3%	238.0%
Napa	FYE 13	$51.7	$16.6	32.1%	58.0%
Sacramento	FYE 13	$100.4	$0.0	0.0%	12.8%
San Francisco	FYE 14	$4,000.0	$17.9	0.4%	162.6%
San Joaquin	FYE 13	$97.8	$0.0	0.0%	26.7%
San Mateo	FYE 14	$319.4	$192.8	60.4%	70.5%
Santa Clara	FYE 14	$2,430.2	$560.3	23.1%	166.1%
Santa Cruz	FYE 13	$127.8	$0.0	0.0%	82.6%
Solano	FYE 14	$34.4	$14.2	41.4%	20.4%
Sonoma	FYE 14	$335.4	$23.7	7.1%	102.4%
Stanislaus	FYE 13	$36.1	$0.0	0.0%	16.7%

Discussion

Questions

Required Disclosures

- The purpose of this presentation is to present general information regarding the medical benefit offerings for County employers in the San Francisco Bay Area.
- This presentation was prepared exclusively for Contra Costa County and its Board of Supervisors for the purpose described herein. This presentation is not intended to benefit any third party and Cheiron assumes no duty or liability to any such party.
- In preparing our report, we relied on information (some oral and some written) supplied by the County as well as publically available data for other Counties in the Bay Area. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.
- To the best of my knowledge, this presentation has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. I am not an attorney and our firm does not provide any legal services or advice.

Michael W. Schionning, FSA
Principal Consulting Actuary

Appendix

Benefit Comparisons

Kaiser HMO Plan and

Highest Benefit PPO Plan

Appendix

	Contra Costa	Alameda	Marin	Napa	Sacramento
Kaiser HMO					
Out-of-Pocket Maximum	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000
Office Visit Copay	$10	$15	$5	$15	$15
Inpatient Hospital Copay	$0	$0	$0	$0	$0
Emergency Room Copay	$10	$50	$50	$50	$35
Retail Pharmacy					
Generic	$10	$15	$5	$5	10
Brand Formulary	$20	$15	$5	$20	$20
Brand Non-Formulary	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
PPO Plan					
Deductible	$250/$750	$2,000/$4,000 in-network; $4,000/$8,000 out-of-network	$500/$1,000	$500/$1,000	$1,500/$3,000 in-network only
Out-of-Pocket Maximum	$1,500/$3,000 In-network; $5,000 per person out-of-network	$4,000/$8,000 in-network; $8,000/$16,000 out-of-network	$3,000/$6,000 in-network, $15,000/$45,000 out-of-network	$2,000/$4,000 In-network; none out-of-network	$1,500/$3,000 in-network only
Coinsurance	10% in-network; 30% out-of-network	20% in-network; 40% out-of-network	20% in-network; 40% out-of-network	10% in-network; 40% out-of-network	0%
Office Visit Copay	$10 in-network	$25 in-network	$20 in-network	Coinsurance	100% after ded.
Inpatient Hospital Copay	None	$500 per admit plus deductible	None	$250 per admission	100% after ded.
Emergency Room Copay	$50 copay plus coinsurance	$250 copay	$50 copay plus coinsurance	$50 copay plus coinsurance	100% after ded.
Retail Pharmacy					
Generic	$5	$10	$5	$5	100% after ded.
Brand Formulary	$5	$30	$15	$20	100% after ded.
Brand Non-Formulary	$5	$50	$30	$50	100% after ded.

Appendix

	Contra Costa	San Francisco	San Joaquin	San Mateo	Santa Clara
Kaiser HMO					
Out-of-Pocket Maximum	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000
Office Visit Copay	$10	$20	$10	$15	$10
Inpatient Hospital Copay	$0	$200 per Admit	$0	$100 per Admit	$100 per admit
Emergency Room Copay	$10	$100	$100	$100	$35
Retail Pharmacy					
Generic	$10	$5	$10	$10	$5
Brand Formulary	$20	$15	$20	$20	$10
Brand Non-Formulary	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
PPO Plan					
Deductible	$250/$750	$250/$500/$750	$125/$250 in-network only	$0 Tier I, $200/$600 Tier II, $500/$1,000 Tier III	$0 Tier I and Tier II, $200/$600 Tier III
Out-of-Pocket Maximum	$1,500/$3,000 In-network; $5,000 per person out-of-network	$3,750 in-network; $7,500 out-of-network; both per person	$1,000/$2,500 in-network only	$0 Tier I, $2,000/$4,000 Tier II, $4,000/$8,000 Tier III	$0 Tier I, $2,000/$4,000 Tier II, $4,000/$8,000 Tier III
Coinsurance	10% in-network; 30% out-of-network	15% in-network; 50% out-of-network	0%	0% Tier I, 20% Tier II, 40% Tier III	0% Tier I, 10% Tier II, 30% Tier III
Office Visit Copay	$10 in-network	Coinsurance	$5	$15 Tier I, Coinsurance all other Tiers	$15 Tier I, $20 Tier II, Coinsurance Tier III
Inpatient Hospital Copay	None	Coinsurance	$100 per admit	$100 per admit Tier I, coinsurance all other Tiers	Coinsurance
Emergency Room Copay	$50 copay plus coinsurance	Coinsurance	$100 copay	$100 copay	$50 copay
Retail Pharmacy					
Generic	$5	$5	$5	$15	$5
Brand Formulary	$5	$20	$10	$30	$15
Brand Non-Formulary	$5	$45	$30	Not Covered	$30

Appendix

	Contra Costa	Santa Cruz	Solano	Sonoma	Stanislaus
Kaiser HMO					
Out-of-Pocket Maximum	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000	$1,500/$3,000	Not Offered
Office Visit Copay	$10	$15	$15	$10	Not Offered
Inpatient Hospital Copay	$0	$0	$0	$0	Not Offered
Emergency Room Copay	$10	$50	$50	$50	Not Offered
Retail Pharmacy					
Generic	$10	$5	$5	$5	Not Offered
Brand Formulary	$20	$20	$20	$10	Not Offered
Brand Non-Formulary	Not Covered	Not Covered	Not Covered	Not Covered	Not Offered
PPO Plan					
Deductible	$250/$750	$500/$1,000	$500/$1,000	$300/$900	$1,250/$2,500
Out-of-Pocket Maximum	$1,500/$3,000 In-network; $5,000 per person out-of-network	$2,000/$4,000 In-network; none out-of-network	$2,000/$4,000 In-network; none out-of-network	$2,000/$4,000	$3,000/$6,000
Coinsurance	10% in-network; 30% out-of-network	10% in-network; 40% out-of-network	10% in-network; 40% out-of-network	10% in-network; 40% out-of-network	0%
Office Visit Copay	$10 in-network	Coinsurance	Coinsurance	$20 in-network	$20 after deductible
Inpatient Hospital Copay	None	$250 per admission	$250 per admission	$125 per admit, then coinsurance	$150 per admit after deductible
Emergency Room Copay	$50 copay plus coinsurance	$50 copay plus coinsurance	$50 copay plus coinsurance	$100 + Coinsurance	$75 per admit after deductible
Retail Pharmacy					
Generic	$5	$5	$5	$5	$10 after deductible
Brand Formulary	$5	$20	$20	$15	$25 after deductible
Brand Non-Formulary	$5	$50	$50	$30	$25 after deductible

Contribution Methodology

Contribution Methodology

- The Bay Area counties have a variety of contribution strategies that are employed to develop county subsidies and the resulting employee contributions
  - 9 subsidize a percentage of the premium of the plan or rating tier selected
    - This ranges from 75% to 100% for single coverage
    - It ranges from 50% to 100% for family coverage
    - 2 set the subsidy amounts based on a specific plan and the employee pays the difference between the premiums and the county subsidy

Contribution Methodology

- 1 has a cafeteria plan
  - The county sets a fixed base subsidy amount
  - The amount varies based on bargaining unit
  - The amount also varies based on rating tier
  - The amount that can apply towards dependent coverage is based on the salary of the employee
  - Most single coverage is free to the employee; dependent coverage can cost as much as 56% of the premium
- 2 pay a fixed subsidy:
  - One does not vary based on rating tier
  - One varies the subsidy so that the percentage paid by the county is similar for single and family

Contribution Methodology

Annual Employee Premium
for Single Coverage
2015 Plan Year

County	Kaiser HMO	Alternative HMO	High Cost PPO	Low Cost PPO
Contra Costa	$3,989	$6,683	$10,986	$9,166
Alameda	$764	$1,167	$21,212	n/a
Marin	$0	n/a	$922	n/a
Napa*	$0	$2,573	$728	$0
Sacramento	$1,503	$1,561	$1,784	$0
San Francisco	$0	$0	$0	n/a
San Joaquin	$1,539	n/a	$3,004	$2,116
San Mateo	$1,109	$1,584	$3,519	$850
Santa Clara	$0	$0	$0	n/a
Santa Cruz*	$300	$2,882	$1,030	$28
Solano*	$0	$0	$0	$0
Sonoma	$1,785	n/a	$6,056	$3,915
Stanislaus	n/a	n/a	$1,738	$363

* PEMHCA Counties

Contribution Methodology

Annual Employee Premium
for Family Coverage
2015 Plan Year

County	Kaiser HMO	Alternative HMO	High Cost PPO	Low Cost PPO
Contra Costa	$9,307	$16,394	$26,097	$21,774
Alameda	$2,163	$3,302	$57,498	n/a
Marin	$8,496	n/a	$18,101	n/a
Napa*	$2,786	$9,476	$4,678	$2,037
Sacramento	$3,844	3996.24	$1,561	$0
San Francisco	$3,191	$3,730	$15,387	n/a
San Joaquin	$4,355	n/a	$8,412	$5,925
San Mateo	$3,131	$4,483	$10,636	$2,397
Santa Clara	$478	$0	$1,374	n/a
Santa Cruz*	$1,916	$8,628	$3,814	$1,164
Solano*	$9,604	$16,294	$11,495	$8,854
Sonoma	$15,993	n/a	$27,081	$20,981
Stanislaus	n/a	n/a	$4,692	$981

* PEMHCA Counties

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

POLICY ON DETERMINING "COMPENSATION EARNABLE" UNDER ASSEMBLY BILL 197 FOR PURPOSES OF CALCULATING RETIREMENT BENEFITS FOR "LEGACY" (PRE-PEPRA) MEMBERS

Adopted: 9/10/2014

I. INTRODUCTION

In 1997, the California Supreme Court held that "compensation earnable" used to determine a retiring member's retirement allowance ordinarily includes all cash payments received for services performed, with the exception of overtime pay. *Ventura Deputy Sheriffs' Assn. v. Board of Retirement*, 16 Cal.4th 483 (1997). In 2012, the California Legislature enacted and the Governor signed into law Assembly Bill 197, which changed the way the Board of Retirement must calculate "compensation earnable". The effective date of AB 197 was January 1, 2013, but that date was postponed until July 12, 2014 by an order of the Contra Costa County Superior Court.[1] AB 197 applies to the calculation of benefits for all active or deferred employees who first became CCCERA members before January 1, 2013 ("Legacy Members.") AB 197 does not apply to "New Members," generally those who became members of CCCERA for the first time on or after January 1, 2013. The retirement allowances of "New Members" will be calculated under the provisions of the California Public Employees' Pension Reform Act of 2013 ("PEPRA.")

On May 12, 2014, the Contra Costa County Superior Court issued a final Judgment and Writ interpreting AB 197 and concluding that it was consistent with prior law. The Court's Statement of Decision supporting the Judgment concluded that several of CCCERA's prior practices were not consistent with applicable law — primarily with reference to the inclusion of leave sell-backs and cash-outs for time not both earned and payable annually during the one- or three-year final average salary ("FAS") period. Although the litigation is now on appeal, the Judgment and Writ have not been stayed, and CCCERA is legally bound to apply them to all retirements occurring on or after July 12, 2014.

AB 197 and the Judgment and Writ changed the way CCCERA is obligated to calculate Legacy Members' retirement allowances, primarily by requiring CCCERA to exclude certain elements of compensation that previously were treated as "compensation earnable" if earned or received during the FAS period. AB 197 provides that these exclusions from "compensation earnable" are intended to be consistent with and not in conflict with the holdings in *Salus v. San Diego County Employees Retirement Association*, 117 Cal.App.4th 734 (2004) and *In re Retirement Cases*, 110 Cal.App.4th 426 (2003). (Gov. Code § 31461(c).) These two appellate court decisions held as follows: (1) Compensation that may only be received at termination and never

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[1] *Contra Costa County Deputy Sheriffs Association, et al., v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. N12-1870.

during service must be excluded from "compensation earnable"; and (2) Amounts received at the end of a career that "distort" the notion of "average annual compensation" must also be excluded. The Legislature intended that the Board's implementation of AB 197 be guided by these two principles, and the CCCERA Board intends to follow these principles in implementing the requirements of AB 197.

II. PURPOSE

The purpose of this Policy is to set forth what elements of pay constitute "compensation earnable" for Legacy Members under AB 197 and the Superior Court's Final Judgment and Writ.

III. POLICY

This Policy identifies what elements of compensation are now considered "compensation earnable" during the FAS period and sets forth the policies and practices CCCERA intends to follow in implementing the new law. A list of general pay items that are included in, and excluded from, "compensation earnable" by CCCERA effective on and after July 12, 2014 is attached hereto as Attachment A.
Where an item of remuneration is not excluded categorically from "compensation earnable," CCCERA's participating employers will need to collect and pay both employer and employee contributions on such amounts, if and when paid during service.

A. "Compensation Earnable" Is the Average Annual Compensation For the Period Under Consideration.

Applicable Law: *"Compensation earnable" by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.* (Gov. Code Section 31461(a).)

CCCERA Policies and Practices. This provision remains unchanged under AB 197. The section primarily defines what constitutes an ordinary work week, excluding compensation received for non-mandatory "overtime." Consistent with the Supreme Court decision in *Ventura Deputy Sheriffs' Assn. v. Board of Retirement*, 16 Cal.4th 483 (1997), "compensation earnable" ordinarily includes all cash payments received for services performed during normal working hours, and usually does not have to be earned or received by everybody else in the same grade or class. Thus, "compensation earnable" ordinarily includes regular salary, service and skill based differentials (e.g. POST, CPA, bilingual pay), holiday pay, allowances (uniform, automobile). "Compensation earnable" excludes overtime pay.

B. "Compensation Earnable" Excludes Payments For Unused Leave To The Extent They Exceed What Was Both Earned and Could Have Been Sold Back For Cash During Service During The FAS Period

Applicable Law: *"Compensation earnable" does not include, in any case, the following: Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.* *(G.C. § 31461(b)(2).)*

CCCERA Policies and Practices. Every CCCERA employer has policies and memoranda of understanding governing its employees' ability to earn vacation, sick, compensatory and other leave time, and to receive the value of some or all of those accruals in cash in lieu of time off, but not all such cash payment for unused leave can be included as "compensation earnable". Cash payment for unused leave will be included only to the extent it does not exceed that which may be earned and payable in each 12-month period during the final average salary period.

The CCCERA Board has determined that if a Legacy Member has an employment agreement that allows an annual "sell back" of a certain number of leave hours (*e.g.,* every calendar or fiscal year), then the payment to be included in the FAS period will be limited to that same number of hours per year, regardless of whether the member actually cashed out more during the selected one- or three-year FAS period. Thus, if a member earns 240 hours of vacation leave in a calendar year and is allowed to sell back 80 hours of unused leave each calendar year, the amount that can be counted as "earned and payable" during the FAS period will be 80 hours, even if the member chose a FAS period that "straddles" two calendar years and sells back 80 hours twice during that period. This avoids the distortion that could arise between comparable members solely due to the selection of the twelve (or thirty-six) month FAS period, and yields a true "average annual" compensation earnable.

In general, it does not matter whether the member actually received the cash in lieu of time while still employed or at termination. If it was both earned and payable during the FAS period and does not exceed the employment agreement annual sell back limits, it will be "compensation earnable," regardless of when actually paid.

CCCERA will not need to trace the origin of each hour of leave earned, accrued and/or sold during a member's career. CCCERA will look to the applicable employment agreement to determine how much a member may earn and receive in cash in each time period (e.g., each calendar year or fiscal year) during the FAS period to determine how much is to be included in "compensation earnable."

(i) **Exception: "Estoppel Class" Members Are Entitled to Include Additional Leave Cash Out Amounts Beyond What AB 197 Allows.**

Applicable Law. The Judgment and Writ recognize that some Legacy Members of CCCERA may be entitled to include additional leave cash-out amounts in their "compensation earnable" beyond the amounts allowed by AB 197. The requirements are:

- Before Dec. 31, 2012, the member's employer allowed, during employment, a cash out of unused leave time in amounts in excess of the amount of leave time earned in the selected FAS period.
- On Dec. 31, 2012, the member had accrued ("banked") such excess leave time.
- At retirement, the member still has some or all of that banked leave time at commencement of his or her FAS period.
- The member cashes out some or all of that bank during service in the FAS period (not upon termination).

If all the foregoing requirements are met, CCCERA also will include in the Legacy Member's "compensation earnable" for the FAS period the lesser of (a) the accrued bank or (b) the amount of the bank actually cashed out during the FAS period.

The CCCERA Board has determined that the bank can be preserved entirely if the member never uses or sells back more than what the member earns and can sell after December 31, 2012. For example, assume that the member had a bank of 320 hours on December 31, 2012, and prior to the beginning of the final compensation period the member only uses or sells back hours that the member earned after December 31, 2012. If the employer allows the member to sell back 320 hours during the final compensation period, it will all count towards the retirement allowance.

C. **"Compensation Earnable" Excludes Termination Pay.**

Applicable Law: *"Compensation earnable" does not include, in any case, the following: Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.* (G.C. § 31461(b)(4).)

CCCERA Policies and Practices. AB 197 made clear, based on case law precedent, that payments that are not both earned and payable to the member during service, but only received because of termination of employment, may not be included in the calculation of the retirement allowance. For example, severance pay and termination pay are generally excluded from "compensation earnable." It is recognized, however, that some pay for unused leave that could have been received during service may not be received until termination, solely due to the member's choice not to take it during service. Taking the money in a "lump sum" at termination does not necessarily disqualify it from inclusion in "compensation earnable." So long as the total of leave cashouts received during the FAS period and at termination does not exceed the amount that was both earned and could have been paid in cash during the FAS period, it will be included in calculating the retirement allowance, subject to the annual "sell back" limitation described in

Section III.B. of this Policy. Amounts in excess of that amount will be excluded from "compensation earnable."

D. "Compensation Earnable" Excludes Payments For Additional Services Rendered Outside of Normal Working Hours.

Applicable Law: *"Compensation earnable" does not include, in any case, the following: Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.* (G.C. § 31461(b)(3).)

CCCERA Policies and Practices. Pay received for "overtime" is not included in "compensation earnable." To be included, the time for which compensation is received (1) must be the normal working hours set forth in the applicable employment agreement, (2) must be required by the employer to be worked by the employee (as distinguished from voluntarily worked), and (3) must be ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period. Pay that will be reviewed under these conditions is often described as "standby" and "on-call." Employers must report to CCCERA as pensionable only that pay for work that is required of and ordinarily served by everyone in the same grade or classification, at the same rate of pay.

E. "Compensation Earnable" Excludes Compensation Determined By the Board To Have Been Paid To Enhance A Member's Retirement Benefits.

Applicable Law: *"Compensation earnable" does not include, in any case, the following: Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:*

(A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.

(B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

(C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.

(G.C. § 31461(b)(1).)

CCCERA Policies and Practices. AB 197 gives the Board authority to review employer pay practices generally, and compensation received individually, to determine if any element of compensation being considered as "compensation earnable" during the FAS period was paid to "enhance" the member's retirement benefit. Examples would include converting from the use of an automobile for many years during service to the sudden receipt of an auto allowance in the year before retirement; converting from employer payments to third-party insurance providers during a member's career to making direct cash payments to the member instead, and having the member separately purchase insurance coverage with the cash; a bonus received at the end of career solely for announcing one's retirement; retroactive grants of cashable leave time; pay received for voluntary after-hours "on-call" service substantially exceeding the member's practice during his or her career; "termination pay" that could not have been received during service; departmental transfers to higher paying positions in a member's final year after it is known the member is retiring; and similar examples of activities that appear to distort the "average annual" compensation earnable the member would have received had he or she not been nearing retirement.

Before the Board makes a determination under this provision, it will afford the member appropriate due process, including an opportunity to appear before the Board and present evidence to support the inclusion of the pay item in calculating the member's retirement allowance, as set forth in the Policy Regarding Assessment and Determination of Compensation Enhancements.

IV. IMPLEMENTATION BY CCCERA

The Retirement Chief Executive Officer, with assistance from legal counsel, is responsible for implementing the Board's determination related to "compensation earnable." The CEO is authorized to examine new pay codes and determine their pensionablility as follows: If new pay codes are substantially similar to ones addressed in this Policy, the CEO is authorized to notify the employer of the pay item's pensionability without taking the item to the Board. If new pay codes are unusual or unique, the CEO will present the pay code to the Board for the Board's determination on pensionability. In all cases, the CEO will keep the Board informed regarding significant ongoing issues and challenges, as appropriate.

This Policy was adopted by the Board of Retirement on September 10, 2014 and supersedes the predecessor "Determining Which Pay Items are 'Compensation' for Retirement Purposes," as amended, and the Addendum thereto.

Attachment A

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

CHART OF GENERAL PAY ITEMS THAT ARE INCLUDED IN AND EXCLUDED FROM "COMPENSATION EARNABLE" EFFECTIVE JULY 12, 2014 UNDER ASSEMBLY BILL 197 AND THE SUPERIOR COURT'S JUDGMENET AND WRIT FOR "LEGACY" (PRE-PEPRA) MEMBERS

The following list applies to the calculation of benefits for all active or deferred employees who first became CCCERA members before January 1, 2013 ("Legacy Members.") New members after that date will have their retirement allowances calculated under the provisions of the California Public Employees' Pension Reform Act of 2013 ("PEPRA.")

"Compensation earnable" ordinarily <u>includes</u>:

- Regular base salary
- FLSA premium pay for regularly scheduled work assignment (fire and law enforcement)
- Longevity pay
- Cash payments for special skills and qualifications and unique services, such as:
    - bilingual pay
    - shift differential
    - special assignment differential
    - holiday pay
- Educational incentive pay (e.g. POST, CPA)
- In-service leave cash outs (earned and payable each year, regardless of when actually paid)
- Allowances (e.g. uniform, automobile)
- Standby or on-call pay (for work during normal working hours, required by the employer and not voluntary, and ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period)

"Compensation earnable" ordinarily <u>excludes</u>:

- Overtime pay
- Expense reimbursements
- The monetary value of advantages received in kind, such as:
    - uniforms
    - employer payments to third-party insurers
    - lodging
    - transportation
    - the use of an automobile.
- Employer contributions to deferred compensation plans
- Lump sum at termination for accrued unused leave that could not be cashed out annually during service
- Severance pay

Board of Supervisors
History of Salary Adjustments and Reductions

Salary Adjustment & Reduction for Fiscal Year 2009-10
*The Commission acted to **reduce 2.45% of the salaries*** for Member, Board of Supervisors for Fiscal Year 2009-10. The 2.45% reduction was the weighted average in wage concessions made by employee organizations for FY 2009-10.

Salary Adjustment & Reduction for Fiscal Year *2010-11*
Salary increase of 2.6% based on the CPI-U was processed first prior to implementation of reduction of salary. In Fiscal Year 2010-11, employee organizations and the City reached 2-year concession agreements effective July 1, 2010. For Fiscal Year 2010-11, the weighted average was 4.62%; and ***salaries were reduced 4.62%***. The Commission acted to ***reduce 4.62% of the salaries*** for Member, Board of Supervisors for Fiscal Year 2010-11.

Salary Adjustment & Reduction for Fiscal Year 2011-12
Salary increase of 1.5% based on the CPI-U was processed first prior to implementation of reduction of salary. Fiscal Year 2011-12 was the 2nd year of agreed wage concessions. The second year weighted average was 4.16%. The Commission acted to ***reduce 4.16% of the salaries*** for Member, Board of Supervisors for Fiscal Year 2011-12.

Salary Adjustment for Fiscal Year 2012-13
The Commission acted to increase salaries by 2.9% based on the CPI-U.

Salary Adjustment for Fiscal Year *2013-14*
The Commission acted to increase salaries by 2.2% based on the CPI-U.

Fiscal Year	CPI-U Change/Reductions	Annual Salary
July 1, 2004 - June 30, 2005	**Set 5-Year Base****	**$90,000**
July 1, 2005 – June 30, 2006	1.2% Increase	**$91,080**
July 1, 2006 – June 30, 2007	2.0% Increase	**$92,902**
July 1, 2007 – June 30, 2008	3.2% Increase	**$95,875**
July 1, 2008 – June 30, 2009	3.3% Increase	**$98,660**
July 1, 2009 – June 30, 2010 ***MOU concessions per Charter******	**Set 5-Year Base**** 0% Increase 2.45% Reduction	*base - $98,660* **$96,243**
July 1, 2010 – June 30, 2011 ***MOU concessions per Charter******	2.6% Increase 4.62% Reduction	*$101,225* **$96,549**
July 1, 2011 – June 30, 2012 ***MOU concessions per Charter******	1.5% Increase 4.16% Reduction	*$102,743* **$98,469**
July 1, 2012 – June 30, 2013	2.9% Increase	**$105,723**
July 1, 2013 – June 30, 2014	2.2% Increase	**$108,049**

ATTACHMENT C-2

San Francisco City/County Board of Supervisors
Salary History*

	FY	Annual	Ord #	% Salary Change	CPI SF CMSA
1	2014/15	$ 108,056	147-14	0.4%	2.7%
5	2013/14	$ 107,640	160-13	1.8%	2.4%
4	2012/13	$ 105,716	165-12	10.4%	2.6%
3	2011/12	$ 95,784	146-11	0.0%	2.8%
2	2010/11	$ 95,784	191-10	-2.9%	1.7%
1	2009/10	$ 98,670	183-09	0.0%	1.2%
5	2008/09	$ 98,670	141-08	3.3%	1.8%
4	2007/08	$ 95,498	175-07	2.8%	3.2%
3	2006/07	$ 92,898	203-06	2.4%	3.3%
2	2005/06	$ 90,740	204-05	1.2%	2.7%
1	2004/05	$ 89,648	198-04		
S	2003/04	$ 112,320			
	2002	Proposition J passed with 55.55% yes votes			
	Prior	$ 37,585			

*Info from SF Civil Svc Comm 2012/13 Annual Report and CA League of Women Voters, and SF City/County document archive of city ordinances

ATTACHMENT D

12 KCOY 3 KEYT 11 KKFX

Santa Barbara County Supervisors Back Off 9% Pay Hike

Future pay increases linked to Consumer Price Index

KEYT - KCOY - KKFX Newsroom Staff, KEYT - KCOY - KKFX Newsroom Staff , assignmentdesk@keyt.com

POSTED: 01:36 PM PDT Mar 10, 2015 UPDATED: 11:24 AM PDT Mar 11, 2015

SANTA MARIA, Calif. -

The Santa Barbara County Board of Supervisors formed an independent, ad-hoc committee to study where its compensation ranks among comparable size counties in the state.

The committee reported back to the Board Tuesday its total compensation of about $105,000 a year is below the average of the comparable counties.

"I think we should take great pride in that over the years the Santa Barbara County Board of Supervisors has been one of the lowest in terms of compensation", said
First District Supervisor Salud Carbajal, "I think the residents of Santa Barbara County should take great pride in that the previous Board of Supervisors, including the existing Board of Supervisors , have really paid themselves less compared to almost all other counties."

The committee presented different pay increase scenarios that would put the Santa Barbara County Board of Supervisors in parity with the other, comparable counties.

"Parity has already been reached, and it was reached in December of 2014", said a staff assistant for Fourth District Supervisor Peter Adam during a special presentation before the Board, "specifically December 2, 2014, item A-22 where the Board passed a resolution increasing Supervisorial benefits by 9 percent."

"When you add in the wages and the total retirement health costs on average Santa Barbara County has again on average across the Supervisors about $122,000 a year in wages and benefits cost to the taxpayer."

"I think we should evaluate ourselves much more on the fiscal health of the County and whether or not we are taking care of our infrastructure needs when we evaluate what our job performance is and I would give us a D as a job performance rating", said Supervior Adam, the lone opponent to any pay raise for the Board, "I would suggest we don't need a raise and potentially, if you evaluate us on that basis like stockholders would look at the Board of Directors of a company, I think that although we cannot be fired we should probably have our pay cut but I don't think I will make that motion because I'm pretty sure I won't get a second."

Supervisor Adam defended his staunch resistance to any pay raise and was noticeably irritated by comments about his position by Supervisor Carbajal.

"Its one thing to kick up a lot of political dust, to make a lot of political statements that sound good in the media", Carbajal said, "its easy to be political, in front of the media, to show how you are a champion of fiscal conservatism, but yet to not live up to that I just think its abhorrent to have such contradiction, to be such of a hypocrite."

"I think anytime a Board person is in a position of looking at a salary increase for themselves, its always very awkward", said Second District and Board Chair Janet Wolf.

A sentiment echoed by Fifth District County Supervisor Steve Lavagnino who proposed an annual Cost of Living Adjustment (COLA) pegged to the Consumer Price Index (CPI), currently just below 3%.

"I haven't really been pleased, I have to say, sometimes this brings out the worst in people", Lavagnino said, "instead of just saying, hey I think your probably shouldn't get a raise, I think some people have tried to diminish what we do, I don't think that's helpful either."

Three of the four County Supervisors meeting in Santa Maria Tuesday voted in support of the annual COLA increase, with Third District Supervisor Doreen Farr absent and Supervisor Adam voting no.

Only three people spoke against the proposed pay raises for the Supervisors during public comment.

"I don't begrudge anybody getting COLA's, you know I don't mind if you put a COLA in there for every year, I think COLA's are a decent thing to do", said Andy Caldwell of the Coalition of Labor, Agriculture and Business (COLAB) about the pay raises.

Caldwell said COLAB's concern is with each County Supervisor's large support staff.

"If you've got 3 or 4 people helping you, that cuts down on the amount of work you do including the time commitment, plus it drives up the cost to the taxpayer of how much your office is costing the taxpayers", Caldwell said, "we look at you not as County employees, nor do we look at being a Board of Supervisor as a career choice, we look at it as service."

"If you go out to the body politic and you ask the average resident, the average taxpayer, do you believe that the County Board of Supervisors should get a raise, I just think politically, I think the reality is it would be an overwhelming no", added Joe Armendariz of the Santa Barbara County Taxpayers Association.

The 3-1 vote for COLA increases for the Board of Supervisors will be reviewed again during the County's annual budget cycle later in the year.

****

Members of the Santa Barbara County Board of Supervisors backed away from a proposed 9% pay raise on Tuesday, but the board will now see annual raises tied to the Consumer Price Index (CPI).

Supervisors in Santa Barbara County currently earn just over $84,000 per year. The number, while significant, was found to be about 30% less than Supervisors in other counties such as San Luis Obispo. A proposal from a committee gave Supervisors the option of approving a 9% pay increase for themselves, which would be $108,000 a year annually.

Instead, Supervisors decided to pursue annual pay raises that would be considered a cost of living adjustment, or COLA. COLA rates are linked to economic indicators such as the CPI, which measures the cost of various items to determine increases or decreases in the cost of living.

The 3-1 decision was made on a motion by North County 5th District Supervisor Steve Lavagnino. The motion passed with North County 4th District Supervisor Peter Adam the only no vote. Adams opposes any increase for the board. Supervisor Doreen Farr was absent and did not vote.

The decision means no immediate pay increase, and any future raises only during the regular budget cycle. Tied to the CPI, pay hikes could be zero percent, but no higher than 3% each year.

Reporter Keith Carls is working on this story and will provide updates throughout the afternoon and on evening newscasts at 5:00 and 6:00 p.m.

California Citizens
Compensation Commission

HOME | SALARIES | BENEFITS

Salaries of Elected Officials

Current salaries (effective December 1, 2014)

- Governor $177,467
- Lieutenant Governor $133,100
- Attorney General $154,150
- Controller $141,973
- Treasurer $141,973
- Secretary of State $133,100
- Superintendent of Public Instruction $154,150
- Insurance Commissioner $141,973
- Member, Board of Equalization $133,100
- Members, State Legislature $97,197
- Assembly Speaker/Senate President Pro Tem $111,776
- Minority Floor Leader $111,776
- Majority Floor Leader $104,486
- Second Ranking Minority Leader $104,486

California Citizens
Compensation Commission

About the Commission

Proposition 112, passed by voters in June 1990, established the Commission to set the salaries and medical, dental, insurance and other similar benefits of Members of the Legislature and the State's other elected officials.

Proposition 1F, passed by voters in May 2009, prevents the Commission from increasing elected officials' salaries during budget deficit years.

The Commission has seven members, appointed by the Governor for six-year terms: small business, non-profit public interest organization, general population, labor (two seats), compensation expert, and major corporation executive. Members serve six-year terms.

Commission History

2013 Commission Action

- On June 19, 2013, the Commission met and voted to increase the elected officials' salaries by five percent effective December 2, 2013.

2012 Commission Action

- On May 31, 2012, the Commission met and voted to reduce elected officials' salaries five percent effective December 3, 2012.

2011 Commission Action

- On April 14, 2011, the Commission met and voted to provide a $300 per month car allowance for legislators, replacing the State-paid vehicle and gas card.

2010 Commission Action

- On June 16, 2010, the Commission met and voted to allow adjustment of the State-paid portion of the health benefits.

2009 Commission Action

- On June 30, 2009, the Commission met and voted to reduce by 18 percent the State's contributions for health and other insurance benefits, and the legislators' auto allowance and per diem.
- On May 20, 2009, the Commission met and voted to decrease elected officials' salaries 18 percent effective December 7, 2009.
- On April 29, 2009, the Commission met but didn't pass a resolution; the Commission decided to meet again before June 30 to vote on salary and benefit changes, if any.

2008 Commission Action

The first meeting was held April 22, 2008 in Van Nuys. Charles Murray, Chair, requested a legal opinion on whether the commission can reduce salaries, and if so, how it can be done. A second meeting is to be scheduled late May early June to consider the move.

A second meeting was held June 10, 2008 in Sacramento. The Commission voted to freeze salaries and benefits.

2007 Commission Action

Four new members were appointed to the Commission in early June. The Commission met on June 18, 2007, and voted unanimously to provide a 5% raise to the Constitutional Offices of Attorney General and Superintendent of Public Instruction, and a 2.75% raise to the remaining Constitutional Offices, including the Members, Board of Equalization, and the Legislature.

Elected officials received a 2.75% to 5% salary increase effective December 7, 2007 as follows:

Speaker of the Assembly
Prior Salary: $130,062
Increased Salary: $133,639

President Pro Tem of the Senate
Prior Salary: $130,062
Increased Salary: $133,639

Minority Floor Leader
Prior Salary: $130,062
Increased Salary: $133,639

Majority Floor Leader
Prior Salary: $121,580
Increased Salary: $124,923

Second Ranking Minority Leader
Prior Salary: $121,580
Increased Salary: $124,923

All Other Legislators
Prior Salary: $113,098
Increased Salary: $116,208

2006 Commission Action

The Commission met once and voted to provide an 18% raise to all Constitutional Officers, including the Members, Board of Equalization; and a 2% raise to Legislators.

Salaries prior to December 4 2006, and the new salaries including the 2-18% increase, effective December 4, 2006, were as follows:

Speaker of the Assembly
Prior Salary: $127,512
2% to 18% Salary Increase: $130,062

President Pro Tem of the Senate
Prior Salary: $127,512
2% to 18% Salary Increase: $130,062

Minority Floor Leader

Prior Salary: $127,512
2% to 18% Salary Increase: $130,062

Majority Floor Leader
Prior Salary: $119,196
2% to 18% Salary Increase: $121,580

Second Ranking Minority Leader

Prior Salary: $119,196
2% to 18% Salary Increase: $121,580

All Other Legislators

Prior Salary: $110,880
2% to 18% Salary Increase: $113,098

2005 Commission Action

The Commission met once and voted unanimously to provide a 12 percent increase in the salaries of the State Legislators, to become effective December 5, 2005.

Salaries prior to December 5, 2005, and the new salaries including the 12% increase, effective December 5, 2005, were as follows:

Speaker of the Assembly
Prior Salary: $113,850
12% Salary Increase: $127,512

President Pro Tem of the Senate

Prior Salary: $113,850
12% Salary Increase: $127,512

Minority Floor Leader
Prior Salary: $113,850
12% Salary Increase: $127,512

Majority Floor Leader
Prior Salary: $106,425
12% Salary Increase: $119,196

Second Ranking Minority Leader
Prior Salary: $106,425
12% Salary Increase: $119,196

All Other Legislators
Prior Salary: $99,000
12% Salary Increase: $110,880

2004 Commission Action

The Commission met once and decided not to change elected officers' salaries and benefits.

2003 Commission Action

The Commission met once and decided not to change elected officers' salaries and benefits.

2002 Commission Action

The Commission met once and decided not to change elected officers' salaries and benefits.

2001 Commission Action

The Commission met once and decided not to change elected officers' salaries and benefits.

2000 Commission Action

The Commission met once and voted to (1) increase the Governor's salary from $165,000 to $175,000 and (2) increase the salaries of other constitutional officers by an equal percentage amount (slightly more that six percent).

The legislative leadership pay differentials were adjusted so that the minority leader in each house would receive the fifteen- percent differential (rather than 7.5%). In addition, the second ranking minority leader in each house was granted a 7.5% leadership differential. With these changes, the majority and minority leaders in each house (four leaders) will receive the fifteen-percent differential, while the second ranking majority and minority leaders in each house (four additional leaders) will receive the 7.5% differential.

There was discussion of changing the pay relationships among State officers, but it was decided to defer consideration of this until the 2001 meeting.

1999 Commission Action

The Commission met once and re-established the legislative pay differentials. A 7.5% differential was approved for the majority and minority floor leaders and a 15% differential was approved for the two house leaders. No other changes were made in elected State officer salaries.

1998 Commission Action

The Commission held three meetings dealing with a series of issues, including the internal pay relationships among State officers, the relationship between legislative session per diem and legislative salaries, legislative leadership pay, and possible pay incentives for the timely passage of the State budget. At the third of these meetings (March 26, 1998), the Commission adopted State officer pay increases, generally ranging from 26 to 34 percent. The legislative leadership pay differentials were eliminated. A fourth meeting was held on April 30, 1998 to review the pay increases, but a vote to overturn the increases failed. The Commission did pass a resolution supporting pay increases for State employees.

1997 Commission Action

The Commission granted a four- percent salary increase to all State officers except legislative leaders. It also agreed to devote one or more 1998 meetings to in depth discussion of State officer pay issues, including legislative leadership pay, legislative session per diem, and Constitutional officer salary relationships.

1996 Commission Action

The Commission reviewed the internal salary relationships among the State's elected officers and decided not to change them. It also considered motions for general increases in their salaries (3% and 1.5%). However these motions failed to pass due to member concerns about continuing State and local government budget problems. The Commission did authorize the Legislature to establish a member-paid long-term care plan, similar to that available to officers and employees in the executive branch of State government.

1995 Commission Action

General Pay Adjustment

With the legislative pay rate established at 60 percent, the Commission's 1995 meeting focused on the issue of how the elected officer pay structure, as a whole, should be adjusted to keep pace with general salary and cost-of-living trends. After reviewing historical data on the Employment Cost Index, Consumer Price Index, and State employee salary increases, the Commission decided on a 5 percent general increase in elected officer salaries. This took effect in December 1995. No changes were made in elected officer benefits.

1994 Commission Action

Legislative Pay Adjustment

In 1994, the Commission took up the legislative pay issue remaining from 1990 - whether the basic pay rate for members of the Legislature should be raised to 55 or 60 percent of the Governor's salary. After considering a variety of factors, including pay rates for members of boards of supervisors in large California counties, management level pay in the Executive and Judicial Branches of California government, and private sector pay for mid-management jobs, the Commission increased the pay rate for members of the Legislature to $72,000, 60 percent of the Governor's salary, with corresponding increases for the floor and house leaders.

1993 Commission Action

The Commission met and decided not to change elected officer salaries and benefits because of the State's fiscal and economic problems.

The Commission reviewed legislative leadership compensation practices in other states, as well as several factors that had been raised in public testimony as being things that the Commission should consider in setting legislative pay rates. The latter included legislative per diem, benefits, and car allowances.

1992 Commission Action

The Commission met and decided not to change elected officer salaries and benefits because of the State's fiscal and economic problems.

The Commission reviewed legislative leadership compensation practices in other states, as well as several factors that had been raised in public testimony as being things that the Commission should consider in setting legislative pay rates. The latter included legislative per diem, benefits, and car allowances.

1991 Commission Action

The Commission met and decided not to change elected officer salaries and benefits because of the State's fiscal and economic problems.

The Commission reviewed legislative leadership compensation practices in other states, as well as several factors that had been raised in public testimony as being things that the Commission should consider in setting legislative pay rates. The latter included legislative per diem, benefits, and car allowances.

1990 Commission Action

Establishment

The California Citizens Compensation Commission was established in June 1990 through the voters' passage of Proposition 112. The Proposition gave it independent responsibility for determining the salaries and benefits for California's elected officers, including the Governor and members of the Legislature. Prior to 1990, the Legislature determined elected officer salary levels.

Initial meetings - Fall 1990

The Commission held five meetings in the Fall of 1990, leading to its first salary determinations, which took effect on December 3, 1990. These were based on the following:

After a review of salaries paid to Governors in other large states and to top executives in public jurisdictions within California, the salary for Governor was set at $120,000 per year. (From $85,000).

After reviewing elected officer salary structures in other large States and studying the roles and relative levels of responsibility for California's elected officers, the Commission determined that the Attorney General and Superintendent of Public Instruction should be paid at 85 percent of the Governor's salary ($102,000) and that the other "Constitutional" officers (Lieutenant Governor, Secretary of State, Controller, and Treasurer) should receive 75 percent of the Governor's salary ($90,000).

The Commission also determined that the four elected members of the Board of Equalization and the Insurance Commissioner should be paid at the 75 percent level. However, since their annual salaries were already $95,052, the Commission decided to freeze their pay until future structure increases absorbed the difference.

The salary for legislators was set at $52,500, 43.75 percent of the Governor's salary, with an agreement to give future consideration to whether this should be raised to 55 or 60 percent. The Commission also established new pay rates for Assembly Speaker/Senate President Pro Tem (20 percent above the basic member rate) and majority/minority floor leader (10 percent above the member rate).

Finally, the Commission found that elected officer benefits (health and dental insurance, etc.) were at appropriate levels and decided to continue them without change.

Salary Commission
501 SE Hawthorne, Room 601
Portland, Oregon 97204
Telephone (503) 988-3320

Date: April 14, 2014

To: Multnomah County Board of County Commissioners

From: 2014 Elected Officials Salary Commission
Nancy Drury, Employee Services Director, Clackamas County
Jan Lambert, Senior Compensation Analyst, PeaceHealth
David Rhys, Assistant HR Director, City of Portland (Co-Chair)
Mary Rowe, Human Resources Director, METRO
Catrinus Wallet, Senior Compensation Analyst, OHSU (Co-Chair)

Re: Multnomah County Elected Officials Salary Commission Report

Under the authority of Section 4.30 of the Multnomah County Home Rule Charter as amended November 2010, the 2014 Multnomah County Salary Commission (Commission) was appointed by the County Auditor to set salaries for the Board of County Commissioners (BOCC), the Sheriff, and the supplemental salary of the District Attorney.

Enclosed is our report which sets the salaries for these positions and documents the basis for our decisions. We will be happy to answer questions or provide additional information upon request.

TABLE OF CONTENTS

2014 Multnomah County Elected Officials Salary Commission
Summary of Recommendations

Position	Current Salary	2014/2015 Salary	2015/2016 Salary	Notes
County Commissioner	$95,316	+ COLA 7/1/2014	+ COLA 7/1/2015	
Chair, Board of County Commissioners	$143,724	+ COLA 7/1/2014	+ COLA 7/1/2015	
Sheriff	$147,232	+ COLA 7/1/2014	+ COLA 7/1/2015	
District Attorney (County-paid Supplement)	$53,613	+ COLA 7/1/2014	+ COLA 7/1/2015	Applies to the County supplemental portion of salary only – the state salary is independent of this portion

Note: "COLA" refers to the Cost of Living Adjustment granted to non-represented employees of Multnomah County

Executive Summary

County Commissioners

The 2010 Salary Commission set the 2010/11 and 2011/12 salaries for the Commissioners at $90,640. The 2012 Salary Commission set the 2012/13 salary for Commissioners' salaries at the 2011 approved rate of $90,640 increased by the cost of living increase given to Multnomah County non-represented employees for 2012/13. Additionally, for 2013/14, that salary rate was increased by the cost of living increase given to Multnomah County non-represented employees for 2013/14.

The 2014 Salary Commission reviewed the methodology for setting salaries and agreed the methodology remained appropriate for the Commissioners' salary. External market factors were analyzed for comparability and appropriateness and the average of the external market salaries was considered a valid benchmark. However, there has been little change in the market salaries while County salaries have been adjusted by a cost of living factor. Accordingly, this Salary Commission believes that some cost of living adjustment is warranted despite the apparent lack of significant change in market comparator salaries. The 2014 Salary Commission sets the 2014/15 salary for Commissioners' salaries at the current approved rate of $95,316 increased by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16.

Chair, Board of County Commissioners

The 2010 Salary Commission set the 2010/11 salary for the Chair at the midpoint of the 2010/11 Department Director II salary, and the 2011/12 salary at the midpoint of the Department Director II 2011/12 range. The 2012 Salary Commission increased the Chair's salary by the cost of living increase given to Multnomah County non-represented employees for both 2012/13 and 2013/14. The 2014 Salary Commission reviewed the methodology for setting the salary for the Chair and agreed with the approach used by the 2010 and 2012 Salary Commissions. A search of the external market did not yield comparable positions: therefore, internal equity continues to be given greater weight. The Chair supervises the Department Directors and those salaries have the most bearing on the salary of the Chair. Recently, a new classification of Chief Operations Officer has been added and is under the general supervision of the County Chair. Setting the salary at the midpoint of the Department Director II range continues to be a reasonable approach. The Chair's salary for 2014/15 salary effective July 1, 2014 shall be adjusted to match the midpoint of the Department Director II 2012/13 of $143,724 increased by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16.

Sheriff

The Salary Commission considered three primary factors in recommending a salary adjustment for the Sheriff:

1. Salaries of Sheriffs in comparable jurisdictions;
2. Salaries of Multnomah County department directors; and
3. Salaries of direct reports to the Multnomah County Sheriff.

The Salary Commission gave more weight to internal equity (salaries of department directors and the Sheriff's subordinates) but considered external market comparators (salaries of other jurisdictions).

The Salary Commission has determined that the $147,232 salary of the Sheriff for 2014/15 should be increased by the cost of living increase given to Multnomah County non-represented employees. Additionally, for 2015/16, that salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16.

<u>The County Paid Supplemental Salary of the District Attorney</u>
The Salary Commission analyzed the methodology used in 2006, 2008, 2010 and 2012 for making a recommendation for the County paid supplemental salary of the District Attorney. The methodology essentially gives more weight to internal equity (salaries of department directors and the District Attorney's subordinates) than to external market considerations (salaries of other OR and WA District Attorneys). The 2006 and 2008 Commissions recommended, and the BOCC approved, that the salary for the District Attorney be placed at the 75th percentile of the Department Director II salary range. The 2010 Salary Commission believed that it was more accurate to use the following description: *75% of the Department Director II salary range*.

While the District Attorney's current $163,185 salary is slightly above 75% of the Department Director II range, the 2014 Salary Commission has determined it is still appropriate overall. The 2014 Salary Commission is addressing the unique nature of the District Attorney's salary, in that it is comprised of a State of Oregon salary and a Multnomah County supplemental salary. Acknowledging that the State will apply adjustments to its portion of the salary independently, this Salary Commission has determined that the County supplemental salary of $53,613 for the District Attorney shall be increased for 2014/15 by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that supplemental salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16. Subsequent Salary Commissions will be able to monitor the resulting increases and determine adjustments for future years.

Respectfully submitted this 14th day of April, 2014.

By the Multnomah County Salary Commission:
Nancy Drury, Jan Lambert, David Rhys, Mary Rowe, and Catrinus Wallet.

SALARY COMMISSION HISTORY

In November 1984 the Home Rule Charter was amended as follows:

> "The auditor shall appoint a five-member salary commission, composed of qualified people with personnel experience by January 1, 1986, and by January 1 in each even year thereafter..(to make) salary adjustment recommendations, if any..."

The first Salary Commission was appointed in 1986 and a new Salary Commission has been appointed in each even year up to the current 2014 Salary Commission.

In 1990, the voters approved a ballot measure submitted by the Multnomah County Charter Review Commission that allowed the BOCC to approve their own salary increases rather than salary increase recommendations being referred to the voters. The measure also specified they were not allowed to set salaries higher than the recommendation from the Salary Commission.

In 1991, a County Counsel's opinion stated that the Salary Commission may also make recommendations regarding the salaries of the Sheriff and District Attorney, if requested.

In 2004, the voters approved a ballot measure submitted by the Multnomah County Charter Review Commission that modified the language of the County Charter, Section 4.30 to read as follows:

> “The auditor shall appoint a five-member salary commission, composed of qualified human resource professionals with compensation experience, by January 1 of each even year. The salary commission shall *set the salaries* for the chair of the board of county commissioners and the county commissioners, documenting the basis of its decisions.”

In October 2005, the Salary Commission was given the authority, under BOCC Resolution No. 05-169, to recommend salary adjustments to the District Attorney’s salary in future years. Included in the BOCC Resolution No. 05-169 was a provision that the District Attorney receive the annual cost of living increases, based on the total salary granted to other non-represented staff in the County.

Beginning in October 2007, the Board of County Commissioners requested the Auditor to include the Sheriff’s Salary in the Salary Commission study, through Resolution No. 97-160.

Ballot measure 26-76, adopted by the people November 2, 2010, amended the Home Rule Charter, giving authority to the Salary Commission to set the salary of the Sheriff and the County paid supplemental salary of the District Attorney.

CONTENTS OF THIS REPORT

This report contains sections on the following:

- Board of County Commissioners positions (Chair and Commissioner)
- Sheriff
- County paid supplemental salary of the District Attorney

I. BOARD OF COUNTY COMMISSIONERS POSITIONS

SALARY HISTORY

From FY 1983-84 through FY 1990-91, the Chair and Commissioners did not receive an increase in salary. From FY 1991-92 through FY 1995-96, cost of living increases were added to Chair and Commissioners' salaries, but their salaries remained far below comparable jurisdictions and the relative worth of the jobs.

In 1996 the BOCC approved the Salary Commission recommendation that a Commissioner's salary be indexed to 75% of a judge's salary and that the Chair's salary be indexed to the mid-point of the salary range for the Chair's direct reports, Multnomah County department directors.

The 1998 Salary Commission reaffirmed this methodology for indexing of salaries and further recommended that an appropriate ratio between the Commissioners' salaries and the Chair's salary be no more than 80%. The 1998 BOCC did not act on the recommendation, but did in fact increase the Chair's and the Commissioners' salaries in accordance with the phased-in approach approved by the 1996 BOCC.

In 2000, the BOCC approved the Salary Commission recommendation that the Commissioners' salary remain 75% of a circuit court judge's salary July 1, 2000 and 2001. The BOCC further approved the recommendation that the Chair's salary be increased to the midpoint of the department directors' salary range effective July 1, 2000 and 2001.

In 2002 the BOCC approved the Salary Commission's recommendation for no change to the methodology for Commissioners' salaries. In regard to the Chair's salary, the Salary Commission determined that County department directors' salaries were below market according to the County Human Resources staff. Therefore, indexing the Chair's salary to the department directors' salaries would not be appropriate. Consequently, the BOCC approved the Salary Commission's recommendation of indexing the Chair's salary to 125% of a judge's salary and suggested the Board may want to consider a phased in approach.

The 2004 Salary Commission recommended, and the BOCC approved, no change in methodology for Commissioners and increased the Chair's salary in accordance with the previously approved phased-in approach.

The 2004 charter language changed the authority for setting salaries for the BOCC from the BOCC themselves to the Salary Commission.

The 2006 Salary Commission given this new charge believed that indexing to a judge's salary, a salary over which the BOCC had no control, was no longer relevant. Instead the 2006 Salary Commission assessed both the external market and internal equity in order to set the salaries with an emphasis on internal equity for the Chair's position and the external market for the Commissioner's position.

The 2012 Salary Commission continued the approach of the 2006, 2008 and 2010 Salary Commissions, assessing both the external market and internal equity, adjusting the internal equity comparison for the Chair's position and maintaining an emphasis on the external market for the Commissioner's position.

Current salaries are as follows: all four Commissioners are paid the approved salary of $95,316 and the Chair is paid at the approved salary of $143,724.

METHODOLOGY AND FINDINGS

Compensation theory suggests that evaluating both external market data and internal equity is the most widely accepted methodology for setting salary rates. This is the revised approach taken by previous Salary Commissions and is being re-affirmed by the 2014 Salary Commission.

The Salary Commission collected and reviewed data from a number of sources. The data is summarized below.

1. **Survey information for Commissioner from the County HR Office:**
   The County Human Resource office previously identified several comparable counties for purposes of comparing Commissioner salaries. The current Salary Commission continues to believe that there are sufficient Northwest comparators and, as a result, national comparators are not necessary for an appropriate market comparison. (A prior Salary Commission had included Hennepin County, MN, Denver County, CO, and Hamilton, OH.) The current Salary Commission also continues to limit the geographic adjustment to a single index used by the County HR Office, from the Economic Research Institute, rather than the average of multiple indexes used by a prior Salary Commission.

Exhibit A: Comparison of Commissioner Salaries in Comparable Counties

County	Actual Salary	Geographic Adjustment*	Equivalent Portland Salary
Clackamas County, OR	$84,133	None—Ptld Metro area	$84,133
Lane County, OR	$74,297	5.5%	$78,369
Marion County, OR	$76,606	7.2%	$82,090
Pierce County, WA	$104,468	-3.1%	$101,227
Snohomish County, WA	$105,884	-7.6%	$97,862
Thurston County, WA	$105,276	+0.8%	$106,129
Average			$91,635
		Multnomah Co	**$95,316**
		Differential	+4.0%

**Geographic adjustment via Economic Research Institute data through Multnomah County Human Resources Office.*
Salary Data Source: Multnomah County Auditor's Office Survey, December 2013
Note: The Washington County rate was considered but not used by this and prior Salary Commissions in that their salary rate is set at 40% of their Chair's salary which is 80% of the District Court Judge salary.
NOTE: Not adjusted for any employer paid pickup contribution to retirement system.

Because the data was collected in December 2013, it is possible these jurisdictions will increase salaries at some point in 2014. However, we are using data that is accurate as of the time of this report. Consequently, using this data for setting 2014/15 salaries creates what is called a "lag" effect in compensation terms, but it is still the best data to compare with at this point in time.

2. **Survey information for Chair from other counties:**
For many years, salary commissions have struggled with matching the Chair's position to like positions in other counties. We have concluded, as did prior Salary Commissions, that we are unable to match the position to another county with any degree of confidence. There are counties in the northwest and across the country that match the demographics of Multnomah County closely enough to be considered a contender. However, their organizational structures vary widely, some with split responsibilities between the legislative body and a county executive who manages operations. In Multnomah County, those responsibilities are held by only one position, Chair of the BOCC, although there is a position responsible to the Chair, of Chief Operating Officer, who supervises Department Directors under the authority of the County Chair. This year, we found no equivalent job matches. We encourage future Salary Commissions to continue monitoring this element to determine if any good matches can be found.

4. **Regional councils and local boards:**
A review of these jurisdictions showed limited comparability. Metro is a governmental agency in the Portland area with elected officials whose salaries should be noted. However, Metro is much smaller than Multnomah County, both in terms of staff and budget. The current data from Metro is detailed in Exhibit B below.

Exhibit B: Comparison with Metro 2013 Salaries

Metro Position	2013 Salary
Council President (salary of a judge)	$119,468
Councilor (one-third of a judge salary)	$39,822

5. **City of Portland:**
Although past Salary Commissions did not use data from the City of Portland, the County's Human Resources office does use City data for comparison with both elected official salaries and management salaries. However, it should be noted that City Commissioners have operational responsibility for city bureaus, thus are not a good job match. Additionally, both the staff and budget for the City are considerably larger than Multnomah County. Approved salaries for the City of Portland Mayor and Commissioners as of January 1, 2014 are detailed in Exhibit C below.

Exhibit C: Comparison with City of Portland Approved Jan 1, 2014 Salaries

City of Portland Position	Jan 1, 2014 Salary
Mayor	$128,107
Commissioner	$107,890

City of Portland salaries may or may not increase at some point in 2014 but it is the best data at this point in time.

6. **Comparability between the Chair and County department directors:**
The Chair has county-wide operational and fiscal responsibilities, which the Commissioners do not. Six (6) department directors in two pay levels are under the ultimate authority of the Chair. Currently, all of the direct report department directors have salaries above the midpoint of their range. Recently, a new classification of Chief Operations Officer has been added and the position reports to the County Chair. Salaries for all positions are detailed in Exhibit D below. As explained to the Salary Commission, the Chief Operations Officer is currently directing the County's Health Services Department on an interim basis.

Exhibit D: Department Directors' and Elected Officials' 2013 Salaries

Department	Classification	2013/14 Salary	Pay Scale Minimum	Pay Scale Midpoint	Pay Scale Maximum
Community Justice	Department Director I	$158,161	$100,506	$130,658	$160,891
Community Services	Department Director I	$141,240	$100,506	$130,658	$160,891
Library	Department Director I	$149,149	$100,506	$130,658	$160,891
County Assets	Chief Info Officer	$176,891	$110,556	$143,724	$176,891
Human Services	Department Director II	$176,890	$110,556	$143,724	$176,891
Health Services	Department Director II	Vacant	$110,556	$143,724	$176,891
COO/County Mgmt	COO/Prin Dept Director	$175,284	$121,612	$158,096	$195,580
District Attorney		$163,186			
Sheriff		$147,232			
BOCC Chair		$143,724			

Compensation theory suggests the spread between the supervisor and subordinate should be 10% to 25%. However, the Chair's actual salary compared with these positions under his authority shows that the Chair is paid less than all but one of them. The Chair's salary has been set at the midpoint of the higher level salary range of the Department Director II by the previous Salary Commission. This Salary Commission acknowledges that some elected positions are regularly paid less than non-elected positions of their direct reports. Because of this fact, normal compensation theory does not directly apply.

7. **Tenure in the job:**
   Generally speaking, salary will increase based in part on tenure in the position. These are elected positions and presumably, a newly elected BOCC member would receive the salary of the outgoing BOCC member. Consequently, tenure in the position should not be a factor in considering an appropriate salary.

8. **Assumption of full-time:**
   Although there is no mandated requirement that the BOCC be full-time positions, this Salary Commission is making the assumption that they are and all salaries shown are full-time equivalent salaries.

9. **Benefits considerations:**
   According to the County HR staff, elected officials receive the same benefits as any other County employee with the exception of disability. Level of benefits for these classifications is not within the scope of the Salary Commission authorized review.

10. Consumer Price Index (CPI) considerations:

CPI data is an integral part of the information base in the data presented. It has influenced the market data from both outside sources such as other counties and from within the county in determining appropriate salary ranges for department directors.

11. Pay for performance:

BOCC salaries relate to the office and not to persons; in other words, the salaries are based on what the *job* is worth and because it does not include a "pay for performance" model it is not a measure of the worth of the *individual* who occupies the position.

12. Compensation philosophy:

Typically an organization will consider three factors when designing compensation programs. These are the ability for an organization to 1) attract, 2) retain and 3) motivate employees. Attracting talent for the BOCC is limited to the local area so salary comparability with other jurisdictions to a certain extent is not relevant. Nevertheless, although it cannot be proven, this Salary Commission believes that an equitable and competitive salary will attract a larger number of highly qualified individuals to run for, and be willing to serve in, this and other elected offices.

RECOMMENDATIONS AND REASONING

Although Commissioners' salaries have maintained relative parity with the external market data, this Salary Commission notes that only one of the comparator authorized salaries has increased since 2009. The fact that most of the comparator salaries have not increased leads this Salary Commission to find that other jurisdictions appear not to have adjusted salaries related to the cost of living. In contrast, the Salary Commission has determined that it is appropriate to adjust the salaries of these positions consistent with Multnomah County's annual cost of living adjustments. Accordingly, Commissioners' salaries for 2014/15 shall be set at the current approved rate of $95,316 adjusted by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that salary rate shall be adjusted by the cost of living increase given to Multnomah County non-represented employees for 2015/16.

This Salary Commission acknowledges that some may have concerns that adjustments related to increases for non-represented County employees that the Board of County Commissioners may ultimately approve. This Salary Commission's salary adjustments for Board positions are limited to a period of two years. Subsequent Salary Commissions are not tied to this determination for future years.

As a result of the salary determination by the 2008, 2010 and 2012 Salary Commissions, the Chair's authorized salary is more closely aligned with other County positions that are under the ultimate authority of the Chair. In this case, the most significant and heavily weighted data is internal equity. Greater weight is being given to internal equity considerations than to the external market for the following reasons:

a. Internal equity (data regarding department directors) is a professionally-acceptable method for assigning a salary;
b. External market data has not provided acceptable job matches although the search should continue by future Salary Commission, as external comparators are also an important consideration.

The Chair's approved salary for 2013/14 is $143,724. The approved salary is less than the salaries of all but one of the Department Directors under its ultimate authority. The current midpoint of the Department Director II salary range is $143,724.

This Salary Commission believes that the Chair's 2014/15 salary should continue to match the midpoint of the Department Director salary of $143,724 increased on July 1, 2014 by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16.

2014/15 AND 2015/16 SALARIES

The 2014 Salary Commission sets the 2014/15 rate for Commissioners' salaries at the current approved rate of $95,316 increased by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16.

The 2014 Salary Commission sets the 2014/15 salary for the Chair effective July 1, 2014 to match the midpoint of the Department Director II 2011/12 of $143,724 increased by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16.

II. SHERIFF

SALARY HISTORY

A brief salary history shows the Sheriff's salary for the past few years as well as the slight inconsistency in the date of the granting of salary increases for this position.

Start Date	Annual Salary	% Increase
7/1/2013	$147,232	1.8%
7/1/2012	$144,628	3.3%
7/1/2011	$140,008	0.0%
7/1/2010	$140,008	3.7%
7/1/2009	$135,000	0.0%
7/1/2008	$135,000	15.9%
7/1/2007	$116,453	2.7%
7/1/2006	$113,391	0.0%
7/1/2005	$113,391	2.7%
7/1/2004	$110,410	0.0%
1/1/2003	$110,410	5.5%
12/1/2002	$104,697	

METHODOLOGY AND FINDINGS

The Salary Commission collected and reviewed current data from a number of sources. The data is summarized below.

1. **Sheriff's salaries in counties in Oregon and Washington:**
   Several counties in Oregon and Washington, as follows, were considered for external market data comparisons.

   Oregon: Clackamas, Lane, Marion and Washington
   Washington: Clark, Pierce, Snohomish and Thurston

   The Multnomah County Sheriff's Office was contacted by a prior Salary Commission to determine if there were differences in Sheriff duties in OR and WA counties that would be important for the Salary Commission to know. The prior Salary Commission was advised that other counties do have jail responsibilities; however, the Multnomah County Sheriff is responsible for a larger and significantly more complex jail operation. Thus the span of responsibility is different in significant ways for the Multnomah County Sheriff in comparison to most other counties in Oregon and Washington. The Salary Commission notes that some Oregon counties have larger enforcement responsibilities than Multnomah County.

Salary data was collected from these jurisdictions and is shown in Exhibit A. The current Salary Commission revised the geographic adjustment to a single index used by the County Human Resources office, from the Economic Research Institute, rather than the average of multiple indexes used by the prior Salary Commission.

2. **Sheriff's salaries in other jurisdictions:**
The Sheriff's Office previously identified four counties in California and three counties in other states for purposes of comparing Sheriff salaries. The current Salary Commission determined that there were sufficient Northwest comparators, and as a result, national comparators are not necessary for an appropriate market comparison.

Exhibit A: Sheriff Salaries Adjusted for Geographical Differences
December 2013

County	Actual Salary	Geographic Adjustment*	Equivalent Portland Salary
Clackamas, OR	$152,254	None—Ptld Metro area	$152,254
Lane County, OR	$123,489	+3.6%	$127,930
Marion County, OR	$119,745	+6.4%	$127,381
Washington County, OR	$144,230	None—Ptld Metro area	$144,230
Clark County, WA	$104,220	-0.6%	$103,636
Pierce County, WA	$121,061	-3.1%	$117,319
Snohomish County, WA	$124,720	-7.7%	$115,177
Thurston County, WA	$118,008	+0.4%	$118,532
Average			$125,807
Multnomah County			**$147,232**
Differential			+17.0%

**Geographic adjustment via Economic Research Institute data through Multnomah County Human Resources Office.*
Salary Data Source: Multnomah County Auditor's Office Salary Survey December 2013.
NOTE: Not adjusted for any employer paid pickup contribution to retirement system.

The survey data shows the Sheriff's salary to be 117.0% of the average of other jurisdictions. It supports an argument that the Sheriff's salary is at a sufficient level in comparison to other Northwest comparators, given the larger jail responsibilities.

3. **Comparability between the Sheriff and Multnomah County department directors:**

There are six (6) department directors in the County in two pay scales and a new classification of Chief Operating Officer.

Exhibit B: Department Directors' Salaries

Department	Classification	2013/14 Salary	Pay Scale Minimum	Pay Scale Midpoint	Pay Scale Maximum
Community Justice	Department Director I	$158,161	$100,506	$130,658	$160,891
Community Services	Department Director I	$141,240	$100,506	$130,658	$160,891
Library	Department Director I	$149,149	$100,506	$130,658	$160,891
County Assets	Chief Info Officer	$176,891	$110,556	$143,724	$176,891
Human Services	Department Director II	$176,890	$110,556	$143,724	$176,891
Health Services	Department Director II	Vacant	$110,556	$143,724	$176,891
COO/County Mgmt	COO/Prin Dept Director	$175,284	$121,612	$158,096	$195,580
District Attorney		$163,185			
Sheriff		$147,232			

The midpoint of the Department Director II salary range is $143,724. All of the current department directors are paid above the midpoint of their respective ranges.

The Sheriff's position is not included in the Department Director classifications, but given the level of authority and responsibility of the position, an argument could be made that it is equivalent to Department Director II. Thus, in order to maintain internal equity, the Sheriff should also be paid at or above the midpoint of Department Director II. The Sheriff is currently paid above the midpoint of the Department Director II at a salary of $147,232.

4. **Comparability with the Portland Police Chief:**
The City of Portland does not have responsibility for jails; however it has law enforcement duties that are substantially different than Multnomah County. As a result, the jobs are not directly comparable. For these reasons, information on compensation for the Portland Police Chief was reviewed but not considered for this study.

5. **Comparability between the Sheriff and his direct reports:**
The highest level positions below the Sheriff within the Sheriff's Office are the Undersheriff and the Chief Deputy. There are three incumbents serving as Chief Deputy, two at $132,576, and one at $139,955. The Chief Deputy classification has a range with a minimum of $93,061 and maximum of $148,897. There is a salary

differential between the actual salary of the Sheriff and top salaried Chief Deputy of 5.2%. There is no incumbent in the classification of Undersheriff. Compensation theory suggests the spread between the supervisor and subordinate should be 10% to 25%. The current difference between the salaries of the Sheriff and direct reports is very narrow and may be further reduced if the Sheriff's direct reports receive merit increases on their range in addition to cost of living increases during the next two years.

This Salary Commission acknowledges that some elected positions are regularly paid less than non-elected positions of their direct reports. Because of this fact, normal compensation theory does not directly apply. However in the case of the Sheriff, the Salary Commission notes that ORS 204.112(4) requires that a County Sheriff be paid at a higher rate than members of the Sheriff's Office. Since the maximum of the range of the Chief Deputy classification currently exceeds the salary of the Sheriff by over $1,600, the County may have to adjust the Sheriff's salary at a future point to comply with State law. Our salary determination for the Sheriff's position provides for this potential situation.

6. **Tenure in the job:**
Generally speaking, salary will increase based in part on tenure in the position. This is an elected position and presumably, should a new Sheriff be elected, he/she would receive the salary of the outgoing Sheriff. Consequently, tenure in the position should not be a factor in considering an appropriate salary.

7. **Benefits considerations:**
Of the data available to this Salary Commission, there are differences in benefits packages provided to Oregon Sheriffs. However, the level of benefits is not within the scope of the Salary Commission authorized review.

8. **Internal equity versus external market considerations:**
Consideration is being given to internal equity considerations as well as to the external market:
    a) internal equity (data regarding department directors and subordinates) is a professionally acceptable method for assigning a salary;
    b) concerning external market data (data regarding other county Sheriff salaries), while not exactly matching the operations of the Multnomah County Sheriff's Office, in the opinion of this Salary Commission, the comparison to other Northwest Sheriff positions is still relevant and forms the basis of an additional source of information for purposes of recommending salary for the Multnomah County Sheriff's position.

9. **Consumer Price Index (CPI) considerations:**
CPI data is an integral part of the information base in the data presented. It has influenced the market data from both outside sources such as other counties and from within the county in determining an appropriate salary range for department directors.

10. Compensation philosophy:

Typically an organization will consider three factors when designing compensation programs. These are the ability for an organization to 1) attract, 2) retain and 3) motivate employees. Attracting talent for the Sheriff's position is limited to the local area, and to those with the required certifications, so salary comparability with other jurisdictions to a certain extent is not relevant. Nevertheless, although it cannot be proven, this Salary Commission believes that an equitable and competitive salary will attract a larger number of highly qualified individuals to run for, and be willing to serve in, this and other elected offices.

RECOMMENDATIONS AND REASONING

The salaries of Sheriffs in Oregon and Washington jurisdictions are reasonably aligned to this position. The position's current salary of $147,232 is 17% above Northwest comparators. This differential does not support an increase for the position on the basis of market comparison.

However, the Multnomah County Department Director positions are paid incrementally more than the Multnomah County Sheriff even though the Sheriff position is arguably equivalent to Department Director II. Therefore, the Salary Commission finds it reasonable to recommend that the Sheriff be placed at least at the midpoint of the Department Director II range. The Sheriff's salary is currently above the midpoint now.

The Chief Deputies to the Sheriff are paid a salary lower than the Sheriff's salary. Maintaining the Sheriff's salary at or above the midpoint of the Department Director II salary range may eventually result in a conflict between the Sheriff's salary rate and those of the Chief Deputies, necessitating an adjustment to the Sheriff's salary to comply with State law provisions which require that the Sheriff be paid more than his or her staff.

2014/2015 and 2015/2016 SALARY

The Salary Commission determines that the salary of the Sheriff for 2014/15 be increased by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, that salary rate shall be increased by the cost of living increase given to Multnomah County non-represented employees for 2015/16

We note that State law requires the salary of any Sheriff to be higher than that of the Sheriff's staff. Accordingly, if an increase to any Sheriff's staff member is above the salary rate paid to the Sheriff, the Sheriff's salary shall be adjusted to be $12.00 more annually than the highest paid subordinate, until the next review by the next Salary Commission.

The Salary Commission notes that the following principles were considered in this salary determination:

1. The recommendations come from professionals in the field of compensation and are based on (to the best of our knowledge) accurate, relevant and appropriate data and methodologies; and
2. The salary recommendations relate to the office and not to the person; in other words, the salary is based on what the *job* is worth and because it does not include a "pay for performance" model it is not a measure of the worth of the *individual* who occupies the position; and
3. Being paid for what the job is objectively worth is extremely vital to maintaining high quality leadership for the Sheriff and his/her successor; thus the public will be better served.

III. DISTRICT ATTORNEY

SALARY HISTORY

Oregon District Attorneys receive a salary from the State of Oregon. Some district attorneys in the State, including Multnomah County, also receive a supplemental salary from the County jurisdiction.

For ten years, 1994-2004, the Multnomah County District Attorney did not receive a cost of living increase from either the State or County. The resulting inequity was addressed by the 2006 Salary Commission.

As of January 2014, the State contributes $109,572 annually to the District Attorney's salary. The County supplement is $53,613 and the combined annual salary currently is $163,185 which is currently above 75% of the Department Director II salary range. 75% of the Department Director II range is $160,307.

The 2006 and 2008 Salary Commissions recommended, and the BOCC approved, that the salary for the District Attorney be placed at the 75th percentile of the Department Director II salary range.

The 2010 Salary Commission believed that it was more accurate to use the following description: 75% of the Department Director II salary range.

METHODOLOGY AND FINDINGS

The Salary Commission collected and reviewed current data from a number of sources. The data is summarized below.

1. District Attorney's salaries in counties in Oregon and Washington:

The larger counties in Oregon and Washington, as follows, were considered for external market data comparisons.

Oregon:	Clackamas, Lane, Marion, and Washington
Washington:	Clark, Pierce, Snohomish, and Thurston

Salary data was collected from these jurisdictions and is shown in Exhibit A. The current Salary Commission employed the geographic adjustment of a single index.

A prior Salary Commission acknowledged that there are differences in District Attorney duties in OR and WA counties. Most counties are only responsible for prosecuting crimes that have occurred within their jurisdictional boundaries; however, the Multnomah County District Attorney's Office also provides Termination of Parental Rights services to the entire state, works with the US Attorney's Office to prosecute some federal cases, and prosecutes all city code crimes in the City of Portland

Exhibit A: District Attorney Salaries Adjusted for Geographical Differences
December 2013

County	Actual Salary	Geographic Adjustment*	Equivalent Portland Salary
Clackamas, OR	$148,735	None—Ptld Metro area	$148,735
Lane County, OR	$143,247	3.2%	$147,855
Marion County, OR	$135,218	6.2%	$143,547
Washington County, OR	$145,850	None—Ptld Metro area	$145,850
Clark County, WA	$148,836	-0.5%	$148,166
Pierce County, WA	$148,832	-3.2%	$144,135
Snohomish County, WA	$148,832	-7.7%	$137,339
Thurston County, WA	$148,836	-0.5%	$148,079
		Average:	$145,463
		Multnomah Co.	**$163,185**
		Differential:	12.2%

**Geographic adjustment via Economic Research Institute data through Multnomah County Human Resources Office.*
Salary Data Source: Multnomah County Auditor's Office Salary Survey December 2013
NOTE: Not adjusted for any employer paid pickup contribution to retirement system.

2. Comparability between the District Attorney and Multnomah County department directors:

There are six (6) department directors in the County in two pay scales and a new classification of Chief Operating Officer. Based on a review of relevant information about both classifications, the 2014 Salary Commission concludes that the position of District Attorney is comparable in classification to Department Director II.

Exhibit B: Department Directors' Salaries

Department	Classification	2013/14 Salary	Pay Scale Minimum	Pay Scale Midpoint	Pay Scale Maximum
Community Justice	Department Director I	$158,161	$100,506	$130,658	$160,891
Community Services	Department Director I	$141,240	$100,506	$130,658	$160,891
Library	Department Director I	$149,149	$100,506	$130,658	$160,891
County Assets	Chief Info Officer	$176,891	$110,556	$143,724	$176,891
Human Services	Department Director II	$176,890	$110,556	$143,724	$176,891
Health Services	Department Director II	Vacant	$110,556	$143,724	$176,891
COO/County Mgmt	COO/Prin Dept Director	$175,284	$121,612	$158,096	$195,580
District Attorney		$163,186			

The midpoint of the Department Director II salary range is $143,724 and all of the current department directors are paid above their respective midpoints. In order to maintain internal equity, based on the comparison to the other Department Directors, the District Attorney should be paid at least 75% of the range of the Department Director II. As noted above, 75% of the Department Director II range is $160,307.

3. **Comparability between the District Attorney and his direct reports:**
The second highest level position in the office is the Chief Deputy District Attorney. Three incumbents are currently paid $153,877. The District Attorney's salary rate is currently 6.0% higher than the salary of the incumbents in the Chief District Attorney positions.

   Compensation theory suggests the spread between the supervisor and subordinate should be 10% to 25%. However, since the District Attorney position is comparable to Department Director II and already above 75% of that range, the decision to link it to the Chief Deputy salary should be made with a great deal of caution. This Salary Commission has determined that the relationship of this post to the Department Director II classification takes priority over comparing it to the Chief Deputy salary.

4. **Tenure in the job:**
Generally speaking, salary will increase based in part on tenure in the position. This is an elected position and presumably, should a new District Attorney be elected, he/she would receive the salary of the outgoing District Attorney. Consequently, tenure in the position should not be a factor in considering an appropriate salary.

5. **Benefits considerations:**
Of the data available to this Salary Commission, there are differences in benefits packages provided to Oregon District Attorneys. However, the level of benefits is not within the scope of the Salary Commission's authorized review.

6. **Internal equity versus external market considerations:**
   Greater weight is being given to internal equity considerations than to the external market for a couple of reasons:
   a) Internal equity (data regarding department directors and subordinates) is a professionally acceptable method for assigning a salary; and
   b) External market data (data regarding Oregon and Washington county district attorney salaries) is not directly comparable to Multnomah County.

7. **Consumer Price Index (CPI) considerations:**
   CPI data is an integral part of the information base in the data presented. It has influenced the market data from both outside sources such as other counties and from within the County in determining an appropriate salary range for department directors.

8. **Compensation philosophy:**
   Typically an organization will consider three factors when designing compensation programs. These are the ability for an organization to 1) attract, 2) retain and 3) motivate employees. Attracting talent for the District Attorney's position is limited to the local area, and to those with the required certifications, so salary comparability with other jurisdictions to a certain extent is not relevant. Nevertheless, although it cannot be proven, this Salary Commission believes that an equitable and competitive salary will attract a larger number of highly qualified individuals to run for, and be willing to serve in, this and other elected offices.

RECOMMENDATIONS AND REASONING

The salaries of District Attorneys in Oregon and Washington jurisdictions are closely aligned to this position when, in fact, this position has greater responsibility than most, if not all, of the counties listed. Accordingly, it should be paid more.

The Chief Deputy to the District Attorney is paid a salary slightly above that of the District Attorney, creating a salary compression issue. This Salary Commission is aware this compression issue has existed for a number of years. It, too, needs to be carefully watched and reviewed when the Salary Commission is next convened.

In comparison with the elected Chair of the BOCC, the salary for the District Attorney is greater than the Chair's salary at the midpoint of the Department Director II salary range. Both are elected officials of the County. However, the District Attorney is required to have professional credentials, including a law degree, not required of other County elected positions and that justifies the higher salary. The responsibilities of this District Attorney are comparable to leading a large law firm.

2014/15 and 2015/16 SALARY

Currently, the District Attorney's current salary is slightly above 75% of the Department Director II range. This Salary Commission believes that is an appropriate rate for this position, based on our review. However, we are departing from how we addressed adjustments to the combined salary in the past, given the unique nature of this position's salary, in that the main portion of the position's salary is funded by the State of Oregon, and the County provides a supplement to that salary. The Salary Commission is aware that increases to the State portion of this position's salary may occur at different times and prior Salary Commissions have required that the County supplement be adjusted if there were interim increases by the State. To avoid mid-term adjustments between the two portions, this Salary Commission is limiting increases to the County supplement, being aware that the State of Oregon will be adjusting its salary for this position during this period. Subsequent Salary Commissions will be able to monitor the resulting increases and determine adjustments for future years.

Accordingly, the Salary Commission has determined that the current County supplement of $53,613 for the District Attorney salary shall be increased for 2014/15 by the cost of living increase given to Multnomah County non-represented employees for 2014/15. Additionally, for 2015/16, the County salary supplement shall be increased by any cost of living increase given to Multnomah County non-represented employees for 2015/16.

ENHANCING SERVICE TO THE PUBLIC

The Salary Commission notes that the following principles were considered in this salary determination:

1. The recommendations come from professionals in the field of Compensation Administration and are based on (to the best of our knowledge) accurate, relevant and appropriate data and methodologies; and
2. The salary recommendations relate to the office and not to the person; in other words, the salary is based on what the *job* is worth and because it does not include a "pay for performance" model it is not a measure of the worth of the *individual* who occupies the position; and
3. Being paid for what the job is objectively worth is extremely vital to maintaining high quality leadership for the District Attorney and his/her successor; thus the public will be better served.

LAST BUT CERTAINLY NOT LEAST

The 2014 Salary Commission wishes to thank the Classification and Compensation staff of the County Human Resources Office for providing information on geographic comparison factors.

The Salary Commission wishes to thank County Attorney Jenny Madkour for discussing with us legal issues.

The Salary Commission also wishes to extend its appreciation to the Multnomah County Auditor and his staff. We could not have completed our work without their research and data collection.

ATTACHMENT G

CONTRA COSTA COUNTY

SALARY HEALTH PLAN SUBSIDY ADJUSTMENTS FOR A SAMPLING OF GROUPS

	Salary Adjustments				Health Benefit Changes		
Fiscal Year	Board of Supervisors	Mgmt/ Unrepresented	Local 1	DSA Management	Board of Supervisors & Mgmt/Unrepresented	Local 1	DSA
2004-05		3% 10/04	3% 10/04	5% 10/04	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2005-06		0	0	0	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2006-07	59.5% 2/07	$1500 11/06*	0	2% 10/06	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2007-08	2% 7/07	2% 7/07	2% 7/07	2% 10/07 & 2% 3/08	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2008-09	Waived 2.31% to match ATA***	2% 7/08	2% 7/08	0	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2009-10	Waived 2.31% to match ATA	0	0	0	Capped at 2009 rate +50% of increase	Capped at 2009 rate +50% of increase	87% of PERS Kaiser Bay Area Premium
2010-11	Waived 2.75% to match negotiated wage reductions	0	0	0	Capped at 2009 rate +50% of increase	Capped at 2009 rate +50% of increase	87% of PERS Kaiser Bay Area Premium
2011-12	Waived 2.75%	-2.75% 10/11	$500 5/12	0	Capped 2011	Capped 2011	Capped 1/12 + 75% of PERS Kaiser Bay Area increase
2012-13	Waived 2.75%	0	-2.75% 7/12 $500 5/13	-2.81% 7/12	Capped 2011	Capped 2011	Capped 1/12 + 75% of PERS Kaiser Bay Area increase
2013-14	Waived 2.75% for 7/13 and discontinued waiver thereafter	2% 8/13	$750 5/14	3% 1/14	Capped 2011	Capped 2011	Capped 11/13 + 50% of increase for all plans
2014-15	7% 6/15	2% 8/14 $1000 **	4% 4/14 ; $750 5/15	3% 7/14	Capped 2011	Capped 2011	Capped 11/13 + 50% of increase for all plans
2015-16		3% 7/15	3% 7/15	3% 7/15	Capped 2011	Capped 2011	Capped 11/13 + 50% of increase for all plans

** Management Resolution 2006/709*

*** Management Resolution 2013/318*

**** ATA is Agreed-upon Temporary Absence, which was a negotiated absence without pay.*

ATTACHMENT H

	Alameda	Contra Costa	San Mateo
TOTAL EST VALUE	206,229	166,163	183,523
Annual Salary	147,680	104,307	129,912
Pension Contribution	28,916	40,429	40,272.72
Pension & Vesting	Tier 2A is 1.492% @ 55; Tier 4 is 1.3% @ 55; County pays employer share only; avg contribution is 19.58%	Tier 1 & 3 Enhanced is 2% @ 55; County contributes 38.8%	< 8/7/11 = 1.948% @ 55; County contributes 30-31%
Health/Dental	90% of premium	50-60% of premium	75-85% of premium
Other insurance	-	1,164	-
Pension enhancement	$ 18,338	$ 12,600	$ -
Auto allowance	$ 8,296	$ 7,200	$ 13,338
Other	$ 3,000	$ 463	$ -

Retiree Health	County provides none. However, ACERA provides partial benefits with 10 years svc credit. 3,321-6264	8,553	SamCERA: Sick leave does not get added to retirement base. Instead, banked sick leave can be "spent" on retiree health premiums. 8 hours buys $700.

SFGATE http://www.sfgate.com/politics/article/Supervisor-pay-raise-in-hands-of-voters-2764342.php

Supervisor pay raise in hands of voters / Proposal on S.F. ballot makes job full time

Rachel Gordon, Chronicle Staff Writer Published 4:00 am, Monday, October 7, 2002

There's no question that San Francisco supervisors are low paid when compared to their counterparts in the rest of the state. The thornier question is whether they should get more money.

San Francisco voters will answer that Nov. 5 when they consider a proposal to officially make the job of supervisor a full-time gig and authorize the Civil Service Commission to set the salary, taking it out of the hands of the electorate.

While a raise is not guaranteed, it's likely, since the commission will consider the salaries of other city council and county supervisors in California when setting the amount.

Members of other boards of supervisors in the Bay Area, and in other big cities in the state, have average annual salaries of $88,000. That bumps up to $118,000 when benefits are factored in, according to San Francisco City Controller Ed Harrington. San Francisco's 11 supervisors earn $37,585 a year, or about $47,000 when fringe benefits are included.

In Alameda County, supervisors earn $108,996; in Santa Clara the pay is $104,441. The statewide average pay for county supervisors is nearly $52,000. In Los Angeles they make more than $133,000 -- the highest in the state.

While San Francisco has more supervisors than any other county, which each have five, it also is unique in that it's a combined city and county. There is no city council.

A salary boost, said San Francisco Board of Supervisors President Tom Ammiano, "would be fair, given the cost of living in the city. I don't think anyone's trying to become a millionaire."

The board placed the measure on the ballot.

Ammiano, a former public school teacher, supplements his board salary with a periodic teaching job at San Francisco State University. And as a stand-up comic, he also pulls in money from performing and emceeing events.

Another supervisor, Tony Hall, helps make ends meet as a singer. Some supervisors quit their jobs; Sophie Maxwell was a railroad electrician before she won election two years ago. Others tinkered with their careers. Supervisor Gerardo Sandoval, for instance, was a public defender; now, he has a private law practice working on personal injury cases.

All the supervisors say their official duties are more than part time -- as the City Charter now describes the job -- with some saying they put in 40 to 60 hours a week representing their districts.

But David Lee, a local political analyst and executive director of the Chinese American Voters Education Committee, said Proposition J isn't just about whether the job should pay more.

"It's a huge referendum on the board's performance," Lee said.

If people are happy with the board, he said, they'll vote yes on Proposition J. If they're unhappy, they will probably vote no.

Ammiano conceded that could be the case. But he also urged voters to look at the bigger picture and ask themselves whether the job itself merits more money. "If you don't like a supervisor, then vote them out of office," he said.

The measure has the support of the San Francisco Chamber of Commerce, San Francisco Common Cause -- a government watchdog group -- and the San Francisco Democratic Party. They say higher pay will attract more candidates and provide a fairer compensation for the work.

One opponent is Mara Kopp, wife of Quentin Kopp, a Superior Court judge who served for years in the Legislature and on the board. She chairs the group Good Government Alliance and said one flaw with Proposition J was that it would take away voters' "time-honored right" to set supervisors' salaries. She added that the supervisors knew full well what the pay would be when they ran for office.

Sandoval, who has taken a lead in the Yes on J campaign, said the extra dough would give him more time to devote to his City Hall job.

"I feel awkward asking San Franciscans to give us a raise, but my choice is to look for another way to supplement my income or spend that time looking after my constituents' concerns," said Sandoval, who set up a political action committee to support the ballot measure.

Lee, whose organization conducted a poll earlier this summer, found support and opposition to Proposition J evenly split. Passage will be difficult, he said, given so many big-ticket money items sharing next month's ballot and a struggling economy.

Supervisors last got a raise in 1998, when the pay bolted from $23,924 to $37,585. Last year, voters tacked on health and retirement benefits.

So what would Ammiano do with the extra money? "It's called a roof," he said.

SanLuisObispo

County should set rules on how supervisors get pay increases

By John Peschong

March 23, 2015

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John Peschong

JAYSON MELLOM — The Tribune

In political campaigns for San Luis Obispo County supervisor, there has been a tradition of candidates using the pay increases that supervisors vote for themselves as a campaign issue. Then, once the candidates are sworn in, they vote to give themselves a raise.

This hypocrisy hardly meets the level of good conduct our public servants so often pride themselves on during election season.

In the 2008 supervisory election, candidate Adam Hill used a pay raise as a campaign issue against his opponent. In all of his speeches and campaign material, his opponent's pay raise was made an issue. In December, Supervisor Adam Hill joined three other supervisors in voting in favor of increasing compensation for the Board of Supervisors.

When asked for justification for such a raise, one supervisor thought the board's leadership made them deserving of the raise; Supervisor Bruce Gibson compared San Luis Obispo County's wages to those of other counties, and appointed Supervisor Caren Ray believed the wages for a supervisor should be livable and competitive.

To all of those arguments, I ask: What ever happened to the honor of public service and protecting taxpayer money?

Longevity and money should not be the goal of an accomplished county supervisor. Leadership is expected and is often the cornerstone of most campaign messages. A pay raise should not be given for achieving the goals and delivering the leadership one promises when running for public office.

When comparing San Luis Obispo County supervisors' wages to other counties, most notably Santa Cruz County's $146,000 wage, I believe Supervisor Gibson is comparing in the wrong direction.

As a public servant committed to improving every corner of our county, Supervisor Gibson should have compared his wages within our county instead of looking outward.

The median household income of residents in San Luis Obispo County is $58,697 according to the U.S. Census Bureau. That's nearly 30 percent less than the $86,115 our supervisors make. Every tax dollar our supervisors use for their wages instead of projects within our borders will only increase the gap between those two numbers.

Ray's desire for a livable and competitive wage (at $86,115 and counting) only drives a divide between the community and their representatives. A public servant should be an experienced and seasoned individual who has worked hard and can contribute authentically to bettering our community.

When the argument continues to be made that a higher salary will attract more qualified individuals, we begin creating career politicians rather than true public servants.

Now, with all of this said, raises are a part of life. The market changes, and today's salary may not be enough tomorrow. Until Proposition 12 passed in 1970, the state legislature set supervisors' salaries. Now each county employs its own techniques for doling out raises. In Yolo County, the supervisors have set theirs at 33 percent of a Superior Court Judge's salary, and it increases when appropriate. Until recently, Placer County had a flat cap. Others cap with a clause for inflation, while others still put raises and caps to the voters as a referendum.

Contra Costa County supervisors voted themselves a 33 percent pay raise last November after the election and then repealed that same pay raise two months later after opponents gathered enough signatures to force a referendum on the pay raise.

I believe at least a few rules should be set for the supervisors in San Luis Obispo County.

When running for office, the candidate is agreeing to a particular salary: four years of service in exchange for a determined compensation. As a result, increases in salaries are not given to oneself immediately, but rather proposed for the coming term of office.

To maintain this, any proposed increase to salaries should be made before the close of candidate filing in an election year. Thus, job duties and the wages that are paid for the job are already determined for whoever should decide to run for supervisor.

Not all supervisors come up for election at the same time; some might be compensated differently until their seat begins a new term.

Raising your own salary should always be a campaign issue. A candidate should be able to reasonably defend why he or she felt a raise was appropriate. If the raise was passed, then it will ultimately be up to the voters to decide which candidate meets the qualifications and is deserving of the higher compensation.

And in the end, maybe we can get more than one or two supervisors on the board who place the priorities of the county and our tax dollars ahead of their political careers.

John Allan Peschong served in President Ronald Reagan's administration and as a senior strategist for the campaigns of President George W. Bush. He is a founding partner of Meridian Pacific Inc., a public relations company, and serves as chairman of the San Luis Obispo County Republican Party. His column appears twice a month in The Tribune, in rotation with liberal columnist Tom Fulks.

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Wednesday, May 28, 2014

SF elected officials' salaries bumped by 2.6 percent

Posted By Joshua Sabatini on Wed, May 28, 2014 at 4:00 AM

San Francisco city workers are not the only ones getting a pay raise. Add the members of the Board of Supervisors and seven other elected officials in The City to the list.

Under a voter-approved salary-setting formula and a vote this month by the Civil Service Commission, San Francisco elected officials will see their salaries climb by a 2.6 percent consumer price index beginning July 1.

That means Mayor Ed Lee's $278,089 salary will increase to $285,319, followed by raises to $252,109, $234,634 and $228,142 for District Attorney George Gascón, City Attorney Dennis Herrera and Public Defender Jeff Adachi, respectively. Sheriff Ross Mirkarimi's pay was increased from $212,988 to $218,526, while Assessor-Recorder Carmen Chu's salary was raised to $182,175 and Treasurer and Tax Collector Jose Cisneros' to $177,556.

Salaries for the Board of Supervisors will increase from the current $108,049 to $110,858. The current salary is $30,260 above the average $77,789 salary among the eight cities with full-time council members and $22,874 above the average for county supervisors across the state. At that level, San Francisco supervisors will be higher paid than Marin, Napa and Contra Costa county supervisors, who earn between $85,385 to $97,739, but fall below the $145,039 Alameda County supervisors earn as well as the $124,280 earned by San Mateo County supervisors.

The City recently completed negotiations with 26 of 27 labor unions with open contracts, which resulted in pay hikes between 8.5 percent and 9.5 percent total during the next three years.

"This will keep employees ahead of the cost of living projected in each of the three years and will make up some of the ground lost in what we call the lean years," Human Resources Director Micki Callahan told the Civil Service Commission.

Tags: Board of Supervisors Mayor Ed Lee salary increases City Attorney Dennis Herrera District Attorney George Gascon Civil Service Commission Image