

DRAFT



AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

April 23, 2015

2:30 P.M.

651 Pine Street, Room 101, Martinez

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, Vice Chair
Margaret Hanlon-Gradie
Michael Moore, Secretary
Rick Wise, Chair
Stuart McCullough

Staff Present: Stephen L. Weir, Facilitator
Julie DiMaggio Enea, CAO Staff

1. Call to Order and Introductions

Chairman Wise called the meeting to order at 3:00 p.m. and noted that all Committee members were present.

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.

3.

The Committee voted unanimously to approve the Record of Action for the April 16, 2015 meeting.

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

Passed

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

It was noted that a large amount of materials were presented under Item Four. Members did not have time to digest all that was included. It was also noted that there will be two weeks between this meeting and the next meeting, thus giving members more time to review the materials.

Michael Moore asked staff if we had any guidance based upon the materials presented. Steve Weir stated that most of the materials presented were in response to the Committee's requests from the previous two meetings for data that would support a peer-to-peer comparison, and that staff was operating under the Committee's prior direction to refine comparisons of the components of compensation for Contra Costa, Alameda, and San Mateo Counties, and find additional examples of salary commissions in other jurisdictions. The goal of the data compilation would be to gain the Committee's consensus on a framework on which to base any salary and methodology recommendations. Staff is looking for direction from the Committee on what additional information, if any, would promote the development of this framework.

Steve noted that while, by-and-large, salaries of boards of supervisors of California counties are tied to superior court judges' salaries, the Committee found consensus last week that the Supervisors' salaries should not be tied to something that's not related to the job. The Committee members confirmed that they did not want to tie salaries to an arbitrary position such as a superior court judge. However, Michael Moore commented that if a simple index is preferred by the Committee, a position that more closely relates to the scope of a Supervisor's duties, such as a State legislative chair, might be a more relevant yardstick than a superior court judge.

Steve reviewed the principles that gained consensus at the Committee's last meeting. For the commission models that were presented in the staff report, Steve noted that some used weighted formulas to set salaries based upon stated comparables, and some additionally used a CPI escalator to adjust the salary annually between the commission reviews, which generally occurred in 3-5-year cycles.

Michael asked staff to highlight any new information or innovative ideas that surfaced during the process to gather and compile information for the packet. Steve clarified that the Board's June 1, 2015 salary increase is a 7% increase from the level currently authorized by ordinance and a 9.75% increase from the reduced level that resulted from the Board members voluntarily waiving 2.75% of salary to match reductions taken by County employees. CAO staff referenced the 10-year salary and health benefit summary attached to the staff report, providing an illustration of these changes, and clarified some of the information in that summary. Steve also highlighted the idea that the candidates know what the salary is when they decide to run for office.

Margaret Eychner clarified that the 7% increase taken by the Board effective June 1 was based on the sum of two employee salary adjustments, not COLAs (Cost Of

Living Adjustments), and that the County had not granted COLAs for many years -- possibly since 2009/10 -- which she thought may have accumulated to about 18% had they been granted annually since 2009/10.

Margaret Eychner suggested that there might be merit in viewing members of the Board as non-employees and that paying a fixed salary (no benefits) was worth consideration. It was noted that in so doing, a potential conflict of interest is removed in that the Board is not voting to give itself benefits that are bargained for by other groups of employees. Steve pointed out that there was no model available for such a salary comparison. Margaret Eychner pointed out that this was not necessarily her position but that, from a taxpayer's perspective, it merited consideration. Michael agreed and commented that, conversely, there may also be some benefit in the Board members participating directly in the benefits plans available to employees. In response to a suggestion that salary be indexed to a performance benchmark, Margaret Hanlon-Gradie commented that that salary should be commensurate with the job duties/responsibilities rather than a Supervisor's job performance, and that the election process exists to address job performance. She added that a flat salary with no benefits package might be less attractive to potential candidates, and that the Board's salary level should be set in the context of the market placement of County employee salaries. She invited Committee members to attend the First 5 Ensuring Opportunities Summit.

Committee members discussed some of the lower-paid jobs in the County and in community-based organizations that deliver County services. CAO staff suggested that County economic statistics such as household income percentiles might be more reliable than salaries for individual jobs.

Margaret Eychner also suggested that there might be a potential formula (one that perhaps was used in the past) whereby the nine Bay Area counties were factored in to set an average for setting Contra Costa's Board salaries. One formula would remove Contra Costa from the analysis and then take the average of the two highest and two lowest salaries (Santa Clara/Alameda and (Napa/ Solano, respectively). Based upon a quick calculation, using base salary data from Attachment Four of the April 9th meeting, that would yield a base salary for Contra Costa of approximately \$119,350. While not particularly scientific, such a formula would have the advantage of being simple and objective.

Michael restated his guiding principles for our consideration as being: (1) Set the salary level high enough so as not to be an obstacle to attracting good candidates; (2) Set up a system to de-politicize the salary setting process; and (3) Design a system that embodies the leadership principle of sharing the pain during tough times (something along the lines of the San Francisco Commission, where Board salaries were reduced when other employees faced cuts). Nonetheless, he said he did not believe that compensation was the primary motivation for a public official.

Michael requested staff to continue pursuing an answer from CCCERA about whether or not a cash payment in lieu of any or all of the annual \$12,000 deferred compensation benefit would be pension compensable, and also verify if the other counties we are comparing against have a similar pensionable benefit.

Steve summarized that the Committee has made a good start on a peer to peer comparison with Alameda and San Mateo counties and that following last week's meeting, that is the direction staff has taken regarding data and analysis. Acknowledging the ideas expressed today, Steve asked if the Committee wanted to pursue any other direction.

It was noted that Board of Supervisor's positions were that of public service and that salary is not the only guiding factor for candidates. It was suggested that the cost of running for office be considered, but no suggestion as to how this could be accomplished. There was also a discussion about retaining Board Members, but no consensus was reached on this suggestion.

Rick Wise noted that the commission approach to setting salaries, based upon the several examples provided, including that of Multnomah County, Oregon, seemed like a good way to set salaries. He added that, if it was determined that the Board's salary should be increased, he thought it should be phased in over time rather than increased all at once. Margaret Eychner noted San Francisco's method of offsetting any mid-cycle CPI adjustment with any employee compensation reductions, which prevented the Board's salaries from rising irrespective of the economy and fiscal health of the county. Rick and Michael concurred with that idea.

Steve Weir mentioned that such commissions could reduce salaries (State of California as an example) and that there were examples of annual adjustments, biennial adjustments or even a five-year cycle (San Francisco). In addition, many commissions had automatic CPI adjustments factored into their calculations. Stuart and Margaret Hanlon-Gradie pointed out that no such mechanism existed for either County employees or County contractors. Staff was asked to seek other examples of the Commission-type approach to setting salaries.

The Committee asked staff to continue to refine the salary chart (Attachment H, April 23rd agenda) comparing total compensation for Alameda, Contra Costa, and San Mateo Counties. Because the Category of "Pension Contribution" was deemed not a true measure of benefit, the Committee directed staff to exclude that data from the analysis. The Category of Retiree Health Benefit is the most difficult to quantify. CAO staff stated that she would continue to work on that element to make it a comparable figure in total compensation and would also look for geographic pay differentials for the Bay Area.

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

To accommodate vacation schedules, the Committee voted to cancel the May 14 meeting was canceled and schedule a special meeting for Tuesday, May 12, 2015 at 3:00 p.m.

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

Passed

6. Adjourn

Chairman Wise adjourned the meeting at 4:45 p.m.

For Additional Information Contact:

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