



# Agenda

## AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

RECORD OF ACTION FOR  
May 7, 2015

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: Vice Chair Margaret Eychner  
Secretary Michael Moore  
Chair Rick Wise  
Stuart McCullough

Absent: Margaret Hanlon-Gradie

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.*

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. RECEIVE and APPROVE the Record of Action for the April 23, 2015 Ad Hoc Committee on BOS Compensation meeting.

*The Committee approved the Record of Action for the April 23, 2015 meeting as presented.*

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

Other: Margaret Hanlon-Gradie (ABSENT)

Passed

4. RECEIVE compilation of research data requested by the Committee on April 23 and provide direction to staff on next steps.

*Steve Weir reviewed the eight points on Page 9 in the packet on which the Committee appeared to have achieved consensus, and the Committee confirmed that consensus existed on those points. Michael Moore commented that using an impartial commission would help to de-politicize the Board's salary determination. Stuart McCullough initiated discussion on how a future commission should be appointed and whether or not the outcome of a future commission's study should be binding on the Board or only a recommendation. The Committee discussed options for appointed future commissions, among which were having the County Administrator or Human Resources (HR) Director select the commission, or having the Board select organizations to participate and then requesting those organizations nominate their commissioners. The Committee also discussed the merits of having HR and pension professionals on future commissions and acknowledged that a constituent-based commission could also rely on staff or outside professionals for technical assistance.*

*Steve described Santa Barbara County's Board salary setting process, which was completed only a couple of months earlier and was very similar to our process.*

*Staff summarized the new materials in the Committee packet, including the bar charts illustrating the comparison factors used to select the other eight counties recommended for comparison. The Committee discussed the significance of the unincorporated county population. Staff advised that the County provides municipal services to unincorporated county areas and that those areas are governed directly by the BOS, in some cases with the advice of BOS-appointed municipal advisory councils, of which there are 13. There was consensus among the Committee that the characteristics used by staff to compare the counties (County population, Unincorporated county population, and total budget) are appropriate and that the eight counties indicated by these characteristics are relevant for comparison with Contra Costa County. A formula error was detected in Attachment B, which staff agreed to correct (corrected version is included in the minutes packet).*

*Margaret Eychner noticed the column in the County Comparison chart that adjusted salaries based on geographic economic data supplied by Relocation Essentials, an online source of relocation and real estate tools. She observed how the range of the salaries, once adjusted for geographic economic differences, compressed. Staff reviewed Attachments D and E, the Contra Costa BOS 2007 salary adjusted by historical CPI and the BOS salary comparison for staff-selected counties, respectively, and the Committee discussed the relevance of percentiles with respect to how County employees are compensated in relation to the labor market. The Committee asked if the County has done a study to determine how far below market wages are County employee salaries. Staff agreed to consult the County's HR Director to learn if such an analysis had been performed. There appeared to be consensus among the Committee members that the Board should be paid at a percentile of market commensurate with County employees, provided there is meaningful data available for such a comparison. However, Stuart pointed out that employee salaries are not generally compared on the basis of total compensation, whereas the Committee intends to evaluate the BOS salary on that basis. The*

*Committee asked staff to verify that Relocation Essentials, which supplied the geographic economic differential data, is a reputable and reliable touchstone for the Committee's analysis.*

*Steve reviewed Attachment G, which is an analysis still in progress to compare the eight staff-selected counties with Contra Costa on the basis of total compensation, to the extent possible. He commented that to the extent that valid comparisons could be made on salaries and key benefits, and then adjusted for geographic economic differences, the analysis could serve as the "Rosetta Stone" for the Committee's deliberations about the principles of parity, fairness, catch-up and phasing. The Committee discussed staff's proposed methodologies for comparing the pension benefit: (1) comparing the dollar value of county contributions using each county's normal contribution rate multiplied by the annual base salary, and (2) multiplying each county's annual base salary by 8 years of service (two elective terms of office), multiplied by that county's retirement benefit factor at age 55. Staff is working to identify the age 55 retirement factor for each county's retirement tier that most closely resembles Contra Costa County Tier 3 General. There was consensus among the Committee members that the pension benefit is of enough significance to total compensation that every effort should be made to establish a valid basis for peer county comparison. Michael Moore expressed concern over each retirement association's assumed rate of investment return and how investment performance affects the contribution rates, and provided his own analysis of San Mateo, Alameda and Contra Costa counties, which is attached hereto as Attachment H. Staff agreed to examine this further.*

*Staff indicated that she was not confident about finding a reliable way to quantify in dollars the retiree health benefits offered by peer counties and that, should the Committee wish to consider this element, it may be able to do so on a qualitative basis, perhaps by assigning a grade to each county's retiree health benefit offering.*

*The Committee discussed the idea of phasing any increase over a three-year period and the practice in some of the peer counties of applying automatic salary escalators based on either CPI or employee wage increases during the intervening years. Michael commented applying employee wage increases to the BOS salary would create a conflict for the BOS in that by approving an increase for employees, the Board would also be approving its own increase. The Committee was in agreement that a three-year salary review cycle should be sufficient to keep the BOS salary level current.*

*In addition to the points identified on Page 8 of the packet, the Committee arrived at consensus on the following additional points:*

- Alameda, San Mateo, Sacramento, Fresno, Kern, Ventura, Sonoma, and San Francisco are peer counties for the purpose of studying BOS compensation*
- The analysis should attempt to adjust for geographic economic differences*
- The following elements of compensation should be included; however this may change as the data is refined: base salary, county normal contribution to pension, estimated annual pension benefit at 55 with 8 years of service, county contribution to health/dental coverage, deferred compensation or like benefit, auto allowance, any other cash benefit. Retiree health and life insurance will be*

- excluded but may be considered on a qualitative basis*
- In reference to future salary setting, an impartial commission should review and reset the BOS salary level every three years*
- Automatic cost-of-living adjustments should not be applied in the years between salary studies*
- The Board should be paid at a percentile of market commensurate with County employees (the "sharing the pain" principle).*

*Steve agreed to begin drafting a report for the Committee's review. Steve suggested that once the data collection is complete, the Committee could analyze it several different ways to see how consistent the results are.*

*Staff agreed to continue to refine the non-salary compensation data for future consideration by the Committee as to whether or not to include or exclude any of the compensation elements from the final total compensation analysis. Staff also agreed to compile one or more economic benchmarks for Contra Costa and the eight peer counties, such as median household income.*

5. CONSIDER determining remaining meeting schedule.

*The Committee decided to cancel its May 14 and May 21 meetings, and scheduled the following additional meeting dates, if needed: May 28, June 7, June 14, June 22, and June 29.*

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

Other: Margaret Hanlon-Gradie (ABSENT)

Passed

6. Adjourn

*Chairman Wise adjourned the meeting at 5:10 p.m.*

For Additional Information Contact:

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