



**AD HOC COMMITTEE ON
BOARD OF SUPERVISORS COMPENSATION**

**May 28, 2015
3:00 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
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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 special May 12, 2015 Ad Hoc Committee on BOS Compensation meeting.
4. RECEIVE compilation of research data requested by the Committee on May 12 and provide direction to staff on next steps.
5. The next meeting is currently scheduled for June 4, 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: 05/28/2015

Subject: RECORD OF ACTION FOR THE MAY 7, 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:

County Ordinance requires that each County body keep a record of its meetings. Though the record need not be verbatim, it must accurately reflect the agenda and the decisions made in the meeting.

Referral Update:

Attached is the Record of Action for the special May 12, 2015 meeting. The Record of Action was prepared by staff, and edited and approved by Committee Secretary Michael Moore.

Recommendation(s)/Next Step(s):

RECEIVE and APPROVE the Record of Action for the special May 12, 2015 Ad Hoc Committee on BOS Compensation meeting.

Attachments

DRAFT Record of Action for May 12, 2015 BOS Comp Cte Meeting



Agenda

AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

RECORD OF ACTION FOR
May 12, 2015

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

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

Absent: Margaret Hanlon-Gradie

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

DRAFT

1. Call to Order and Introductions

Chairman Wise called the meeting to order at 3:07 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 May 7, 2015 Ad Hoc Committee on BOS Compensation meeting.

Michael Moore disagreed that the committee had reached consensus on including the calculated value of the post-employment pension benefit for each county in the total compensation analysis. The Committee reviewed the portions of the minutes that referenced the pension element and concluded that the language as presented was broad enough to leave the Committee discretion to decide this point once all the data had been gathered.

The minutes were approved 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 May 7 and provide direction to staff on next steps.

The Committee reviewed the Peer County Comparison Chart on page 41 of the packet. Michael Moore explained why he thought the estimated value of the pension benefit assuming 8 years of service and age 55 should not be included in the total compensation analysis and why the estimated County contribution to pension based on employer "normal" contribution should be included. He stated that the analysis should be based on total annual compensation only, and other benefits beyond annual compensation should be considered on a qualitative basis.

Staff clarified that the employer pension contribution for active employees is one aspect of the value of the pension benefit but that the quality of the post-employment pension benefit varies widely from county to county. Staff noted that some counties have chosen to keep salaries low and put more compensation in the employee benefits package and vice versa, so in order to see the complete compensation package, the pension benefit would need to be an element in the analysis. Staff commented that her analysis used the same assumptions (two elective terms of office = 8 years at age 55) for all nine counties in the analysis. The only variables in the staff analysis of pension benefit are the age 55 factor and base salary.

Stuart McCullough referenced the May 11 Capitol Alert article (on page 52 of the packet), reporting that a California Citizens Compensation Commission approved a 3% pay raise for the Governor and legislators after acknowledging that the officials were still 19.6% below pre-recession pay. He thought it was a good idea to put the decision solely in the discretion of the Commission. Steve Weir added that while Santa Barbara County prepared a very methodical analysis of their Board's compensation, the Board ultimately granted itself a CPI adjustment instead of the 9% supported by a majority of the Commission.

The discussion moved to the potential for the Committee to recommend, and the willingness of the Board to adopt, legislation that would make the recommendations of future BOS Compensation Committees binding on the Board, in order to remove the Board's discretion over setting their own salaries. Staff advised that the Board could adopt such an ordinance but that it would be technically symbolic because the Board could, at a future date, modify or repeal the ordinance. Also, the Board may not adopt policies with the intention of binding or limiting the powers of their successors.

Staff explained the Peer County Comparison, which was updated and reformatted from May 7 version. She advised that the HR Labor Relations Unit was preparing the health plan comparisons, which should be available for the May 28 meeting. The comparison would be made using similar Kaiser Single and Kaiser Family plans. She recommended excluding the Other Insurance category because it was difficult to

obtain from other counties and relatively insignificant to total compensation. She explained how the elements, when added to base salary, roll up to total (estimated) annual compensation. The chart currently adjusts Total Est Compensation by a geographic cost-of-living factor supplied by RelocationEssentials.com to account for the differences in cost of living between Contra Costa and each peer county, which is reported as Adjusted Annual Compensation. Staff reported that she planned to contact the County's economic consultant, Beacon Economics, to develop a second methodology that will help determine the veracity of these factors. Stuart suggested using GNP (Gross National Product) growth for each county as a possible factor.

Michael commented that the Committee, in the interest of thoroughness, should additionally look at the annual stipends that Board members receive for representing the County on outside boards because the stipends can be substantial. Steve commented that all Board members in the peer counties likely receive comparable stipends for representing their boards on regional bodies. Staff commented that most of the Board member assignments change annually and the amount of stipend received would depend on meeting attendance. Margaret Eychner and Michael suggested taking an average for each member using the FPPC Form 806 for each county and the Committee agreed. Staff agreed to do this for the Committee's consideration at the May 28 meeting.

Staff explained that she segregated and moved the two post-employment benefits to the top of the comparison chart and the Committee could decide their relevance when all the data had been collected. Michael suggested that the post-employment benefits should be moved to the bottom of the chart and should not be rolled into any "total" line but should be considered separately, on a qualitative basis. Staff agreed to provide the new format at the next meeting.

Rick Wise asked about mileage reimbursement. Staff explained that, unlike the peer counties, Contra Costa's auto allowance is supplemented by mileage reimbursement at the current IRS rate (based on fixed and variable costs of operating an automobile, including depreciation, insurance, repairs, tires, maintenance, gas and oil). Margaret Eychner thought there may be merit in reporting salary add-ons as salary and not showing them as distinct elements. The Committee as a whole thought the distinct elements should be identified.

Steve contrasted the Total Annual (estimated) Compensation number in the Peer Comparison Chart (page 41) with the BOS Payroll Chart that was in the April 9 packet, Item 5, and asked for confirmation that the primary difference was in the County's retirement contribution. Staff advised that the primary differences were that (1) the Peer Comparison Chart uses only the County's contribution to the "normal" portion of the contribution rate and (2) the BOS Payroll Chart reflects statutory payroll costs such as FICA, worker's compensation insurance, and unemployment insurance, which are not reflected in the Peer Comparison Chart. The Committee recognized that it was not necessary to include Social Security/Medicare taxes and workers' compensation and unemployment insurance in the total compensation analysis, even though they are payroll costs.

Steve moved to the Board of Supervisors Salary Comparison Chart (page 39 of the packet) and explained the significance of the various percentile calculations and how the Committee might use them. Staff reported that the County Administrator ballparked a 15-18% wage gap between County salaries and the median market wages of comparable public employees, but that the estimate was not based on a comprehensive study. The Committee asked if the County Administrator could provide his estimate in writing. The Committee also requested staff to provide at the next meeting the County cost per 1% of general salary increase.

Margaret Eychner asked staff to verify the County's policy changes since 2008 with respect to the retiree health benefit and vesting.

Steve mentioned that he has begun drafting a Committee report and would like to present a draft of that report at the Committee's June 4 meeting. The May 28 meeting will be used to examine the remaining data and see if the Committee could reach consensus on recommendations. Staff indicated that the meeting packet for the May 28 meeting would likely be published on May 22.

5. The Committee will neither meet on May 14 nor May 21. The next meeting is currently scheduled for May 28, 2015.
6. Adjourn

Chairman Wise adjourned the meeting at 4:54 p.m.

For Additional Information Contact:

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Contra Costa County Board of Supervisors

Subcommittee Report

AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

Meeting Date: 05/28/2015
Subject: STAFF RESEARCH ON ITEMS REQUESTED BY THE
COMMITTEE ON MAY 12
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 23 meeting, the Committee was provided a compilation of information on county health benefit trends, County auto allowance and mileage reimbursement, and supplemental pays; historical data on adjustments to the Board's salary in addition to general salary and health benefit changes for selected labor groups; information about what compensation elements are pensionable; and information on San Francisco Civil Service Commission salary-setting procedures and other examples where such a salary setting commission operates.

The Committee established the following points of consensus through its April 23 and May 7 meetings:

- The job of County Supervisor should be compensated as a full time job
- The salary should not be tied to a judge or any position not related or comparable to a County Supervisor
- The salary should not be tied to another County job classification
- An independent commission should review the Board's salary at regular intervals
- The Board's salary should be based on the duties and responsibilities of the position rather than on performance of the official (performance to be decided by the electorate)
- While salary is not the guiding factor for Supervisorial candidates, it should not be so low as to be a barrier to public service and should be high enough to attract good candidates
- The methodology for future salary setting should embody the leadership principle of sharing the pain during tough times
- The methodology for future salary setting should attempt to de-politicize the determination of Board compensation
- The following counties should be used for comparison, on the basis of general population, unincorporated area population, and budget: Alameda, San Mateo, Sacramento, Fresno, Kern, Ventura, Sonoma, and San Francisco

- Compensation for other counties should be corrected for geographic cost of living 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.
- The Board should be paid at a percentile of market commensurate with County employees, provided there is meaningful data available for such a comparison.
- A commission should review the Board's salary every three years.
- No automatic salary escalator, such as CPI or general employee wage increase, should be applied between BOS salary reviews.

The following additional points will be reconsidered when staff has completed gathering all of the necessary data:

- On what factors should the compensation comparison be based: salary, salary plus cash benefits, or an estimate of total compensation (which may involve subjective assumptions)?
- At what percent of median/percentile should the BOS salary/compensation be placed?
- Should any of the current cash benefits be eliminated and/or rolled into the base salary?
- Whatever the final outcome of the analysis, should the next adjustment be phased in over time or applied all at once? If phased in, on what schedule?

Referral Update:

At the May 12 meeting, the Committee asked staff to:

- complete the missing elements of the Peer County Total Compensation Fact Sheet, including the health/dental information and verifying geographic COL adjustment data

The updated Peer County Total Compensation Fact Sheet is attached for the Committee's review.

- reformat the Peer County Total Compensation Fact Sheet to show the post-employment compensation on the bottom of the chart and to exclude those elements from any mathematical totals.

The updated Peer County Total Compensation Fact Sheet, attached, has been reformatted as requested.

- gather the 2015 FPPC Form 806 for each peer county and find the average stipend compensation per BOS member for Contra Costa and each peer county.

This information was available only from San Francisco, Ventura, Kern, and Sonoma Counties. Moreover, the counties are using different versions of the Form 806, some of which indicate stipend ranges rather than amounts. Due to time constraints and the limited availability of this information, staff recommends that this element be excluded from the analysis.

- obtain in writing from the County Administrator his estimate of the gap between Costa County salaries and median market salaries.

Reference memo from County Administrator David Twa, attached at the end of this report, in which he indicates that the majority of County employee wages are in the range of 8-18% below median market wages.

- determine the County cost for each 1% of general salary increase

The net County General Fund cost for a 1% general wage increase is estimated to be \$7.8 million, including retirement and statutory payroll costs, and reduced by offsetting revenue.

- verify the policy changes for the retiree health benefit and vesting thereof since 2008

According to the County's Employee Benefits Supervisor, the change in Health Care Benefits started with new hires for some bargaining groups as of January 1, 2007. Other bargaining groups have been adopting the change during the past view years.

- *New hires must work at least 15 years with Contra Costa County*
- *Start receiving a Pension within 120 days of leaving Contra Costa County and*
- *Be enrolled in a Medical and Dental plan at time of retirement to be eligible to receive a subsidy in retirement.*

Starting January 1, 2009 and being adopted by other bargaining groups during the past view years:

- *New hires after the adopted date must work 15 years with Contra Costa County,*
 - *Start receiving a pension within 120 days, and,*
 - *Be enrolled in a medical and dental plan at time of retirement to maintain access to medical and dental benefits without a County subsidy in retirement.*
- update the BOS Salary Comparison Chart (showing percentiles) for both base salary and total compensation

Reference the Summary Schedule and Supporting Schedules A through E, showing the county comparisons of base salary and of total compensation using different methods of comparison.

Recommendation(s)/Next Step(s):

RECEIVE compilation of research data requested by the Committee on May 12 and provide direction to staff on next steps.

Fiscal Impact (if any):

None. This is an informational item only.

Attachments

<u>PEER COUNTY TOTAL COMPENSATION FACT SHEET</u>	Page 12
<u>SUMMARY SCHEDULE: BOS COMPENSATION ANALYSIS</u>	Page 14
<u>SCHEDULE A: METHOD 1 USING BASE SALARY</u>	Page 15
<u>SCHEDULE B: METHOD 1 USING TOTAL COMP</u>	Page 16
<u>RelocationEssentials.com Data</u>	Page 17
<u>SCHEDULE C: METHOD 2 USING BASE SALARY</u>	Page 19

<u>SCHEDULE D: METHOD 2 USING TOTAL COMP</u>	Page 20
<u>U.S. Census Housing Value Category</u>	Page 21
<u>SCHEDULE E: METHOD 3 USING CPI-U SF AREA</u>	Page 22
<u>HOW PEER COUNTIES WERE SELECTED</u>	Page 23
<u>Attachment X Mem CAO to CTE re CCC Wages</u>	Page 24

CONTRA COSTA COUNTY COMPARISON OF TOTAL COMPENSATION TO PEER COUNTIES

	Alameda	Contra Costa	San Mateo	Sacramento	Fresno	Kern	Ventura	Sonoma	San Francisco
Adjusted Annual Compensation ¹	\$193,376	\$147,929	\$143,808	\$148,641	\$165,876	\$173,876	\$162,734	\$195,735	\$96,201
COL Adjustment Factor ²	-3.15%	0.00%	-12.47%	12.26%	14.32%	21.55%	4.03%	5.00%	-24.72%
Total Est Annual Compensation	\$ 199,667	\$ 147,929	\$ 164,293	\$ 132,403	\$ 145,101	\$ 143,049	\$ 156,432	\$ 186,417	\$ 127,797
Annual Salary	\$ 147,680	\$ 104,307	\$ 129,917	\$ 101,536	\$ 110,766	\$ 105,107	\$ 129,227	\$ 138,459	\$ 110,858
Retirement System Assumed Rate of Return:	7.60%	7.25%	7.25%	7.88%	7.25%	7.50%	7.75%	7.50%	7.50%
County Pension Contribution % of Normal Cost for Basic + COLA	9.41%	14.99%	10.30%	12.43%	17.04%	6.41%	8.31%	12.32%	8.60%
County Pension Contribution \$ Based on Normal Cost Only	\$ 14,960	\$ 16,784	\$ 14,755	\$ 13,429	\$ 20,281	\$ 7,870	\$ 11,113	\$ 18,880	\$ 9,534
County Health/Dental Contribution - Kaiser Single Coverage	\$ 7,393	\$ 6,155	\$ 6,283	\$ 9,923	\$ 5,798	\$ 5,460	\$ 7,716	\$ 5,979	\$ 7,405
Pension enhancement	\$ 18,338	\$ 13,020	\$ -	\$ 1,015	\$ -	\$ 6,937	\$ 3,876	\$ 8,308	\$ -
Auto allowance	\$ 8,296	\$ 7,200	\$ 13,338	\$ 6,500	\$ 6,156	\$ 7,164	\$ 4,500	\$ 8,340	\$ -
Other	\$ 3,000	\$ 463	\$ -	\$ -	\$ 2,100	\$ 10,511		\$ 6,450	\$ -
Annual Pension Benefit: Based on 8 years service @ Home County Salary (2 terms of office)	\$ 17,627	\$ 16,689	\$ 20,246	\$ 15,823	\$ 17,723	\$ 8,325	\$ 15,404	\$ 27,692	\$ 13,303
Annual Pension Benefit: Based on 8 years service @ Costa Costa Salary (2 terms of office)	\$ 12,450	\$ 16,689	\$ 16,255	\$ 16,247	\$ 16,689	\$ 8,261	\$ 12,433	\$ 20,861	\$ 12,517
Pension Formula & Vesting	Tier 2A is 1.492% @ 55; Tier 4 is 1.3% @ 55;	Tier 1 & 3 Enhanced is 2% @ 55	< 8/7/11 = 1.948% @ 55	1.947%@55; 5 years to vest	2% @ 55; 5 years to vest	0.99% @ 55 10 years and age 50 to vest	1.49% @ 55; 10 years and age 50 to vest	2.5% @ 55; 10 years and age 50 OR reach age 70	Misc Plan A8.587 1.5% @ 55; 5 years to vest

CONTRA COSTA COUNTY COMPARISON OF TOTAL COMPENSATION TO PEER COUNTIES

Retiree Health	County provides none. However, ACERA provides partial benefits with 10 years svc credit. 3,321-6264		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.	\$650/annually while an active employee		Stipend of \$477/year for single coverage and \$738/year for family coverage.		County contributes to HRA only while an active employee. (No post retirement contribution) All Board members elected as of Jan. 1, 2009 receive \$2400 contribution to an HRA after 2 years of service. Then, \$110 per month contribution after that, as long as they remain in active status. No contribution once they retire or leave County service, but HRA is portable.	Yes, active employees pay 2%, 5-20 years to vest.
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¹Excludes statutory benefits: FICA, worker's comp, unemployment insuranace

²COL Adjustment/Factor is based on Cost of Living factors from www.relocationessentials.com and reflect the increase/decrease in wages needed to support a comparable standard of living in Contra Costa County.

ANALYSIS OF CONTRA COSTA COUNTY BOARD OF SUPERVISORS ANNUAL COMPENSATION

Methodology	Percentile	Annual Salary	Annual Total Compensation	Annual Total Payroll	Supporting Schedule
Method 1 Using Base Salary Only					
This method uses a Cost of Living Composite Index from RelocationEssentials.com to adjust the annual base salary for each peer county to reflect the amount that would need to be earned in Contra Costa County to maintain the same purchasing power as in the home county. The adjusted peer county salaries are then analyzed to determine the mean, median and certain percentiles to indicate possible total annual compensation and base salary levels.	37.5 th	\$ 121,887	\$ 168,143	\$ 211,676	A
	50.0 th	\$ 127,192	\$ 174,244	\$ 219,426	
Method 1 Using Total Compensation					
This method uses a Cost of Living Composite Index from RelocationEssentials.com to adjust the total annual compensation (from the Peer County Compensation Comparison Chart) for each peer county to reflect the amount that would need to be earned in Contra Costa County to maintain the same purchasing power as in the home county. The adjusted peer total annual compensation amounts are then analyzed to determine the mean, median and certain percentiles to indicate possible total annual compensation and base salary levels.	37.5 th	\$ 113,586	\$ 157,450	\$ 199,551	B
	50.0 th	\$ 119,548	\$ 164,306	\$ 208,260	
Method 2 Using Base Salary Only					
This method uses a ratio of annual base salary to the Median Value of Owner Occupied Housing Units from the U.S. Census (2013) to indicate the relative purchasing power of salary within each county based on single-family residential home values. The ratios are then analyzed to determine the mean, median and certain percentiles to indicate possible total annual compensation and base salary levels.	37.5 th	\$ 119,791	\$ 165,733	\$ 208,614	C
	50.0 th	\$ 129,065	\$ 176,398	\$ 222,162	
Method 2 Using Total Compensation					
This method uses a ratio of total annual compensation (from the Peer County Compensation Comparison Chart) to the Median Values of Owner Occupied Housing Units in each peer county from the U.S. Census (2013) to indicate the relative purchasing power of total annual compensation within each county based on single-family residential home values. The ratios are then analyzed to determine the mean, median and certain percentiles to indicate possible total annual compensation and base salary levels.	37.5 th	\$ 112,057	\$ 155,692	\$ 197,317	D
	50.0 th	\$ 128,073	\$ 174,109	\$ 220,713	
Method 3 Using CPI Adjustment Only					
This method adjusts the 2007 Contra Costa County BOS salary by the annual Consumer Price Index for All Urban Consumers - San Francisco area as of February 1. The CPI adjusted salary is then used to estimate total annual compensation.	CPI	\$ 114,090	\$ 158,178	\$ 200,285	E

SCHEDULE "A"

Board of Supervisors Salary Comparison Annual Base Salary of Peer Counties Cost of Living Adjustment Method 1

<u>County</u>	<u>Annual Salary</u>	<u>CCC Annual Salary Equivalency COL Adj²</u>	<u>Annual Salary COL Adjusted¹</u>
Sonoma	138,459	99,341	145,380
Alameda	147,680	107,700	143,027
Ventura	129,227	100,267	134,434
Kern	105,107	85,814	127,758
Fresno	110,766	91,243	126,625
Sacramento	101,536	92,912	113,989
San Mateo	129,917	119,165	113,718
San Francisco	110,858	138,565	83,450
Average	121,694		123,548
25th Percentile	109,351		113,921
37.5th Percentile	110,824		121,887
50th Percentile	120,043		127,192
75th Percentile	132,053		136,582
Contra Costa County 104,307			
% from Average	-16.7%		-18.4%
% from 25th Percentile	-4.8%		-9.2%
% from 37.5th Percentile	-6.2%		-16.9%
% from 50th Percentile	-15.1%		-21.9%
% from 75th Percentile	-26.6%		-30.9%

¹ Annual Salary COL Adjusted is based on Cost of Living factors from www.relocationessentials.com and reflect the wages needed to support a comparable standard of living in Contra Costa County.

² CCC Salary Equivalency COL Adj is based on Cost of Living factors from www.relocationessentials.com and reflect the wages that would be required in that county to maintain the same lifestyle as in CCC at the \$104,307 salary level.
<http://relocationessentials.com/aff/www/tools/salary/col.aspx>

Example of deriving total annual compensation from base salary, using 50th percentile:

	<u>Current</u>	<u>COL Adjusted</u>	<u>VAR</u>
Total Est Annual Compensation*	\$ 147,929	\$ 174,244	\$ 26,315
Annual Salary	\$ 104,307	\$ 127,192	\$ 22,885
Normal % Contrib to Pension @ 14.99%	\$ 16,784	\$ 20,215	\$ 3,430
Kaiser+Dental Single	\$ 6,155	\$ 6,155	\$ -
Deferred Compensation	\$ 13,020	\$ 13,020	\$ -
Auto allowance	\$ 7,200	\$ 7,200	\$ -
Professional Development	\$ 463	\$ 463	\$ -

*Excludes life insurance and statutory benefits: FICA, worker's comp, unemployment insurance

SCHEDULE "B"
Board of Supervisors Salary Comparison
Total Annual Compensation of Peer Counties
Cost of Living Adjustment Method 1

<u>Agency</u>	<u>Total Annual Compensation</u>	<u>CCC Total Annual Compensation Equivalency COL Adj²</u>	<u>Total Annual Compensation COL Adjusted¹</u>
Sonoma	186,417	140,886	195,736
Alameda	199,667	152,742	193,375
Ventura	156,432	142,199	162,735
Kern	143,049	121,703	173,875
Fresno	145,101	129,402	165,876
Sacramento	132,403	131,768	148,642
San Mateo	164,293	169,000	143,809
San Francisco	127,797	196,515	96,201
Average	156,895		160,031
25th Percentile	140,387		147,434
37.5th Percentile	144,332		157,450
50th Percentile	150,767		164,306
75th Percentile	169,824		178,750
Contra Costa County 147,929			
% from Average	-6.1%		-8.2%
% from 25th Percentile	5.1%		0.3%
% from 37.5th Percentile	2.4%		-6.4%
% from 50th Percentile	-1.9%		-11.1%
% from 75th Percentile	-14.8%		-20.8%

¹ Total Annual Compensation COL Adjusted is based on Cost of Living factors from www.relocationessentials.com and reflect the compensation needed to support a comparable standard of living in Contra Costa County.

² CCC Total Annual Compensation Equivalency COL Adj is based on Cost of Living factors from www.relocationessentials.com and reflect the compensation that would be required in that county to maintain the same lifestyle as in CCC at the \$146,780 total compensation level.

<http://relocationessentials.com/aff/www/tools/salary/col.aspx>

Example of deriving annual salary level from total compensation, using 50th percentile:

	<u>Current</u>	<u>COL Adjusted</u>	<u>VAR</u>
Total Est Annual Compensation*	\$ 147,929	\$ 164,306	\$ 16,377
Annual Salary	\$ 104,307	\$ 119,548	\$ 15,241
Normal % Contrib to Pension @ 14.99%	\$ 16,784	\$ 19,069	\$ 2,285
Kaiser+Dental Single	\$ 6,155	\$ 6,155	\$ -
Deferred Compensation	\$ 13,020	\$ 13,020	\$ -
Auto allowance	\$ 7,200	\$ 7,200	\$ -
Professional Development	\$ 463	\$ 463	\$ -

*Excludes life insurance and statutory benefits: FICA, worker's comp, unemployment insurance

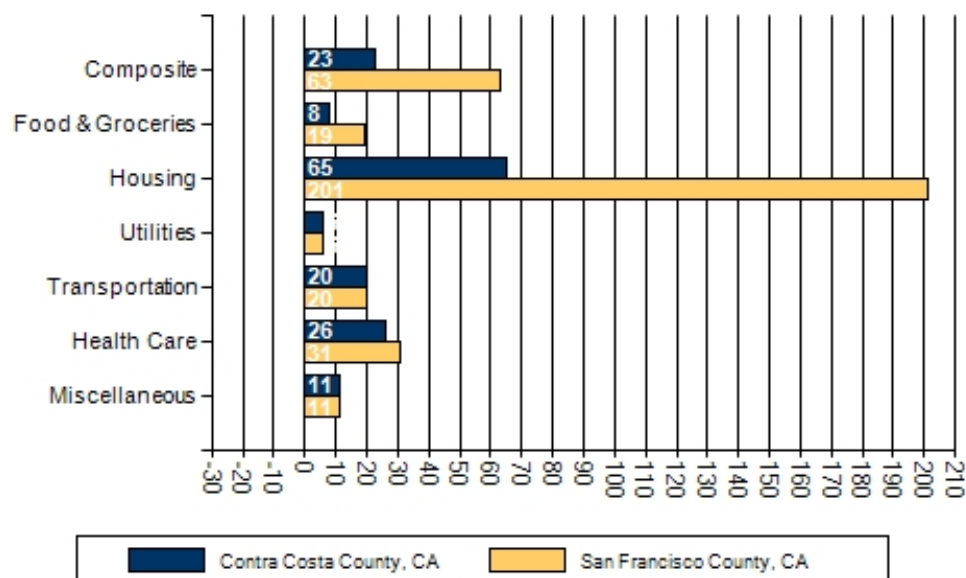
From the RelocationEssentials.com website:

Relocation Essentials was founded in May 2000, by relocation professionals with the goal of providing the most comprehensive source of information on the Internet today.

Launched in January 2001, Relocation Essentials is quickly being regarded as the premiere online source of relocation and real estate tools to empower the consumer and promote the industry's 1.2 million professionals as experts in their field.

Example of the Cost of Living Calculator: Contra Costa County as compared to San Francisco County

*Average Monthly Expenses	Contra Costa County, CA	San Francisco County, CA
? Food & Groceries	\$1,239	\$1,362
? Housing	\$3,315	\$6,053
? Utilities	\$608	\$608
? Transportation	\$858	\$858
? Health Care	\$450	\$471
? Misc.	\$2,625	\$2,625
? Spending Power	\$100	\$49
*These figures assume a federal tax of rate 28%	\$3,425	\$4,550



The Cost of Living Composite Index represents the differences in the price of goods and services for the desired market(s). The Composite Index is made up of six universally accepted major categories. The six categories, shown with their percentage representation are: Food & Groceries (16%), Housing (28%), Utilities (8%), Transportation (10%), Health Care (5%), and Miscellaneous (33%). For purposes of comparison, the national average is represented by a score of 100. However, for graphical simplicity, we represent it as zero.

The Housing component, which represents 28% of the Cost of Living Index, includes mortgage and/or rent of primary residence, insurance, repairs, and general maintenance to maintain your current dwelling.

The Utilities component, which represents 8% of our Cost of Living Index, includes all spending on natural gas, electricity, fuel, oil, telephone service, water, sewage, and trash collection.

The Miscellaneous Component, which represents 33% of our Cost of Living Index, is kind of the catchall category that includes all the things left out of the other discussed categories such as tobacco and other smoking products, minor finance charges (not car or home), haircuts and other personal services, legal and accounting fees and funeral expenses.

SCHEDULE "D"
Cost of Living Adjustment Method 2
Total Annual Compensation Compared to Economic Benchmarks

Filters*				County	<u>Annual Total Compensation</u>	<u>Median Household Income¹</u>	<u>RANK</u>	<u>Annual Salary as % of Household Income</u>	<u>Median Value of Owner Occupied Housing Units¹</u>	<u>RANK</u>	<u>Annual Salary as % of Median Home Value</u>	<u>CAR Median Home Price²</u>	<u>RANK</u>	<u>Annual Salary as % of CAR Median Home Value</u>
			BA	Santa Clara	N/A	91,702		N/A	645,600		N/A	932,100		N/A
		P	BA	San Francisco	127,797	75,604	9	169.0%	744,600	1	17.2%	1,275,000	1	10.0%
B		P	BA	San Mateo	164,293	88,202	8	186.3%	722,200	2	22.7%	1,300,000	2	12.6%
B	UI	P	BA	Alameda	199,667	72,112	3	276.9%	493,800	3	40.4%	756,250	3	26.4%
	UI	P		Ventura	156,432	76,544	6	204.4%	442,200	4	35.4%	596,890	4	26.2%
	UI		BA	Sonoma	186,417	63,356	2	294.2%	407,400	5	45.8%	519,500	5	35.9%
B	UI	P	BA	Contra Costa	147,929	78,756	7	187.8%	404,000	6	36.6%	784,950	6	18.8%
B		P		Sacramento	132,403	55,064	5	240.5%	234,200	7	56.5%	282,080	7	46.9%
	UI	P		Fresno	145,101	45,563	1	318.5%	195,400	8	74.3%	213,960	8	67.8%
B		P		Kern**	143,049	48,552	4	294.6%	161,700	9	88.5%	208,800	9	68.5%
			BA	Solano	N/A	67,177		N/A	262,400		N/A	345,100		N/A
			BA	Marin	N/A	90,839		N/A	781,900		N/A	1,085,230		N/A
			BA	Napa	N/A	70,443		N/A	428,600		N/A	562,500		N/A

¹ U.S. Census, data reflected in 2013 dollars (www.census.gov)
² CA Association of Realtors - March 2015 Update (http://www.car.org/marketdata/marketupdate/)

	<u>CCC Total Comp</u>			<u>CCC Total Comp</u>			<u>CCC Total Comp</u>			<u>CCC Total Comp</u>	
Mean/Average		195,348	248.0%		192,273	47.6%		288,882	36.8%	184,225	
25th Percentile		157,389	199.8%		130,165	32.2%		179,089	22.8%	116,035	
37.5th Percentile		178,714	226.9%		155,692	38.5%		206,672	26.3%	129,438	
Median/50th Percentile		203,717	258.7%		174,109	43.1%		244,457	31.1%	152,821	
75th Percentile		231,807	294.3%		246,300	61.0%		409,413	52.2%	268,584 ²⁰	

If \$493,700 is used for CCC:



State & County QuickFacts

Select a State USA QuickFacts What's New FAQ

Median Value of Specified Owner-Occupied Housing Units

Source: U. S. Census Bureau, American Community Survey, 5-Year Estimates. Updated every year. <http://factfinder2.census.gov>

Definitions:

Value is the respondent's estimate of how much the property (house and lot) would sell for if it were for sale.

This tabulation includes only specified owner-occupied housing units—one-family houses on less than 10 acres without a business or medical office on the property. These data exclude mobile homes, houses with a business or medical office, houses on 10 or more acres, and housing units in multi-unit structures. Certain tabulations elsewhere include the value of all owner-occupied housing units and vacant-for-sale housing units. Also available are data on mortgage status and selected monthly owner costs.

The **median** divides the value distribution into two equal parts: one-half of the cases falling below the median value of the property (house and lot) and one-half above the median. Median value calculations are rounded to the nearest hundred dollars.

Scope and Methodology:

These data are collected in the American Community Survey (ACS). The data are estimates and are subject to sampling variability. The data for each geographic area are presented together with margins of error at factfinder2.census.gov. The data are period estimates, that is, they represent the characteristics of the housing over a specific 60-month data collection period.

Margins of Error (MOE). ACS estimates are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a MOE. The MOE used with ACS estimates can be interpreted as providing a 90 percent probability that the interval defined by the estimate plus the MOE and the estimate minus the MOE (the upper and lower confidence bounds) contains the full population value of the estimate.

For example, suppose the 5-year ACS reported the percentage of people 25 years and older in Birmingham, Alabama who had a bachelor's degree was 21.3 percent and that the MOE associated with this estimate is plus or minus (+/-) 0.9 percent. By adding and subtracting the MOE from the estimate, we can calculate the 90-percent confidence interval for this estimate at 21.3%, +/-0.9%:

$21.3\% - 0.9\% = 20.4\%$ = Lower-bound estimate

$21.3\% + 0.9\% = 22.2\%$ = Upper-bound estimate

Therefore, we can be 90 percent confident that the percent of the population in Birmingham, Alabama of age 25 years and older having a bachelor's degree in 2007-2011 falls somewhere between 20.4 percent and 22.2 percent.

For this Fact and other 5-year Housing Characteristic Facts (listed below), their estimates and margins of error or percents and percent margins of errors can be found on Data Profile - Housing Characteristics. This profile is displayed by geography. Click on the link for "Browse data sets for (geography picked)" near the top of the Quick Facts profile page, click on the link for People QuickLinks/American Community Survey - "Housing Characteristics" for the data profile.

Homeownership rate,
Median value of owner-occupied housing units.

SCHEDULE "E"

Projected Board Salary Using CPI Since Feb 2007 Pay Adjustment					
<u>Month</u>	<u>Year</u>	<u>SF CMSA</u>	<u>CPI-U</u>	<u>BOS Member Salary</u>	<u>Adj Member Salary</u>
Feb	2007	213.688		\$ 95,572	
Feb	2008	219.612	2.77%		\$ 98,222
Feb	2009	222.166	1.16%		\$ 99,364
Feb	2010	226.145	1.79%		\$ 101,143
Feb	2011	229.981	1.70%		\$ 102,859
Feb	2012	236.88	3.00%		\$ 105,945
Feb	2013	242.677	2.45%		\$ 108,537
Feb	2014	248.615	2.45%		\$ 111,193
2014/15 Est		255.093	2.61%		\$ 114,090

19.38%

\$ 15,869

http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/documents/BBCPIUM.xls

	<u>Current</u>	<u>CPI Adjusted</u>	<u>VAR</u>
Total Est Annual Compensation*	\$ 147,929	\$ 159,178	\$ 11,249
Annual Salary	\$ 104,307	\$ 114,090	\$ 9,783
Normal \$ Contrib to Pension @ 14.99%	\$ 16,784	\$ 18,251	\$ 1,466
Kaiser+Dental Single Coverage Kaiser Single Coverage	\$ 6,155	\$ 6,155	\$ -
Deferred Compensation	\$ 13,020	\$ 13,020	\$ -
Auto allowance	\$ 7,200	\$ 7,200	\$ -
Professional Development	\$ 463	\$ 463	\$ -

*Excludes statutory benefits: FICA, worker's comp, unemployment insurance

To derive total payroll from annual salary:

Total Payroll*	\$ 185,994	\$ 200,285	\$ 14,291
Salary	\$ 104,307	\$ 114,090	\$ 9,783
FICA @ 7.65%	\$ 8,530	\$ 9,279	\$ 748
Retirement @ 36%	\$ 40,143	\$ 43,664	\$ 3,522
Group Insurance	\$ 9,341	\$ 9,341	\$ -
Worker's Comp @ 2.13%	\$ 2,375	\$ 2,583	\$ 208
Unempl Insurance @ 0.3%	\$ 335	\$ 364	\$ 29
Supplemental (Auto Allowance)	\$ 7,200	\$ 7,200	\$ -
Other (Def Comp, Life Insurance)*	\$ 13,764	\$ 13,764	\$ -

*Excludes Prof Dev Allowance

COMPARISON DATA
Fiscal Year 2014-2015

Filters*				County	Annual Salary	Annual Salary		% Variance From CCC	Median		Median Value of Owner Occupied		CAR Median Home Price ¹⁰	County Population ⁶	Pop Rank	UI Population ⁶	UI % of		FTEs Funded/ Adopted ³	FY 2014/15 General Fund	FY 2014/15		FY 2014/15 Total All Funds	Fund Rank		
						COL Adjusted ⁵			Household Income ⁸	Household Income ⁹	Housing Units ⁹	Total Pop					# of Cities	Total Governmental Funds								
			BA	Santa Clara	147,680	134,989		29.4%		91,702	645,600	932,100	1,889,638	1		87,182	4.6%	15	16,216	\$	2,973,221,915	\$	3,840,012,040	\$	5,892,779,051	2
B	UI	P	BA	Alameda	147,680	143,027		37.1%	70,821	72,112	493,800	756,250	1,594,569	2		146,787	9.2%	14	9,518	\$	2,312,146,120	\$	2,786,115,563	\$	3,296,908,180	4
B		P		Sacramento	101,536	113,988		9.3%	56,553	55,064	234,200	282,080	1,470,912	3		573,313	39.0%	7	11,726	\$	2,201,593,739	\$	2,625,328,802	\$	3,722,736,822	3
B	UI	P	BA	Contra Costa	104,307	104,307		0.0%	79,135	78,756	404,000	784,950	1,102,871	4		168,323	15.3%	19	8,921	\$	1,435,174,537	\$	1,938,177,513	\$	3,171,226,845	5
	UI	P		Fresno	110,766	126,625		21.4%	46,903	45,563	195,400	213,960	972,297	5		170,459	17.5%	14	7,120				1,395,216,330	\$	2,045,821,381	8
B		P		Kern**	105,107	127,758		22.5%	48,021	48,552	161,700	208,800	874,264	6		309,050	35.3%	11	9,142	\$	787,447,450	\$	1,934,781,396	\$	2,649,205,958	6
	UI	P		Ventura	129,227	134,434		28.9%	76,728	76,544	442,200	596,890	848,073	8		97,497	11.5%	11	7,624	\$	946,653,621	\$	946,653,621	\$	1,881,456,411	9
		P	BA	San Francisco	110,858	83,450		-20.0%	52,021	75,604	744,600	1,275,000	845,602	7		N/A	N/A	1	28,435	\$	4,270,953,200	\$	8,581,831,912	\$	8,581,831,912	1
B		P	BA	San Mateo	129,917	113,718		9.0%	87,633	88,202	722,200	1,300,000	753,123	9		64,615	8.6%	20	5,458	\$	1,494,908,690	\$	1,826,306,636	\$	2,209,518,947	7
	UI		BA	Sonoma	138,459	145,380		39.4%	64,343	63,356	407,400	519,500	496,253	10		152,918	30.8%	9	4,074	\$	419,507,162	\$	889,930,234	\$	1,457,085,749	10
			BA	Solano	97,843	104,810		0.5%		67,177	262,400	345,100	429,552	11		18,790	4.4%	7	2,816	\$	218,445,708	\$	870,217,528	\$	922,572,425	11
			BA	Marin	108,784	103,838		-0.4%		90,839	781,900	1,085,230	258,972	12		68,488	26.4%	11	2,131	\$	408,200,968	\$	569,311,594	\$	605,147,181	13
			BA	Napa	84,198	85,013		-18.5%		70,443	428,600	562,500	140,362	13		26,899	19.2%	5	1,411	\$	209,451,517	\$	505,434,230	\$	624,414,293	12

*B-Budget, UI-Unincorporated Population, P=County Population, BA-Bay Area County

**Budget data is 2013/14

¹ Surveyed counties represent the other 8 ABAG counties

² Data from U.S. Census Bureau 2013 estimates

³ May be FTE, number of positions (part and full time), number of authorized positions, or number of funded positions.

⁴ public hospital

⁵ COL Adjustment/Factor is based on Cost of Living factors from www.relocationessentials.com and reflect the increase/decrease in wages needed to support a comparable standard of living in Contra Costa County.

⁶ CA Dept of Finance for 1/1/15

⁷ Bestplaces.net

⁸ Relocation Essentials.com

⁹ U.S. Census, data reflected in 2013 dollars (www.census.gov)

¹⁰ CA Association of Realtors - March 2015 Update (<http://www.car.org/marketdata/marketupdate/>)

County of Contra Costa
OFFICE OF THE COUNTY ADMINISTRATOR
MEMORANDUM

DATE: MAY 13, 2015

TO: RICK WISE, Chairman
AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION 

FROM: DAVID TWA, County Administrator

SUBJECT: **ESTIMATED WAGE GAP BETWEEN CONTRA COSTA COUNTY AND
OTHER BAY AREA COUNTIES**

I understand from my staff that your committee is looking for information on where Contra Costa County wages are in relation to other Bay Area or California counties. Except for selected job classes that have been difficult to recruit, the County has not conducted a comprehensive salary study to determine where County wages are with respect to the Bay Area or California labor market. However, based on the limited classification studies we have done, as well as conversations with our Bargaining Units, while some of our employees' classifications are less than 5% below median market wages, the County is in the range of 8-18% below median market wages for the majority of our employees.

The California State Controller's Office hosts a website on Government Compensation in California at this address: <http://publicpay.ca.gov/>. This site may assist you in determining how Contra Costa County government wages compare to other county government wages.

cc: *Steve Weir, Committee Facilitator*
Julie DiMaggio Enea, Committee Staff