



# Agenda

## AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

RECORD OF ACTION FOR  
May 28, 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: 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

DRAFT

1. Call to Order and Introductions

*Chairman Wise 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 offered to speak during the public comment period.*

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

*The Committee unanimously approved the Record of Action for the May 7, 2015 meeting as presented.*

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 May 12 and provide direction to staff on next steps.

*Margaret Hanlon Gradie commented that she had read the materials, and that Steve Weir had briefed her on the issues and staff reports from the previous two meetings and that she was current on the Committee's deliberations. She asked staff if there had been any inquiries from the public thus far on the Committee's work and staff reported only one inquiry received the day before. Staff answered the inquirer's questions, emailed him the links to the online Committee materials and invited him to today's meeting. Margaret Eychner noted a newspaper article earlier in the week that mentioned the BOS Comp Committee and its purpose. Steve Weir mentioned that he has had conversations with Tom Barnidge and Matthew Artz of the Contra Costa Times and provided them information.*

*Michael Moore asked Margaret Hanlon Gradie if she had any concerns about the Committee's decision to broaden the group of peer counties to include counties of similar size and budget from other parts of the State. She indicated that while she wouldn't normally consider Kern and Fresno among Contra Costa's peers for general county employee salaries, she is able to reconcile the Committee's decision to do so with respect to the Board's salary and understands why and on what basis the Committee made that decision. Michael commented that a larger sample would help to minimize the effect of anomalies.*

*Rick Wise commented that the Committee put some effort into finding a reliable basis for making cost-of-living corrections among the peer counties to achieve the most accurate comparisons possible. Staff referenced Page 23 of the packet, which shows the similarity between the median home values reported by RelocationEssentials.com with the median home values reported by the U.S. Census, which is an indication of reliability. Staff summarized the analyses (Schedules C and D on Pages 19 and 20) that she prepared upon the advice of the County's consultant at Beacon Economics, who recommended comparing the BOS salary and/or total compensation in each peer county with a key economic benchmark for that county, such as median home value or median home income, as a method to test the veracity of the RelocationEssentials.com Cost of Living Composite Index (COL). She noted that the California Association of Realtors (CAR) data appeared to be less reliable for the Committee's purposes because it reported data only for Central Contra Costa County rather than all of Contra Costa County. Trulia's data could not be used because Trulia does not report statistics county by county but reports by zip code. Zillow, however, does report a figure for Contra Costa County. Consequently, staff included an extra snapshot on Schedules C and D showing the outcome of the CAR analysis if Zillow's estimate for Contra Costa County is used instead of CAR's estimate. Staff also clarified that the peer county data arrays used to determine the mean and percentiles excluded Contra Costa County.*

*Staff reviewed Schedules A through E and the data sources in detail, and then reviewed the summary of the various analyses, which were presented on page 14. The summary clearly illustrated that the methods that relied only on base salary information indicated higher salary targets than those methods that relied on total compensation data. Also, the 37.5th percentile analyses using total compensation data most closely aligned with the salary level indicated by the CPI method. Steve and Michael both commented that the CPI method simply inflated the 2007 BOS salary*

*without verifying the propriety of the original salary level. Margaret Eychner observed that the analyses indicate that while Contra Costa's base salary is low, our County's benefits help to close the gap with Contra Costa's peers.*

*Staff presented the computations used to derive what the base salary would be when making total compensation the key variable. The Committee experimented with varying levels of total compensation to see how the base salary would respond. Staff also presented a companion computation that showed how the "total compensation" elements used by the Committee tie to the total payroll cost that is commonly reported by the press and on public employee transparency websites, and highlighted what is included or excluded in the Committee's total compensation analyses and the total payroll cost analysis.*

*In reference to Schedule B on page 16, Michael didn't think it was appropriate to apply the COL to the pension and deferred compensation elements of total compensation because they are future benefits. Staff agreed to recalculate Schedule B, applying the COL to total compensation excluding pension and deferred compensation, and add back pension and compensation to complete the new analysis. Rick requested that staff provide the revised Schedule B analysis to illustrate what the base salary would be at the 37.5th and 50th percentiles. These revised schedules were provided to the Committee and made available to the public on May 29, 2015 and are attached hereto for public review and reference.*

*Steve raised the issue of the differences found between Contra Costa and the peer counties regarding auto allowance. The peer counties that provide auto allowance do not also provide mileage reimbursement as does Contra Costa County. Margaret Eychner noted that the IRS mileage reimbursement rate is based on the fixed and variable costs of operating an automobile, including depreciation, insurance, repairs, tires, maintenance, gas and oil, and that, consequently, providing both a generous fixed allowance plus mileage reimbursement at the IRS rate was paying twice for the same benefit. Stuart McCullough offered a different perspective with an example of an allowance of 100 miles per day for 20 days per month at the IRS rate would indicate an annual auto allowance of \$13,800. The median auto allowance of peer counties in the Committee's study is \$7,164. Staff clarified that certain county department heads elected or appointed prior to February 2012 are eligible to receive an auto allowance plus reimbursement for out-of-County business mileage. Supervisors are eligible for the auto allowance plus reimbursement for all (County business) mileage. Rick Wise and Margaret Hanlon Gradie commented that the auto allowances they received during their private sector employment were fixed amounts with no mileage reimbursement. Margaret Eychner suggested eliminating the mileage reimbursement and either leaving the auto allowance at the current level or possibly increasing it in lieu of paying mileage; she added that this would also be more transparent to the public. Steve also noted that the auto allowance is a pensionable benefit.*

*Mike asked about the stipends received by Board members for serving on outside bodies and staff advised that only a handful of counties could provide ready data. Of those counties that provided information, they used an old version of the FPPC Form*

*806 that provides ranges of stipends but not an annual estimated stipend. For example, a range might be \$1,000-\$2,000, which is a significant range for such a small amount. Mike offered to review the forms.*

*The Committee asked Steve to draft a report with a tentative recommendation to set the Board's salary at the 37.5th percentile using the Schedule B analysis, but wanted to see the revised Schedule B (attached hereto) before formulating a recommendation on salary and auto allowance. The Committee agreed to aim for a final proposal by its June 18 meeting.*

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

Passed

5. The next meeting is currently scheduled for June 4, 2015.

*After consulting the committee members about their schedules, Chairman Wise canceled the June 4 meeting and scheduled the next meeting for June 11.*

6. Adjourn

*Chairman Wise adjourned the meeting at 4:55 p.m.*

For Additional Information Contact:

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

DRAFT