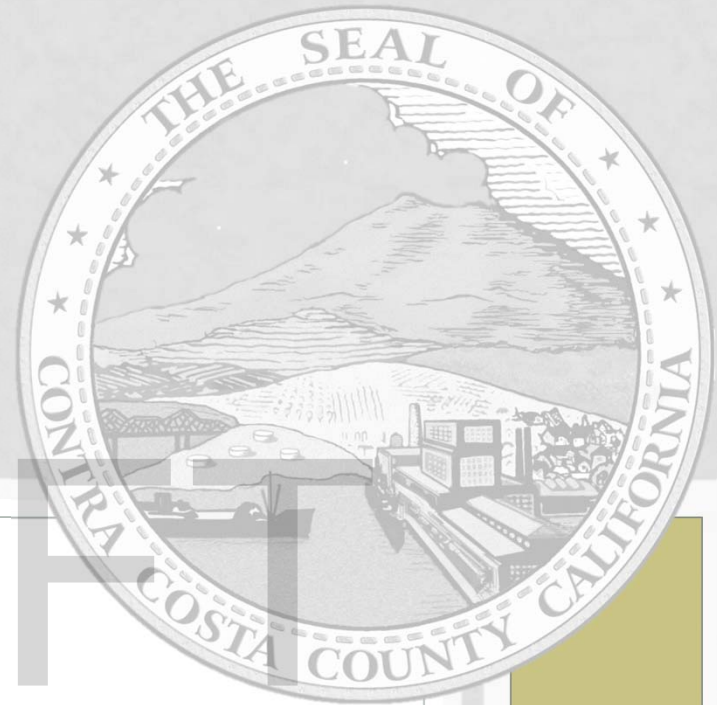


BOARD OF SUPERVISORS' COMPENSATION

AD HOC COMMITTEE ON
BOARD OF SUPERVISORS COMPENSATION



July 7, 2015

BACKGROUND

- Board directed CAO to form a committee to review Board member compensation and methodology, composed of representatives nominated by these organizations:
 - Contra Costa County Civil Grand Jury
 - Contra Costa Taxpayers' Association
 - East Bay Leadership Council (formerly the Contra Costa Council)
 - Contra Costa County Central Labor Council
 - Contra Costa County Human Services Alliance
- Board directed Committee to hold open meetings and report its recommendations to the Board on July 7

COMMITTEE COMPOSITION

East Bay Leadership
Council

Rick Wise, Chair

Contra Costa Taxpayers'
Association

Margaret Eychner, Vice
Chair

Contra Costa County Civil
Grand Jury

Michael Moore, Secretary

Contra Costa County
Central Labor Council

Margaret Hanlon-Gradie

Contra Costa County
Human Services Alliance

Stuart McCullough

Facilitator

Steve Weir

CONTEXT

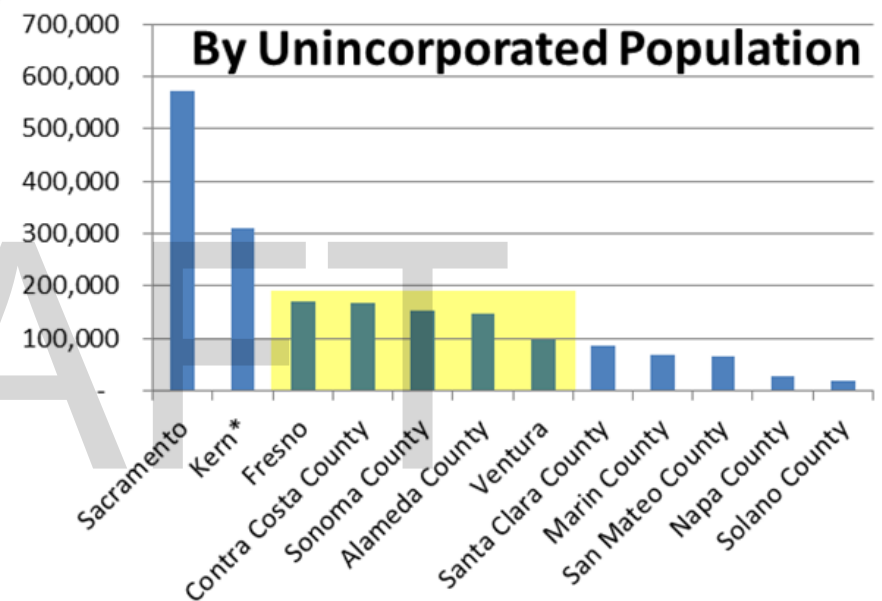
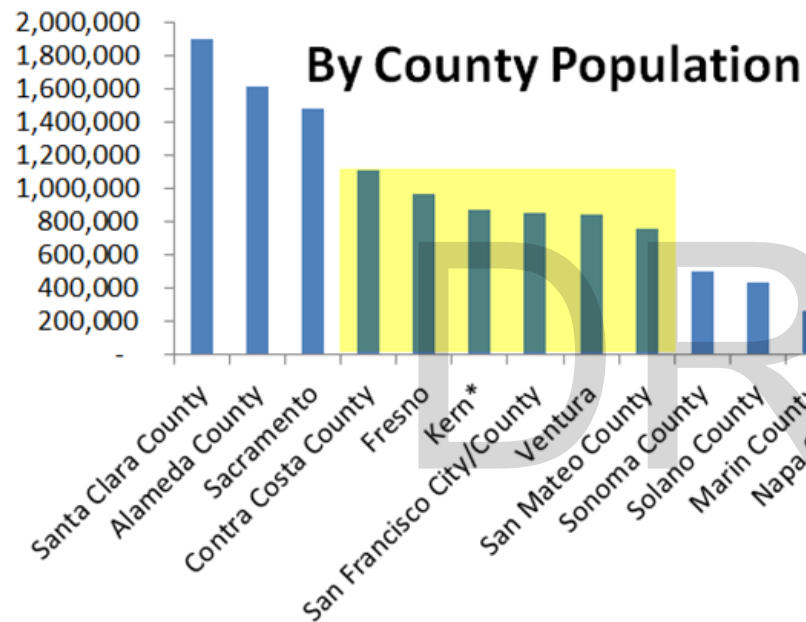
- Data at that time showed the Board salary, at \$97,483, lowest among urban CA counties and second-lowest among Bay Area counties.
- The Board approved a salary increase of 7% to \$104,307, eff 6/1/15, following the repeal of an ordinance that would have raised the salary to \$129,227 and tied the salary to 70% of a superior court judge's salary

COMMITTEE REVIEW

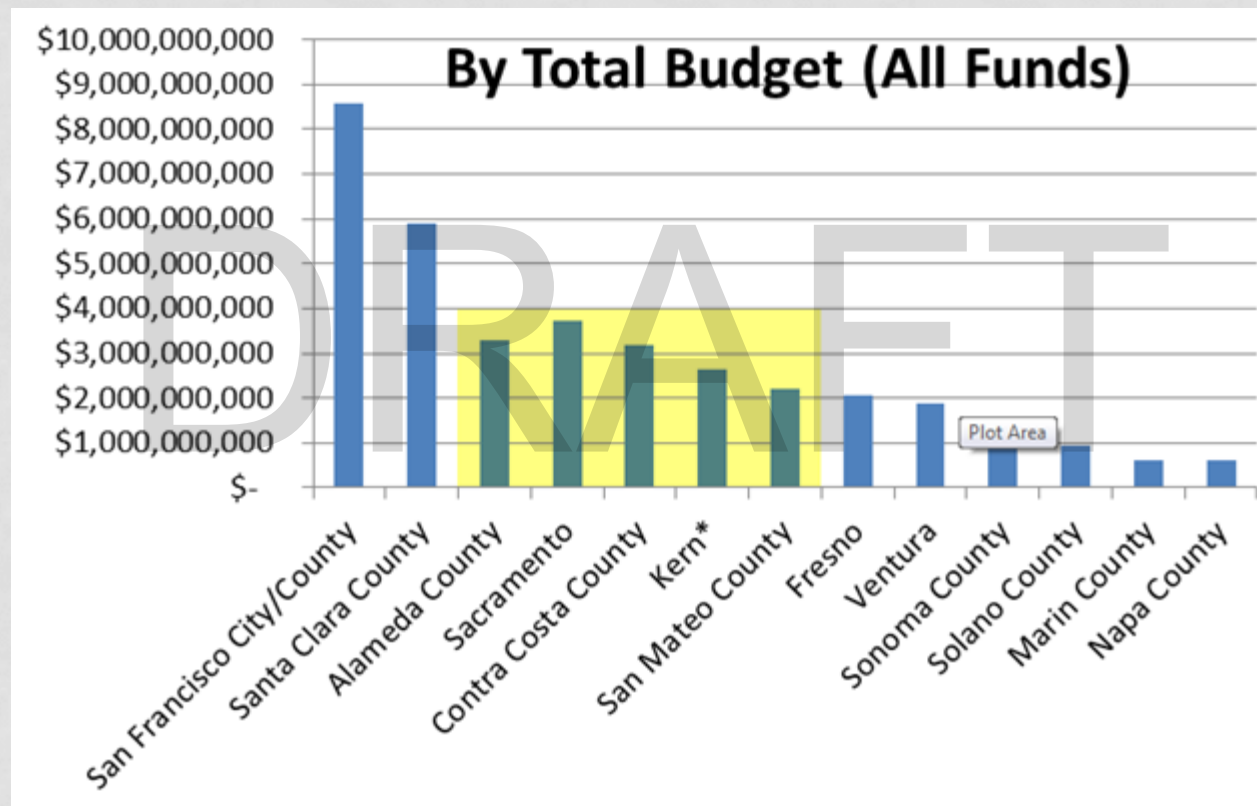
During six public meetings, Committee reviewed:

- information related to Board salaries, duties, and salary-setting methodologies
- characteristics of potential “peer counties” such as total and unincorporated county population, number of cities, budget, number of employees, median household income, median home value, and extraordinary features
- base salary and other compensation of counties selected as peer counties
- Contra Costa compensation compared to peer counties based on average, 25th, 37.5th, 50th, and 75th percentiles

PEER COUNTY SELECTION: POPULATION



PEER COUNTY SELECTION: BUDGET



FINAL PEER COUNTY SELECTION

Counties were identified as peers if they were a close match to Contra Costa in at least two of these four attributes:

BA: Bay Area county
P: Population
UI: Unincorp. Popltn
B: Budget

				<u>County</u>	<u>County Population⁶</u>	<u>UI Population⁶</u>	<u>FY 2014/15 Total All Funds</u>
<u>Filters*</u>							
			BA	Santa Clara	1,889,638	87,182	\$ 5,892,779,051
B	UI	P	BA	Alameda	1,594,569	146,787	\$ 3,296,908,180
B		P		Sacramento	1,470,912	573,313	\$ 3,722,736,822
B	UI	P	BA	Contra Costa	1,102,871	168,323	\$ 3,171,226,845
	UI	P		Fresno	972,297	170,459	\$ 2,045,821,381
B		P		Kern	874,264	309,050	\$ 2,649,205,958
	UI	P		Ventura	848,073	97,497	\$ 1,881,456,411
		P	BA	San Francisco	845,602	N/A	\$ 8,581,831,912
B		P	BA	San Mateo	753,123	64,615	\$ 2,209,518,947
	UI		BA	Sonoma	496,253	152,918	\$ 1,457,085,749
			BA	Solano	429,552	18,790	\$ 922,572,425
			BA	Marin	258,972	68,488	\$ 605,147,181
			BA	Napa	140,362	26,899	\$ 624,414,293
				⁶ CA Dept of Finance for 1/1/15			

OTHER COMPENSATION

The Committee included the following non-salary compensation in its analysis:

- County pension contribution of Normal Cost for Basic + COLA
- County contribution towards health/dental coverage based on Kaiser Single coverage
- Deferred Compensation contribution
- Auto allowance
- Other cash payments (professional development, flexible spending or other cash payments)

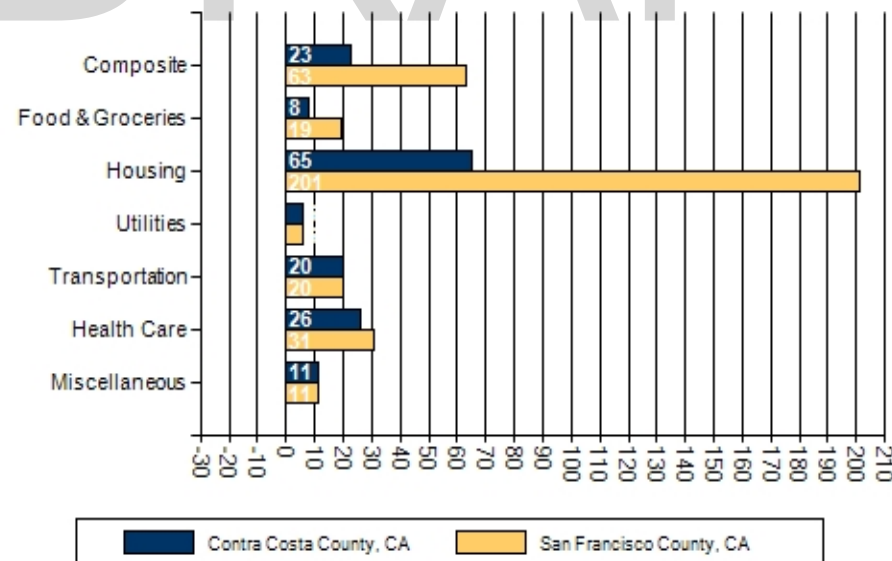
OTHER COMPENSATION

The Committee also considered these additional benefits on a qualitative basis:

- Pension benefit, e.g., X% at 55, based on eight years of service (two terms of office)
- Retiree health benefit, if any

GEOGRAPHIC COST OF LIVING DIFFERENTIAL

The Committee used a cost of living composite index from RelocationEssentials.com to adjust the salary and other compensation (excluding pension and deferred compensation) in order to estimate the compensation that would be needed to support the same standard of living in Contra Costa County as is supported by the compensation in each peer county.



PEER COUNTY COMPARISON

<u>Agency</u>	<u>Partial Annual Compensation (Excluding Pension & Def Comp)</u>	<u>CCC Partial Annual Compensation Equivalency COL Adjusted²</u>	<u>Partial Annual Compensation COL Adjusted¹</u>	<u>Add Back Pension & Def Comp</u>	<u>Total Annual Compensation COL Adjusted¹</u>
Sonoma	159,228	112,501	167,188	27,188	194,376
Alameda	166,369	121,968	161,127	33,297	194,424
Ventura	141,443	113,550	147,141	14,989	162,130
Kern	128,242	97,183	155,876	14,807	170,683
Fresno	124,820	103,331	142,690	20,281	162,972
Sacramento	117,648	105,220	132,077	14,444	146,521
San Mateo	134,489	134,951	117,720	14,755	132,476
San Francisco	118,263	156,922	89,024	9,534	98,558
Average	136,313		139,105	18,662	157,767
25th Percentile	123,181		128,488	14,677	143,010
37.5th Percentile	126,959		138,710	14,788	\$ 156,277
50th Percentile	131,365		144,916	14,898	162,551
75th Percentile	145,889		157,189	22,008	176,607
Contra Costa	118,125		118,125	29,804	147,929
% from Average	-15%		-18%	37%	-7%
% from 25th Percentile	-4%		-9%	51%	3%
% from 37.5th Percentile	-7%		-17%	50%	-6%
% from 50th Percentile	-11%		-23%	50%	-10%
% from 75th Percentile	-24%		-33%	26%	-19%

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

²CCC Total Annual Compensation Equivalency COL Adj is based on Cost of Living factors from www.relocationessentials.com and reflects the compensation that would be required in that county to maintain the same lifestyle as in CCC at the \$147,929 total compensation level. Amount adjusted is \$118,125, which excludes pension and deferred compensation contributions.

DERIVING BASE SALARY FROM TARGET TOTAL COMPENSATION

		<u>Current</u>	<u>COL Adjusted</u>		<u>VAR</u>
Total Est Annual Compensation*		\$ 147,929	\$ 156,277	\$ 8,348	5.6%
Annual Salary		\$ 104,307	\$ 111,567	\$ 7,260	7.0%
Normal % Contrib to Pension @ 14.99%		\$ 16,784	\$ 17,872	\$ 1,088	
Kaiser+Dental Single Coverage		\$ 6,155	\$ 6,155	\$ -	
Kaiser Single Coverage					
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					

ESTIMATING TOTAL PAYROLL COST AT TARGET COMPENSATION

Total Payroll*	\$ 185,994	\$ 196,599	\$ 10,605	5.7%
Salary	\$ 104,307	\$ 111,567	\$ 7,260	7.0%
FICA @ 7.65%	\$ 8,530	\$ 9,086	\$ 555	
Retirement @ 36%	\$ 40,143	\$ 42,756	\$ 2,614	
Group Insurance	\$ 9,341	\$ 9,341	\$ -	
Worker's Comp @ 2.13%	\$ 2,375	\$ 2,530	\$ 155	
Unempl Insurance @ 0.3%	\$ 335	\$ 356	\$ 22	
Supplemental (Auto Allowance)	\$ 7,200	\$ 7,200	\$ -	
Other (Def Comp, Life Insurance)*	\$ 13,764	\$ 13,764	\$ -	
*Excludes Prof Dev Allowance				

PHASING THE PROPOSED INCREASE IN INCREMENTS

	Increments	Method to Arrive at 37.5th Percentile	
	Current Salary	2 @ 3.4216%	3 @ 2.2682%
Annual Base Salary:	\$ 104,307		
	1	\$ 107,876	\$ 106,673
	2	\$ 111,567	\$ 109,092
	3		\$ 111,567
	4		
Annual Salary w/ Additional Compensation	\$ 147,929	\$ 156,277	\$ 156,277
Annual Total Payroll Cost	\$ 185,994	\$ 196,599	\$ 196,599

BOARD DIRECTION

- Target for future salary increase (Committee consensus is the 37.5th percentile)
- Timing and number of initial and future increases (no recommendation from the Committee??)
- Mechanism for future salary adjustments (Committee consensus is a peer county analysis ever three years)
- Additional direction for staff?

DRAFT

QUESTIONS?

AD HOC COMMITTEE ON BOARD COMPENSATION