Agenda

AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

RECORD OF ACTION FOR JUNE 11, 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: 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

Attendees: Sandra Wall, SEIU
Susie Griffiths, AFCSME
Vince Wells, Local 1230, CC Prof Firefighters

1. Call to Order and Introductions

   Chairman Wise called the meeting to order at 2:35 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 comment during the public comment period.

3. RECEIVE and APPROVE the Record of Action for the May 28, 2015 Ad Hoc Committee on BOS Compensation meeting.

   The Committee approved the Record of Action for the May 28, 2015 meeting as presented.

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

Passed

4. RECEIVE draft report with options for Committee recommendations and draft presentation materials, and provide direction to staff on next steps.

Michael suggested that the phrase "temporary voluntary waiver" be defined in the report, both its meaning and the time frame in which it occurred and for what reason. Steve suggested that we add to the report the attachment that was on Page 93 of the Committee's April 23 packet, which was a table showing a ten year history of salary and health plan adjustments. Staff clarified the two temporary salary waivers previously taken by the Board: one equating to 2.31% to match Agreed-upon Temporary Absences taken by employees and one equating to 2.75% to match negotiated wage reductions taken by employees; and also clarified that the 7% increase the Board approved for itself became effective on June 1, 2015.

Rick suggested that the Committee recommend to the Board specific dates on which each recommended salary increment should be effective. Staff recommended that the increments be made effective either July 1 or January 1 to coincide with the start of any fiscal or calendar year and noted that the June 1, 2015 date of the 7% increase coincided with the 60 days that were required between the adoption of the ordinance and its effective date. The Committee deliberated an implementation schedule, either two or three years and either January 1 or July 1.

The Committee discussed the principle that the Board should take mid-cycle reductions commensurate with any negotiated employee wage reductions.

The Committee discussed auto allowance and reached consensus that the current auto allowance is reasonable but that reimbursement of all mileage was too broad and that mileage reimbursement should be limited to out-of-county travel, consistent with County department heads.

The Committee discussed recommending that future salary reviews follow the methodology established by this Committee: convene a committee composed of five impartial individuals representing civic organizations, identify peer counties, identify as many compensation elements as can be converted to the same basis, adjust compensation for geographic differences in cost of living, set the salary at a percentile of market that is commensurate with the rank of County employee compensation within the job market, and phase in any significant recommended increases over two or three years.

Margaret Hanlon-Gradie commented that she doesn't want to hamstring future salary committees by defining a rigid methodology. Rick concurred but thought that the recommendation was broad enough to provide flexibility to a future committee and yet provide a basis with which to begin the next review.

The Committee discussed whether or not it was within its purview to recommend that the Board extend this methodology for determining the salary for all County elected officials (Sheriff-Coroner, District Attorney, Auditor-Controller, Treasurer-Tax Collector, and Clerk-Recorder) and decided that, while it is outside of their purview, they could offer it as a suggestion, i.e., the Board may want to consider extending this

salary-setting methodology to other County elected officials.

The Committee deliberated what salary adjustment to recommend. Margaret Eychner expressed a preference for setting the salary at the 37.5th percentile (7%) of the peer group market and phase it in over two years beginning January 1, with the second adjustment to follow in 6-12 months. She said it is important for the Board to bring its employees up to the median before bringing their own salary up to the median. Rick concurred. Margaret Hanlon-Gradie commented that based on past practice, the expectation of employees is that the Board and management will take whatever deal was negotiated with employees and that employees became upset when the Board gave itself something greater than that. At the notion that the Board's next salary adjustment might pave the way for labor groups in the next contract, Mike and Margaret Eychner said that was unlikely because the negotiated employee wage adjustments are much more constrained by the County budget.

Staff noted the difference in the way that employee salaries are characterized as compared to the Committee's analysis on compensation, with reference to percentiles. When employee compensation is expressed in terms of percentiles, it is usually in reference to salary only. However, the Committee's reference to the Board's compensation in terms of percentiles is in reference to total compensation. She reported that the 37.5th percentile for Board total compensation equates to approximately the 21st percentile for Board salary only among the peer counties.

Stuart McCullough observed that the entire discussion has been predicated on the expectation of continued economic recovery but there is no assuredness of that occurring. He considers the 37.5th percentile to be prudent given the current state of the economy.

Michael felt there was justification for excluding San Francisco from the array of peer counties because of the differences in its governance (City/County and 11 Board members vs. five). Sandra Wall was recognized and asked why the Committee originally chose to include San Francisco, since it has not typically been used in other County salary studies. Susie Griffiths was recognized and added that the County typically did not use Ventura County as a peer county. Staff advised that the Committee could use whatever counties it thinks are comparable or relevant. Staff displayed the bar charts for population, unincorporated population and budget showing how the Committee originally determined which counties to include as peers for this study. Staff commented that the counties selected as peers for Board compensation study may not be appropriate for county employee salary studies. The Committee placed some emphasis on the relationship between unincorporated county population and the Board of Supervisors. The unincorporated population is a less significant factor determining peer counties for county employee salary studies.

Staff recalculated the average and percentiles, the derived salary, and total payroll costs excluding San Francisco from the array of peer counties. The revised analysis raised the compensation and salary level derived at the 37.5th percentile from 7% to 12%. Based on the revised analysis, t he Committee reached consensus on the following recommendations:

- ***To increase the Board's salary from the June 1, 1015 level by 12% over three years, which equates to approx. 3.855% (with compounding) per year for the next three years: 1/1/16, 1/1/17, 1/1/18***
- ***Convene an independent salary committee to review Board compensation every three years, with the next one to be convened in 2018***
- ***Apply no COLA or other increases to the Board's salary between the independent salary reviews***
- ***Apply to the Board's salary via ordinance any permanent salary reduction taken by County employees***
- ***Modify the Board's auto benefit from "$600/mo + all mileage" to "$600/mo + out-of-county mileage"***

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 18, 2015.

6. Adjourn

Chairman Wise adjourned the meeting at 3:55 p.m.

For Additional Information Contact:

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