



# 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.
- Board salary had not been reviewed since 2007.
- 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



# GUIDING PRINCIPLES

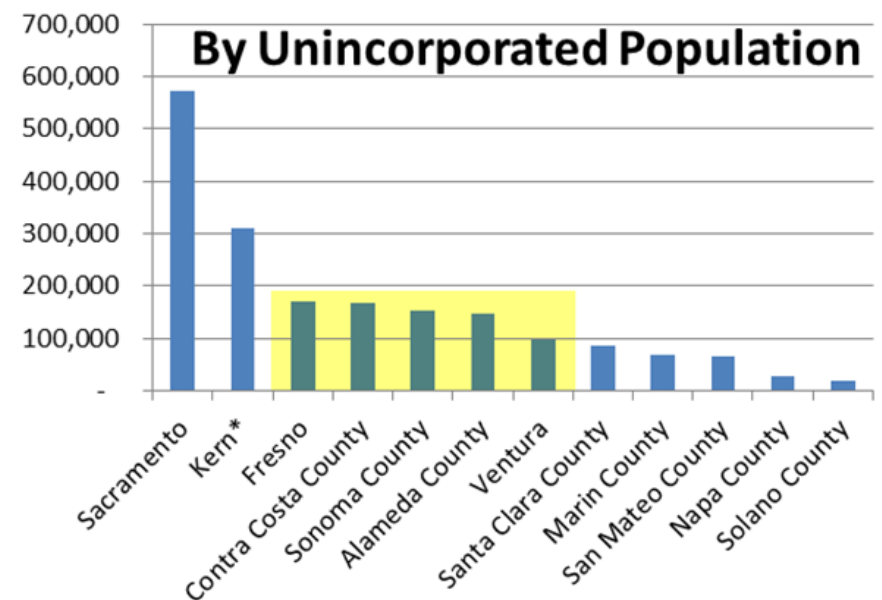
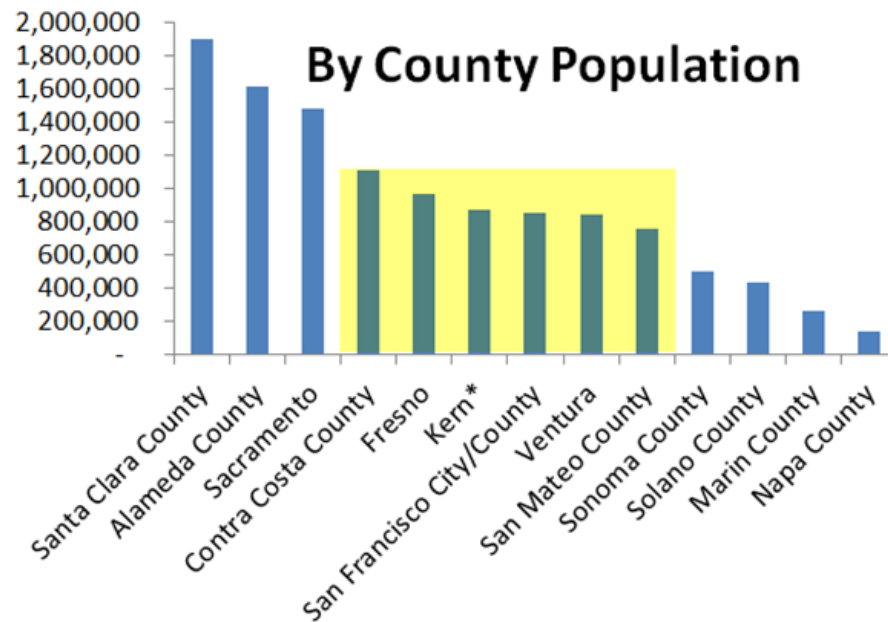
- Board of Supervisors Member is a full-time job
- Salary should not be tied to a judge or any position not comparable to a County Supervisor
- Salary should not be tied to another County job classification
- Salary should be based on job duties and responsibilities rather than performance (which is determined by the electorate)
- Salary should not be a barrier to public service
- Methodology should attempt to de-politicize the salary determination
- Board salary level should be commensurate with County employees in terms of relationship to market compensation
- Board should share with County employees the pain of any future salary reductions
- Board salary should be reviewed triennially with no increases applied between reviews
- Significant increases should be phased in over two or three years

# COMMITTEE REVIEW

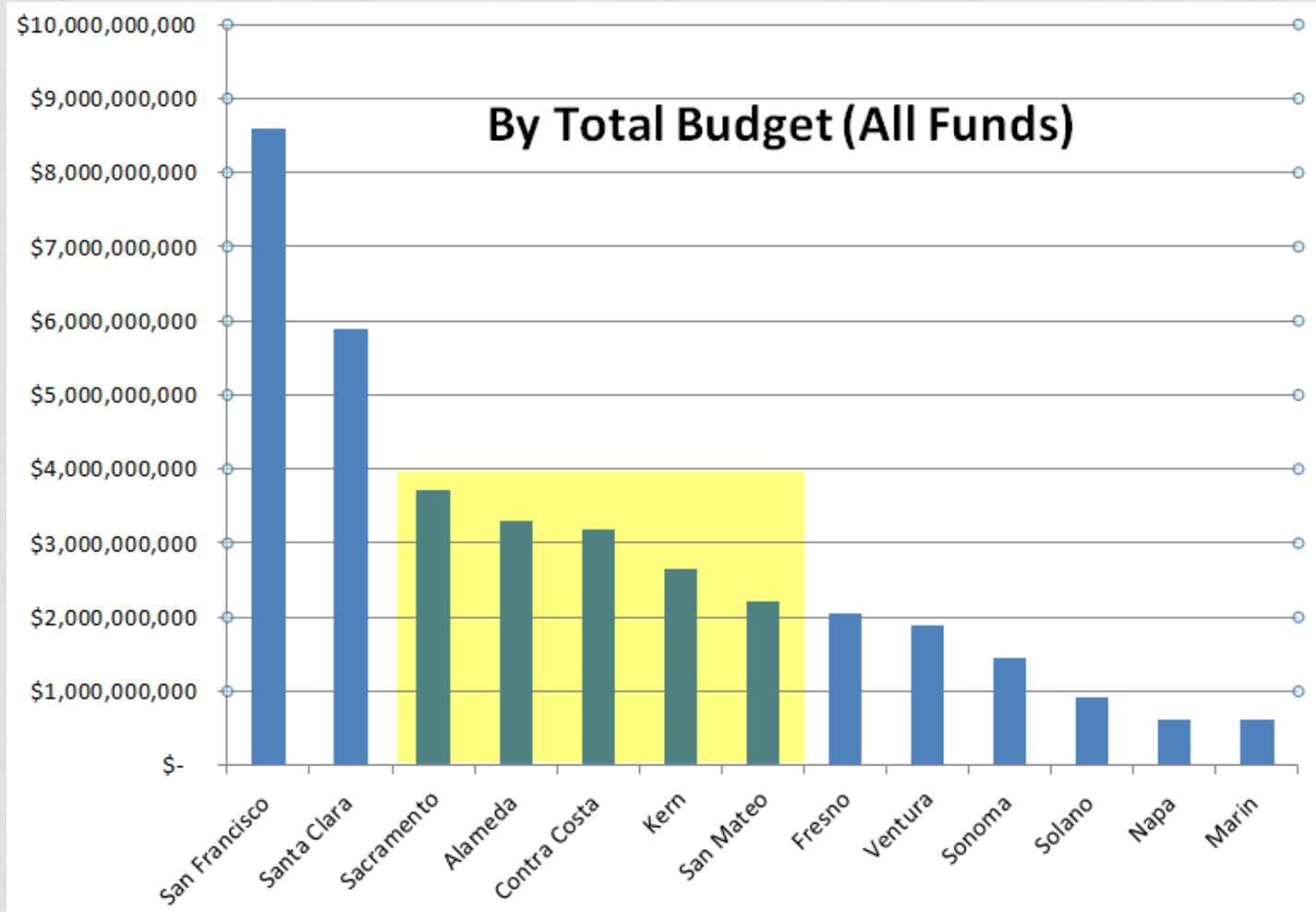
During six public meetings, Committee reviewed:

- 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, 25<sup>th</sup>, 37.5<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> 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 Population<sup>6</sup></u>	<u>UI Population<sup>6</sup></u>	<u>FY 2014/15 Total All Funds</u>
<b>Filters*</b>							
			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
				<sup>6</sup> 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)

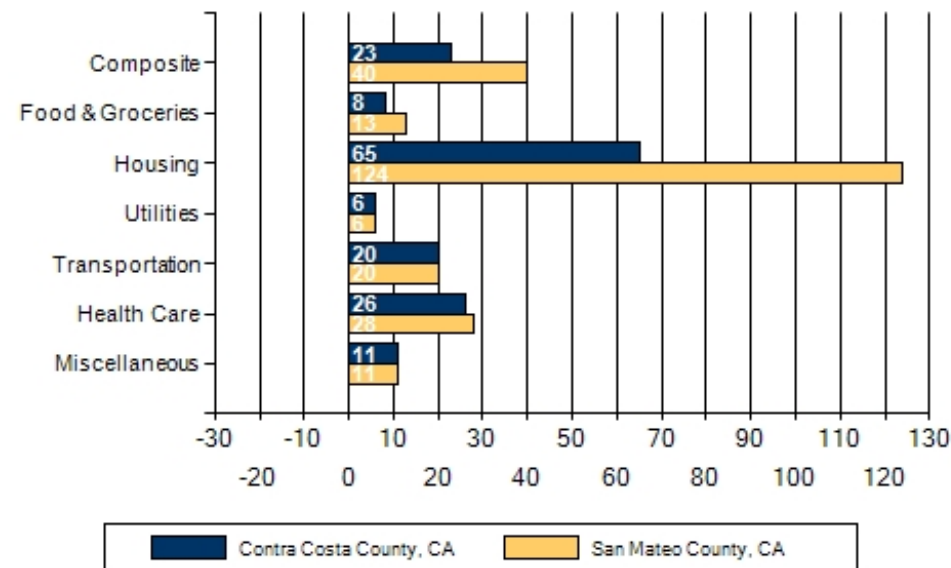
# OTHER COMPENSATION

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 &amp; Def Comp)</u>	<u>CCC Partial Annual Compensation Equivalency COL Adjusted<sup>2</sup></u>	<u>Partial Annual Compensation COL Adjusted<sup>1</sup></u>	<u>Add Back Pension &amp; Def Comp</u>	<u>Total Compensation COL Adjusted<sup>1</sup></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	149,538	134,951	130,893	14,755	145,648
San Francisco	118,263	156,922	89,024	9,534	98,558
Average	138,194		140,752	18,662	159,414
25th Percentile	123,181		131,781	14,677	146,303
37.5th Percentile	126,959		138,710	14,788	\$ 156,277
50th Percentile	134,842		144,916	14,898	162,551
75th Percentile	151,961		157,189	22,008	176,607
<b>Contra Costa</b>	<b>118,125</b>		<b>118,125</b>	<b>29,804</b>	<b>147,929</b>
% from Average	-17%		-19%	37%	-8%
% from 25th Percentile	-4%		-12%	51%	1%
% from 37.5th Percentile	-7%		-17%	50%	-6%
% from 50th Percentile	-14%		-23%	50%	-10%
% from 75th Percentile	-29%		-33%	26%	-19%

<sup>1</sup>Total Compensation COL Adjusted is based on Cost of Living factors from [www.relocationessentials.com](http://www.relocationessentials.com) and reflects the compensation needed to support a comparable standard of living in Contra Costa County.

<sup>2</sup>CCC Total Annual Compensation Equivalency COL Adj is based on Cost of Living factors from [www.relocationessentials.com](http://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 excludes pension and deferred compensation contributions.



# MODIFICATION TO ARRAY USED IN PEER COUNTY COMPARISON

<u>Agency</u>	<u>Partial Annual Compensation</u> <u>(Excluding Pension &amp; Def Comp)</u>	<u>CCC Partial Annual Compensation</u> <u>Equivalency COL Adjusted<sup>2</sup></u>	<u>Partial Annual Compensation</u> <u>COL Adjusted<sup>1</sup></u>	<u>Add Back Pension &amp; Def Comp</u>	<u>Total Compensation</u> <u>COL Adjusted<sup>1</sup></u>
<b>Sonoma</b>	159,228	112,501	167,188	27,188	194,376
<b>Alameda</b>	166,369	121,968	161,127	33,297	194,424
<b>Ventura</b>	141,443	113,550	147,141	14,989	162,130
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<b>Fresno</b>	124,820	103,331	142,690	20,281	162,972
<b>Sacramento</b>	117,959	105,220	132,426	14,444	146,870
<b>San Mateo</b>	149,538	134,951	130,893	14,755	145,648
Average	141,086		148,192	19,966	168,158
25th Percentile	126,531		137,558	14,781	154,500
37.5th Percentile	131,542		143,803	14,853	<b>\$ 162,341</b>
50th Percentile	141,443		147,141	14,989	162,972
75th Percentile	154,383		158,501	23,735	182,530
<b>Contra Costa</b>	<b>118,125</b>		<b>118,125</b>	<b>29,804</b>	<b>147,929</b>
% from Average	-19%		-25%	33%	-14%
% from 25th Percentile	-7%		-16%	50%	-4%
% from 37.5th Percentile	-11%		-22%	50%	-10%
% from 50th Percentile	-20%		-25%	50%	-10%
% from 75th Percentile	-31%		-34%	20%	-23%

The Committee decided to exclude San Francisco from the array, leaving seven counties for comparison.

# DERIVING BASE SALARY FROM TARGET TOTAL COMPENSATION

	<u>Current</u>	<u>COL Adjusted</u>		<u>VAR</u>
Total Est Annual Compensation*	\$ 147,929	\$ 162,341	\$ 14,412	9.7%
Annual Salary	\$ 104,307	\$ 116,840	\$ 12,533	12.0%
Normal % Contrib to Pension @ 14.99%	\$ 16,784	\$ 18,663	\$ 1,879	
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	\$ 204,303	\$ 18,308	9.8%
Salary	\$ 104,307	\$ 116,840	\$ 12,533	12.0%
FICA @ 7.65%	\$ 8,530	\$ 9,489	\$ 959	
Retirement @ 36%	\$ 40,143	\$ 44,654	\$ 4,512	
Group Insurance	\$ 9,341	\$ 9,341	\$ -	
Worker's Comp @ 2.13%	\$ 2,375	\$ 2,642	\$ 267	
Unempl Insurance @ 0.3%	\$ 335	\$ 372	\$ 38	
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

	<b>Increments</b>	<b>Method to Arrive at 37.5th</b>	
	<b>Current Salary</b>	<b>3 @ 3.855%</b>	<b>Increase from 6/1/15</b>
<b>Annual Base Salary:</b>	\$ 104,307		
1	1/1/2016	\$ 108,328	3.9%
2	1/1/2017	\$ 112,504	7.9%
3	1/1/2018	\$ 116,841	12.0%
<b>Annual Salary w/ Additional Compensation</b>	\$ 147,929	\$ 162,341	9.7%
<b>Annual Total Payroll Cost</b>	\$ 185,994	\$ 204,303	9.8%

# COMMITTEE RECOMMENDATIONS

1. Target for future salary increase: 37.5% of peer counties based on total compensation
2. 12% increase in salary from 1/1/15 level or \$116,841
3. Phased in by three annual increments of 3.855% each, on January 1 of 2016, 2017, and 2018
4. Modify auto benefit by limiting mileage reimbursement to out-of-county mileage only (vs. all mileage)



# COMMITTEE RECOMMENDATIONS

5. Convene a compensation committee to determine Board's salary every three years, next time in 2018; and consider extending this methodology to compensation for all County elected officials
6. Apply no COLA or other increases to the Board's salary between the independent salary reviews
7. Apply to the Board's salary via ordinance any permanent salary reduction taken by County employees

# QUESTIONS?

AD HOC COMMITTEE ON BOARD COMPENSATION