



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

**June 18, 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

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 June 11, 2015 Ad Hoc Committee on BOS Compensation meeting.
4. REVIEW final draft of report, recommendations, and presentation materials, and provide direction to staff on any changes and next steps.
5. The next meeting is currently scheduled for June 25, 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

3.

Meeting Date: 06/18/2015

Subject: RECORD OF ACTION FOR THE JUNE 11, 2015 IOC
MEETING

Submitted For: Stephen L. Weir, Facilitator

Department: County Administrator

Referral No.:

Referral Name:

Presenter:

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 June 11, 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 June 11, 2015 Ad Hoc Committee on BOS Compensation meeting.

Attachments

DRAFT Record of Action for June 11, 2015 BOS Comp Cte Meeting



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

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, the 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:

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

DRAFT



Contra Costa County Board of Supervisors

Subcommittee Report

AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

4.

Meeting Date: 06/18/2015

Subject: FINAL DRAFT OF REPORT, RECOMMENDATIONS, AND
PRESENTATION MATERIALS

Submitted For: Stephen L. Weir, Facilitator

Department: County Administrator

Referral No.:

Referral Name:

Presenter:

Contact: Julie DiMaggio Enea
925.335.1077

Referral History:

At its previous meetings, the Committee arrived at a consensus on the following points:

- 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
- 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 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 excluding county contributions to future benefits (such as retirement and deferred compensation) for other counties should be corrected for geographic cost of living differences. For the current analysis, the Committee will rely on data from RelocationEssentials.com and the U.S. Census.

- The comparison should be based on salary plus the following additional elements of compensation: county normal contribution to pension, county contribution to health/dental coverage, deferred compensation or like benefit, auto allowance, and any other cash benefit. Retiree health, life insurance, and estimated annual pension benefit at 55 with 8 years of service, will be excluded but may be considered on a qualitative basis. Other agency stipends should be included provided there is meaningful data available for such a comparison. For the current analysis, such data was not sufficiently available.
- The Board should be paid at a percentile of market compensation commensurate with County employees, provided there is meaningful data available for such a comparison.
- Board members should continue to receive the auto allowance but should not receive mileage reimbursement in addition to the auto allowance.
- Significant Board salary adjustments should be granted in 2 or 3 increments.
- Compensation factors to be quantified and compared should include salary, County normal basic pension contribution, County health/dental contribution, auto allowance, County deferred compensation contribution, and other cash benefits.
- Compensation for post-employment benefits (pension and deferred compensation) should not be adjusted for geographic differences in cost of living.

At its June 11 meeting, the Committee decided to make the following recommendations to the Board but reserved the right to modify these recommendations on June 18 after hearing public comment:

- 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"

Referral Update:

Attached is the second and final draft of the Committee's Report including the Executive Summary, Detailed Committee Report, and Powerpoint presentation reflecting changes requested by the Committee on June 11. Upon Committee approval, the Committee should submit its final report and presentation to the County Administrator for listing on the July 7 Board of Supervisors' agenda.

Recommendation(s)/Next Step(s):

REVIEW final draft of report, recommendations, and presentation materials, and provide direction to staff on any changes and next steps.

Attachments

DRAFT#2 Committee Report and Recommendations

#6: DRAFT Powerpoint Presentation Tentatively Using 37.5th Percentile

DRAFT #2

EXECUTIVE SUMMARY OF THE REPORT OF THE AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

RECOMMENDATIONS

- 1) Adjust the Board of Supervisors base salary by 12% spread over three years. Make no other salary adjustment until July 1, 2018 except taking any proportional reduction by ordinance to correspond to any general county employee salary reduction.
- 2) Eliminate intra-County mileage reimbursement for Board members, making the auto benefit "\$600/mo plus out-of-County mileage reimbursement".
- 3) Establish an ongoing salary review committee, composed of impartial citizens, to review future salary adjustments. This Committee should review and consider adopting a review methodology that could include quantifying total compensation and factoring in geographic cost of living differentials if peer county review is undertaken. The Board may also want to consider using this methodology in reviewing elected department head salaries.

FISCAL IMPACT

100% County General Fund. The recommended increase to base salary would result in a total increased payroll cost of approximately \$91,540, \$22,560 of which is retirement cost. The average annual cost of the proposal is approximately \$30,500.

EXECUTIVE SUMMARY

This Committee has worked to quantify and compare annual compensation as opposed to limiting its review to just base salary data. (The Committee's analysis has taken into consideration that some counties are more or less generous with benefits than Contra Costa County.) In addition, we have worked to correct the external influence of geographic differences in cost of living between Contra Costa and its peer counties. This, too, has been taken into consideration in comparing compensation between peer counties.

This Committee has met 8 times and has reviewed over 500 pages of documentation. Agendas, Record of Action notes, and background materials are all available at:

http://64.166.146.155/agenda_publish.cfm?mt=BOSCOMP

Attachment "A" to this Summary Report shows our calculation of Adjusted Annual Compensation for seven peer counties and a cost of living factor adjusted for those counties.¹ Attachment "B" (Board of Supervisors Salary Compensation Comparison to Peer Counties) to this Summary Report shows the Total

¹At the June 11, 2015 Committee Meeting, the Committee decided to exclude San Francisco City/County from the peer county review as was deemed not to be comparable to other peer counties nor to Contra Costa County.

Annual Compensation for each peer county as adjusted for differences in cost of living, and ranked by average and incremental percentile comparisons for the seven peer counties.

Attachment "C" to this Summary Report shows the implementation of the proposed salary in three annual increments. This shows the incremental salary percentage against base salary and how it impacts Annual Total Payroll Costs. The Committee recommends that the adjustments to base salary take place on January 1, 2016; January 1, 2017; and January 1, 2018. Those adjustments are to be at 3.855% each year, which equates to 12% over three years as a result of compounding.

The Committee would like to note that, prior to June 1, 2015, the Board had not had a raise since July, 2007 (see Attachment "D"). When taking the 7% on June 1, 2015 into account, we would like to point out that if the Board chooses to accept the recommended 12% increase, it would, in effect, be accepting what amounts to a 20% increase over five years (from the 2007-2014 level of \$97,483).

BACKGROUND

At the Board's March 3, 2015 direction, the County Administrator invited the following organizations to nominate a member to the Ad Hoc Committee on Board of Supervisors Compensation: East Bay Leadership Council (Rick Wise, selected as Chair); Contra Costa Taxpayers' Association (Margaret Eychner, selected as Vice Chair); Contra Costa Civil Grand Jury Member (Michael Moore, selected as Secretary); Central Labor Council of Contra Costa County (Margaret Hanlon-Gradie); and Contra Costa Human Services Alliance (Stuart McCullough). This Committee met on April 9, April 16, April 23, May 7, May 12, May 28, June 11, and June 18, 2015.

A more detailed discussion on the progression towards this final recommendation is contained in the following report to the Board.

**DETAILED REPORT OF THE
AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION**

This Commission was asked to (a) review the compensation of the Board of Supervisors; (b) recommend any adjustment to the compensation; (c) recommend a methodology and process by which any future increases would occur; and (d) prepare recommendations in time for consideration by the Board of Supervisors at its July 7, 2015 meeting.

On the face of it, if one only looks at base salary for members of the respective Board of Supervisors in the nine Bay Area counties, the Contra Costa Board of Supervisors' salary appears to be well below average (See Attachment "E"). However, early on, this Committee concluded that such a review (whether comparing Bay Area salaries or those of the Urban Counties in the State) should be made on total compensation, not just on base salary data. Our review indicated that the benefits accruing to members of the Board in Contra Costa County are more generous than those of many of the peer counties. While quantifying total compensation is not a precise science, we believed that looking at total compensation for comparable counties merited further investigation.

The Committee identified five guiding principles in our pursuit of a salary review:

- 1) The salary must be fair and equitable.
- 2) The salary should be high enough to attract good candidates and should not be a barrier to service.
- 3) A process should be designed to de-politicize the salary setting effort.
- 4) The salary setting mechanism should be designed to "share the pain" when budget considerations require reductions.
- 5) Any major adjustment to salary should be phased in over time.

During our review of Board salaries, we noted that the 7% increase to the Board's salary effective June 1, 2015 was on top of a restoration of a 2.75% voluntary reduction that was taken by the Board (see Attachment "D"). While the 2.75% decrease was negotiated as a permanent reduction for employees, the Board matched the reduction by voluntarily waiving that portion of their salary effective October 1, 2011. The voluntary waiver by the Board ended on July 31, 2013, at which time the Board's salary effectively increased by 2.75%. The current effective increase of the 2.75% restoration plus the 7% increase amounts to 9.75%. We also noted that the Board voluntarily waived 2.31% between July 1, 2009 and June 30, 2011 to match temporary salary reductions taken by employees through Agreed-upon Temporary Absences (ATAs) during the same period.

Compensation Model

During our first two meetings, the Committee debated whether Members of the Board should receive a salary with benefits like County employees or simply receive only a salary. In addition, the question

arose as to whether the office of County Supervisor should be considered as full- or part-time. Additionally, there were discussions about pegging the Board's salary to another position, like that of Superior Court Judge, State legislator, or County executive.

If one considers a member of the Board as being like an employee, i.e. granted a salary with benefits, this places the Board Member into a potential conflict of interest (i.e. giving themselves benefits for which they have bargained with employee labor groups). Conversely, it was argued that by having the same benefits as their employees, Board Members would know how it feels to live within those benefits. Recognizing that the complex day-to-day operations of the County are vested with the County Administrator, the position of member of the Board of Supervisors is nonetheless a complex and challenging job. The Committee, therefore, considers the elected office of County Supervisor/Board of Supervisors Member to be full-time.

We also discussed the merits of having members of the Board receive a flat salary (no benefits). We did not find a model for treating a Member of the Board as having a flat salary. Additionally, on the issue of pegging the salary to another position, e.g., a Superior Court Judges, we concluded that pegging the salary to an arbitrary position, such as Superior Court Judge, did not make sense, as there is no nexus in job responsibilities.

There was a general discussion about retaining members. While the Committee acknowledged that special knowledge, some gained while serving, is required for Board Members, the consensus of the Committee was that the election cycle is designated to address issues of retention, and likewise, job performance. The Committee consensus was to determine a salary for the position and its job description, rather than to address performance and retention.

Who Should Determine the Board's Compensation?

The Committee recommends that a Salary Commission be established to address future salary adjustments (up or down). We recommend that this Commission be selected from civic associations and composed of impartial committee members. While there are relatively few examples of Salary Commissions in the field of Board of Supervisors, we note that the San Francisco Model addressed our five guiding principles including: setting a fair and equitable salary; addressing salary levels to attract good candidates; removing the salary setting process from the political agenda; providing that the Board "share the pain" during downturns in the County's budget; and allowing for incremental adjustments when warranted. (The Committee favors having any downward adjustment in the Board's salary to be accomplished by ordinance rather than by voluntary waiver of salary.)

A further investigation identified the following salary commissions: San Francisco (set by charter amendment November 5, 2002); the California Citizens Compensation Commission (established by Proposition 112, June 1990 statewide ballot); and that of Multnomah County, Oregon (established by Charter Amendment in 1984).

In the California examples, there were statutory provisions for giving the salary commission actual salary setting authority, something that apparently is not available in Contra Costa. The Contra Costa County Board of Supervisors could legislate that authority to an independent commission but it cannot bind its successors to uphold that authority into perpetuity. Nevertheless, Committee members believe that the

advantage of an impartial review of the Board's compensation will provide sufficient incentive to maintain the practice.

It should be noted that the two California Salary Commissions have granted pay increases and also, during hard times, pay decreases. We also note that several counties, including those with Salary Commissions, include a Cost of Living Adjustment (COLA) periodically. We recommend against establishing mid-salary review COLAs, as we are making a clear distinction between the role of the Board as legislators and policy-makers and the role of County employees, whose salaries are negotiated through collective bargaining. We believe that the three-year salary review cycle we are recommending for the Board will be sufficient to keep the Board's compensation current.

Elements of Compensation for Comparison

We began our research by agreeing that we would use the nine Bay Area counties as the basis for any comparison and that we would try to quantify total compensation for any such comparison. After reviewing population, budget, number of employees, and general complexity of service, such as having a county hospital, of the nine Bay Area counties, we decided to compare Contra Costa to only Alameda and San Mateo Counties¹ (see Attachment "F"). Over several meetings, staff worked to quantify total compensation for each of the three counties. It appeared to us that Contra Costa County is more generous with its benefits granted to Board Members than the other two counties, but the other two counties have significantly higher base salaries.

To estimate "Annual Compensation" for the purpose of our study, staff added to the "Annual Base Salary" the following other elements of compensation:

- County Health/Dental Contribution. In order to compare the same benefit across peer counties, the Committee used Kaiser Single Coverage plus Dental, which was a plan common to all of the peer counties.
- Auto allowance. This is an allowance per pay period in lieu of a County vehicle. In Contra Costa County, this also includes reimbursement for all business mileage.
- Other. This may include professional development allowance, flexible spending allocation, wellness allocation, cafeteria benefit supplement, and/or other cash allowance.

To determine "Total Compensation" for the purpose of our study, we added the following elements to Annual Compensation:

- County Pension Contribution Based on Normal Cost Only. The Committee determined that total County contribution to pension was not a true measure of employee benefit because a county's contribution rate is heavily influenced by the general health of a county's retirement system. County retirement systems that have higher levels of unfunded accrued actuarial liabilities will necessarily have higher contribution rates. Higher contribution rates, however, do not necessarily translate to better employee retirement benefits.

¹ The Committee later decided to expand the list of peer counties, which is discussed further on in this report.

To create a more valid comparison of the pension benefit, the Committee chose to use only a county's contribution to the Normal Basic rate plus COLA. In Contra Costa, that figure is 14.99% for County General Tier 3². (Actual retirement contribution by the County is 36%³, which includes paying down unfunded liabilities.)

- Pension Enhancement/Deferred Compensation. This is a county's contribution to a deferred compensation account for all of the peer counties.

We also gathered data to compare other elements of compensation that did not lend themselves to being included in Total Compensation but are nonetheless significant elements. For example, we estimated what the annual retirement benefit would be for board members in each county based on their pension benefit formula at a retirement age of 55 with eight years of service (two elective terms of office) at Contra Costa's salary plus cash benefits. Contra Costa is right at the average for peer counties.

It should be noted that statutory benefits, e.g., unemployment insurance, workers compensation insurance, social security, and Medicare were excluded from Annual Compensation. (For actual total salary impact on the County Budget, see Attachment "B".)

At our second meeting, the Committee asked staff to quantify any additional income available to the Board to try to determine total compensation. Specifically, staff was asked to quantify stipends for the various boards and commissions assigned to Board Members. California Form 806 (Agency Report of Public Official Appointments), which is to be filed yearly, showed the Board assignments and the yearly reimbursement if all meetings are attended. According to the latest filing for Contra Costa County (2-10-15), Board Members average a maximum yearly stipend of \$7,500 (See Attachment "G"). The following is the total available for each Board Member assuming they attend every meeting: Gioia, \$3,600; Andersen, \$7,800; Piepho, \$7,440; Mitchoff, \$9,300; and Glover, \$9,240. It should also be noted that these assignments can rotate yearly.

A review of similar Form 806s for peer counties does not provide complete data. It is evident that urban counties are likely to have more boards and commissions than other peer counties. For example, in addition to many local boards and commissions, the Bay Area has several "regional" boards including ABAG (Association of Bay Area Counties); BAAQMD (Bay Area Air Quality Management District); BCDC (Bay Conservation and Development Commission); MTC (Metropolitan Transportation Commission); etc. The Committee considers the stipends for Members of the Board to be significant. However, the Committee chose to exclude stipends from the compensation review because precise data was not readily available from the peer counties and also because the stipends per committee assignment appeared to be similar among the peer counties, irrespective of total compensation from stipends.

Adjusting Compensation for Geographic Differences in Cost of Living: Expanding the Peer County Base

The Committee also considered simpler salary setting methodologies such as taking the nine Bay Area counties, disregarding the lowest and highest salaries and setting the Board's salary at the average of the remaining salaries or, alternatively, summing the two highest and two lowest salaries and dividing by four. A quick calculation indicated that the current base salary for the Board was almost 16% below

² CCCERA Actuarial Valuation Report, December 31, 2013.

³ CCCERA Contribution Rate Packet for FY 2015/16.

the average of the nine Bay Area counties. This begged the question before the Committee, how do we quantify total compensation for peer counties and what does it really mean in terms of this County's compensation?

At our third meeting, staff had found a similar salary review ad hoc committee effort that was just concluded in Santa Barbara County. This effort was directed by the County HR staff and included six members of the public. That Committee identified nine peer counties for review. After eliminating the highest and lowest salary counties, seven peer counties remained for comparison. That Committee then factored in for the difference in the cost of living between Santa Barbara County and its seven peer counties using a Cost of Living Composite Index from Relocationessentials.com.

The Cost of Living Composite Index at RelocationEssentials.com represents the differences in the price of goods and services for the subject 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%).

To check the veracity of the data at RelocationEssentials.com, we compared the Median Household Income reported by RelocationEssentials.com with that of the U.S. Census for 2013 for the selected peer counties and found them to be consistent.

The Cost of Living Composite Index gave our Committee the tool (in theory) to make meaningful compensation comparisons between Contra Costa County and "peer" counties both within and outside the Bay Area. Clearly, there is a significant difference in the cost of living between Contra Costa and San Mateo Counties, for example, even though both are Bay Area counties. After reviewing Santa Barbara County's methodology, we chose to expand our peer county base. Using the criteria of county population, unincorporated county population, and budget, and giving preference to the most comparable Bay Area counties, we selected the following counties as "peer counties": Alameda (4 criteria), San Mateo (4 criteria), Sacramento (2 criteria), Fresno (2 criteria), Kern (2 criteria), Ventura (2 criteria), Sonoma (2 criteria), and San Francisco (2 criteria). (See Attachment "H".) The Committee later decided to remove San Francisco County from the analysis because of its City/County governing structure and because it was 11 County Supervisors instead of 5.

Adjusting the Annual Compensation for the peer counties by the Cost of Living Composite Index, we arrived at the "Adjusted Annual Compensation" (See Attachment "A"), to which we added County contributions to post-employment benefits (pension and deferred compensation) to arrive at the Adjusted Total Compensation for each peer county. Using the Adjusted Total Compensation, we prepared scenarios that calculated average compensation, and compensation calculated at the 25th, 37.5th, 50th (median), and 75th percentiles. (See Attachment "B".)

Guiding Principles for the Committee's Analysis and Recommendations

By the fourth meeting (May 7, 2015), the Committee established the following points of consensus:

- 1) The job of County Supervisor should be compensated as a full time job.

- 2) The salary should not be tied to a judge or any position not related or comparable to a County Supervisor.
- 3) The salary should not be tied to another County job classification.
- 4) An independent commission should review the Board's salary at regular intervals.
- 5) 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).
- 6) 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.
- 7) The methodology for future salary setting should embody the leadership principles of sharing the pain during tough times.
- 8) The methodology for future salary setting should attempt to de-politicize the determination of Board compensation.
- 9) 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. (San Francisco County was removed from our analysis at the June 11, 2015 meeting.)
- 10) Compensation for other counties should be corrected for geographical cost of living differences.
- 11) The following quantifiable elements of compensation should be compared: base salary, county normal basic contribution to pension, county contribution to health/dental coverage for a common plan, county contribution to a deferred compensation account or like benefit, auto allowance, any other cash benefit. The estimated annual pension benefit (e.g., at age 55 with 8 years of service), the retiree health benefit, and life insurance benefits will be excluded but may be considered on a qualitative basis.⁴ 12) A commission should review the Board's salary every three years.
- 13) No automatic salary escalator, such as CPI or general employee wage increase, should be applied between BOS salary reviews.
- 14) The Committee should schedule its draft report and recommendations for discussion at two committee meetings prior to finalizing them for Board consideration. Those meeting dates were later scheduled for June 11th and 18th.

At the Committee's fifth meeting (May 12, 2015), the Committee added:

- 15) Compensation for other counties should be corrected for geographic cost of living differences.

⁴ Our Committee performed a comparison of retirement formulas and retiree health benefits on a qualitative basis.

- 16) The Board should be paid at a percentile of market commensurate with County employees, provided there is meaningful data available for such a comparison.

The Committee, at its June 11th meeting, gave direction to staff to prepare a compensation and salary analysis at the 37.5% percentile of peer counties. This factor was arrived at by the estimation that many of Contra Costa County's employees are paid below the 50th percentile (median) of market salary. The County Administrator has estimated that most employees are paid between 8% and 18% below the median. The Committee also asked that staff prepare a schedule for the raise to take place in equal installments over three years: January 1, 2016; January 1, 2017; and January 1, 2018.

The analysis (Attachment "B") shows that the 37th percentile of total compensation (adjusted for cost of living differences between Contra Costa County and its peers), indicates a total compensation level of \$162,341. The salary that is derived from that total compensation level is \$116,840, which maintains the same level of health/dental, deferred compensation, auto allowance, and professional development benefits and also maintains the same ratio of County contribution to pension at 14.99% of salary. The recommended salary level of \$116,840 would place the Board at the 21st percentile for base salary, using peer county base salary figures that were likewise adjusted for differences in cost of living.

Attachment "B" also shows the total impact of the recommended salary of \$116,840 to the County payroll cost (the data most commonly reported on government compensation transparency websites). Once the salary increase is phased in at 12%, the average annual payroll cost per Board member is estimated to increase by \$18,308 (from \$185,994 to \$204,308). The total annual fiscal impact for all five Board members is \$91,540. During the three-year phase-in period, that total annual fiscal impact would be approximately \$30,500.

Recommendations

- 1) Adjust the Board of Supervisors base salary by 12% spread over three years. Make no other salary adjustment until July 1, 2018 except taking any proportional reduction by ordinance to correspond to any general county employee salary reduction.
- 2) Eliminate intra-County mileage reimbursement for Board members, making the auto benefit "\$600/mo plus out-of-County mileage reimbursement".
- 3) Establish an ongoing salary review committee, composed of impartial citizens, to review future salary adjustments. This Committee should review and consider adopting a review methodology that could include quantifying total compensation and factoring in geographic cost of living differentials if peer county review is undertaken. The Board may also want to consider using this methodology in reviewing elected department head salaries.

ATTACHMENT "A"

UPDATED 6-16-15

CONTRA COSTA COUNTY COMPARISON OF TOTAL COMPENSATION TO PEER COUNTIES

	Alameda	Contra Costa	San Mateo	Sacramento	Fresno	Kern	Ventura	Sonoma	San Francisco
Adjusted Total Compensation	\$194,425	\$147,929	\$145,648	\$146,870	\$162,973	\$170,685	\$162,131	\$194,376	\$98,558
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
Pension enhancement	\$ 18,338	\$ 13,020	\$ -	\$ 1,015	\$ -	\$ 6,937	\$ 3,876	\$ 8,308	\$ -
Adjusted Annual Compensation¹	\$161,128	\$118,125	\$130,893	\$132,425	\$142,691	\$155,877	\$147,142	\$167,188	\$89,025
COL Adjustment Factor²	-3.15%	0.00%	-12.47%	12.26%	14.32%	21.55%	4.03%	5.00%	-24.72%
Total Est Annual Compensation	\$ 166,369	\$ 118,125	\$ 149,538	\$ 117,959	\$ 124,820	\$ 128,242	\$ 141,443	\$ 159,228	\$ 118,263
Annual Salary	\$ 147,680	\$ 104,307	\$ 129,917	\$ 101,536	\$ 110,766	\$ 105,107	\$ 129,227	\$ 138,459	\$ 110,858
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
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 A-8.587 1.5% @ 55; 5 years to vest

ATTACHMENT "A"
UPDATED 6-16-15

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.
----------------	---	--	--	---	--	---	--	--	--

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.

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

<u>Agency</u>	<u>Partial Annual</u>	<u>CCC Partial</u>	<u>Partial Annual</u>	<u>Add Back</u>	<u>Total</u>
	<u>Compensation</u> <u>(Excluding</u> <u>Pension & Def Comp)</u>	<u>Annual</u> <u>Compensation</u> <u>Equivalency</u> <u>COL Adjusted²</u>	<u>Compensation</u> <u>COL Adjusted¹</u>	<u>Pension &</u> <u>Def Comp</u>	<u>Compensation</u> <u>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	117,959	105,220	132,426	14,444	146,870
San Mateo	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	\$ 162,341
50th Percentile	141,443		147,141	14,989	162,972
75th Percentile	154,383		158,501	23,735	182,530
Contra Costa	118,125		118,125	29,804	147,929
% 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%

¹ 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.

² CCC 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.

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

Deriving the annual salary level from total compensation, using 37.5th percentile as selected by the Committee:

	<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

To derive total payroll from annual salary:

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

ATTACHMENT "C"
Suggested Methodology to Phase in Recommended Salary Increment
Based on Method 1 Using Total Compensation

	Increments	Method to Arrive at 37.5th Percentile	
	Current Salary	3 @ 3.855%	Increase from 6/1/15
Annual Base Salary:	\$ 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%
Annual Salary w/ Additional Compensation	\$ 147,929	\$ 162,341	9.7%
Annual Total Payroll Cost	\$ 185,994	\$ 204,303	9.8%

ATTACHMENT "D"

CONTRA COSTA COUNTY

SALARY HEALTH PLAN SUBSIDY ADJUSTMENTS FOR A SAMPLING OF GROUPS

Fiscal Year	Salary Adjustments				Health Benefit Changes		
	Board of Supervisors	Mgmt/Unrepresented	Local 1	DSA Management	Board of Supervisors & Mgmt/Unrepresented	Local 1	DSA
2004-05		3% 10/04	3% 10/04	5% 10/04	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2005-06		0	0	0	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2006-07	59.5% 2/07	\$1500 11/06*	0	2% 10/06	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2007-08	2% 7/07	2% 7/07	2% 7/07	2% 10/07 & 2% 3/08	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2008-09	Waived 2.31% to match ATA***	2% 7/08	2% 7/08	0	80% of Kaiser premium	80% of Kaiser premium	87% of PERS Kaiser Bay Area Premium
2009-10	Waived 2.31% to match ATA	0	0	0	Capped at 2009 rate +50% of increase	Capped at 2009 rate +50% of increase	87% of PERS Kaiser Bay Area Premium
2010-11	Waived 2.75% to match negotiated wage reductions	0	0	0	Capped at 2009 rate +50% of increase	Capped at 2009 rate +50% of increase	87% of PERS Kaiser Bay Area Premium
2011-12	Waived 2.75%	-2.75% 10/11	\$500 5/12	0	Capped 2011	Capped 2011	Capped 1/12 + 75% of PERS Kaiser Bay Area increase
2012-13	Waived 2.75%	0	-2.75% 7/12 \$500 5/13	-2.81% 7/12	Capped 2011	Capped 2011	Capped 1/12 + 75% of PERS Kaiser Bay Area increase
2013-14	Waived 2.75% for 7/13 and discontinued waiver thereafter	2% 8/13	\$750 5/14	3% 1/14	Capped 2011	Capped 2011	Capped 11/13 + 50% of increase for all plans
2014-15	7% 6/15	2% 8/14 \$1000 **	4% 4/14 ; \$750 5/15	3% 7/14	Capped 2011	Capped 2011	Capped 11/13 + 50% of increase for all plans
2015-16		3% 7/15	3% 7/15	3% 7/15	Capped 2011	Capped 2011	Capped 11/13 + 50% of increase for all plans

* Management Resolution 2006/709

** Management Resolution 2013/318

*** ATA is Agreed-upon Temporary Absence, which was a negotiated absence without pay.

URBAN COUNTY BOARD OF SUPERVISORS MEMBER			
Sorted by Salary (highest to lowest)			
Counties ¹	County Population ²	Annual Salary ³	Salary Formula
LOS ANGELES	10,017,068	\$181,292	100% of Superior Court judges salary
SAN BERNARDINO	2,088,371	\$151,971	San Bernardino - Set by Ordinance; tied to average of Riverside, Orange, San Diego, and L.A. BOS salaries
SAN DIEGO	3,211,252	\$147,688	80% of Superior Court judges salary
SANTA CLARA	1,862,041	\$147,684	80% of Superior Court judges salary
ALAMEDA	1,578,891	\$147,680	80% of Superior Court judges salary
RIVERSIDE	2,292,507	\$143,031	80% of Superior Court judges salary
ORANGE	3,114,363	\$143,031	80% of Superior Court judges salary
VENTURA	839,620	\$126,904	70% of Superior Court judges salary
SAN MATEO	747,373	\$126,144	Set by Ordinance
SAN FRANCISCO	837,442	\$110,858	Set by Civil Service Commission every 5 years
SACRAMENTO	1,462,131	\$99,723	55% of Superior Court judges salary
CONTRA COSTA	1,094,205	\$97,483	Set by Ordinance
¹ Counties represent urban California counties ² Data from U.S. Census Bureau 2013 estimates ³ Figures may be rounded, and may not include 1.83% judicial salary increase effective July 1, 2014			

BAY AREA COUNTY BOARD OF SUPERVISORS SALARIES			
Counties ¹	County Population ²	Annual Salary ³	Salary Formula
SANTA CLARA	1,862,041	\$147,684	80% of Superior Court Judge salary
ALAMEDA	1,578,991	\$147,684	80% of Superior Court Judge salary
SONOMA	495,025	\$138,459	75% of judicial salaries
SAN MATEO	747,373	\$126,144	Set by Ordinance
SAN FRANCISCO	837,442	\$110,858	Set by Civil Service Commission every 5 years
MARIN	258,365	\$108,784	60% of Superior Court Judge salary, plus COLA calculated by Bay Area consumer price index
SOLANO	424,788	\$97,843	53% of Superior Court Judge's salary
CONTRA COSTA	1,094,205	\$97,483	Set by Ordinance
NAPA	140,326	\$84,198	47.09% of Superior Court Judge's Salary
¹ Surveyed counties represent the other 8 ABAG counties ² Data from U.S. Census Bureau 2013 estimates ³ Figures may be rounded and may not include 1.83% judicial salary increase effective July 1, 2014			

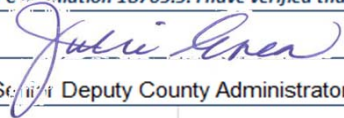
ATTACHMENT "F"

	Alameda	Contra Costa	San Mateo
TOTAL EST VALUE	<u>206,229</u>	<u>166,163</u>	<u>183,523</u>
Annual Salary	147,680	104,307	129,912
Pension Contribution	28,916	40,429	40,272.72
Pension & Vesting	Tier 2A is 1.492% @ 55; Tier 4 is 1.3% @ 55; County pays employer share only; avg contribution is 19.58%	Tier 1 & 3 Enhanced is 2% @ 55; County contributes 38.8%	< 8/7/11 = 1.948% @ 55; County contributes 30-31%
Health/Dental	90% of premium	50-60% of premium	75-85% of premium
Other insurance	-	1,164	-
Pension enhancement	\$ 18,338	\$ 12,600	\$ -
Auto allowance	\$ 8,296	\$ 7,200	\$ 13,338
Other	\$ 3,000	\$ 463	\$ -
Retiree Health	County provides none. However, ACERA provides partial benefits with 10 years svc credit. 3,321-6264	8,553	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.

**Agency Report of:
Public Official Appointments**

Date Posted
(Month, Day, Year)

A Public Document

1. Agency Name	Contra Costa County		
Division, Dept. or Region (If Applicable)	Board of Supervisors	Area Code/Phone Number	925-335-1900
Designated Agency Contact (Name, Title)	David Twa, County Administrator	Email	david.twa@cao.cccounty.us
<i>I have read and understand FPPC Regulation 18705.5. I have verified that the appointment and information identified is true to the best of my information and belief.</i>			
Signature of Agency Head or Designee		Print Name	Julie DiMaggio Enea
Title	Senior Deputy County Administrator	Month, Day, Year	2/10/2015

2. Appointments

Agency Boards and Commissions	Name of Appointed Person (Last, First)	Name of Alternate (Last, First)	Appointment Date	Length of Term (in years)	Per Meeting	Estimated Annual Salary/Stipend
ABAG Executive Board (Seat 1)	Mitchoff, Karen	John Gioia	7/1/2014	2	\$ 150.00	\$ 1,800.00
ABAG Executive Board (Seat 2)	Andersen, Candace	Piepho, Mary N.	7/1/2014	2	\$ 150.00	\$ 1,800.00
ABAG Regional Planning Committee	Mitchoff, Karen	N/A	1/6/2015	1	\$ 150.00	\$ 1,800.00
Bay Area Air Quality Management District Board of Directors #1	Gioia, John	N/A	1/8/2013	4	\$ 100.00	\$ 1,200.00
Bay Area Air Quality Management District Board of Directors #2	Mitchoff, Karen	N/A	1/6/2015	1	\$ 100.00	\$ 1,200.00
Bay Conservation & Development Commission	Gioia, John	Glover, Federal D.	1/6/2015	1	\$ 100.00	\$ 2,400.00
CCCERA (Contra Costa County Employees Retirement Association) Board of Trustees	Candace Andersen; (Mitchoff, Karen through 2/28/15;)	Holcombe, Jerry	3/1/2015	-1	\$ 100.00	\$ 2,400.00
Central Contra Costa Solid Waste Authority Board of Directors Seat #1	Andersen, Candace	N/A	1/6/2015	1	\$ 50.00	\$ 1,200.00
Central Contra Costa Solid Waste Authority Board of Directors Seat #2	Mitchoff, Karen	N/A	1/6/2015	1	\$ 50.00	\$ 1,200.00
Central Contra Costa Transit Authority (CCCTA) Board of Directors	Andersen, Candace	Mitchoff, Karen	1/8/2013	2	\$ 100.00	\$ 2,400.00
Contra Costa Transportation Authority Board of Directors Seat #1	Glover, Federal D.	Gioia, John	1/6/2015	2	\$ 100.00	\$ 2,400.00
Contra Costa Transportation Authority Board of Directors Seat #2	Mitchoff, Karen	Andersen, Candace	1/8/2013	3	\$ 100.00	\$ 2,400.00
Contra Costa Transportation Authority Board of Directors, Second Alternate (Seat 1)	Andersen, Candace	N/A	1/6/2015	2	\$ 100.00	\$ 2,400.00
Contra Costa Transportation Authority Board of Directors, Third Alternate (Seat 1)	Piepho, Mary N.	N/A	1/6/2015	2	\$ 100.00	\$ 2,400.00
Delta Diablo Sanitation District Governing Board	Glover, Federal D.	Mitchoff, Karen	1/6/2015	1	\$ 170.00	\$ 2,040.00
East County Water Management Association Board of Directors	Piepho, Mary N.	Glover, Federal D.	1/6/2015	2	\$ 170.00	\$ 2,040.00
Hazardous Waste Management Facility Allocation Committee	Mitchoff, Karen	Andersen, Candace	1/6/2015	1	\$ 150.00	\$ 900.00
Local Agency Formation Commission	Glover, Federal D.	Andersen, Candace	5/6/2014	4	\$ 150.00	\$ 1,800.00
Local Agency Formation Commission	Piepho, Mary N.	Andersen, Candace	5/6/2014	4	\$ 150.00	\$ 1,800.00
Metropolitan Transportation Commission	Glover, Federal D.	N/A	1/6/2015	4	\$ 100.00	\$ 1,200.00
Tri Delta Transit Authority, Board of Directors (Seat 1)	Glover, Federal D.	N/A	1/8/2013	4	\$ 100.00	\$ 1,200.00
Tri Delta Transit Authority, Board of Directors (Seat 2)	Piepho, Mary N.	N/A	1/8/2013	3	\$ 100.00	\$ 1,200.00
West Contra Costa Integrated Waste Management Authority Board of Directors	Glover, Federal D.	Gioia, John	1/6/2015	1	\$ 50.00	\$ 600.00

ATTACHMENT "H"
SELECTION OF PEER COUNTIES

COMPARISON DATA
Fiscal Year 2014-2015

				<u>County</u>	<u>Annual Salary</u>	<u>Annual Salary</u> <u>COL Adjusted</u> ⁵	<u>% Variance</u> <u>From CCC</u>	<u>County</u> <u>Population</u> ⁶	<u>Pop</u> <u>Rank</u>	<u>UI Population</u> ⁶	<u>UI % of</u> <u>Total</u>	<u># of</u> <u>Cities</u>	<u>FTEs Funded/</u> <u>Adopted</u> ³	<u>FY 2014/15</u> <u>General Fund</u>	<u>FY 2014/15</u> <u>Total Governmental Funds</u>	<u>FY 2014/15</u> <u>Total All Funds</u>	<u>Fund</u> <u>Rank</u>
Filters*																	
			BA	Santa Clara	147,680	134,989	29.4%	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%	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%	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%	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%	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%	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%	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%	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%	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%	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%	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%	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%	140,362	13	26,899	19.2%	5	1,411	\$ 209,451,517	\$ 505,434,230	\$ 624,414,293	12

⁵COL 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.

⁶CA Dept of Finance for 1/1/15



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

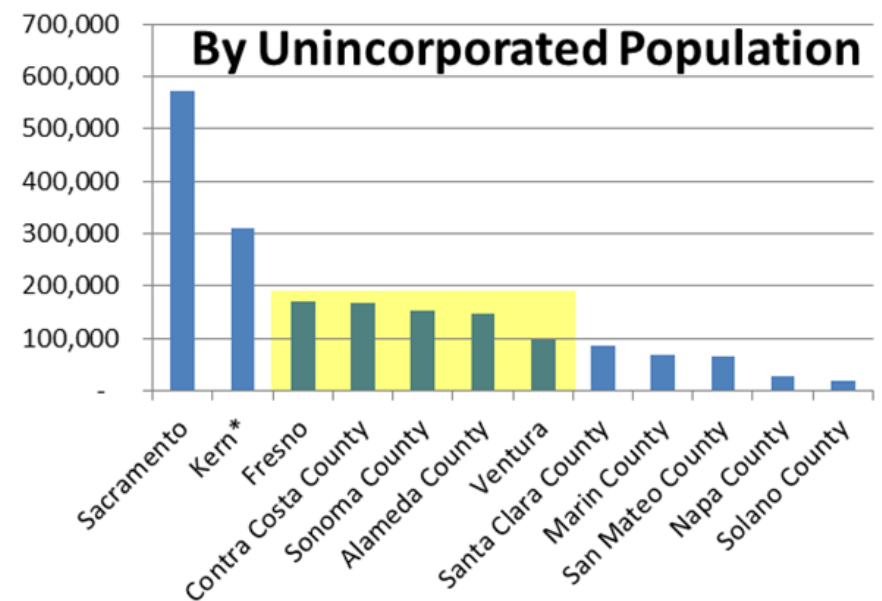
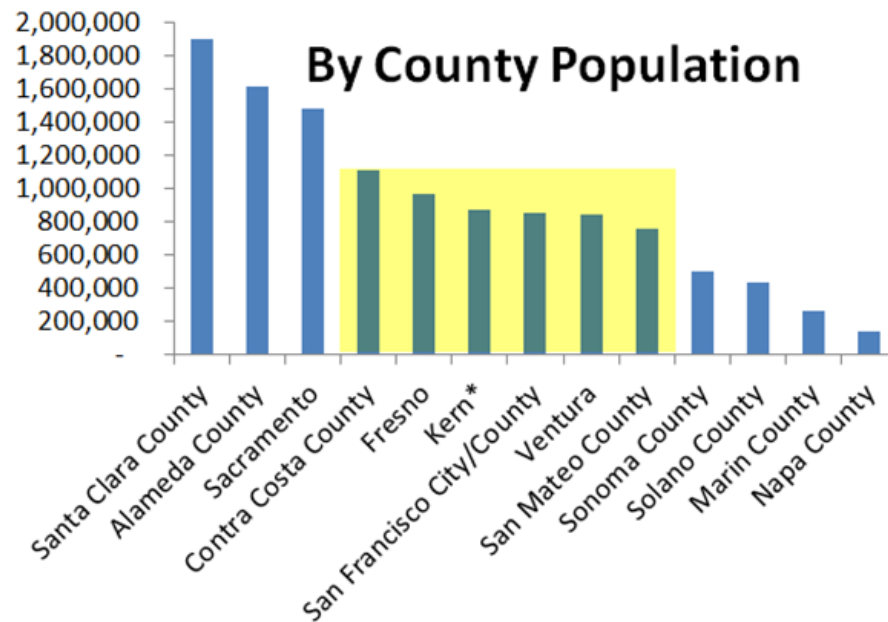
- Board of Supervisors Member is a full-time job
- Salary should not be tied to a judge or any position not comparable to a County Supervisor
- Salary should not be tied to another County job classification
- Salary should be based on job duties and responsibilities rather than performance (which is 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

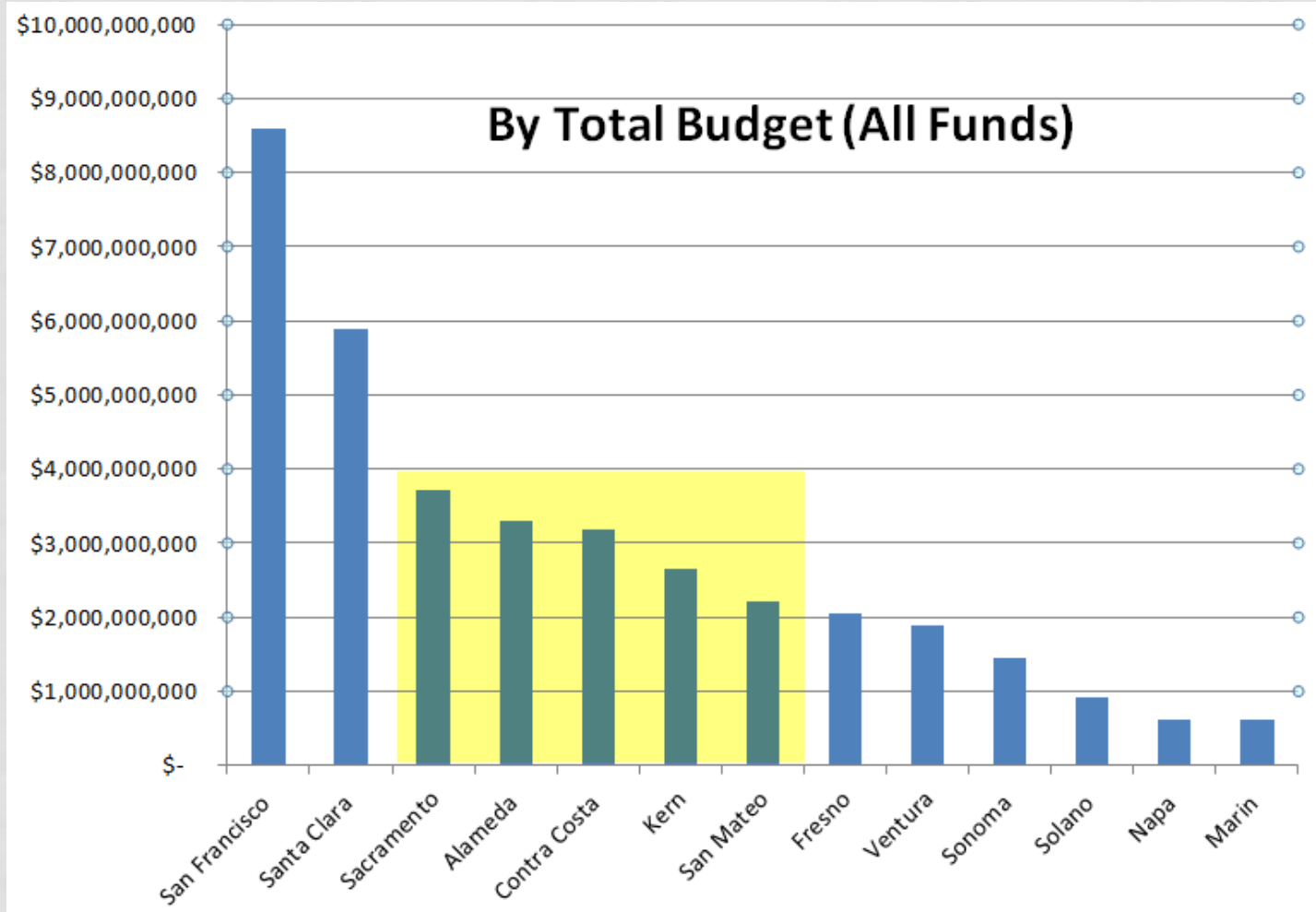
During six public meetings, Committee reviewed:

- 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, 25th, 37.5th, 50th, and 75th percentiles

PEER COUNTY SELECTION: POPULATION



PEER COUNTY SELECTION: BUDGET



July 7, 2015

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>
Filters*							
			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			

July 7, 2015

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)

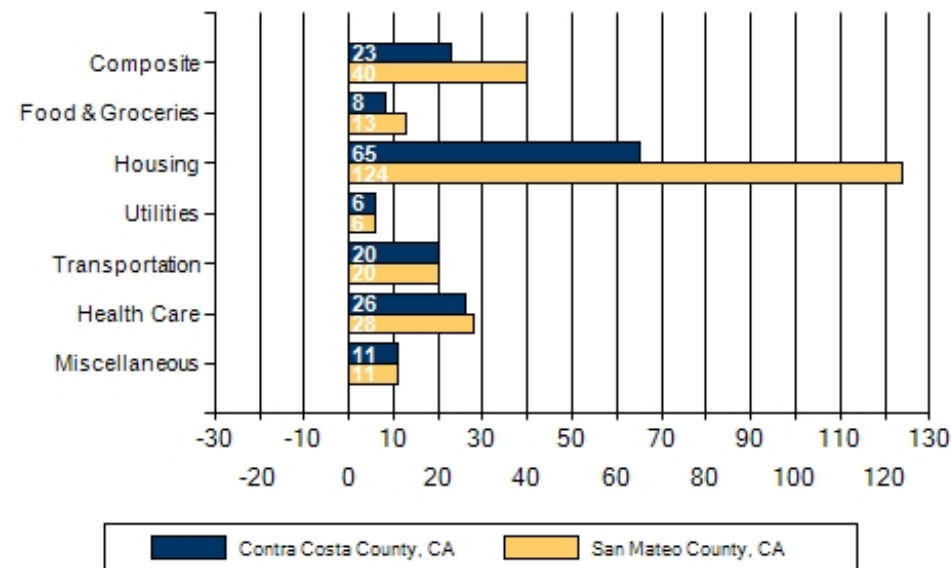
OTHER COMPENSATION

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.



July 7, 2015

12

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 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	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
Contra Costa	118,125		118,125	29,804	147,929
% 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%

¹Total 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 excludes pension and deferred compensation contributions.

July 7, 2015

13

MODIFICATION TO ARRAY USED IN PEER COUNTY COMPARISON

<u>Agency</u>	<u>Partial Annual Compensation</u> <u>(Excluding Pension & Def Comp)</u>	<u>CCC Partial Annual Compensation</u> <u>Equivalency COL Adjusted²</u>	<u>Partial Annual Compensation</u> <u>COL Adjusted¹</u>	<u>Add Back Pension & Def Comp</u>	<u>Total Compensation</u> <u>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	117,959	105,220	132,426	14,444	146,870
San Mateo	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	\$ 162,341
50th Percentile	141,443		147,141	14,989	162,972
75th Percentile	154,383		158,501	23,735	182,530
Contra Costa	118,125		118,125	29,804	147,929
% 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

	Increments	Method to Arrive at 37.5th	
	Current Salary	3 @ 3.855%	Increase from 6/1/15
Annual Base Salary:	\$ 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%
Annual Salary w/ Additional Compensation	\$ 147,929	\$ 162,341	9.7%
Annual Total Payroll Cost	\$ 185,994	\$ 204,303	9.8%

July 7, 2015

17

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

July 7, 2015

20