# AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

**March 19, 2019**
**3:00 P.M.**
**651 Pine Street, Room 101, Martinez**

Agenda

Larry Hendel, Central Labor Council of Contra Costa County, AFL-CIO
Terri Montgomery, East Bay Leadership Council
Angie Coffee, East Bay Leadership Council
Tom Hansen, Building Trades Council
Clifford Bowen, Public At Large

Facilitator: David Twa, Contra Costa County Administrator

| **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. APPROVE the Record of Action from the March 11, 2019 meeting.

4. CONSIDER the draft report on Board of Supervisors compensation and the methodology and process by which future increases should occur.

5. The next meeting is currently scheduled for March 26, 2019.

6. Adjourn

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*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.*

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*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.*

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*Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.*

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For Additional Information Contact:

David Twa, County Administrator
Phone (925) 335-1080, Fax (925) 646-1353
david.twa@cao.cccounty.us

Contra Costa County
Administrator's Office
Committee Report

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

| | | | |
|---|---|---|---|
| **Meeting Date:** | 03/19/2019 | | |
| **SUBJECT:** | APPROVE Record of Action from the March 11, 2019 meeting | | |
| **FROM:** | Ad Hoc Committee On BOS Compensation, | | |
| **DEPARTMENT:** | County Administrator | | |
| **PRESENTER:** | David Twa, County Administrator | **CONTACT:** | David Twa, (925) 335-1080 |

**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.

**Update:**
Attached for the Committee's consideration is the Record of Action for the March 11, 2019 meeting.

**Recommendation(s)/Next Step(s):**
APPROVE the Record of Action from the March 11, 2019 meeting.

**Attachments**

Record of Action - March 11, 2019

# AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

***Record of Action***

**March 11, 2019**
**3:00 P.M.**
**651 Pine Street, Room 101, Martinez**
***AND* 321 Park Drive, Aptos, CA 95003**

Larry Hendel, Central Labor Council of Contra Costa County, AFL-CIO
Terri Montgomery, East Bay Leadership Council
Angie Coffee, East Bay Leadership Council
Tom Hansen, Building Trades Council
Clifford Bowen, Public At Large

Facilitator: David Twa, Contra Costa County Administrator

| **Agenda Items:** | Items may be taken out of order based on the business of the day and preference of the Committee |
|---|---|

*The Ad Hoc Committee on Board of Supervisors Compensation convened at 3:00 PM on March 11, 2019. Larry Hendel, Terri Montgomery, Angie Coffee and Tom Hansen were in attendance and Clifford Bowen phoned in remotely.*

*The Committee received no public comment.*

*The Committee approved the record of action of the February 28, 2019 meeting.*

*The Committee reviewed the materials for the meeting and reaffirmed the decision to eliminate auto allowance from calculations of compensation for comparison purposes. The Committee also decided to use average salary and other pay for comparison purposes instead of using the median pay of the peer counties.*

*Staff was directed to return with a draft report recommending that the Board of Supervisors salary be phased in over a period of three years with the intent to match the salary with the 9 peer county average salary figure as a percentage of Judicial pay. The Committee proposed the following: year one 60% of Judicial pay; year two 63% of Judicial pay; and year three at 65% of Judicial pay.*

*The meeting adjourned at 4:00 PM.*

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*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.*

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*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:

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Contra Costa County
Administrator's Office
Committee Report

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

| | | | |
|---|---|---|---|
| **Meeting Date:** | 03/19/2019 | | |
| **SUBJECT:** | CONSIDER the draft report on Board of Supervisors compensation and the methodology and process by which future increases should occur. | | |
| **FROM:** | Ad Hoc Committee On BOS Compensation, | | |
| **DEPARTMENT:** | County Administrator | | |
| **PRESENTER:** | David Twa, County Administrator | **CONTACT:** | David Twa, (925) 335-1080 |

**History:**

The Ad Hoc Committee, at the March 11 meeting, directed staff to return with a draft report recommending that the Board of Supervisors salary be phased in over a period of three years with the intent to match the salary with the 9 peer county average salary figure as a percentage of Judicial pay. The Committee proposed the following: year one 60% of Judicial pay; year two 63% of Judicial pay; year three 65% of Judicial pay.

**Update:**

Attached is the draft report per the Committee's direction.

**Recommendation(s)/Next Step(s):**

CONSIDER the draft report on Board of Supervisors compensation and the methodology and process by which future increases should occur.

**Attachments**

Draft Report

**REPORT OF THE**
**AD HOC COMMITTEE ON**
**BOARD OF SUPERVISORS COMPENSATION**
**Larry Hendel, Central Labor Council of Contra Costa County, AFL-CIO**
**Terri Montgomery, East Bay Leadership Council**
**Angie Coffee, East Bay Leadership Council**
**Tom Hansen, Building Trades Council**
**Clifford Bowen, Public at large**

**March 19, 2019**

## RECOMMENDATIONS

1) The salary of Board of Supervisors members should be tied to that of the District Court judges

2) Adjust the Board of Supervisors base salary starting with Fiscal Year 2019/20 to tie future salary adjustments to 60% of the District Court Judges' salaries.

3) Adjust the Board of Supervisors base salary starting with Fiscal Year 2020/21 to tie future salary adjustments to 63% of the District Court Judges' salaries.

4) Adjust the Board of Supervisors base salary starting with Fiscal Year 2021/22 and future years to tie future salary adjustments to 65% of the District Court Judges' salaries.

FISCAL IMPACT

100% County General Fund. The First year the recommended increase to base salary would result in a total increased payroll cost of approximately $53,255 of which $11,700 is the County contribution to retirement cost.

## REPORT OF THE AD HOC COMMITTEE ON BOARD OF SUPERVISORS COMPENSATION

At the Board of Supervisors December 18, 2018 meeting the County Administrator was directed to appoint a 5-member Ad Hoc Committee on Board of Supervisors Compensation composed of impartial citizens representing business, labor, and the general public. The Board requested that the following organizations nominate members to the Ad Hoc Committee:

- East Bay Leadership Council (EBLC) selected two individuals, Terri Montgomery, and Angie Coffee;
- the Central Labor Council of Contra Costa County, AFL-CIO selected Larry Hendel;
- the Building Trades Council selected Tom Hansen.

As directed by the Board of Supervisors, the County Administrator conducted an application process to appoint a member at large from applications received via a public solicitation process. Five members of the public submitted applications, from which the County Administrator selected Clifford Bowen, a former member of the Contra Costa County Civil Grand Jury to be the at large member.

The Charge of the Commission was 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 April 9, 2019 meeting.

At the first meeting of the Committee, the members elected Tom Hansen as the Chair, and Clifford Bowen as the Vice Chair. The Committee met on February 5, 12, 20, & 28, and on March 11, & 19.

The Committee discussed the following factors that would be important in setting compensation for the Board of Supervisors:

1) While salary is not the guiding factor for Supervisorial candidates, it should be fair and equitable, not be so low as to be a barrier to public service and should be high enough to attract good candidates.

2) 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).

3) A process should be designed to de-politicize the practice of setting a salary for Board members.

4) Any major adjustment to salary should be phased in over time.

Determination of the Board of Supervisors compensation has always been complicated by issues of whether or not to use base salary, other pay items, Pension contributions, Pension Benefits, Health care contributions and numerous other factors. Additional consideration was what Counties should be use for comparison purposes? In order to simplify the process, the Committee decided to use the 9 Area Counties most commonly used in salary studies for Department Heads and other major employee classifications. Those Counties are all Bay Area Counties except for Sacramento. For ease of reference we refer to these 9 Counties as "Bay Area Counties" even though it includes Sacramento. The City/County of San Francisco Board of Supervisors was not considered due to its unique make up of both City and County elected officials.

The Committee's analysis has taken into consideration that of the 9 Bay Area counties used as comparable, 7 tie their salaries to a percentage of the Superior Court Judges salaries. The Committee also noted of the 9 Bay Area Counties some provide more generous benefits and some provide less generous benefits than Contra Cost County. Because of this, the Committee has worked to quantify and compare total annual compensation as opposed to limiting its review to just base salary data The Committee met 6 times and reviewed a number of materials relating to compensation.

The Committee also had available for their review over 500 pages of documentation. Agendas, Record of Action notes, and background materials from the previous Ad Hoc Committee on Board of Supervisors Compensation from 2015. All of this material is available publicly at:

http://64.166.146.245/agenda_publish.cfm?get_month=3&get_year=2019&mt=BOSCOMP&countDownload=&downloadFile=&id=

Attached to this report are some of the materials reviewed by the Committee.

Attachment "A" shows the comparable compensation elements for the 9 Bay Area counties. Attachment "B" shows the history of Judicial Pay Increases for the past nine years. Attachment "C" shows the salary history for the Contra Costa County Board of Supervisors dating back to

1995. Attachment “D” shows the listing of comparable counties that tie Supervisor salaries to a percentage of Superior Court Judge. Attachment “E” illustrates the implementation of the proposed salary in three annual increments and the percentage of Superior Court Judge pay, The Committee recommends that each adjustment to base salary take place on July 1 of 2019, 2020, 2021.

The Committee considered 11 difference compensation factors for review, including County Population and Annual Budgets for each of the 9 Counties. (see appendix A – Comparison of Compensation to peer counties). These compensation factors were separated into three categories, (1) which benefits were directly related to monetary comparisons, (2) which benefits would be viewed as standard items to each comparison County, and (3) which benefits would be viewed as “special” to individual Counties.

Based on the Committee’s review they determined that items such as Pension contributions, Pension Benefits, and Health care contributions were standard items to each comparison County. After further refinement, the Committee settled on Annual Salary, Other Pay, Auto Allowance and Deferred Compensation as the primary factors for comparison purposes.

Even with narrowing of these categories, the Committee found it difficult to make accurate determinations of compensation comparisons for the 9 Bay Area Counties. Transparent CA’s website provides excellent materials, but tends to lag behind actual numbers. Staff was able to update some of the information through individual contacts in each of the Counties, but even then it was unclear as to whether or not some of the data was accurate, or double counted by virtual of how it was reported by each of the Counties. Auto allowance and Deferred Compensation items were often included in whole or in part with the Other Pay numbers reported by Transparent CA.

Recognizing the many policy decisions that the Board of Supervisors makes, it was clear that the position of County Supervisor is a complex and challenging full time job. For compensation purposes, a Board member is a County employee, (i.e. granted a salary with benefits), this places the Board member into a potential conflict of interest in setting their own salary, since the Board would be giving themselves salary and benefits for which they have also bargained with other employee labor groups.

This has led 7 of the 9 Bay Area Counties to tie their salary increases to that of the District Court Judges. (See Attachment D). Annual increases in judicial salaries are linked to those received by executive branch employees as negotiated through statewide collective bargaining agreements. After bargaining agreements are reached, CalHR calculates the proposed increase amount and submits a formal Exempt Pay Letter to the State Controller. The methodology CalHR uses to calculate judicial salary increases pursuant to § 68203 is based on salary costs related to *all* state employees within the executive branch. This methodology calculates an average general salary increase relative to the state's entire executive branch workforce, which includes 21 bargaining units as well as the remaining excluded employees. The methodology takes into account the size of the bargaining unit and the total costs of general salary increases across the entire executive branch. (See Attached Memorandum from the Judicial Council of California). Over the past 10 years the annual increases in judicial salaries has been approximately the same as that given to Contra Costa County employees.

At its February 28, 2019 meeting the Committee agreed that the auto allowance should be viewed as an expense reimbursement and it was eliminated from the Salary and Other Pay categories for comparison purposes. A comparison of Salary only showed the 9 Bay Area Counties used for comparison purposes to average $134,372 and for Salary and other pay items to average $150,569. Using the same data, Contra Costa County Salary only was currently at $116,841, and for Salary and other comparable pay items was $129,861. Contra Costa County was therefore between $17,531 and $20,708 lower than the 9 Bay Area Counties. The Committee recognized that because of the significant difference it would be appropriate to phase any increase in over a three-year period.

Based on this, the Committee, at its March 11 meeting, gave direction to staff to prepare a schedule for the salary increase to start at 60% of the District Court Judges salary upon Ordinance effective date in 2019 and to increase to 63% of the District Court Judges salary on July 1, 2020 and increase to 65% of the District Court Judges salary on July 1, 2021, and for each year thereafter.

**RECOMMENDATIONS**

1) The salary of Board of Supervisors members should be tied to that of the District Court judges

2) Adjust the Board of Supervisors base salary starting with Fiscal Year 2019/20 to tie future salary adjustments to 60% of the District Court Judges' salaries.

3) Adjust the Board of Supervisors base salary starting with Fiscal Year 2020/21 to tie future salary adjustments to 63% of the District Court Judges' salaries.

4) Adjust the Board of Supervisors base salary starting with Fiscal Year 2021/22 and future years to tie future salary adjustments to 65% of the District Court Judges' salaries.

**/Salary Committee report 2019 DRAFT**

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **TOTAL COMPENSATION** | | | | | | | | | | | | | | | | | | | | | |
| 2 | 22-Feb-19 | | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | **POPULATION** | | **BUDGET[1]** | | **ANNUAL SALARY** | | **OTHER PAY** | | **AUTO ALLOWANCE** | | **DEFERRED COMP** | | **TOTAL ALL COLUMNS** | | **ANNUAL SALARY, OTHER PAY, DEFERRED COMP** | | **EE PENSION CONTRIBUTION** | | **ANNUAL PENSION BENEFIT** | | **KAISER A FAMILY COVERAGE** |
| 5 | | | | | | | | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | | | | | | | | |
| 7 | ALAMEDA | 1,660,202 | | $ 3,996.8 | | $ 165,939 | | $ 7,903 | | | | | | $ 173,842 | | $ 173,842 | | $ 14,171 | | $ 19,806 | | $ 21,205 |
| 8 | MARIN | 263,886 | | $ 766.6 | | $ 124,454 | | $ 13,428 | | $ 9,600 | | | | $ 147,482 | | $ 137,882 | | $ 12,869 | | $ 19,913 | | $ 20,410 |
| 9 | NAPA | 141,294 | | $ 494.4 | | $ 97,676 | | $ 9,380 | | $ 5,280 | | $ 1,000 | | $ 113,336 | | $ 108,056 | | $ 7,912 | | $ 19,535 | | $ 21,169 |
| 10 | SACRAMENTO | 1,529,501 | | $ 4,298.4 | | $ 114,083 | | $ 10,434 | | | | $ 1,141 | | $ 125,658 | | $ 125,658 | | $ 12,389 | | $ 17,770 | | $ 17,439 |
| 11 | SAN MATEO | 774,155 | | $ 2,667.4 | | $ 146,908 | | $ 13,235 | | $ 13,338 | | | | $ 173,481 | | $ 160,143 | | $ 11,978 | | $ 21,932 | | $ 18,824 |
| 12 | SANTA CLARA | 1,956,598 | | $ 8,868.1 | | $ 165,939 | | $ 4,800 | | | | $ 18,500 | | $ 189,239 | | $ 189,239 | | $ 6,523 | | $ 33,188 | | $ 15,033 |
| 13 | SANTA CRUZ | 276,864 | | $ 821.6 | | $ 128,846 | | $ 4,210 | | | | | | $ 133,056 | | $ 133,056 | | $ 8,820 | | $ 20,160 | | $ 24,048 |
| 14 | SOLANO | 439,793 | | $ 1,093.8 | | $ 109,935 | | $ 34,256 | | $ 10,400 | | $ 1,319 | | $ 155,910 | | $ 145,510 | | $ 7,695 | | $ 23,746 | | $ 18,577 |
| 15 | SONOMA | 503,332 | | $ 1,679.6 | | $ 155,568 | | $ 24,608 | | | | $ 1,556 | | $ 181,732 | | $ 181,732 | | $ 18,559 | | $ 31,114 | | $ 18,704 |
| 16 | | | | | | | | | | | | | | | | | | | | | | |
| 17 | 9 County Average | 838,403 | | $ 2,743.0 | | $ 134,372 | | $ 13,584 | | $ 9,655 | | $ 4,703 | | $ 154,860 | | $ 150,569 | | $ 11,213 | | $ 23,018 | | $ 19,490 |
| 18 | Median (50 percentile) | 503,332 | | $ 1,679.6 | | $ 128,846 | | $ 10,434 | | | | | | $ 155,910 | | $ 145,510 | | $ 11,978 | | $ 20,160 | | $ 18,824 |
| 19 | | | | | | | | | | | | | | | | | | | | | | |
| 20 | CONTRA COSTA | 1,149,363 | | $ 4,098.0 | | $ 116,841 | | $ 7,200 | | $ 7,200 | | $ 13,020 | | $ 144,261 | | $ 137,061 | | $ 14,278 | | $ 18,695 | | $ 18,539 |
| 21 | | | | | | | | | | | | | | | | | | | | | | |
| 22 | Amount Below Average | (310,960) | | $ (1,355) | | $ 17,531 | | $ 6,384 | | $ 2,455 | | $ (8,317) | | $ 10,599 | | $ 13,508 | | $ (3,065) | | $ 4,323 | | $ 951 |
| 23 | Percent below Average | -37.1% | | -49.4% | | 13.0% | | 47.0% | | 25.4% | | -176.8% | | 6.8% | | 9.0% | | -27.3% | | 18.8% | | 4.9% |
| 24 | | | | | | | | | | | | | | | | | | | | | | |
| 25 | Amount Below Median | (646,031) | | $ (2,418) | | $ 12,005 | | $ 3,234 | | | | | | $ 11,649 | | $ 8,449 | | $ (2,300) | | $ 1,465 | | $ 285 |
| 26 | Percent Below Median | -128.4% | | -144.0% | | 9.3% | | 31.0% | | | | | | 7.5% | | 5.8% | | -19.2% | | 7.3% | | 1.5% |
| 27 | | | | | | | | | | | | | | | | | | | | | | |
| 28 | [1] ***in millions*** | | | | | | | | | | | | | | | | | | | | | |

## Superior Court Judge, Salary History

| | | |
|---|---|---|
| **2010-11** | 0 | $178,789 |
| **2011-12** | 0 | $178,789 |
| **2012-13** | 0 | $178,789 |
| **2013-14** | 1.40% | $181,292 |
| **2014-15** | 1.83% | $184,610 |
| **2015-16** | 2.40% | $189,041 |
| **2016-17** | 1.52% | $191,914 |
| **2017-18** | 4.23% | $200,042 |
| **2018-19** | 3.69% | $207,424 |

# Contra Costa County Board of Supervisors

| Board Action | Board Date | Explanation | Effective | Amount | Increase |
|---|---|---|---|---|---|
| | | | 1/1/95 | $50,328 | |
| Ordinance No 98-15 | 3/24/1998 | Salary Plan Adjustment | 6/1/98 | $51,348 | 2.03% |
| Ordinance No 98-15 | 3/24/1998 | Salary Plan Adjustment | 10/1/98 | $53,172 | 3.55% |
| Ordinance No 99-57 | 12/14/1999 | Cost of Living Adjustment | 2/15/00 | $57,480 | 8.10% |
| Ordinance No 99-57 | 12/14/1999 | Cost of Living Adjustment | 10/1/00 | $57,540 | 0.10% |
| Ordinance No 99-57 | 12/14/1999 | Cost of Living Adjustment | 10/1/01 | $59,892 | 4.09% |
| This was a technical level change | | Salary Reallocation | 9/30/03 | $59,924 | 0.05% |
| Ordinance No 2006-70 | 12/12/2006 | Salary Reallocation | 2/17/07 | $95,572 | 59.57% |
| Ordinance No 2006-70 | 12/12/2006 | Cost of Living Adjustment | 7/1/07 | $97,483 | 2.00% |
| Waiver of Supervisors's Salary (all) | 7/21/2009 | Waiver - 2 fiscal years | FY 09-11 | | -2.31% |
| Waiver of Supervisors's Salary (all) | | Waiver - fiscal year | FY 11-12 | | -2.75% |
| Waiver of Supervisors's Salary (all) | | Waiver - fiscal year | FY 12-13 | | -2.75% |
| Waiver of Supervisors's Salary (C. Anderson) | | Waiver 1/4/15 - 6/30/15 | | ($2,321) | |
| Waiver of Supervisors's Salary (C. Anderson) | | Waiver 7/1/15 - 1/3/16 | | ($2,067) | |
| Ordinance No 2014-10 | 1/20/2015 | Repealed | | | |
| Ordinance No 2015-15 | 3/10/2015 | Salary Plan Adjustment | 6/1/15 | $104,307 | 7.00% |
| Ordinance No 2015-19 | 8/25/2015 | Salary Plan Adjustment | 1/1/16 | $108,328 | 3.86% |
| Ordinance No 2015-19 | 8/25/2015 | Salary Plan Adjustment | 1/1/17 | $112,504 | 3.85% |
| Ordinance No 2015-19 | 8/25/2015 | Salary Plan Adjustment | 1/1/18 | $116,841 | 3.86% |

Attachment D

# Board of Supervisors Salaries
## Comparable Counties

| COUNTY BOARD OF SUPERVISORS MEMBER<br>Counties using percentage of Judges' salaries for Supervisors[1] | |
|---|---|
| **Counties** | **Calculation** |
| **ALAMEDA** | 80% of Superior Court Judge's Salary |
| **SANTA CLARA** | 80% of Superior Court Judge's Salary |
| **SONOMA** | 75% of Judicial salaries |
| **MARIN** | 60% of Superior Court Judge's Salary + CPI COLA |
| **SACRAMENTO** | 55% of Superior Court Judge's Salary |
| **SOLANO** | 53% of Superior Court Judge's Salary |
| **NAPA** | 47.09% of Superior Court Judget's Salary |

[1] ***Results of 2017 CSAC Survey***

Attachment E

Phase In Salary Methodology

| | | SALARY ONLY | | SALARY & OTHER PAY |
|---|---|---|---|---|
| 9 COUNTY AVERAGE | $ | 134,372.00 | $ | 150,569.00 |
| Contra Costa | $ | 116,841.00 | $ | 116,841.00 |
| Deferred Comp | $ | - | $ | 13,020.00 |
| Auto | $ | - | $ | - |
| TOTAL | $ | 116,841.00 | $ | 129,861.00 |
| DIFFERENCE | $ | 17,531.00 | $ | 20,708.00 |

| | | | |
|---|---|---|---|
| JUDGES SALARY | | $ | 207,424.00 |
| | 60% | $ | 124,454.40 |
| | 63% | $ | 130,677.12 |
| | 65% | $ | 134,825.60 |

County Administrator

County Administration Building
651 Pine Street, 10th Floor
Martinez, California 94553-1229
(925) 335-1080
(925) 335-1098 FAX

**David J. Twa**
County Administrator

Contra Costa County



February 15, 2019

Ad Hoc Committee on
Board of Supervisors Compensation

**RE: Compensation Comparison – Discussion Document**

Pursuant to the Committee's request, we have prepared the attached compensation comparison. We used public data sources to compile the data and have reached out to our peer counties to confirm the accuracy of the information. Not all counties have responded; therefore, the chart should be used for discussion purposes only. The following assumptions/comments are provided:

- Annual Salary – current annual base salary
- Other Pay (Transparent California) – total Other Pay category from Transparent California website (transparentcalifornia.com/salaries/2017), averaged for Board members reported. Details of pay are not provided by the service. Although CCC Board members do not receive longevity, several counties provide the benefit to Board members. Other Pay is included here for comparison purposes. These figures may be included in Auto Allowance and Deferred Compensation below.
- Auto Allowance – for those counties that report category, the pay is listed separately. This pay may also be included in the Other Pay category from Transparent California.
- Deferred Compensation – for those counties that report category, the pay is listed separately. This pay may also be included in the Other Pay category from Transparent California.
- Average Employee FY 2018-19 Contribution Rates – presented as a percentage of retirement compensable pay. There is not an "apples-to-apples" comparison for pension contribution rates. The rates provided are based on Age of Entry of 40 for those systems using Age of Entry as opposed to Entry Age Normal. Note also that most systems have multiple pension plan/tiers and that all have at least two. The particular plan/tier is determined by the date at which an individual joins a system, reciprocity provisions that also vary by plan, and policy. Employees/Elected Officials hired/elected after December 31, 2012, fall under the Public Employees' Pension Reform Act (PEPRA) of 2013. Contributions for the PEPRA plan differ by system as well.
- Employee Pension Contribution – based on salary only, this is the calculated amount an employee/elected official would pay towards their pension each year based on the average employee contribution rate and annual salary.
- County Health Contribution – based on the 2018 subsidy to the annual cost of Kaiser HMO Family premium. Note that this particular benefit can vary widely within a particular Board let alone between counties. Plan premiums and plan coverage is not consistent from one Kaiser plan to another. Additionally, not all employees choose to be covered by a county provided health plan, and the coverage can be single, single +1, or single +2 or more (or even single +3 or more for California Public Employees' Retirement System (CalPERs) PEMHCA plans).

- Annual Pension Benefit – based on annual salary and eight (8) years of service with no reciprocal service. This is the calculated benefit that an employee may receive if they are in the tier identified in the chart, have no reciprocal service, and are eligible to retire. Retirement eligibility varies by system.
- Pension Formula and Vesting – note that four (4) of the survey counties are members of the CalPERS retirement system (identified with an asterisk). Pension formulas and vesting varies by retirement system, etc. Even with similar formula, the annual COLA and final accumulation period can vary as well.
- Public Employees' Pension Reform Act of 2013 - the PEPRA benefit is the same for all public agencies, 2% at age 62 for new non-safety members with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67. However, the contribution to the plan by the employee and the employer will vary from system to system based on system funding and policy.
- Retirement System Assumed Rate of Return – the current rate of return is noted as well as any adopted changes to future rates.
- County Pension Rate FY 2018-19 – for those counties whose information was available it is noted. As with the employee contribution rate, "apples-to-apples" comparisons cannot be made. Although a comparison of cost can be made, a comparison of compensation cannot be made using this measure. Annual pension contribution rates are dependent upon economics, funding, and policy and are rarely influenced by the Board of Supervisors. Additionally, entities can issue pension obligation bonds, which may or may not be included in the reported pension rate.
- Retiree Health – many counties have made changes to eliminate or modify contributions to health care subsidies for retirees; however, as can be seen in the chart, this benefit varies significantly between counties.

Compensation comparisons can be very complicated and still not generate a "fair" comparison. The clearest comparison is that of base salary and other pays (auto, deferred compensation).

If there are any questions regarding the material being submitted, please do not hesitate to contact me at 925-335-1023.

Sincerely,

Lisa Driscoll
County Finance Director

Enclosures

**UPDATED 2-15-19**

**COMPARISON OF COMPENSATION TO PEER COUNTIES**

| | Alameda | Contra Costa | Marin | Napa* | Sacramento | San Mateo | Santa Clara* | Santa Cruz* | Solano* | Sonoma |
|---|---|---|---|---|---|---|---|---|---|---|
| **Annual Salary** | $ 165,939 | $ 116,841 | $ 124,454 | $ 97,676 | $ 114,083 | $ 140,587 | $ 165,939 | $ 126,000 | $ 109,935 | $ 155,568 |
| **Other Pay (Transparent CA)** | $ 7,903 | $ 7,200 | $ 13,428 | $ 9,380 | $ 10,434 | $ 13,235 | $ 4,800 | $ 4,210 | $ 34,256 | $ 24,608 |
| **Auto Allowance/Mileage** | not available | $ 7,200 | $ 9,600 | $ 5,280 | not available | $ 13,338 | not available | not available | $ 10,400 | not available |
| **Deferred Compensation** | not available | $ 13,020 | None | not available | not available | not available | not available | not available | not available | not available |
| **Average Employee FY 2018-19 Contribution Rates (Entry Age 40 for non-PERS plans)** | 8.54% | 12.22% | 10.34% | 8.10% | 10.86% | 8.52% | 3.93% | 7.00% | 7.00% | 11.93% |
| **Employee Pension Contribution (based on Salary only)** | $ 14,171 | $ 14,278 | $ 12,869 | $ 7,912 | $ 12,389 | $ 11,978 | $ 6,523 | $ 8,820 | $ 7,695 | $ 18,559 |
| **County Health Contribution - Kaiser Family Coverage (2018)** | $ 21,205 | $ 18,539 | $ 20,410 | $ 21,169 | $ 17,439 | $ 18,824 | $ 15,033 | $ 24,048 | $ 18,577 | $ 18,704 |
| **Annual Pension Benefit: Based on 8 years service and age 55** | $ 19,806 | $ 18,695 | $ 19,913 | $ 19,535 | $ 17,770 | $ 21,932 | $ 33,188 | $ 20,160 | $ 23,746 | $ 31,114 |
| **Pension Formula & Vesting** | Tier 2A is 1.492% @ 55; Tier 4 is 1.3% @ 55, 3 year FAC period | Tier 1 & 3 Enhanced is 2% @ 55, up to 3% COLA, 1 year FAC period | General Classic Tier 3A 2% @ 55, up to 2% COLA, 3 year FAC period | CalPERS Tier 1 2.5% @ 55, and Tier 2 2% @ 60. | Tier 3 - 1.947% @55; up to 2% COLA, 5 years to vest | Plan 4 hired before 8/7/11 - 2% @ 55.5, up to 2% COLA, 3 year FAC period | CalPERS Classic - 2.5% @ 55 | Tier 1 - CalPERS 2% @ 55, 1 year FAC period; Tier 2 2% @ 60, 3year FAC | CalPERS Hired 5/4/12 to 1/1/2013 - 2% @ 60; Hired prior to 5/4/12 - 2.7% @ 55 | Plan A 2.5% @ 55; 1 year FAC period |
| **Public Employees Pension Reform Act of 2013** | 2% at age 62 for new non-safety members with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67 | | | | | | | | | |
| **Retirement System Assumed Rate of Return** | 7.25% | 7.00% | 7.00% | 7.25% for FY 2018-19 rate, lowered to 7.00% in FY 19-20 | 7.00% | 7% for FY 2018-19 rates, lowered to 6.75 for FY 2019-20 | 7.25% for FY 2018-19 rate, lowered to 7.00% in FY 19-20 | 7.25% for FY 2018-19 rate, lowered to 7.00% in FY 19-20 | 7.25% for FY 2018-19 rate, lowered to 7.00% in FY 19-20 | 7.25% |
| **County Pension Rate** | not available | 29.63% | 21.69% | 20.99% | 18.54% | 32.71% | not available | not available | 22.94% | 18.95% |
| **Retiree Health** | County provides none. However, ACERA provides partial benefits with 10 years svc credit. | Capped - Kaiser rate is $1,115.84 per month for Family. No subsidy if hired after 12/31/08. | Capped, based on hire date and years of service. Hired on or after 1/1/08 using Plan 4 - Max subsidy formula - years of service (up to 20) x $150 (max subsidy of $250 per month). | Subsidy to monthly health premium by converting accumulated, unused sick leave to credit for the retiree's portion of the monthly premium. (Eight hours of unused, accumulated sick leave = one month of retiree health insurance premium.) | $650/annually while an active employee | Sick leave does not get added to retirement base. Banked sick leave can be "spent" on retiree health premiums. 8 hours buys one month of retiree health. | For most retirees, the County pays for single coverage under the Kaiser retiree-only health plan | Premium minus the PEMHCA Minimum, which is $133 for 2018. | If eligible, retiree pays PEMHCA minimum (currently $136 per month). Accumulated unused sick leave accruals paid into RHS account. Account may only be used for health care-related expenses. | 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. |

*CalPERS Members - classic member FY 2018/19 contribution rates.