



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Human Resources  
**Department No.:** 064  
**For Agenda Of:** September 17, 2019  
**Placement:** Set Hearing for October 8, 2019  
Second Reading for October 15, 2019  
**Estimated Time:** 15 minutes on October 8, 2019  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Maria Elena De Guevara, Human Resources Director  
Director(s) 805-568-2816  
Contact Info: Erin Jeffery, Employment & Workforce Planning Manager  
805-568-2808

**SUBJECT:** **Amendment to the Ordinance Setting Compensation and Benefits for Members of the Santa Barbara County Board of Supervisors**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

As to form: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

On September 17, 2019, that the Board of Supervisors set a hearing for October 8, 2019 to:

- A) Approve the introduction (first reading) of the Ordinance in Attachment A, which amends Ordinance 5061 setting compensation and benefits for members of the Board of Supervisors as follows:
- Effective the first pay period following sixty (60) days after Board approval, provide a 3% salary increase consistent with the October 2018 Index of the Consumer Price Index – Urban (CPI – U) for the Los Angeles-Long Beach-Anaheim area, and continue to tie future annual salary increases from a minimum of 0% to a maximum of 3% each fiscal year to this index; and
  - Effective in the first pay period following sixty (60) days after Board approval, implement a 0.83% pension cost-sharing pick-up for members of the Board of Supervisors in classic/legacy retirement plans; and
  - Effective with the 2020 health insurance plan year (Pay Period 2020-01) or in the first pay period following sixty (60) days after Board approval, provide to all Board members

- enrolled in and receiving County-sponsored health insurance the same 2.5% increase to the County contributions to health insurance that all County employees on health plans will receive; and
- Effective in the first pay period following sixty (60) days after Board approval, increase the automobile allowance for members of the Board of Supervisors by \$7 biweekly to \$232 biweekly to align the automobile allowance with that received by elected County department heads; and
- B) Read the title of the Ordinance and waive full reading of the Ordinance; and
- C) Continue the hearing to the Administrative Agenda of October 15, 2019 to approve the amendment to Ordinance 5061 to:
- Provide a 3% salary increase, consistent with the October 2018 Index of the Consumer Price Index – Urban (CPI – U) for the Los Angeles-Long Beach-Anaheim area to be effective during Fiscal Year 2019-2020 and tie future, annual salary increases to the Consumer Price Index – Urban (October Indices) from a minimum of 0% to a maximum of 3% each fiscal year, effective the first pay period following sixty (60) days after Board approval;
  - Implement a 0.83% pension cost-sharing pick-up for members of the Board of Supervisors in classic/legacy retirement plans, effective the first pay period following sixty (60) days after Board approval; and
  - Provide a 2.5% increase to the County contributions to health insurance for all Board members enrolled in and receiving County-sponsored health insurance, effective with the 2020 plan year (Pay Period 2020-01) or in the first pay period following sixty (60) days after Board approval, which is consistent with the increase all County employees on health plans will receive to the County contribution to health insurance, effective with the 2020 health insurance plan year; and
  - Increase the automobile allowance for members of the Board of Supervisors by \$7 biweekly to the amount of \$232 biweekly to match the automobile allowance of other elected County department heads; and
- D) Determine that the above actions are government fiscal activities or funding mechanisms which do not involved any commitment to any specific project which may result in potential physical impacts on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA guidelines.

**Summary Text:**

The recommended actions will amend an ordinance providing current salaries and benefits to the members of the Board of Supervisors to:

- Provide members of the Board of Supervisors a 3% salary increase effective per Government Code §25123.5 in the first pay period following sixty (60) days after Board approval. The salary increase is approximately \$2,920 annually for each member of the Board of Supervisors. The Los Angeles-Long Beach-Anaheim CPI-U is 4.1%; however, a previous Board adopted a policy capping the maximum increase at 3%.
- Implement a 0.83% pension cost-sharing pick-up for members of the Board of Supervisors in classic/legacy retirement plans, effective the first pay period following sixty (60) days after Board approval. This is the same percentage increase as was implemented for other executives and managers this fiscal year, and it is intended to be the second of three equal pick-ups phased in over three years to mirror the

implementation of pension cost-sharing provisions implemented for other elected County department heads and unrepresented managers and executives; and

- Provide a 2.5% increase to the County’s contributions to health insurance for all Board members enrolled in and receiving County-sponsored health insurance, effective with the 2020 plan year (Pay Period 2020-01) or, per Government Code §25123.5, in the first pay period following sixty (60) days after Board approval. This increase is the same as the increase all County employees will receive to the County contribution for health insurance and is a non-cash out benefit; and
- Provide members of the Board of Supervisors a \$7 increase to the biweekly automobile allowance for a new biweekly automobile allowance of \$232 which matches the automobile allowance of elected County department heads.

The Ordinance amending Ordinance 5061 appears in Attachment A.

**Background:**

**Fiscal Year 2019-2020 Recommended Salary Increase:** On March 10, 2015, the Board received a report from a special citizen’s committee formed for the purpose of reviewing Board member salaries and making recommendations related to contemporaneous and future pay increases for members of the Santa Barbara County Board of Supervisors. At the conclusion of the review of the committee’s report, the Board directed staff to return with an Ordinance change that would not increase salaries at that time (in Fiscal Year 2014-15), but that would provide for future potential annual increases ranging from a minimum of 0% to a maximum of 3% based on the Indices of the Consumer Price Index – Urban (CPI – U) for the Los Angeles – Riverside – Orange County area CPI. In January 2018, the U.S. Bureau of Labor Statistics introduced a new geographic area sample for the Consumer Price Index; as a result of the new sample, Los Angeles and Riverside have separate indexes. The Los Angeles-Long Beach-Anaheim CPI-U continues to be published monthly, and the Riverside-San Bernardino-Ontario CPI-U is published on a bi-monthly basis only on odd months. Due to the change in geographic areas and frequency of publishing by the U.S. Bureau of Labor Statistics, the Los Angeles-Long Beach-Anaheim CPI-U will be the reference point for the current recommended increase and for future Board of Supervisor salary increases, absent further direction from the Board.

Based on U.S. Bureau of Labor Statistics October 2018 CPI-U for the Los Angeles-Long Beach-Anaheim area, staff recommends a 3% salary increase for members of the Board in Fiscal Year 2019-2020. This recommended increase is 1.1% lower than the October 2018 index as illustrated below; however per prior Board direction in March 2015, the recommended increase is capped at 3%. The October 2018 index are shown below:

U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS												
Western Information Office, 90 7 <sup>th</sup> St., Suite 14-100, San Francisco, CA 94103												
LOS ANGELES-LONG BEACH-ANAHEIM, CA												
08/22/2019							Consumer Price Index, All Items for All Urban Consumers (CPI-U)					
1st							2nd					
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.560	267.631
2018	3.5%	3.6%	3.8%	4.0%	4.1%	4.0%	3.9%	3.9%	3.9%	4.1%	3.6%	3.2%



The recent history of Board salary increases is as follows:

- Following the committee's report, the Board received a 1.4% increase in Fiscal Year 2015-2016, based on the October 2014 CPI-U;
- The Board did not approve a recommended 1% increase in Fiscal Year 2016-2017, which was based on the October 2015 CPI-U;
- The Board approved a recommended 2.2% salary increase in Fiscal Year 2017-2018 which was based on the October 2016 CPI-U;
- The Board approved a recommended 3% salary increase in Fiscal Year 2018-2019 which was based on the October 2017 CPI-U.

The amended Ordinance will result in Board member salaries being increased during Fiscal Year 2019-2020 by 3%, effective sixty (60) days after Board approval.

***Classic/Legacy Pension Cost-Sharing:*** The County has pension cost-sharing provisions in place for all County employees in "classic" (aka "legacy") retirement plans. Classic/legacy retirement plans were established prior to January 1, 2013 when the Public Employees' Pension Reform Act (PEPRA) was implemented statewide in California. Employees in classic/legacy retirement plans generally contribute less towards their pension benefits than similarly situated employees hired after PEPRA went into effect.

Per agreements with 8 of 10 labor organizations and direction from the Board regarding terms and conditions of employment for unrepresented employees, the County is in the second of three years of pension cost-sharing pick-ups paid by employees toward the County's retirement costs. An initial pension cost-sharing pickup of 0.83% for all unrepresented managers and executives was approved by the Board in Fiscal Year 2018-2019. A second pick-up of 0.83% was implemented for other managers and executives earlier this fiscal year, and a final 0.83% pick-up will be effective in 2020 for a total of 2.49% over three years. Staff recommends that the same three increases in retirement contributions of 0.83% by members of the Board in classic/legacy plans be implemented in a similar manner as they were implemented for other executives and managers, including elected County department heads.

***Increase in County Contribution to Health Insurance Premiums:*** Changes in medical premiums occur every year in December, in the first pay period of the payroll year. Members of the Board of Supervisors are eligible to enroll in the same health plans as other benefit-eligible County employees, and Board members receive the same County contribution as those employees who enroll in health care plans receive. The recommended 2.5% increase in County contributions to health insurance premiums for members of the Board of Supervisors is the same as the increase that all County employees enrolled in County-sponsored health insurance will receive, and it requires a change to the Ordinance which sets the Board's compensation and other benefits.

***Increase in Automobile Allowance:*** Members of the Board of Supervisors currently receive a biweekly automobile allowance of \$225, while elected County department heads receive a biweekly automobile allowance of \$232. Staff recommends that the biweekly automobile allowance for members of the Board of Supervisors be aligned with the automobile allowance received by elected County department heads, which would result in a \$7 per pay period increase at this time.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

The estimated fully loaded cost of the recommended 3% salary increase is approximately \$11,888 for the remainder of Fiscal Year 2019-20 and approximately \$22,078 annually thereafter.

The Chair allowance will also increase by 3% if the salary increase is approved. The fully loaded annual cost is estimated at approximately \$82 which would result in an increase of approximately \$44 for the balance of Fiscal Year 2019-20. This is a General Fund cost, and was included in the Recommended Budget for Fiscal Year 2019-2020.

There are two members of the Board of Supervisors in a classic/legacy retirement plan, and approving the recommended actions would result in an additional estimated annual pick-up of the County’s retirement costs of approximately \$1,780 and approximately \$958 in Fiscal Year 2019-20.

If all five individual members of the Board of Supervisors enroll in County sponsored health insurance in 2020, the total combined increase may vary depending on health plan choices but will not exceed a maximum of approximately \$1,093 for all five Board members for the 2020 health plan year.

The recommended \$7 increase to the biweekly automobile allowance for members of the Board of Supervisors to match the allowance paid to other elected County department heads will result in a fully loaded annual increase of approximately \$1,376 for all five Board members and an increase of approximately \$741 in Fiscal Year 2019-20.

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund	\$ 12,808	\$ 23,786	
State			
Federal			
Fees			
Other:	\$ (958)	\$ (1,779)	
Total	\$ 11,850	\$ 22,007	\$ -

**Special Instructions:**

Direct the Clerk of the Board to publish notice in a newspaper of general circulation in Santa Barbara County 10 days prior to the hearing and again upon adoption by the Board of Supervisors

Return one copy of the approved Ordinance to Human Resources, Position Control, and one copy to the Human Resources Director.

**Attachments:**

Attachment A – Ordinance 5061 – Amended

**cc:**

Mona Miyasato, County Executive Officer  
 Michael C. Ghizzoni, County Counsel  
 Betsy M. Schaffer, CPA, Auditor-Controller