



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 22, 2020  
**Placement:** Set Hearing for October 6, 2020  
Second Reading for October 13, 2020  
**Estimated Time:** 15 minutes on October 6, 2020  
**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 22, 2020, that the Board of Supervisors set a hearing for October 6, 2020 to:

- A) Approve the introduction (first reading) of the Ordinance in Attachment A, which amends Ordinance 5090 setting compensation and benefits for members of the Board of Supervisors as follows:
- i) Effective in the first pay period sixty (60) days after Board approval, provide a 3% salary increase consistent with the October 2019 Index of the Consumer Price Index – Urban (CPI – U) for the Los Angeles-Long Beach-Anaheim area, and provide future annual salary increases equal to increases in the October CPI-U for the Los Angeles-Long Beach-Anaheim area from a minimum of 0% to a maximum of 3% each fiscal year; and
  - ii) Upon approval of the 3% salary increase, effective in the first pay period sixty (60) days after Board approval, the biweekly allowance provided to the Chair of the Board of Supervisors

will also increase by 3% from \$71.18 to approximately \$73.32 based upon the October 2019 CPI-U for the Los Angeles-Long Beach-Anaheim area, and continue to provide future adjustments to the Chair allowance from a minimum of 0% to a maximum of 3% each fiscal year equal to the increases in the October CPI-U for the Los Angeles-Long Beach-Anaheim area; and

- iii) Effective in the first pay period sixty (60) days after Board approval, implement an additional ongoing 0.83% pension cost-sharing pick-up for members of the Board of Supervisors in classic/legacy retirement plans; and
  - iv) Effective with the 2021 health insurance plan year (Pay Period 2021-01) or in the first pay period sixty (60) days after Board approval, provide to all Board members enrolled in and receiving County-sponsored health insurance the same 5.3% increase to the County contributions for health insurance in an amount up to the maximum cost received by all other County employees for “employee only” coverage of the employee only premium in the EPO Low Health Plan and provide for future adjustments to the County contribution in the same amount as provided to Elected Department Heads; and
  - v) Effective in the first pay period sixty (60) days after Board approval, decrease the automobile allowance for members of the Board of Supervisors by \$2 biweekly to \$230 biweekly to align the automobile allowance with the amount that is paid to elected County department heads and thereafter provide the same automobile allowance to members of the Board of Supervisors as is provided to Elected Department Heads, which is tied to IRS rates, effective in Pay Period 1 of each calendar year; 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 13, 2020 to approve the amendment to Ordinance 5090 to:
- i) Provide a 3% salary increase, effective in the first pay period sixty (60) days after Board approval which is consistent with the October 2019 Index of the Consumer Price Index – Urban (CPI – U) for the Los Angeles-Long Beach-Anaheim area to be effective during Fiscal Year 2020-2021 and provide future, annual salary increases based on the Consumer Price Index – Urban (October Indices) from a minimum of 0% to a maximum of 3% each fiscal year; and
  - ii) Upon approval of the 3% salary increase, effective in the first pay period sixty (60) days after Board approval, the biweekly allowance paid to the Chair of the Board of Supervisors will also increase by 3% from \$71.18 to approximately \$73.32 based upon the October 2019 CPI-U for the Los Angeles-Long Beach-Anaheim area, and provide future adjustments to the Chair allowance from a minimum of 0% to a maximum of 3% each fiscal year based on the October CPI-U for the Los Angeles-Long Beach-Anaheim area; and
  - iii) Implement an additional ongoing 0.83% pension cost-sharing pick-up for members of the Board of Supervisors in classic/legacy retirement plans, effective in the first pay period sixty (60) days after Board approval; and
  - iv) Provide a 5.3% increase to the County contributions to health insurance for all Board members enrolled in and receiving County-sponsored health insurance, effective with the 2021 plan year (Pay Period 2021-01) or in the first pay period 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 2021 health insurance plan year and provide future adjustments to the County contributions to health insurance in the same amount as provided to Elected Department Heads; and

- v) Decrease the automobile allowance for members of the Board of Supervisors by \$2 biweekly to the amount of \$230 biweekly to match the automobile allowance of other elected County department heads in the first pay period sixty (60) days after Board approval and provide future adjustments to the automobile allowance to mirror the automobile allowance paid to Elected Department Heads, which is tied to IRS rates, effective in the first pay period of each calendar year; 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 and, absent future Board action, would provide direction to be implemented in future years without the need to make changes to the ordinance every year. The recommended salary increase is approximately \$2,185 annually for each member of the Board of Supervisors; other benefits provided are consistent with those provided to County employees.

Specifically, the current year's recommended actions will:

- Provide members of the Board of Supervisors a 3% salary increase effective per Government Code §25123.5 sixty (60) days after Board approval. The cost of the recommended salary increase is approximately \$2,185 annually for each member of the Board of Supervisors. The Los Angeles-Long Beach-Anaheim CPI-U is 3.2%; however, a previous Board adopted a policy capping the maximum increase at 3%.
- Increase the biweekly Chair allowance by 3% based upon the recommended 3% salary increase tied to the Los Angeles-Long Beach-Anaheim CPI-U. The cost of the recommended increase to the Chair allowance is approximately \$85 annually.
- Implement an additional 0.83% pension cost-sharing pick-up for members of the Board of Supervisors in classic/legacy retirement plans, effective in the first pay period 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 third and final of three equal pick-ups phased in over three years subject to the limitation that elected officials' salaries cannot be reduced during an election year per Government Code §1235. This pick-up would mirror the implementation of pension cost-sharing provisions implemented for other elected County department heads and unrepresented managers and executives by bringing the total pick up to 2.49%.
- Provide a 5.3% increase to the County's contributions to health insurance for all Board members enrolled in and receiving County-sponsored health insurance, effective with the 2021 plan year (Pay Period 2021-01) or, per Government Code §25123.5, in the first pay period 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
- Decrease the biweekly automobile allowance provided members of the Board of Supervisors by \$2 for a new biweekly automobile allowance of \$230 which matches the automobile allowance of elected County department heads, subject to the limitation that elected officials' salaries cannot be reduced during an election year per Government Code §1235.

The Ordinance amending Ordinance 5090 appears in Attachment A.

**Background:**

***Fiscal Year 2020-2021 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 Consumer Price Index – Urban (CPI – U) for the Los Angeles – Riverside – Orange County area. 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 indices. 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 was the reference point for last year’s Board member salary increase and is the reference point for the current recommended increase and for future Board of Supervisors salary increases, absent further direction from the Board.

Based on U.S. Bureau of Labor Statistics October 2019 CPI-U for the Los Angeles-Long Beach-Anaheim area, staff recommends a 3% salary increase for members of the Board in Fiscal Year 2020-2021. This recommended increase is 0.2% lower than the October 2019 index as illustrated below; however per prior Board direction in March 2015, the recommended increase is capped at 3%. The October 2019 index is 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												
7/31/2020							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
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.682	274.579	276.054	278.075	277.239	275.553
2019	3.2%	2.5%	2.7%	3.3%	3.1%	3.3%	3.3%	3.0%	3.0%	3.2%	3.2%	3.0%



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 Board approved a recommended 3% salary increase in Fiscal Year 2019-2020 which was based on the October 2018 CPI-U.

The amended Ordinance will result in Board member salaries being increased during Fiscal Year 2020-2021 by 3%, effective in the first pay period sixty (60) days after Board approval and will provide for future increases from a minimum of 0% to a maximum of 3% based on the October CPI-U.

***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 all 10 labor organizations and direction from the Board regarding terms and conditions of employment for unrepresented employees, the County is in the third year of a three-year phase in of ongoing pension cost-sharing pick-ups paid by employees in legacy retirement plans 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 in Fiscal Year 2019-2020, and the final 0.83% pick-up was implemented for other managers and executives earlier this fiscal year for a total of 2.49% over three years. Staff recommends that the same three increases in retirement contributions of 0.83% be implemented for members of the Board in classic/legacy plans subject to the limitation that elected officials’ salaries cannot be reduced during an election year per Government Code §1235. This action would mirror the implementation 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 5.3% 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. The amended Ordinance will also provide for future adjustments to County contributions for employee only coverage up to the maximum cost of the employee only premium in the EPO Low Health Plan effective in Pay Period 1 each year.

***Decrease in Automobile Allowance:*** Members of the Board of Supervisors currently receive a biweekly automobile allowance of \$232, while elected County department heads receive a biweekly automobile allowance of \$230 which is tied to IRS rates. 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 \$2 per pay period decrease in 2021, subject to the limitation that elected officials’ salaries cannot be reduced during an election year per Government Code §1235. The amended Ordinance provides that future adjustments to the automobile allowance mirror the

automobile allowance paid to Elected Department Heads, which is tied to IRS rates, effective in Pay Period 1 each year.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

The estimated fully loaded cost of the recommended 3% salary increase is approximately \$11,760 for the remainder of Fiscal Year 2020-2021 and approximately \$21,835 annually thereafter.

The above salary increase would also increase the biweekly Chair allowance by 3% from \$71.18 to approximately \$73.32. The fully loaded annual cost is estimated at approximately \$85 which would result in an increase of approximately \$45 for the balance of Fiscal Year 2020-2021. This is a General Fund cost, and was included in the Recommended Budget for Fiscal Year 2020-2021.

There are two members of the Board of Supervisors currently 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 \$2,735 and approximately \$1,475 in Fiscal Year 2020-2021.

If all five individual members of the Board of Supervisors enroll in County sponsored health insurance in 2021, the total combined increase may vary depending on health plan choices but will not exceed a maximum of approximately \$2,580 for all five Board members for the 2021 health plan year.

The recommended \$2 decrease 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 decrease of approximately \$380 for all five Board members and decrease of approximately \$205 in Fiscal Year 2020-2021.

<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	\$ 12,055	\$ 24,125	
State			
Federal			
Fees			
Other:	\$ (1,475)	\$ (2,735)	
Total	\$ 10,580	\$ 21,390	\$ -

**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 5090 – Amended

**CC:**

Mona Miyasato, County Executive Officer

Michael C. Ghizzoni, County Counsel

Betsy M. Schaffer, CPA, Auditor-Controller