



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: CEO
Department No.: 062
For Agenda Of: March 10, 2014
Placement: Departmental
Estimated Time: 30 minutes
Continued Item: Select_Continued
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Select_From Mona Miyasato, County Executive Officer, 568-3404
Contact Info: Jeri Muth, Human Resources Director, 568-2816
SUBJECT: Report from Ad Hoc Committee Formed to Review Board of Supervisors' Salary

County Counsel Concurrence

As to form: Select_Concurrence

Other Concurrence: Select_Other

As to form: Select_Concurrence

Auditor-Controller Concurrence

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

1. Receive a report from the Ad Hoc Committee formed to review Board of Supervisors' salary and provide direction to staff related to the setting of Board member salaries; and
2. Determine that these actions are exempt from California Environmental Quality Act (CEQA) review as they are not a project pursuant to CEQA Guidelines section 15378 (b) (2).

Summary Text:

The Board is asked to receive a report presented on behalf of the Ad Hoc Committee formed to review Board salaries and consider whether to direct staff to return with an Ordinance to effect a salary increase, the amount of that increase, any incremental increases, and methodologies for future increases for Board member salaries to ensure fair and equitable salaries into the future. Any Ordinance changing Supervisorial salaries becomes effective 60 days after its adoption.

Background:

On November 4, 2014, staff brought forward recommended changes to the salary and benefits for elected department directors, moving their salaries closer to market and equalizing benefits with appointed department directors. Staff also sought direction on Board member compensation, noting that the Santa Barbara County Supervisors' salaries were 30% less than Supervisors of comparable counties and had not been increased since 2006. At the November 4, 2014 meeting, your Board directed the County Executive Officer (CEO) to form a special citizen's committee for the purpose reviewing Board member salaries. The CEO invited individuals from Chambers of Commerce, the non-profit sector, corporate leaders, and the Taxpayer's Association to participate in reviewing salaries as well as identifying mechanisms for maintaining fair compensation into the future for members of the Board of Supervisors.

At the invitation of the CEO, the following individuals volunteered to serve on the Board Salary Ad Hoc Committee:

Chair – Jack Boysen, Chief Financial Officer, Good Samaritan and Santa Maria City Council Member

Vice-Chair – Ken Oplinger, President and CEO, Santa Barbara Chamber of Commerce

Member – Chris Ames, Immediate Past Chair, Lompoc Valley Chamber of Commerce

Member – Joe Armendariz, Executive Director, Santa Barbara County Taxpayers Association

Member – Janet Garufis, President and CEO, Montecito Bank and Trust

Member – Debbie Horne, Human Resources Director, CMC Rescue

The Committee was a Brown Act body and all meetings were publicly noticed. The Committee met on December 16, 2014, and January 15 and 27, 2015 to review and discuss Board of Supervisors salaries. The Committee met a final time on February 23, 2015 to review the Board Letter and provide input for the final document.

During the review of Board member salaries, the Committee considered factors such as:

1. A 25-year history of Santa Barbara County Board member compensation, as well as the rationale for any changes that occurred (Attachment A);
2. The population, percentage of unincorporated area, size (square miles), and cost of living factors for a number of counties (Attachment B);

3. The average salaries of County of Santa Barbara managers and executives:

- Average Manager (non-executive) - \$98,074
- Average Executive - \$147,780
(appointed department heads and assistant department heads)
- Average Assistant Department Head - \$128,360
- Average Department Head - \$167,200

4. Because a number of counties base Board members' salaries on a percentage of the salary of a superior court judge, the Committee also requested salary data for judges in the State of California:

Assignment	Annual Salary
Presiding Judge (15 or more judges)	\$191,994
Presiding Judge (2 to 14 judges)	\$188,302
Judge	\$184,610

5. The typical day-to-day duties of a Board member:

- Establish public policy
- Pass and repeal laws (ordinances)
- Adopt the annual County budget and ensure that the recommended and adopted budget of the County and its dependent districts are balanced
- Set parameters for union negotiations and approve contracts with unions
- Oversee County departments through the CEO
- Direct and control litigation
- Attend Board of Supervisor meetings
- Serve on various boards, commissions, or special districts
- Make appointments to boards, committees, and commissions

- Create officers, boards, and commissions as needed, appointing the members and fixing the terms of office
- Receive, investigate, and respond to citizen concerns
- Awarding all contracts except those that are within the authority delegated to the County Purchasing Agent
- Conduct public hearings on land-use and other matters
- Appoint most County department heads, except elected officials
- Approve salary and benefits for all County officials and employees
- Approve and allocate positions/approve reductions in workforce
- Declare state of emergency

6. Stipends received by Board members for serving on boards, commissions, and committees:

Board/Commission/Committee	Stipend Amount	Mileage
SBCAG	\$100 (no more than \$400 a month)	No
LAFCO	\$150 per meeting (typically 1 meeting a month)	No
APCD	None	No
CENCAL	\$100 per meeting (6 meetings a year)	Available if not using County car
C3H	None	No
Retirement	\$100 per meeting	Available but not currently used

7. Peer county Board member salaries, rationale used in setting salaries, and a comparison of Santa Barbara Board member salaries to the 25th, 37.5th, 50th, and 75th percentiles, as well as to the average salary of peer counties (Attachment C). The updated salary comparison showed Santa Barbara County Supervisors' base salaries to be 29.2% below the 50th percentile (or median) of Board member salaries in peer counties, and 19.5% below the 50th percentile when annual base salary was combined with additional compensation; and

8. The impact on Board member salaries had they received a cost-of-living increase from 2007 through 2014, the years during which their salaries remained unchanged

(Attachment D). Had Board members' salaries been adjusted using the CPI over those years, salaries would be 19.4% higher today.

Subsequently, at the February 23, 2015 meeting, during public comments the Committee received, considered, and discussed additional information, found on Attachment E. The speaker had obtained the information from the State of California Controller's site and factored in retirement and health benefit costs. After considering the information, the Committee determined that a full comparison of these compensation elements would be complex and time-intensive as formulas, benefit configurations, participation in Social Security, and other factors vary from county-to-county. Further, as the information was received late in the process, no attempt was made to verify the accuracy; however, the Committee requested that the data be provided to the Board as an attachment to this Board Letter.

Committee Findings:

As reflected on the Minutes of the January 27, 2014 Committee meeting (Attachment F), the findings of the Committee are as follows:

1. Five of the six members agreed that the seven peer counties identified by the Committee were the appropriate comparisons for the County of Santa Barbara, both for the purpose of their review as well as future salary reviews.
2. Four of the members agreed that the target for Santa Barbara County Board of Supervisors' salaries should be the 50th percentile of peer counties; one member felt that the 37.5th percentile (midway between 25th and 50th percentile) was more appropriate; and one member suggested that salaries should remain unchanged and any future increases should be related to the cost-of-living and require the elimination of a car allowance that went into effect February 2, 2015. The 50th percentile of peer counties is currently \$108,775 and the 37.5th percentile is \$94,980.
3. For future adjustments, the majority felt that Board of Supervisor salary surveys should be conducted every three years with any adjustments to be based on salary survey data. Subsequently, on February 23, the Committee added the recommendation that a Citizen's Ad Hoc Committee be convened to review the updated salary data and make any additional recommendations to the Board.
4. As to timing and method of implementing an increase, there was no consensus except that the Committee recommended the Board be provided with some examples of incremental increases to achieve a target of the 50th percentile as well as a target of the 37.5th percentile of the 2014 salary survey results in a reasonable amount of time.

Examples of Potential Incremental Increases:

The following two charts illustrate the number of incremental increases that would be required to move Board member salaries to a target of the 50th and 37.5th percentile of the 2014 salary data, respectively.

The first chart illustrates that increasing Board members' annual base salary from \$84,200 to the approximate 50th percentile could potentially entail four increases of 6.5%, which would bring salaries to \$108,320. When considering base salary plus additional elements of compensation, bringing salaries to the 50th percentile target, could potentially entail four increases of 5.6%, which would bring compensation to \$125,385.

	Current Board Member Salary	50th Percentile of Market	Incremental Increase Methodology
Annual Base Salary	84,200	108,775	4 increases of 6.5% to get to the approximate 2014 target (\$108,320)
Annual Salary w/ Additional Compensation	104,880	125,353	4 increases of 5.6% to get to the approximate 2014 target (\$125,385)

This second chart demonstrates a similar incremental salary increase approach based on reaching a target of the 37.5th percentile of 2014 peer salary data. In this example, four increases of 3% would result in an annual base salary of \$94,768, the approximate 37.5th percentile. It would only take three increases of 2.5% to bring salaries plus additional compensation received to the 37.5th percentile, approximately \$111,354.

	Current Board Member Salary	37.5th Percentile of Market	Incremental Increase Methodology
Annual Base Salary	84,200	94,980	4 increases of 3% to get to the approximate 2014 target (\$94,768)
Annual Salary w/ Additional Compensation	104,880	111,263	3 increases of 2.5% to get to the approximate 2014 target (\$111,354)

In any of the scenarios displayed on the charts above, it should be noted that increases are intended to move salaries toward the 2014 market target and, if increases occurred annually over three or four years, it is highly likely that peer county Board member salaries will also increase, and Santa Barbara County Supervisors salaries would lag behind 2018 or 2019 37.5th or 50th percentiles.

The additional suggestion to eliminate the car allowance and increase salaries based on the cost-of-living, would likely result in a net decrease in compensation as the 2014 CPI was 2.1% and the car allowance represents approximately 7.1% in compensation.

Potential Board Actions:

Should the Board wish to address salaries, the following factors should be considered:

1. The target for future salaries (e.g., the 25th, 50th, 37.5th, 75th percentile of peer counties, or something else, such as matching the annual CPI.) The Committee majority recommends the 50th percentile.
2. The timing for any initial increase and any additional increases. There was no recommendation on timing, but examples demonstrate potential timing.
3. If directing incremental increases, determine the number of incremental increases and the amount of each. There was no recommendation on timing, but examples demonstrate potential timing.
4. The recommended mechanism for salary adjustments in the future. The Committee majority recommends evaluating every three years after conducting a new salary survey of peer counties and convening a Citizen's Ad Hoc Committee to review data and make recommendations to the Board for any potential salary adjustment.
5. Any additional direction to staff.

Attachments:

Attachment A – 25-Year Salary History of Board of Supervisors

Attachment B – Comparison – Peer Counties (population, unincorporated area, cost-of-living)

Attachment C – Updated Board Salary Survey

Attachment D – Projected Board Salaries Using CPI Since Last Pay Adjustment

Attachment E – Salary Data Including Medical and Retirement

Attachment F – Meeting Minutes January 27, 2015

cc:

Ad Hoc Committee Members

Bob Geis, Auditor-Controller

Michael Ghizzoni, County Counsel