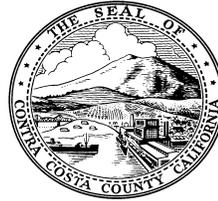


Grand Jury
725 Court Street
P.O. Box 911
Martinez, CA 94553-0091



Contra
Costa
County

Contact: Olga Jones
Foreperson
(925) 957-5879

BOARD OF SUPERVISORS' BUDGETS, COMPENSATION AND STAFFING REPORT

SUMMARY

Contra Costa County has a \$1.5 billion budget, 9000 employees and a population of more than one million. This sizeable public business is governed by a five-member elected Board of Supervisors that is also responsible for coordinating Federal and State programs at the local level. The Supervisors establish local priorities, set policy and oversee the administration of those policies.

In order to attract and retain qualified personnel for the Supervisors' offices with proper technical backgrounds, management skills, and commitment to public service, the remuneration must be equitable, competitive, and appropriate. Inadequate compensation may limit the pool of qualified candidates.

The Grand Jury recommends that the salaries for the Board of Supervisors and their office staff be increased to a level on par with those of similarly sized counties to attract and retain the professionals required to address the serious challenges facing the County.

CONTRA COSTA COUNTY GRAND JURY REPORT 0702

BOARD OF SUPERVISORS' BUDGET, COMPENSATION AND STAFFING REPORT

TO: Contra Costa County Board of Supervisors

INTRODUCTION

The governing body of Contra Costa County ("County") is the five-member elected Board of Supervisors ("BOS"). Supervisors have overall County budget authority and are legally required to set policy and provide oversight to those policies. The BOS must also interact with Federal, State, and local governing bodies.

The County continues to be challenged with a number of strategic issues that require the attraction and retention of highly qualified personnel as Supervisors and their staff. Strategic issues include the financial health of the County, and the effective delivery of County services and management of County resources.

Supervisors and their staff must conduct County business in accordance with many government codes and regulations. The Supervisors must approve their own budget, staffing, and compensation levels to carry out their responsibilities.

FINDINGS

1. The five-member elected Board of Supervisors is the governing body of Contra Costa County, responsible for the County budget and the operations of the County government.
2. The California Constitution provides that the Board of Supervisors shall prescribe by ordinance the compensation of its members: Article XI, Section I, Subsection (b).
3. The California Penal Code, section 927, reads as follows: "A grand jury may, and when requested by the board of supervisors shall, investigate and report upon the needs for increase or decrease in salaries of the county-elected officials. A copy of such a report shall be transmitted to the board of supervisors."
4. As elected County officials, Supervisors receive a salary that is paid without regard to hours worked. Given the commitments of the many boards, committees, and authorities, most Supervisors work 50-70 hours per week.

5. As of December 2006, Contra Costa County Supervisors received a monthly salary of \$4,993 (\$59,916 annually) and an auto allowance of \$550 per month, plus a mileage reimbursement. The County contributed \$60 per month plus \$6,000 annually, to their deferred compensation account. Supervisors are entitled to the same benefits as all other County employees.
6. Typically, each supervisor serves on more than 25 County and regional boards, commissions and authorities, most of which do not pay stipends (fixed sum of money paid periodically for services). Estimated total stipends range from approximately \$300 to \$600 monthly per Supervisor. Paying stipends to supervisors is a common practice in California.
7. The six other elected County officials' annual current salaries range from \$120,519 to \$183,393. The twenty-one County executives' and department heads' salaries range from \$86,841 to \$271,000.
8. Twenty-four percent (24%) of all County employees (union and non-union) have higher salaries than Supervisors.
9. The County has a history of maintaining competitive compensation for the workforce. This has been demonstrated in past years by salary increases and cost-of-living adjustments ("COLA") for union and non-union employees. The Supervisors have not followed this practice for their own positions. The Supervisors' last salary adjustments of 2.02 % (\$85 per month) and 3.55% (\$152 per month) occurred in June and October 1998, respectively. Their last COLA adjustment of 4.1% (\$198 per month) occurred in October 2001.
10. To evaluate the relative compensation of the BOS, the Grand Jury selected six counties of comparable population and budget sizes as follows:

California County Comparison (based on population and budget sizes)(October 2006)

| County | Monthly Salary* | Monthly Auto Allowance | Deferred Compensation | County Budget (Billions) | Population |
|---------------------|------------------------|-------------------------------|------------------------------|---------------------------------|-------------------|
| Alameda | \$10,046 | \$310.56 biwkly | \$8,000/yr | \$2.19 | 1,500,000 |
| Ventura | \$8,790 | \$375 | Up to \$263/mo | \$1.47 | 742,000 |
| Fresno | \$7,534 | \$250 | \$0 | \$1.28 | 824,000 |
| San Mateo | \$6,981 | \$385 biwkly | \$0 | \$1.48 | 707,000 |
| Kern | \$6,854 | \$584 | \$0 | \$1.30 | 703,000 |
| Sacramento | \$6,593 | \$500 | \$0 | \$2.35 | 1,219,000 |
| Contra Costa | \$4,993 | \$550+mileage | \$60/mo + \$6,000/yr | \$1.45 | 1,000,000 |

Notes: *Salary formula (10/2006): Alameda sets their BOS salaries at 80% of Superior Court Judges. **County / regional committee stipends and county benefit payments were also considered but excluded because it was difficult to obtain accurate and comparable data. The fees and benefit practices were consistent among the counties studied.

11. The County salary comparison used all income items paid to the Supervisors for which comparable and consistent data were available, including salary, auto allowance (excluding mileage) and deferred compensation. The total supervisor compensation for counties included in the survey was then adjusted for cost of living differences, compared to the Contra Costa County base of 100.0%. Following is the summary with the compensation dollars adjusted for cost-of-living differences:

| County | Base Salary Defer Comp, & Car | Cost-of-Living Index by County* | Adjusted Compensation |
|---------------------|--|--|----------------------------------|
| Alameda | \$11,386 | 104.0% | \$10,948 |
| Ventura | \$9,428 | 93.0 | \$10,138 |
| Fresno | \$7,784 | 83.0 | \$9,378 |
| San Mateo | \$7,815 | 114.0 | \$6,855 |
| Kern | \$7,438 | 77.0 | \$9,660 |
| Sacramento | \$7,093 | 84.0 | \$8,440 |
| Contra Costa | \$6,103 | 100.0% | \$6,103 |

Six counties: Average = \$9,237, or 51.4% above Contra Costa County's total compensation (salary, auto allowance and deferred compensation) for Supervisors.

Note: *Cost-of-living differences in the six counties selected for comparisons incorporates consumer purchasing, housing, transportation, taxes, health care, and miscellaneous items (i.e., private schools and recreation). The source of data is from the Economic Research Institute (ERI).

12. Based primarily on the geographic size of the districts, Supervisors for Districts I, II and IV are entitled to four and one-half (4 1/2) Full-Time Equivalent (FTE) staff members. The Supervisor for District III is entitled to six (6) FTE staff members. The Supervisor for District V is entitled to five (5) FTE staff members. Supervisors may split FTE positions into several part-time positions in order to extend office coverage.

Following is a list of positions and monthly salaries for the Supervisors' FTE staff members:

| | |
|-------------------------|---------------------|
| BOS Chief of Staff | \$5,329.30 |
| BOS Specialist | \$4,602.87-4,833.02 |
| BOS General Secretarial | \$3,507.83-4,385.34 |
| BOS General Office | \$2,440.01-3,433.35 |

Staff members are hired by the elected Supervisors and are employed as "at will" employees as a condition of their employment. These four positions are in unique County classifications not used by other County departments.. As such, they are not regularly market-surveyed in regard to compensation. The last salary adjustment,

(other than COLA), was given in 1998 when the positions were re-titled and the salaries were increased by 5.02%. All positions are eligible for COLA increases approved by the County for non-union employees. In 2004, all non-union County employees were granted an increase of 3.0%.

13. The Supervisors' staff positions are not comparable to other County job classifications. The salary ranges for the Supervisors' staff are established relative to the Chief of Staff position. Using the same methodology as for Supervisors, following is a summary of the survey information and adjusted compensation based on the cost-of-living index.

| County | BOS Chief of Staff Monthly Salary | Cost-of-Living Index by County | Adjusted Compensation |
|---------------------|--|---|----------------------------------|
| Alameda | \$8,411 | 104.0% | \$8,088 |
| Ventura | \$6,257 | 93.0 | \$6,728 |
| Fresno | \$4,563 | 83.0 | \$5,498 |
| San Mateo | \$5,751 | 114.0 | \$5,045 |
| Kern | \$4,334 | 77.0 | \$5,629 |
| Sacramento | \$4,892 | 84.0 | \$5,824 |
| Contra Costa | \$5,329 | 100.0% | \$5,329 |

Six counties: Average = \$6,135, or 15.1% above Contra Costa County's salary for BOS Chief of Staff

14. Each County Supervisor's budget is prepared in cooperation with the County Administrator and subsequently adopted by the BOS. While Supervisors may request special consideration for budget adjustments, including staff salary increases, they have not done so.

CONCLUSIONS

1. When comparing the compensation of Supervisors with counties of similar population and annual budgets, Contra Costa County Supervisor compensation is inequitable. This may limit the potential pool of qualified candidates.
2. The salary ranges for the Supervisors' staff positions are hampered by budget constraints. This may be limiting the attraction and retention of qualified individuals for these important positions.

RECOMMENDATIONS

The 2006-2007 Contra Costa County Grand Jury recommends that:

1. Supervisors' compensation (salary, auto allowance and deferred compensation) as of December 2006 should be increased by 51%, to take effect following the next Supervisorial election in November 2008.
2. Supervisors' salaries should be adjusted consistent with countywide COLA adjustments, effective January 2007.
3. Supervisors' staff salary ranges should be increased by 15%, effective January 2007.
4. Supervisors' staff salary ranges should be adjusted consistent with countywide COLA adjustments for non-union staff.
5. Supervisors should establish a practice of annually reviewing their staff salaries to ensure they are equitable and commensurate with their responsibilities.

REQUIRED RESPONSES

Findings:

Contra Costa County Board of Supervisors: 1-14

Recommendations:

Contra Costa County Board of Supervisors: 1-5