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Contra Costa County Grand Jury Report #1104

ELECTED BOARD MEMBERSHIP Public Service or Public Employment?

TO: Cities and Towns in Contra Costa County (see distribution list)
Independent Special Districts (see distribution list)

SUMMARY

Given the difficult economic challenges facing local government, the Contra Costa County Grand Jury conducted a survey about compensation for elected Special District Boards (Board) and City Councils (Council). The Grand Jury looked at the use of funds and if the total amounts spent by these agencies for elected officials' compensation seemed reasonable.

The study revealed significant compensation disparities among elected Boards and Councils within Contra Costa County (County).

For example, while Martinez and Oakley both have similar populations of about 35,000 residents, the Martinez City Council total compensation is \$131,326, while Oakley's is only \$28,544.

San Ramon with 60,000 residents pays \$163,190 to its entire Council while Pittsburg, with slightly more residents, pays its Council \$40,035.

Richmond and Antioch, both with around 100,000 residents, pay their entire Councils \$267,139 and \$112, 591 respectively.

The Grand Jury recognizes those agencies that pay nothing or minimum compensation and thus demonstrate the spirit of public service.

At the same time, there are a large number of Boards and Councils that are being compensated amounts which may be viewed as exorbitant. Board and Council members are elected to serve their constituents. They set policy, oversee programs and services administered by professional employees and are accountable to the public for their actions.

The Grand Jury believes the public should be aware of the compensation paid to their elected officials, what benefits are provided and whether the compensation structure indicates that the spirit of public service has changed to an entitlement of public employment.

BACKGROUND

County residents are living in very difficult economic times, in which both public agencies and individuals have had to cut spending.

The Grand Jury surveyed all 19 cities in the County as well as the 27 largest independent special districts that have their own publicly elected Boards of Directors. Population information for the analysis was obtained from Local Agency Formation Commission reports. The survey collected data for Fiscal Years (FY) 2008-09 and 2009-10.

Information was requested for the following categories pertaining to annual expenditures for elected officials: salary and/or meeting fees, health care insurance costs, pension or deferred compensation, life insurance premiums, car allowance or mileage, cell phone and/or internet access and travel & conference costs.

The total amount spent county-wide in FY 2009-10 on compensation for the surveyed Boards and Councils was \$2,419,169.

The following data is grouped by cities and special districts. Data reported are the total amounts for each Board or Council regardless of the number of elected members. All cities have five elected Council members with the exception of Richmond, which has seven. All special districts have five Board members except the Byron-Bethany Irrigation District, which has nine, with two vacancies.

Cities

- The average annual amount spent for each Council was \$77,895.
- Lafayette, Moraga and Orinda had minimal expenses for their elected leaders.
- Eight cities compensate their elected leaders more than the average for all surveyed. These cities spent an average of \$136,145. Of that amount, 76.4% was paid for salary and/or meeting fees and health care benefits. See table below.
- Twelve cities pay for elected officials' pensions or other forms of retirement benefits.
- Twelve cities pay for elected officials' health care insurance costs.
- Eight cities pay life insurance premiums for elected officials.
- Six cities pay for elected officials' cell phone or internet access.

The following table summarizes the compensation data collected for the cities.

Total Council Compensation Expense

Cities	Population	Cost	Salary and/or Meeting Fees	Health Care Insurance Costs	Pension & Deferred Comp	Other Costs
City of Lafayette	24,500	\$631	\$0	\$0	\$0	\$631
Town of Moraga	16,800	\$2,673	\$0	\$0	\$0	\$2,673
City of Orinda	17,600	\$2,801	\$0	\$0	\$0	\$2,801
City of Oakley	34,000	\$28,544	\$27,924	\$0	\$0	\$620
City of Clayton	10,784	\$29,590	\$23,400	\$0	\$4,640	\$1,550
City of El Cerrito	23,596	\$37,613	\$26,710	\$0	\$3,574	\$7,329
City of Pittsburg	63,004	\$40,035	\$33,240	\$5,220	\$0	\$1,575
Town of Danville	42,601	\$54,998	\$40,064	\$11,764	\$1,502	\$1,668
City of Pinole	19,193	\$59,965	\$17,862	\$41,396	\$0	\$707
City of Walnut Creek	66,000	\$61,798	\$35,100	\$0	\$16,086	\$10,612
City of Pleasant Hill	33,377	\$72,206	\$37,950	\$27,541	\$4,569	\$2,146
City of Brentwood	50,614	\$91,998	\$34,155	\$42,425	\$2,186	\$13,232
City of Hercules	23,000	\$93,691	\$51,960	\$34,141	\$5,059	\$2,531
City of San Pablo	30,950	\$100,961	\$45,210	\$37,906	\$6,555	\$11,290
City of Antioch	100,150	\$112,591	\$53,746	\$1,922	\$5,576	\$51,346
City of Concord	124,780	\$128,262	\$74,580	\$42,303	\$10,720	\$659
City of Martinez	36,179	\$131,326	\$46,200	\$71,416	\$9,697	\$4,012
City of San Ramon	59,002	\$163,190	\$47,935	\$59,768	\$12,457	\$43,030
City of Richmond	102,186	\$267,139	\$152,130	\$53,700	\$0	\$61,309
Total of 19 Cities		\$1,480,012	\$748,166	\$429,502	\$82,622	\$219,721
Average of 19 Cities		\$77,895	\$39,377	\$22,605	\$4,349	\$11,564

Note: Richmond has seven Council members; all other cities have five Council members

Special Districts

- The average annual amount spent for each Board was \$34,784.
- Nine special districts paid their elected leaders from zero to less than \$100 in total. They are: Crockett Community Services District, Diablo Community Services District, Kensington Police Protection & Community Services District, Town of Knightsen Community Services District, Kensington Fire Protection District, Rodeo-Hercules Fire Protection District, Bethel Island Municipal Improvement District, Green Valley Recreation and Park District, and Moraga-Orinda Fire District.
- Eight special districts compensate their elected officials more than the average for all surveyed. These districts spent an average of \$99,089. Of that amount 87.7% was paid for salary and/or meeting fees and health care insurance costs. See the table below.
- Eight out of the nine most generous special districts are water or wastewater providers that pass on their costs to rate payers.
- Three special districts contribute to pension or other form of retirement benefits for one or more elected officials.

- Nine special districts pay for health care insurance costs for one or more elected officials.
- Four special districts pay life insurance premiums for one or more elected officials.

The following table summarizes the compensation data collected for the 27 special districts.

Total Special District Board Compensation Expense

Special District	Population	Total Cost	Salary & Meeting Fees	Health Care Insurance Costs	Pension	Other Costs
Crockett Community Services District	3,500	\$0	\$0	\$0	\$0	\$0
Diablo Community Services District	1,200	\$0	\$0	\$0	\$0	\$0
Kensington Police Prot & Com. Serv. Dist.	5,000	\$0	\$0	\$0	\$0	\$0
Knightsen Town Community Serv. Dist	1,500	\$0	\$0	\$0	\$0	\$0
Kensington Fire Protection District	4,936	\$0	\$0	\$0	\$0	\$0
Rodeo-Hercules Fire Protection District	30,000	\$0	\$0	\$0	\$0	\$0
Bethel Island Municipal Improve District	3,000	\$0	\$0	\$0	\$0	\$0
Green Valley Recreation and Park District	473	\$0	\$0	\$0	\$0	\$0
Moraga-Orinda Fire District	42,000	\$50	\$0	\$0	\$0	\$50
Byron Sanitary District	995	\$4,425	\$4,425	\$0	\$0	\$0
Diablo Water District	31,000	\$7,365	\$7,300	\$0	\$0	\$65
Ambrose Recreation and Park District	23,000	\$7,858	\$5,150	\$0	\$0	\$2,708
Rodeo Sanitary District	8,717	\$8,975	\$8,975	\$0	\$0	\$0
San Ramon Valley Fire Protection Dist	158,071	\$12,331	\$8,085	\$0	\$0	\$4,246
Pleasant Hill Recreation and Park District	40,003	\$15,226	\$12,500	\$0	\$0	\$2,726
West Contra Costa Healthcare District	201,196	\$16,385	\$8,200	\$4,188	\$0	\$3,997
Los Medanos Comm. Healthcare District	81,953	\$20,500	\$20,500	\$0	\$0	\$0
Discovery Bay Community Services Dist	15,000	\$22,661	\$22,500	\$0	\$0	\$161
Steger Sanitary District	40,000	\$30,670	\$22,540	\$0	\$0	\$8,130
Mt. View Sanitary District	18,253	\$41,283	\$19,307	\$12,593	\$0	\$9,383
Mt. Diablo Healthcare District	191,452	\$42,498	\$0	\$42,498	\$0	\$0
East Contra Costa Irrigation District	60,000	\$76,227	\$3,605	\$72,192	\$0	\$430
Ironhouse Sanitary District	35,350	\$94,070	\$28,220	\$62,780	\$2,051	\$1,020
Contra Costa Water District	550,000	\$99,826	\$36,700	\$41,177	\$0	\$21,949
Byron-Bethany Irrigation District	3,000	\$105,380	\$5,360	\$99,684	\$0	\$336
Central Contra Costa Sanitary District	451,900	\$158,174	\$52,156	\$90,435	\$0	\$15,583
West County Wastewater District	124,398	\$175,254	\$93,934	\$44,277	\$18,823	\$18,220
Total of 27 Special Districts		\$939,158	\$359,457	\$469,823	\$20,873	\$89,005
Average of 27 Special Districts		\$34,784	\$13,313	\$17,401	\$773	\$3,296

Note: Byron-Bethany Irrigation District has nine Board members, of which two are vacant; all other special districts have five Board members.

Contra Costa Water District reported no pensions paid but has a provision in their retirement plan to pay a pension for Board members at age 62 after 10 years of service.

Professional full-time managers are hired to run each agency. Historically, elected officials have looked upon their work as public service for the betterment of the community. Agencies have provided their elected leaders with benefits. These include health care insurance, employer paid retirement benefits, life insurance premiums, payments for cell phone/internet access, and mileage reimbursement or car allowance.

The total dollar amounts are small in relation to agency overall budgets. However, services to the public are being reduced in most agencies which usually means staff reductions. Although service reductions have been implemented, governing boards have continued to enjoy the same level of benefits. They should demonstrate their leadership by eliminating or reducing benefits.

FINDINGS AND RECOMMENDATIONS

Each agency named needs to respond only for its own practices.

Finding # 1: Sixteen cities and eighteen special districts provide benefits to their elected leaders in some fashion. These benefits may include salary, meeting fees, health care insurance costs, pension or deferred compensation, life insurance premiums, cell phone usage, and internet connections.

Recommendation # 1: All cities and special districts should conduct an annual public review of compensation provided to their respective elected Councils and Boards. This review should include such items as salary, meeting fees, health care insurance costs, pension/deferred compensation, life insurance premiums, cell phone usage, and internet connections. The public review should address whether or not changes in compensation are warranted.

Finding # 2: Eight cities spend more than the county-wide average (\$39,377) for salary and meeting fees. They are: Antioch, Concord, Danville, Hercules, Martinez, Richmond, San Pablo and San Ramon.

Recommendation # 2: These cities, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement reductions of salary and meeting fee expenditures to bring them in line with other cities.

Finding # 3: Eight special districts spend more than the county-wide average (\$13,313) for salary and meeting fees. They are: Central Contra Costa Sanitary District, Contra Costa Water District, Discovery Bay Community Services District, Ironhouse Sanitary District, Los Medanos Community Healthcare District, Mt. View Sanitary District, Stege Sanitary District and West County Wastewater District.

Recommendation # 3: These special districts, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement a

reduction of salary and meeting fee expenditures to bring them in line with other special districts.

Finding # 4: Health care benefits are provided to elected Board members by twelve cities and nine special districts.

Recommendation # 4: The policy of paying health care insurance costs for Council and Board members should be reviewed to determine whether this practice is appropriate. The agencies following this practice are:

Cities: Antioch, Brentwood, Concord, Danville, Hercules, Martinez, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo and San Ramon.

Special Districts: Byron-Bethany Irrigation District, Central Contra Costa Sanitary District, Contra Costa Water District, East Contra Costa Irrigation District, Ironhouse Sanitary District, Mt. Diablo Healthcare District, Mt. View Sanitary District, West Contra Costa Healthcare District and West County Wastewater District.

Finding # 5: Pension benefits, with potential long-term financial implications for the agency, are provided to Council and Board members by twelve cities and three special districts.

Recommendation # 5: The policy of paying pension or deferred compensation for Council and Board members should be reviewed to determine whether this practice is appropriate. The agencies following this practice are:

Cities: Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Martinez, Pleasant Hill, San Pablo, San Ramon and Walnut Creek.

Special Districts: Central Contra Costa Sanitary District, Ironhouse Sanitary District and West County Wastewater District.

REQUIRED RESPONSES

Findings and Recommendations:

Cities and Towns

Antioch	1, 2, 4 and 5
Brentwood	1, 4 and 5
Clayton	1 and 5
Concord	1, 2, 4 and 5
Danville	1, 2, 4 and 5
El Cerrito	1 and 5
Hercules	1, 2, 4 and 5
Martinez	1, 2, 4 and 5
Oakley	1
Pinole	1 and 4
Pittsburg	1 and 4
Pleasant Hill	1, 4 and 5
Richmond	1, 2 and 4

San Pablo	1, 2, 4 and 5
San Ramon	1, 2, 4 and 5
Walnut Creek	1 and 5

Independent Special Districts:

Ambrose Recreation and Park District	1
Byron-Bethany Irrigation District	1 and 4
Byron Sanitary District	1
Central Contra Costa Sanitary District	1, 3, 4 and 5
Contra Costa Water District	1, 3 and 4
Diablo Water District	1
Discovery Bay Community Services District	1 and 3
East Contra Costa Irrigation District	1 and 4
Ironhouse Sanitary District	1, 3, 4 and 5
Los Medanos Community Healthcare District	1 and 3
Mt. Diablo Healthcare District	1 and 4
Mt. View Sanitary District	1, 3 and 4
Pleasant Hill Recreation and Park District	1
Rodeo Sanitary District	1
San Ramon Valley Fire Protection District	1
Stege Sanitary District	1 and 3
West Contra Costa County Healthcare District	1 and 4
West County Wastewater District	1, 3, 4 and 5

Distribution List:

Cities and Towns

Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon and Walnut Creek.

Independent Special Districts:

Crockett Community Services District, Diablo Community Services District, Discovery Bay Community Services District, Kensington Police Protection and Community Services District, Knightsen Community Services District, Kensington Fire Protection District, Moraga-Orinda Fire District, Rodeo-Hercules Fire Protection District, San Ramon Valley Fire Protection District, Los Medanos Community Healthcare District, Mt. Diablo Healthcare District, West Contra Costa County Healthcare District, Byron-Bethany Irrigation District, East Contra Costa Irrigation District, Bethel Island Municipal Improvement District, Ambrose Recreation and Park District, Green Valley Recreation and Park District, Pleasant Hill Recreation and Park District, Byron Sanitary District, Central Contra Costa Sanitary District, Ironhouse Sanitary District, Mt. View Sanitary District, Rodeo Sanitary District, Stege Sanitary District, West County Wastewater District, Contra Costa Water District and Diablo Water District.