

BOARD OF SUPERVISORS RESPONSE TO CONTRA COSTA COUNTY GRAND JURY REPORT 1312:

Comparative View of Elected Officials Cost of Compensation Who is Minding the Store?

Findings:

1. Contra Costa County does not have a formal policy regarding compensation adjustments for elected officials.

Response: The respondent agrees with the finding.

2. The average compensation of the five Supervisors is at the 37th percentile, within the determined range, but below the mid-point, when compared to the twelve-county sample.

Response: The respondent partially disagrees with the finding. Using the same database as the Grand Jury (<http://publicpay.ca.gov/Reports/Counties/Counties.aspx>), the average compensation of the five Supervisors is at the 37th percentile, within the determined range, but below the mid-point, when compared to the twelve-county sample; however, as is noted below, the database and/or analysis is flawed.

3. The cost of compensation for the Clerk-Recorder role is beyond the 99th percentile, far above the Upper Boundary of the determined range.

Response: The respondent partially disagrees with the finding. Using the same database as the Grand Jury (<http://publicpay.ca.gov/Reports/Counties/Counties.aspx>), the cost of compensation for the Clerk-Recorder role is beyond the 99th percentile, far above the Upper Boundary of the determined range; however, as is noted below, the database and/or analysis is flawed.

4. The cost of compensation for the Sheriff-Coroner role is at the 17th percentile, below the Lower Boundary of the determined range.

Response: The respondent partially disagrees with the finding. Using the same database as the Grand Jury (<http://publicpay.ca.gov/Reports/Counties/Counties.aspx>), the cost of compensation for the Sheriff-Coroner role is at the 17th percentile, below the Lower Boundary of the determined range; however, as is noted below, the database and/or analysis is flawed.

5. The average compensation of the six role officials is at the 50th percentile, at the mid-point of the determined range, when compared to comparable counties.

Response: The respondent partially disagrees with the finding. Using the same database as the Grand Jury (<http://publicpay.ca.gov/Reports/Counties/Counties.aspx>), the cost of compensation for the Sheriff-Coroner role is at the 17th percentile, below the Lower Boundary of the determined range; however, as is noted below, the database and/or analysis is flawed.

6. The compensation of the two positions falling outside of their determined ranges can be adjusted to fall within those ranges without increasing the average compensation cost for Contra Costa County's elected role officials.

Response: The respondent agrees with the finding.

Recommendations

1. The Board of Supervisors (a) not adjust their own compensation in such a manner that their average compensation cost exceeds the 50th percentile of the determined range and (b) not adjust the compensation for any individual supervisor outside of the determined range (see Table 1).

Response: The recommendation will not be implemented because it is not reasonable. As is noted below, the database and choice of selected sample counties does not reflect Contra Costa County; therefore, the determined range is not appropriate for Contra Costa County.

2. The Board of Supervisors not adjust the compensation cost of any role official in such a manner that it falls outside of the determined range for that role.

Response: The recommendation will not be implemented because it is not reasonable. As is noted below, the database and choice of selected sample counties does not reflect Contra Costa County; therefore, the determined range is not appropriate for Contra Costa County.

3. The Board of Supervisors not adjust the compensation cost of any of the six role officials in such a manner that the average compensation cost for the role officials as a group exceeds the 50th percentile of the determined range (see Table 8.2).

Response: The recommendation will not be implemented because it is not reasonable. As is noted below, the database and choice of selected sample counties does not reflect Contra Costa County; therefore, the determined range is not appropriate for Contra Costa County.

4. The Board of Supervisors, at its next opportunity, adjust the compensation cost of the Clerk Recorder position to bring it within the determined range as defined in this report (see Table 4.2), subject to any restrictions in taking such an action pursuant to Government Code section 1235, "Salary for Elected Public Office, Reduction During an Election Year."

Response: The recommendation will not be implemented because it is not reasonable. As is noted below, the database and choice of selected sample counties does not reflect Contra Costa County; therefore, the determined range is not appropriate for Contra Costa County.

5. The Board of Supervisors, at its next opportunity, consider adjusting the compensation cost of the Sheriff-Coroner position to bring it within the determined range as defined in this report (see Table 7.2).

Response: The recommendation will not be implemented because it is not reasonable. As is noted below, the database and choice of selected sample counties does not reflect Contra Costa County; therefore, the determined range is not appropriate for Contra Costa County.

6. The Board of Supervisors adopt a written policy for determining and setting the compensation of elected officials.

Response: The recommendation has not yet been implemented, but will be implemented within the next six months.

7. The Board of Supervisors consider retaining a compensation consultant to review the Grand Jury's Findings and Recommendations.

Response: The recommendation will not be implemented because it is not warranted. A call to the State Controller's Office quickly identified a flaw in the materials used by the Grand Jury.

The following is additional information regarding Grand Jury Report 1312 and the State Controller's website database used for all cost of compensation data.

Total compensation analysis is very complex. Unless the researcher is intimately acquainted with the specific classifications under review in each surveyed municipality, flawed conclusions are often drawn. The County Administrator's Office recognizes there to be at least three major flaws in the materials provided to the Grand Jury by their compensation expert. The three flaws are in the selection of the "Selected Sample Counties", the identification of "same or similarly titled roles", and the database used for compensation comparison.

Selected Sample Counties

The Grand Jury report acknowledges that each California County is unique and that Contra Costa County is no exception. The report also noted that an exact comparable does not exist. The compensation expert looked for counties that were closest to Contra Costa County in population, annual funds expended and the extent of urban development within their boundaries. Exhibit A (attached) is taken from the State Controller's website; it lists the California counties data and highlights in yellow the counties in the selected sample, also listed below:

- | | |
|---------------|-------------------|
| 1. Alameda | 7. San Bernardino |
| 2. Fresno | 8. San Diego |
| 3. Kern | 9. San Joaquin |
| 4. Orange | 10. San Mateo |
| 5. Riverside | 11. Santa Clara |
| 6. Sacramento | 12. Ventura |

The significant weakness in selecting this group of sample counties is that eight of them do not represent the Bay Area's cost of living. In fact, discounting regional areas in the selection of counties completely ignored the fact that several of the counties selected are located in areas where costs of living are considerably lower than that of the Bay Area. The nine Bay Area counties are listed below, with those selected by the Grand Jury's expert highlighted.

- | | |
|------------------------|-----------|
| 1. San Francisco* | 6. Marin |
| 2. San Mateo | 7. Solano |
| 3. Santa Clara | 8. Napa |
| 4. Alameda | 9. Sonoma |
| 5. <i>Contra Costa</i> | |

*Salary comparisons performed in Contra Costa County often use Sacramento in place of San Francisco and add Santa Cruz for a ten county comparison.

Same or Similarly Titled Roles

Without a clear understanding of the roles and responsibilities of the offices held by Elected Officials it would be understandably difficult to complete an accurate comparison of positions. It would appear that the Grand Jury's expert attempted to apply a 'formula' to comparison of titles rather than an analysis of the duties performed by those assigned the titles. For instance, the Grand Jury Report indicated that when comparing multiple titles, the first title was considered to be the more important. The entire comparative analysis appears to be on the basis of the title. This comparison is defective and caused critical errors in the conclusions drawn in the report.

For example, in Contra Costa County the Clerk-Recorder is also the Registrar of Voters for the County. Only one (Ventura) of the five selected sample counties has a position that should be considered an “exact” role because the position is also the Registrar of Voters, as it is in Contra Costa County. Two counties (Santa Clara and Orange) considered “exact” role counties, don’t actually match the Grand Jury’s definition of “exact” role counties since their Clerk-Recorder positions do not perform the functions of a third position, nor do they function as the Registrar of Voters. The last two counties (Riverside and San Diego) do include positions that function in three capacities; however, they both have a lower Total Annual Compensation (\$225,547 and \$211,182) than Contra Costa County’s Clerk-Recorder / Registrar of Voters. The salaries of these two tertiary positions may be lower due to the role of Assessor not being a comparable role to a Registrar of Voters position.

Of the 5 selected sample counties, four maintain separate Registrar of Voters offices with much different (higher) salaries. Santa Clara, Orange, Riverside and San Diego do maintain separate Registrar of Voters offices. The table below shows the populations for each county, which may be indicative of the four Counties needing a separate Registrar of Voters office, as compared to Contra Costa and Ventura counties, which are the two lowest populated counties.

	Clerk-Recorder*	Assessor-Clerk-Recorder*	Assessor*	Registrar of Voters*	County Population*
Santa Clara	\$194,298	-	\$258,677	\$200,309	1,797,375
Ventura	\$195,978	-	\$209,958	-	828,383
Orange	\$195,978	-	\$258,680	\$257,178	3,029,859
Riverside	-	\$225,547	-	\$199,649	2,217,778
San Diego	-	\$211,182	-	\$235,916	3,118,876
Contra Costa	\$262,379	-	\$270,088	-	1,056,064

*Numbers may be rounded

Santa Clara Clerk-Recorder is appointed not elected with a Total Annual Compensation of \$194,298 and the county has a separate Registrar of Voters position with a Total Annual Compensation of \$200,309. The population of Santa Clara is about 70% greater than Contra Costa’s, which may indicate a need for separate positions.

Riverside has an Assessor-Clerk-Recorder with a Total Annual Compensation of \$225,547 and Registrar of Voters with a Total Annual Compensation of \$199,649. Ventura County has a population of 828,383 and has a Clerk-Recorder / Registrar of Voters with a Total Annual Compensation of \$195,978.

It is understandable why the conclusions drawn from the title data analyzed in the Grand Jury’s Report produced a flawed result. Of the seven different classes of elected official in Contra Costa County, there are at least 21 variations of classes performing this work in the nine Bay Area Counties (see below).

1. Assessor
2. Assessor-Recorder
3. Assessor-Recorder-County Clerk
4. Auditor-Controller
5. Auditor-Controller/Clerk-Recorder
6. Auditor-Controller/Treasurer-Tax Collector
7. Board of Supervisor Member
8. Clerk-Recorder (Not Elected)
9. Clerk-Recorder (Registrar of Voters)
10. Controller
11. Controller-Treasurer (Not Elected)
12. Coroner
13. District Attorney
14. District Attorney/Public Administrator
15. Registrar of Voters
16. Sheriff
17. Sheriff-Coroner
18. Sheriff-Coroner/Public Administrator
19. Tax Collector (Not Elected)
20. Treasurer-Tax Collector
21. Treasurer-Tax Collector-County Clerk

Database Used for Comparative Purposes

The Grand Jury's Report defines total annual compensation cost as the sum of the following seven elements:

1. Regular Pay
2. Lump sum Pay
3. Other Pay
4. County's Contribution to a Defined Benefit Plan
5. Retirement Cost Covered by the County
6. Deferred Compensation
7. Health/Dental/Vision Contribution by the County

The data used for comparison was not adjusted in any way. It was applied as it was taken from the database. There are issues with using data straight from a database that was not designed specifically for the same purpose for which it is being used.

A simple example of why it is important to understand the base elements of a database is that in San Diego County the Assessor-Clerk-Recorder data failed to consider that the incumbent is retired, therefore, benefit costs are not incurred by the County.

Assessor/Recorder/County Clerk

Department: [Assessor/Recorder/County Clerk](#)
 Entity: [San Diego County](#)
 County: [San Diego](#)
 Year: 2011

\$205,907 total wages

\$193,778 regular pay	\$0 overtime pay	\$0 lump sum pay	\$12,129 other pay
\$199,139 – \$199,139 regular pay range for classification			

\$5,275 total retirement & health cost

\$0 defined benefit plan	\$0 employee's ret. cost covered	\$0 deferred compensation	\$5,275 health/dental/vision contribution
------------------------------------	--	-------------------------------------	---

It is also important to note that the manner in which the elected department heads are compensated for non-accruing vacation/sick time etc., varied greatly. Some entities like Contra Costa provide deferred compensation, some likely include it in salary, and others don't appear to have an option for dealing with it at all. The reporting of just that one item alone can create real problems in understanding the complex issues of total compensation. We address the specific issue of deferred compensation in further detail below.

After reading the Grand Jury's Report, we compared actual payroll data for several Contra Costa County elected officials to the data in the State Controller's website database. We found a significant issue with the reported information for one of the first positions analyzed – Auditor-Controller.

The State Controllers' website provided the following information:

Auditor-Controller

Department: [Auditor - Controller](#)
 Entity: [Contra Costa County](#)
 County: [Contra Costa](#)
 Year: 2011

\$181,571 total wages

\$154,573 regular pay	\$0 overtime pay	\$21,227 lump sum pay	\$5,771 other pay
\$146,622 – \$146,622 regular pay range for classification			

\$80,219 total retirement & health cost

\$3,283 defined benefit plan	\$48,170 employee's ret. cost covered	\$13,020 deferred compensation	\$15,746 health/dental/vision contribution
--	---	--	--

It would appear that the State Controllers' database uses "box 5" from the W2 statement (Medicare taxable wage base). Part of the Medicare taxable wage base (regular pay) includes the counties portion of the deferred compensation contributions. The State database shows the deferred compensation information as an employer paid benefit thus double counting the deferred compensation and other Medicare taxable employer paid benefits. This does not provide an accurate picture of wages and employer paid benefits. Arguably the most significant error in using the State database to determine comparable salary is that the State website incorporated both "elected" compensation and "employee" compensation into the total for the Auditor-Controller. This had the effect of increasing comparable salary by \$21 thousand. These errors alone accounted for material errors of approximately \$34 thousand.

The Auditor-Controller has been in contact with the State Controller's Office regarding the reporting of compensation information to them and their posting the information on the WEB. State Controller staff now recognizes the problem and are working with us to more accurately reflect compensation information on their website. It is unclear how wide spread the errors are and how many comparative counties are affected.

Conclusion

In conclusion, the County Administrator's Office will develop a policy for determining and setting the compensation of elected officials specific to Contra Costa County. A recent comparison of annual salaries for all Contra Costa County elected officials with those of the nine Bay Area counties clearly demonstrates significant gaps between those of several of the elected officials and their cohort counties. The first three classifications analyzed will be those of the Assessor, Auditor-Controller, and Treasurer-Tax Collector.

County	Population*	Annual Funds Expended***	County Area****	Urban Pop.***	Urban Pop. %****	Urban Area****	Urban Area %****	Urban Area Pop.***	Urban Area Pop. %****	Area % Urban****	Rural Pop.***	Rural Pop. %****	Area % Rural****
Alameda	1,521,157	2,196,683,885	1,914,046,110	1,504,402	99.61	702,562,853	36.71	1,504,402	99.61	36.71	5,869	0.39	63.29
Alpine	1,176	14,985,215	1,912,271,907	0	0	0	0	0	0	0	1,175	100	100
Amador	37,911	56,480,528	1,539,962,991	15,075	39.58	19,966,234	1.3	0	0	0	23,016	60.42	98.7
Butte	221,388	339,091,982	4,238,423,238	178,416	81.1	218,700,217	5.16	98,176	44.63	2.1	41,584	18.9	94.84
Calaveras	45,693	68,757,036	2,641,819,725	11,208	24.59	26,827,851	1.02	0	0	0	34,370	75.41	98.98
Colusa	21,593	44,835,344	2,980,379,369	14,624	68.28	12,809,605	0.43	0	0	0	6,795	31.72	99.57
Contra Costa	1,056,064	1,306,321,748	1,854,268,836	1,040,709	99.21	791,912,999	42.71	1,026,665	97.87	42.05	8,316	0.79	57.29
Del Norte	28,594	53,383,843	2,606,493,856	18,976	66.33	30,762,111	1.18	0	0	0	9,634	33.67	98.82
El Dorado	182,498	266,477,138	4,423,396,606	118,231	65.3	195,032,584	4.41	61,422	33.92	2	62,827	34.7	95.59
Fresno	940,220	1,210,298,088	15,431,126,407	829,913	89.19	553,441,936	3.59	654,628	70.36	2.87	100,537	10.81	96.41
Glenn	28,273	63,863,241	3,403,106,702	16,628	59.13	21,882,441	0.64	0	0	0	11,494	40.87	99.36
Humboldt	135,263	229,031,090	9,241,044,673	94,561	70.24	117,813,459	1.27	0	0	0	40,062	29.76	98.73
Imperial	176,258	270,821,482	10,817,352,524	144,129	82.58	109,932,316	1.02	108,683	62.27	0.75	30,399	17.42	98.98
Inyo	18,634	61,910,920	26,368,354,217	9,935	53.57	11,034,204	0.04	0	0	0	8,611	46.43	99.96
Kern	846,883	1,276,127,973	21,061,565,098	753,938	89.79	569,689,805	2.7	578,366	68.88	1.82	85,693	10.21	97.3
Kings	153,365	186,724,804	3,598,582,308	136,381	89.15	102,103,083	2.84	87,941	57.48	2	16,601	10.85	97.16
Lake	64,784	113,072,639	3,254,227,528	43,257	66.89	68,937,372	2.12	0	0	0	21,408	33.11	97.88
Lassen	34,577	56,252,156	11,761,612,172	10,285	29.47	13,783,798	0.12	0	0	0	24,610	70.53	99.88
Los Angeles	9,858,989	15,115,254,704	10,509,869,649	9,759,181	99.39	3,685,227,472	35.06	9,743,650	99.24	34.87	59,424	0.61	64.94
Madera	151,949	175,156,885	5,534,982,985	101,193	67.08	102,566,480	1.85	78,413	51.98	1.05	49,672	32.92	98.15
Marin	254,692	425,584,214	1,347,585,521	235,952	93.48	209,297,929	15.53	235,952	93.48	15.53	16,457	6.52	84.47
Mariposa	18,261	53,524,595	3,752,416,976	0	0	0	0	0	0	0	18,251	100	100
Mendocino	88,197	177,775,338	9,081,386,386	48,110	54.77	75,110,409	0.83	0	0	0	39,731	45.23	99.17
Merced	257,984	382,068,976	5,011,554,741	219,283	85.73	181,492,777	3.62	161,757	63.24	2.88	36,510	14.27	96.38
Modoc	9,705	24,497,124	10,146,977,156	2,910	30.04	4,934,771	0.05	0	0	0	6,776	69.96	99.95
Mono	14,308	55,440,247	7,896,827,391	7,693	54.17	8,604,971	0.11	0	0	0	6,509	45.83	99.89
Monterey	419,038	588,225,591	8,496,702,738	374,315	90.18	276,567,256	3.25	306,096	73.75	2.75	40,742	9.82	96.75
Napa	137,639	239,438,351	1,938,247,338	118,194	86.6	105,619,795	5.45	103,379	75.74	4.06	18,290	13.4	94.55
Nevada	99,111	136,646,318	2,480,616,988	57,150	57.87	121,380,784	4.89	0	0	0	41,614	42.13	95.11
Orange	3,029,859	2,904,431,492	2,047,561,084	3,005,917	99.86	1,356,792,197	66.26	3,005,917	99.86	66.26	4,315	0.14	33.74
Placer	352,380	538,643,638	3,644,136,017	300,393	86.21	368,823,443	10.12	254,704	73.1	7.32	48,039	13.79	89.88
Plumas	20,025	49,988,905	6,612,350,713	5,197	25.98	9,528,530	0.14	0	0	0	14,810	74.02	99.86
Riverside	2,217,778	2,662,570,257	18,664,696,661	2,088,429	95.38	1,836,403,747	9.84	2,022,683	92.38	9.46	101,212	4.62	90.16
Sacramento	1,428,355	2,211,419,968	2,498,415,670	1,389,531	97.94	852,479,845	34.12	1,359,243	95.8	32.87	29,257	2.06	65.88
San Benito	55,619	76,736,034	3,596,742,302	42,002	76	29,640,123	0.82	0	0	0	13,267	24	99.18
San Bernardino	2,052,397	2,453,555,201	51,947,229,509	1,938,853	95.27	1,620,929,678	3.12	1,792,222	88.06	2.62	96,357	4.73	96.88

County	Population*	Annual Funds Expended**	County Area***	Urban Pop.***	Urban Pop. %***	Urban Area***	Area % Urban***	Urban Area Pop.***	Urban Area Pop.***	Area % Urban***	Rural Pop.***	Rural Pop. %***	Area % Rural***
San Diego	3,118,876	3,464,980,984	10,895,120,648	2,993,259	96.7	1,969,080,482	18.07	2,964,846	95.79	17.61	102,054	3.3	81.93
San Joaquin	690,899	830,564,062	3,603,505,998	627,241	91.53	403,846,778	11.21	610,468	89.08	10.96	58,065	8.47	88.79
San Luis Obispo	270,966	391,395,573	8,543,248,461	224,887	83.4	252,767,344	2.96	176,368	65.41	2.27	44,750	16.6	97.04
San Mateo	724,702	1,042,921,551	1,161,371,825	704,865	98.11	364,670,230	31.4	684,152	95.23	29.74	13,586	1.89	68.6
Santa Barbara	426,189	715,701,736	7,083,838,022	402,626	94.98	274,472,641	3.87	377,637	89.09	3.49	21,269	5.02	96.13
Santa Clara	1,797,375	2,325,735,130	3,341,343,470	1,762,335	98.92	856,724,204	25.64	1,762,335	98.92	25.64	19,307	1.08	74.36
Santa Cruz	264,430	411,937,327	1,152,986,019	230,793	87.96	205,269,225	17.8	230,793	87.96	17.8	31,589	12.04	82.2
Shasta	177,924	244,929,085	9,778,246,966	125,321	70.71	198,059,354	2.03	117,731	66.43	1.88	51,902	29.29	97.97
Sierra	3,248	18,826,394	2,468,813,797	9	0.28	18,398	0	9	0.28	0	3,231	99.72	100
Siskiyou	45,084	89,793,908	16,259,652,221	15,344	34.17	31,777,924	0.2	0	0	0	29,556	65.83	99.8
Solano	414,509	545,748,892	2,128,361,199	397,974	96.28	294,791,332	13.85	372,432	90.1	12.71	15,370	3.72	86.15
Sonoma	487,125	749,320,859	4,081,430,136	424,102	87.65	372,935,115	9.14	372,309	76.94	7.57	59,776	12.35	90.86
Stanislaus	517,685	675,140,351	3,871,582,888	473,396	92.02	309,637,865	8	433,288	84.22	7.33	41,057	7.98	92
Sutter	95,800	138,261,633	1,560,235,601	80,718	85.2	63,361,980	4.06	72,171	76.18	3.75	14,019	14.8	95.94
Tehama	63,950	100,584,333	7,639,709,781	30,787	48.51	42,023,154	0.55	0	0	0	32,676	51.49	99.45
Trinity	13,853	37,755,436	8,234,229,734	0	0	0	0	0	0	0	13,786	100	100
Tulare	446,837	643,924,834	12,494,658,169	373,730	84.52	289,402,246	2.32	289,726	65.52	1.74	68,449	15.48	97.68
Tuolumne	55,256	89,735,588	5,752,062,580	28,255	51.03	80,816,252	1.4	0	0	0	27,110	48.97	98.6
Ventura	828,383	965,848,637	4,773,691,889	797,593	96.88	575,552,166	12.06	752,770	91.43	11.67	25,725	3.12	87.94
Yolo	201,759	237,310,783	2,628,032,408	186,931	93.07	121,121,985	4.61	176,572	87.91	4.23	13,918	6.93	95.39
Yuba	72,479	128,403,192	1,636,454,192	53,234	73.78	48,139,566	2.94	44,548	61.74	2.55	18,921	26.22	97.06

* Data based on California State Controller's Office data for 2011 (<http://www.publicpay.ca.gov/Reports/Counties/Counties.aspx>)

** Data based on the "Counties Annual Report" for 2010-11 FY (http://www.sco.ca.gov/Files-ARD-Local/LocRep/counties_reports_1011counties.pdf)

*** Data based on U.S. Census Bureau data from the "2010 Census Urban and Rural Classification" (<http://www.census.gov/geo/reference/ua/urban-rural-2010.html>)