

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: *B-5

AGENDA DATE: November 22, 2016

SUBJECT:

Approval to Introduce and Waive the First Reading of an Ordinance Amending Section 2.04.030 of County Code Regarding Board of Supervisors' Compensation

BOARD ACTION AS FOLLOWS:

No. 2016-573

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

INTRODUCED AND WAIVED THE FIRST READING OF ORDINANCE C.S. 1183

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No. ORD-55-Y-1

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office
Urgent Routine

BOARD AGENDA #: *B-5

AGENDA DATE: November 22, 2016

CEO CONCURRENCE: 

4/5 Vote Required: Yes No

SUBJECT:

Approval to Introduce and Waive the First Reading of an Ordinance Amending Section 2.04.030 of County Code Regarding Board of Supervisors' Compensation

STAFF RECOMMENDATIONS:

1. Approve the introduction and waiver of the first reading of an ordinance amending section 2.04.030 of the County Code regarding Board of Supervisors compensation as outlined in Attachment A.

DISCUSSION:

Stanislaus County has a long history of strong leadership by those elected to the office of the Stanislaus County Board of Supervisors. Board members have dedicated untold hours to the performance of their duties. A Board member averages up to nine committee assignments with the Chairperson serving on up to 17 committees. Additionally, many have multiple outside commitments that benefit the organization and the community. The salary of the Board reflects that the positions are part-time, however, in reality the Board's level of responsibility far surpasses a part-time commitment and will continue to do so in the future. Currently each member of the Board of Supervisors earns an annual salary of \$75,525 while the Chairperson receives additional compensation of approximately 12% of the base County Supervisor compensation, for a total of \$84,547.

The current salary of the Board of Supervisors is based on an ordinance approved in September of 2015 which provides a benchmark for Board of Supervisors' compensation providing annual increases of up to 3.75% until the Board's base salary is within 20% of the average of eight survey counties: Fresno, Kern, Madera, Merced, Monterey, Sacramento, San Joaquin and Tulare. These benchmark counties are consistent with the comparison counties used in the 2013 labor negotiation process for all represented employees. These counties were selected as the best matches based on extensive research that took into account the cost of living, the wage index, geographic location, population, revenues, and expenditures. In addition, the Chairman of the Board of Supervisors salary differential will remain at 12% above the Board's current salary.

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The current ordinance provides that two criteria must be met for the Board to be eligible for the annual increase:

1. the base salary of the Supervisors is at least 20% below the average base salary paid to County Supervisors in the comparison counties, and
2. the General Fund projected revenue in the adopted budget for the fiscal year is equal to or greater than the actual General Fund revenue realized in the prior fiscal year.

The review time of the salaries is specified per ordinance as no later than October 1 of each year and the ordinance requires that base salary compensation shall be reported to the Board in an open public meeting and is not subject to further approval by the Board of Supervisors. If eligible for an increase, it would be effective the first full pay period following January 1, 2017.

In the first year of the ordinance, the Board was not eligible for an increase based on criterion #1, the salary analysis identified Board salaries in Fiscal Year 2015-2016 at 19.4% below the average of the recommended Counties. For Fiscal Year 2016-2017, the salary analysis identified the Board salaries to be 25.57% below the comparison Counties, thereby meeting criterion #1.

**2016 Board of Supervisors
Salary Survey**

Supervisor	
Fresno	\$9,452
Kern	\$8,934
Madera*	\$6,301
Merced	\$8,338
Monterey	\$10,312
Sacramento	\$8,665
San Joaquin	\$8,112
Tulare	\$7,532
Average	\$8,456
20% Below	\$6,765
Stanislaus	\$6,294
Difference \$	\$2,162
Difference %	25.57%

Salaries as of October 2016
 *Madera County offers longevity pay and this analysis just includes base salary of BOS with < 5 years of service.

However, criterion #2, intended to be a measure of economic stability and/or growth was not met. Given the four straight years of recent discretionary revenue growth post the economic downturn, this was not anticipated. An in-depth review of actual discretionary revenue versus the succeeding year Adopted Final Budget projection revealed that the conservative approach used to project discretionary revenue, which does not recognize any one-time revenue receipts, including SB 90 Mandate Revenue, would not have generated a positive growth in seven out of the 11 most recent fiscal years. As shown in the table below, had this criterion

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been in place before 2015, it would have supported a salary increase during the economic downturn, and then in only two of the recovery years thereafter. Unintentionally, criterion #2 does not, in fact, produce a calculated figure that actually demonstrates economic stability and/or growth.

Fiscal Year	General Fund Actual Revenue	Fiscal Year	General Fund Adopted Final Budget Revenue	Meet Criterion
2005-06	\$251,119,297	2006-07	\$255,306,008	YES
2006-07	\$265,457,215	2007-08	\$265,837,138	YES
2007-08	\$276,157,959	2008-09	\$257,315,361	NO
2008-09	\$252,921,331	2009-10	\$234,579,142	NO
2009-10	\$220,172,860	2010-11	\$221,367,888	YES
2010-11	\$223,115,695	2011-12	\$215,164,765	NO
2011-12	\$221,104,519	2012-13	\$227,072,421	YES
2012-13	\$243,487,185	2013-14	\$235,249,701	NO
2013-14	\$246,245,226	2014-15	\$241,644,022	NO
2014-15	\$276,223,766	2015-16	\$259,657,626	NO
2015-16	\$292,310,425	2016-17	\$285,753,316	NO

As a result, staff is recommending criterion #2 be replaced with a measure that will tie more directly to the desired value of economic stability and/or growth as a basic requirement for any salary increase for the Board of Supervisors: growth in the Stanislaus County Assessment Roll over the prior fiscal year.

Fiscal Year	Assessment Roll Value	Year Over Year Growth in Assessment Roll Value	Meet Criterion
2005-06	\$33,412,511,370	14.71%	YES
2006-07	\$39,125,852,578	17.10%	YES
2007-08	\$42,968,669,981	9.82%	YES
2008-09	\$40,016,874,475	-6.87%	NO
2009-10	\$36,879,868,103	-7.84%	NO
2010-11	\$35,156,923,896	-4.67%	NO
2011-12	\$33,974,305,271	-3.36%	NO
2012-13	\$33,480,321,043	-1.45%	NO
2013-14	\$35,134,919,019	4.94%	YES
2014-15	\$39,175,319,581	11.50%	YES
2015-16	\$41,818,523,879	6.75%	YES
2016-17	\$44,276,415,460	5.88%	YES

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As the preceding table demonstrates, had this new criterion been in place before 2015, it would not have supported a salary increase during the economic downturn, and would only support a salary increase in the recovery years.

With this recommended correction to criterion #2 in place, the Board of Supervisors would be eligible for a 3.75% salary increase the first full pay period after January 1, 2017. In addition, the Chairman of the Board's salary will increase to reflect 12% above the new base Supervisor compensation. The Supervisor's new salary will be \$6,530 monthly and the Chairman of the Board's new salary will be \$7,314 monthly effective the first full pay period following January 1, 2017.

POLICY ISSUE:

Board approval is required to amend the Stanislaus County Code and correct criterion #2 to more accurately reflect the desired value of economic stability and/or growth.

FISCAL IMPACT:

Board members will be eligible for annual salary increases up until their base salary is within 20% of the survey counties, and only in fiscal years in which the County Assessment Roll indicates economic stability and/or growth. The fiscal impact in 2016-2017 is estimated to be approximately \$7,250 for six months. Sufficient appropriations and estimated revenues exist in the Adopted Final Budget for the Board of Supervisors budget to support this recommendation; if needed, additional net county cost authority will be requested at the Mid-Year Financial Report.

BOARD OF SUPERVISORS' PRIORITY:

The recommended action is consistent with and supports the Board of Supervisors' goal of Efficient Delivery of Public Services.

STAFFING IMPACT:

There is no impact on staffing resulting from this ordinance amendment; existing staff in the Chief Executive Office will complete the annual salary survey analysis.

CONTACT PERSON:

Stan Risen Chief Executive Officer. Telephone: (209) 525-6333

ATTACHMENT(S):

An Ordinance Relating to Board of Supervisors Compensation

**AN ORDINANCE AMENDING SECTION 2.04.030 OF THE COUNTY CODE
RELATING TO BOARD OF SUPERVISORS COMPENSATION**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

Section 1. Section 2.04.030 subsection C.(2) of the Stanislaus County Code is amended to read as follows:

"(2) Determine if the Stanislaus County Assessment Roll for the fiscal year exceeds the value of the Stanislaus County Assessment Roll in the prior fiscal year."

Section 2. Section 2.04.030 subsection D.(2) of the Stanislaus County Code is amended to read as follows:

"(2) The Stanislaus County Assessment Roll for the fiscal year exceeds the value of the Stanislaus County Assessment Roll in the prior fiscal year."

Section 3. This ordinance shall take effect thirty (30) days from and after the date of its passage and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor _____, seconded by Supervisor _____, the foregoing resolution was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the _____ day of _____, 2016, by the following called vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:


Dick Monteith, Chair of the Board of
Supervisors of the County of Stanislaus,
State of California

ATTEST:

ELIZABETH A. KING,
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By _____
PAM VILLARREAL, Assistant Clerk

APPROVED AS TO FORM:
John P. Doering
County Counsel

By  _____
Thomas E. Boze,
Assistant County Counsel