

Mayor
Jeremy B. Yamaguchi

Mayor Pro Tem
Chad P. Wanke

Councilmembers
Joseph V. Aguirre
Scott W. Nelson
Constance M. Underhill



City Clerk
Patrick J. Melia

City Treasurer
Craig S. Green

City Administrator
Troy L. Butzlaff, ICMA-CM

401 East Chapman Avenue – Placentia, California 92870

August 7, 2012

The Honorable Thomas J. Borris
Presiding Judge, Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

**RE: 2011-2012 ORANGE COUNTY GRAND JURY REPORT ENTITLED
“TRANSPARENCY BREAKING UP COMPENSATION FOG – BUT WHY HIDE
PENSION COSTS?”**

Dear Judge Borris:

We have reviewed the 2011-12 Orange County Jury Report, “Transparency Breaking Up Compensation Fog – But Why Hide Pension Cost?” On behalf of the Placentia City Council, we thank the volunteer members of the Grand Jury for their time and considerable effort in analyzing the various aspects of public employee compensation in Orange County. In doing so, the City is pleased that your findings concluded that the City of Placentia was ranked among the exceptional and commendable Orange County cities to provide pension cost amounts to all employees. The City takes pride in transparency and we believe the City has been very proactive in providing the content in a comprehensive and easy to access format.

The Grand Jury is requiring the City of Placentia to respond to findings F-4 and F-5 and recommendations R-4 and R-5. In accordance to California Penal Code §§ 993 and 993.05, the City of Placentia is pleased to provide the following responses to the findings and recommendations made by the Grand Jury.

Finding 4 (F4) – Transparency of Employer Pension Contribution Rates. Many Orange County local government web sites do not post their employer pension annual contribution rates prominently to their web sites as part of their compensation cost disclosure for public disclosure.

We agree with this finding. Based on the 2012 Compensation Cost Transparency Assessment Ratings Chart, it appears that a majority of Orange County cities lack employer pension annual contributions on their websites. Nonetheless, according to the Ratings Chart, the City of Placentia is only one of five cities that have posted their employer pension contribution rates on their City’s website.

Finding 5 (F5) – Inclusion of Overtime and On-Call Pay in Employee Compensation Costs. The Orange County “de facto” standard for Compensation Cost Transparency in the county, cities, districts and joint power authorities now contains all employees, including a page for executives and all elected officials. Two key categories are missing from compensation cost reporting. They are overtime pay and on-call pay.

We agree with this finding. Based on the current Compensation Cost Disclosure Model, the “Overtime” column is a new reporting requirement for 2012 and is currently being requested by

the Grand Jury. The City acknowledges the Grand Jury's finding and plans to post overtime and on-call pay costs on the City's website on or before October 1, 2012.

Recommendation 4 (R4) – Transparency of Employer Pension Contribution Rates. The Grand Jury recommends that all Orange County cities, districts and joint power authorities, as well as the County of Orange, post their employer pension annual contribution rates prominently and transparently on their web sites.

We support this recommendation. The City wholly embraces the importance of transparency of posting employer pension annual contribution rates prominently and transparently on its website and has this information currently posted on the City's website. This information will be updated on an annual basis.

Recommendation 5 (R5) – Transparency of Overtime Pay and On-Call Pay in Employee Compensation Cost Reporting. The Grand Jury recommends that all Orange County cities, districts and joint power authorities, as well as the County of Orange, include overtime pay and on-call pay in compensation cost reporting on their employees' compensation pages.

We support this recommendation. The City acknowledges the Grand Jury's recommendations and plans to post overtime and on-call pay on the City's website on or before October 1, 2012. This information will be updated on an annual basis.

Thank you for affording us this opportunity to comment upon the findings and recommendations of the Grand Jury. Should you have any questions or need clarification regarding the City's responses contained herein, please do not hesitate to contact my office.

Sincerely,



Jeremy B. Yamaguchi
Mayor

cc: City Council
Orange County Grand Jury
City Administrator