



## City of Brea

December 20, 2012

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

### **Re: 2011-2012 Grand Jury Report Compensation Study of Orange County Cities**

Dear Presiding Judge of the Superior Court:

On behalf of the City of Brea, I am pleased to provide you a response to the Grand Jury's report regarding the above titled report.

#### RESPONSES TO FINDINGS

##### Finding 2 F2: Content & Clarity Ratings for EXECUTIVE Compensation Cost

City Response: Based upon the provided example in Appendix D, the City agrees with the Grand Jury's finding.

##### Recommendation 2 (R2): Content & Clarity Ratings for EXECUTIVE Compensation Costs

The Grand Jury recommends that each of the forty-one of the fifty-seven Orange County cities, districts and joint power authority that were rated less than excellent for their Content & Clarity for their Executive and Elected Officials compensation costs page upgrade their Executive Compensation page.

City Response: With the Fiscal Year 2012-13 reporting of budgeted EXECUTIVE Compensation Costs, the above recommendations have been implemented. However, a majority of executives and managers reported are not subject to overtime. Therefore, amounts are not listed. Budgeted costs for managers who are subject to overtime are not reported because overtime is not budgeted at the individual level, rather at the department/division level. Furthermore, budgeted insurance premiums for positions are reported along with other City paid benefits including Medicare, workers' compensation, and life insurance.

City Council

**Ron Garcia**  
*Mayor*

**Brett Murdock**  
*Mayor Pro Tem*

**Christine Marick**  
*Council Member*

**Roy Moore**  
*Council Member*

**Marty Simonoff**  
*Council Member*

Finding 3 F3: Content & Clarity Ratings for EMPLOYEE Compensation Cost

City Response: Based upon the provided example in Appendix D, the City agrees with the Grand Jury's finding.

Recommendation 3 (R3): Content & Clarity Ratings for EMPLOYEE Compensation Costs

The Grand Jury recommends that the County of Orange and all Orange County cities, districts and joint power authority that were rated less than excellent for their Content & Clarity for their Executive and Elected Officials compensation costs page upgrade their Employee pages.

City Response: With the 2012-13 reporting of budgeted EMPLOYEE Compensation Costs, the above recommendations have been implemented. Budgeted overtime costs are not reported because it is not budgeted at the individual level, rather at the department/division level. Furthermore, budgeted insurance premiums for positions are reported along with other City paid benefits including Medicare, workers' compensation, and life insurance.

Finding 4 F4: Transparency of Employer Pension Contribution Rates

City Response: The City agrees with the Grand Jury's finding.

Recommendation 4 (R4): Transparency of Employer Pension Contribution Rates

The Grand Jury recommends that the all Orange County cities, districts and joint power authority, as well as the County of Orange, post their employer pension annual contribution rates prominently and transparently on their website

City Response: As of December 12, 2012, the City posted their annual pension contribution rates for both Safety and Miscellaneous employee groups.

Finding 5 F5: Transparency of Overtime Pay and On-Call Pay in Employee Compensation Cost Reporting

City Response: The City disagrees wholly with the Grand Jury's finding.

The City is required to post fiscal year information. Therefore, it provides fiscal year budgeted costs for salaries and benefits. Budgeted overtime costs are not reported because it is not budgeted at the individual level, rather at the department/division level. It is almost impossible to post overtime costs for individual positions based on fiscal year.

Recommendation 5 (F5): Transparency of Overtime Pay and On-Call Pay in Employee Compensation Cost Reporting

The Grand Jury recommends that the all Orange County cities, districts and joint power authority, as well as the County of Orange, include overtime pay and on-call pay in compensation reporting on their employees' compensation

City Response: The State Controller's Office—Division of Accounting and Reporting requires the City to annually report employee compensation. Included in the City of Brea's 2011 calendar year data are the annual overtime costs for individual positions. An inquirer can easily search this information at the following website: <http://www.sco.ca.gov/compensation>. 2011 information should be posted by January 2013.

The City of Brea greatly appreciates the opportunity to respond to the Grand Jury Report and acknowledges the work of the 2011-12 Orange County Grand Jury, to determine whether abusive compensation exists in Orange County cities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Gallardo', is written over a horizontal line. The signature is stylized and somewhat cursive.

Bill Gallardo  
Administrative Services Director