



August 8, 2012

Thomas J. Borris
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Dear Judge Borris,

The City Council of the City of Fullerton hereby responds to the 2011-2012 Orange County Grand Jury report, "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"

Finding F.1.: "Accessibility to Compensation Costs for Orange County cities web-sites experienced 92% improvement this year, but there is still room for improvement at some cities. Accessibility to Compensation Costs on Orange County websites for districts and joint power authority (JPA) has room for improvement, even though 70% were rated excellent."

"There was a 92% improvement in CCT Accessibility from the thirteen cities rated excellent in 2011 compared to twenty-five cities were rated excellent in 2012. Yet there is still room for improvement for the remaining nine of thirty-four Orange County cities who received ratings of good in 2012 to achieve excellence in CCT Accessibility."

The City of Fullerton agrees with this finding.

Finding F.3.: "There is the most opportunity for more transparent reporting in the Content and Clarity of Employee Compensation Cost report on local government websites."

"Only five of the thirty-four cities (15%) were rated excellent for Employee Compensation Cost and Clarity. Twenty-nine of the thirty-four cities were rated good, average, poor and nonexistent for Employee Compensation Cost Content and Clarity, all of whom could improve to excellent."



The City of Fullerton agrees with this finding as it applies to the City of Fullerton.

Finding F.4: “Many Orange County local government websites do not generally post their pension annual contribution rates prominently to their web sites as part of their compensation cost disclosure for public disclosure. Specifically, these employer contribution percentages refer to the annual percentages of employee salary that CalPERS (California Public Employees Retirement System) or OCERS (Orange County Employee Retirement System) requires of Orange County local governments to fund their employee guaranteed pension plans.”

The City of Fullerton agrees with this finding.

Finding F.5.: “The Orange County ‘de facto’ standard for CCT in the county, cities, districts and JPA 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. They have become important as the new ‘de facto’ compensation cost reporting standard which now includes all employees. These two cost categories can be significant for public safety employees. However, it is recognized that these cost categories generally do not apply to elected officials. On the other hand, if overtime does not occur for various employee positions, it is important for citizens to be aware of the aware of that in the annual reporting.”

The City of Fullerton agrees with this finding.

Recommendation R.1.: “The Grand Jury recommends that each of the sixteen Orange County cities, districts and joint power authority that were rated less than excellent for Accessibility upgrade their access to compensation costs. The access should be intuitive, readily identifiable on the web site home page and provide easy navigation within on or very few ‘clicks.’”

There is a link entitled “Employee Compensation” on the City of Fullerton website homepage. It is listed under the Shortcuts menu on the left side of the page. One click on this link will bring the user to the Employee Compensation page with four additional links for detailed compensation reports. The Council and Executive Salaries and Benefits report and the “Employee Compensation for 2011” report may be accessed with two “clicks” from the homepage by a user.

Also on the Employee Compensation page is information regarding the City’s CalPERS Contribution Rates. (See Recommendation R.4.)

Recommendation R.3.: “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 Content and Clarity for their Employee compensation costs pages upgrade their Employee pages. See Appendix D for a suggested full disclosure model which is the same as 2011 with the addition of

overtime pay, on-call pay and expanded descriptions, with particular emphasis on pension costs.”

The City of Fullerton has developed a report matching the Grand Jury's recommendation. It is posted on the Employee Compensation page under the “Employee Compensation for 2011” link. This report is two “clicks” from the homepage.

Recommendation R.4.: “The Grand Jury recommends that 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 web sites. Current and recent rates would be instructive and informative. It is recognized that some already do.”

The City of Fullerton has posted a table reflecting the 2012/2013 rates on the Employee Compensation page, one “click” from the homepage.

Recommendation R.5.: “The Grand Jury recommends that 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 cost reporting on their employees' compensation pages.”

The City of Fullerton “Employee Compensation for 2011” report available on the Employee Compensation page of the City website reflects compensation data including salary, overtime and other pay, pension costs and insurance premiums as recommended by the Grand Jury. This report requires two “clicks” from the homepage.

Sincerely,



Sharon Quirk-Silva
Mayor, City of Fullerton

cc: Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701