



# City of Huntington Beach

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**Don Hansen**  
Mayor

October 12, 2012

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

Dear Judge Borris:

**RE: CITY OF HUNTINGTON BEACH RESPONSE TO 2011-2012 GRAND JURY REPORT -  
TRANSPARENCY: BREAKING UP THE COMPENSATION FOG – BUT WHY HIDE  
PENSION COSTS?**

Thank you for the opportunity to respond to the Grand Jury report on this topic. The City of Huntington Beach is poised to meet the future challenges associated with transparency in compensation and pension reporting.

In accordance with California Penal Code Sections 933 and 933.05, the City of Huntington Beach hereby provides its response to the Grand Jury's findings and recommendations.

## **FINDINGS:**

### ***Finding #1 (F1) – Accessibility ratings for Cities, Special Districts, and JPA's***

The City of Huntington Beach AGREES with the Grand Jury finding that there is room for improvement such that a greater number of Cities, Special Districts and JPA's receive a rating of excellent in future review years.

### ***Finding #2 (F2) – Content and Clarity Ratings for EXECUTIVE Compensation Cost***

The City of Huntington Beach AGREES with the Grand Jury finding that there is more potential improvement possible; and Orange County cities can, going forward, collectively achieve greater than a 41% excellent rating for this reporting item.

### ***Finding #3 (F3) – Content & Clarity for EMPLOYEE Compensation Cost Ratings***

The City of Huntington Beach AGREES with the Grand Jury finding that greater than 15% (5 of 34) of Orange County cities can achieve a rating of excellent in this rating category.

### ***Finding #4 (F4) – Transparency of Employer Pension Contribution Rates***

The City of Huntington Beach AGREES with the Grand Jury finding that local government websites should prominently post employer pension annual contribution rates online.

***Finding #5 (F5) – Inclusion of Overtime and On-Call Pay in Employee Compensation Costs***

The City of Huntington Beach AGREES with the Grand Jury finding that overtime and on-call pay may be difficult to determine in the currently available compensation reports and that future reports should make these cost items more easily discernible.

**RECOMMENDATIONS:**

***Recommendation #1 (R1) – Access for Compensation Costs Transparency***

The City of Huntington Beach has implemented this recommendation as both the Executive and Employee Compensation Costs are posted on the homepage on the City's website allowing single-click access to the information.

***Recommendation #2 (R2) – Content & Clarity of EXECUTIVE Compensation Costs***

The City of Huntington Beach has implemented this recommendation and the City Council and Executive Compensation Costs are posted on the homepage on the City's website allowing single-click access to the information.

***Recommendation #3 (R3) – Content and Clarity of EMPLOYEE Compensation Costs***

The City of Huntington Beach will implement this recommendation by November 1, 2012. Finance, Human Resources and Information Services have collaborated to develop a more robust report that will comport with the data requirements contained in the Grand Jury report.

***Recommendation #4 (R4) – Transparency of Employer Pension Contribution Rates***

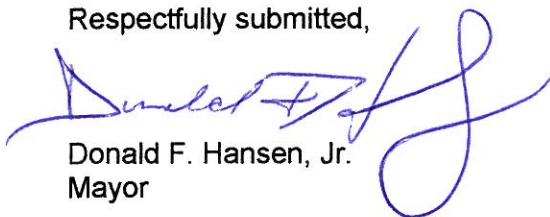
The City of Huntington Beach will implement this recommendation by November 1, 2012. The City's website will provide a separate page containing pension cost data, including, but not limited to, current contribution rates by association/employee group, current contribution rates for the City and actuarial report information from CalPERS.

***Recommendation #5 (R5) – Transparency of Overtime Pay and On-Call Pay in Employee Compensation and Cost Reporting***

The City of Huntington Beach will implement this recommendation by November 1, 2012. The updated Employee Compensation Cost report developed through the collaborative efforts of Finance, Human Resources and Information Services, will better report this information.

Again, the City of Huntington Beach appreciates the opportunity to meet the Orange County Grand Jury's future expectations on this subject, and the City stands fully committed to improving transparency of reporting to the citizens of our community.

Respectfully submitted,



Donald F. Hansen, Jr.  
Mayor