



Sukhee Kang, Mayor

www.cityofirvine.org

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August 2, 2012

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

**RE: City of Irvine Response to Orange County Grand Jury 2011-2012 Report
"TRANSPARENCY BREAKING UP COMPENSATION FOG – BUT WHY HIDE
PENSION COSTS?"**

Dear Judge Borris:

The City of Irvine has reviewed the Orange County Grand Jury report entitled "TRANSPARENCY BREAKING UP COMPENSATION FOG – BUT WHY HIDE PENSION COSTS?" As requested by the Grand Jury, and in accordance with California Penal Code Section 933, I am writing to provide you with the response of the City of Irvine to the applicable findings and recommendations contained in the report.

Findings (page 25)

Finding F3: Content & Clarity for EMPLOYEE Compensation Cost Ratings

The City of Irvine disagrees wholly with the rating of a "D" grade. This area has been substantially improved in conformance with the Orange County Grand Jury's suggested template. Our City Manager's Office sent an executive staff member to review the draft report "prior to its release to the public and identify any factual inaccuracy." The Grand Jury was informed at that time that corrections had been made and posted on the City's website reflecting the full request in this area. The City's intent, and its expectation, was that an earlier preliminary grade of "D" in this category would be changed to an "A." When the final report was published, however, the grade had not been changed, although an addendum was inserted in the report, noting: "The City of Irvine reported that their Employee page was subsequently posted on their City Compensation Page, using the Orange County Grand Jury suggested format (and) it appears to be quite complete." A letter pointing out the Grand Jury's error was sent by City Manager Sean Joyce to Foreman Roy B. Baker III to this effect on June 13, 2012. There has been no response to date.

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

The City agrees with this finding. Employer pension compensation rates have been published on the City's website. The City Compensation page has pension compensation rates for City Council and Executive Staff and, on the same page, a link to Other City Staff Compensation.

Finding F5: Inclusion of Overtime and On-Call Pay in Employee Compensation Costs

The City of Irvine agrees with this finding. This information has been added to the Other City Staff Compensation page.

Recommendations (page 28)

Recommendation R3: Content & Clarity of Employee Compensation Costs

This has been completed and posted.

Recommendation R4: Transparency of Employer Pension Contribution Rates

This information is already posted.

Recommendation R5: Transparency of Overtime Pay and On-Call Pay in Employee Compensation Cost Reporting

The City of Irvine has added this information, using the Orange County Grand Jury's Appendix D template, to complete the Other City Staff Compensation page.

Please contact me or City Manager Sean Joyce at (949) 724-6249 if you have any questions or if we can provide any additional information.

Sincerely,



Sukhee Kang
Mayor

cc: Roy B. Baker III,
Foreman, 2011-2012 Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701