



# PLACENTIA LIBRARY DISTRICT

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Jeanette Contreras, Library Director

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October 10, 2012

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

RE: Placentia Library District's Response to the 2011-2012 Orange County Grand Jury Report, *"Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"*

Dear Judge Borris:

Pursuant to Penal Code Sections 933 and 933.05, the Placentia Library District submits the following response to the 2011-2012 Orange County Grand Jury Report released on April 27, 2012 entitled *"Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"* I am writing to provide you with the Placentia Library District's response to Findings #4 & #5 and recommendations #4 & #5 contained in the report.

### **FINDING #4**

**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. 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. OCERS has the employer pension contribution rates buried in detailed actuarial reports and presentation on the OCERS website or requires member passwords to access these annual governmental funding rates. Thus, there is limited transparency for the public of these governmental pension contribution rates."*

**Response:** The Placentia Library District respectfully disagrees with the finding. While we have not had the employee rates displayed as a percentage of the total compensation posted on the website, we have had the actual dollar amount the District contributes towards the employee's pension plan. The District's detailed compensation information is easily accessible through the District's website and also available at our Administration Office.

#### **FINDING #5**

**F5.** *"Inclusion of Overtime and On-Call Pay in Employee Compensation Costs. 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."*

**Response:** The Placentia Library District has not had to incur overtime pay for several years and therefore overtime is not factored in the District's compensation information. The pay rates for substitute employees are computed similarly to that of regular employees and dependent on job classifications. There is no pay difference between regular and substitute employees.

#### **RECOMMENDATION #4**

**R4.** *"Transparency of Employer Pension Contribution Rates – 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 Grand Jury recommends that OCERS display their member organizations annual contribution rates in a transparent way to the general public without password access on their web site. For a suggested model, see <http://calpers.ca.gov> and enter "public agency employer contribution search."*

**Response:** The Placentia Library District respectfully disagrees with the finding. While we have not had the employee rates displayed as a percentage of the total compensation posted on the website, we have had the actual dollar amount the District contributes towards the employee's pension plan. We believe the actual

dollar amount provided is much more transparent than a percentage figure for understanding the total compensation contributed by the District. The District's detailed compensation information is easily accessible through the District's website and also available at our Administration Office.

**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 authority, as well as the County of Orange, include overtime pay and on-call pay in compensation cost reporting on their employees’ compensation pages. See Appendix D for a suggested full disclosure model for these new compensation cost reporting categories.”*

**Response:** The Placentia Library District has not had to incur overtime pay for several years and therefore overtime is not factored in the District's compensation information. The pay rates for substitute employees are computed similarly to that of regular employees and dependent on job classifications. There is no pay difference between regular and substitute employees.

As pointed out by the Grand Jury in its 2011-2012 *Transparency* report, the Placentia Library District received the highest rating possible, the Gold Honor Roll, in all three categories of transparency – accessibility, content and clarity for Elected/Executive and Employee compensation. We have consistently strived to provide clear and comprehensive information to the public regarding all costs associated with the District. As part of our efforts, the District continues to include costs related to employee compensation during budget public discussions and hearings and in our approved budget, a document that is readily available at our Administration Office. We thank you for the opportunity to provide a response to the Grand Jury's findings and recommendations.

Respectfully submitted,



Jeanette Contreras  
Library Director