

CITY of CYPRESS

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June 24, 2011

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

Subject: Response to Grand Jury Report- "Compensation Study of
Orange County Cities"

Dear Judge Borris:

In accordance with the California Penal Code, Section 933 and 933.05, the City of Cypress is submitting this response to the Grand Jury Report "Compensation Study of Orange County Cities". As stipulated in the statute, the responses are provided for each finding and recommendation with statements of agreement or disagreement either wholly or partially and the corresponding reasons for each.

Per the requirements and instructions, the City of Cypress is responding to Findings (F.4 and F.7) and Recommendations (R.1 and R.2).

Responses to Grand Jury Findings:

F.4 Public disclosure of municipal compensation levels is widely inconsistent, ranging from good to non-existent.

Response: The City of Cypress agrees with this finding. With the various compensation plans in municipal governments and the many requests for surveys requesting different compensation parameters, it is difficult to provide consistent data.

F.7 There is currently no disclosure of written employment contracts on the majority of cities' websites.

Response: The City of Cypress disagrees partially with this finding, as far as it applies to the City of Cypress, since we cannot answer for website disclosures of other Orange County cities. The City of Cypress maintains a copy of the City Manager's contract and all amendments on our website. The City Manager's contract is the City's only individual employment contract.

Leroy Mills, Mayor

Todd W. Seymore, Mayor Pro Tem

Doug Bailey, Council Member

Phil Luebben, Council Member

Prakash Narain, M.D., Council Member

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The City also maintains all Memorandums of Understanding and resolutions relating to current agreements with all employee groups on the website. These have been on the City's website since 2007.

Responses to Grand Jury Recommendations:

R.1: Transparency- All cities in Orange County report their compensation information to the public on the Internet in an easily accessible manner. The Compensation Disclosure Model (Appendix 4) provides a sample as to the items that should be included in determining total compensation.

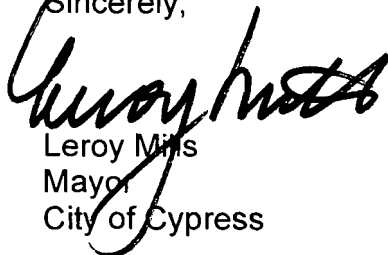
Response: This recommendation has been implemented by the City of Cypress. The City of Cypress provides copies of all its employment contracts and resolutions, which define all salary and benefits provided to its employees. In addition, the City of Cypress provides calendar year wage reports by job title to the State Controller which is accessible on their website and is linked to the City's website.

R.2 Employment Contracts – Each city reveal any individual employment contracts in an easily accessible manner.

Response: This recommendation has been implemented by the City of Cypress. The current website maintains a copy of the City Manager's written contract and all amendments. The City Manager's contract is the City's only individual employment contract.

If you have any questions regarding the responses provided in this letter, please contact Mr. Richard Storey, Assistant City Manager, at (714) 229-6709 or via e-mail at rstorey@ci.cypress.ca.us.

Sincerely,



Leroy Mills
Mayor
City of Cypress

cc: City Council
John Bahorski, City Manager
Jerry L. Powell, Foreman, Orange County Grand Jury, 700 Civic Center
Drive West, Santa Ana, CA 92701