



September 2, 2011

from judge

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

Mayor
Peter Herzog

Mayor Pro Tem
Mark Tettemer

Council Members
Kathryn McCullough
Marcia Rudolph
Scott Voigts

City Manager
Robert C. Dunek

RE: Compensation Study of Orange County Cities

Dear Judge Borris:

Upon reviewing the findings and recommendations of the Orange County Grand Jury report entitled "Compensation Study of Orange County Cities," the City of Lake Forest offers the following responses:

Findings:

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

Response: The City has not reviewed the manner in which all 34 Orange County cities disclose compensation on websites or through other means. Without such a foundation from which to offer an informed opinion, the City respectfully disagrees with the finding.

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

Response: The City has not reviewed the websites of all 34 Orange County cities to independently verify this finding. Without such a foundation from which to offer an informed opinion, the City respectfully disagrees with this finding.

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: The City has no reason to believe other cities are not already doing so, and we make no recommendations on what other cities should do. As the City of Lake Forest, we already do report compensation information to the public in an easily accessible manner.

Maintaining a website that provides up-to-date content in an easy to navigate format has long been a key part of the City's commitment to keeping our residents and businesses informed of current issues and the information they care about. Lake Forest engages an independent research firm to perform a statistically significant survey of city residents and businesses to collect feedback on city services and facilities. According to the 2010 survey findings, 86% of residents and 91% of businesses are satisfied with the resources and content available on the City's websites.

Compensation information is currently accessible in a variety of places on the City's website, including:

- *Job Descriptions/Salaries* page (<http://lakeforestca.gov/salaries>)
- *City Compensation* page (<http://lakeforestca.gov/compensation>)
- Link to Controller's Database of Government Compensation in California (<http://www.lakeforestca.gov/depts/ms/hr/default.asp>)

In addition, the employee salary schedule and City Manager's Employment Agreement are adopted by the City Council at a publicly noticed meeting. The public may find and review these public records online by using the key word search feature on the *Current Agendas* web page. Whether information is "easily accessible" on a website is highly subjective and varies from person to person. The reporting of compensation data is a work in progress, but our goal is to post information to the City's website that is clear and helps alleviate any potential confusion.

At this time, the City will not be implementing the Grand Jury's recommended reporting methodology because there are now so many different so-called "disclosure models" that they are merely causing confusion. As an example, over the past year, the City has responded to four (4) separate requests for compensation information. When responding, the City used the unique methodology set forth by each requestor. Due to the differing methodologies, published numbers vary and may not necessarily be comparable. This poses a challenge as we strive to communicate this information and explain, for example, why the 2009 compensation reported on the State Controller's website varies from the 2009 compensation reported in the Orange County Grand Jury Report.

Lake Forest will continue its current web postings and its commitment to post compensation information in as clear and straightforward a manner as possible. The City will also continue to refine our communications related to compensation issues while monitoring for emerging best practices.

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

Lake Forest plans to implement this recommendation by the end of calendar year 2011 by posting the City Manager's Employment Agreement on the City Manager's Department web page. This page is currently being redesigned to accommodate this and other updates.

Thank you for the opportunity to respond to the recommendations prepared by the 2010-2011 Orange County Grand Jury in their report entitled "Compensation Study of Orange County Cities." Should you have any questions, please contact Debra Rose, Deputy City Manager/Director of Management Services, at (949) 461-3414.

Sincerely,

CITY OF LAKE FOREST



Peter Herzog
Mayor

c: Robert C. Dunek, City Manager
Scott C. Smith, City Attorney