

September 1, 2011

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

Re: City of La Palma Response to 2010-2011 Orange County Grand Jury Report *"Compensation Study of Orange County Cities"*

Dear Judge Borris:

The City is in receipt of the 2010-2011 Orange County Grand Jury Report *"Compensation Study of Orange County Cities,"* which was made public on June 9, 2011. All Orange County cities are required by Penal Code §933 and §933.05 to provide a response to Findings F-4 and F-7 and Recommendations R-1 and R-2 of the report.

Finding F-4:

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

City of La Palma Response to Finding F-4:

The City of La Palma agrees with this finding from the Orange County Grand Jury. However, La Palma has for some time made all Memorandums of Understanding and Salary Schedules available to the public on its website and in August of 2010 launched a Transparency page providing easily accessible information to the public on labor agreements; City Manager, City Council, and Employee compensation; and other financial documents. Most recently the City added a link to the State Controller website and their reports on La Palma compensation levels.

Finding F-7:

Finding F-7 states, *"There is currently no disclosure of written employment contracts on the majority of cities' websites."*

City of La Palma Response to Finding F-7:

The City of La Palma agrees with this finding from the Orange County Grand Jury. However, La Palma has only one employment contract and that is with its City Manager. That contract, which was approved by the City Council on June 15, 2010, has been available for public review online on the City's transparency page since August 3, 2010.

Recommendation R-1:

Recommendation R-1 states, *"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."*

City of La Palma Response to Recommendation R-1:

The recommendation has not yet been fully implemented, but will be implemented within the next nine months (prior to May 30, 2012). While, the City of La Palma appreciates the Grand Jury's efforts to provide data to the public, the City believes that there should be one consistent model used for reporting compensation data at the local, county, and state level. It is very time consuming to provide information in the variety of methods being sought and takes valuable staff time away from other important duties. Again, the City launched a Transparency page in August of 2010 to provide easily accessible information to the public on labor agreements; City Manager, City Council, and Employee compensation; and other financial documents. The City will modify or expand its Transparency page to provide compensation data that includes all of the items in the model provided by the Grand Jury; however, the data may be presented in a different format.

Recommendation R-2:

Recommendation R-2 states, *"Employment Contracts – Each City reveal any individual employment contracts in an easily accessible manner."*

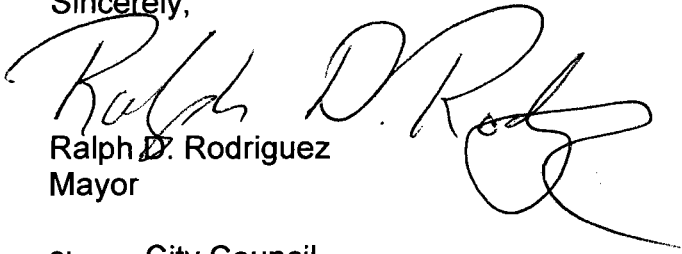
City of La Palma Response to Recommendation R-2:

The recommendation has been implemented. The City of La Palma has only one employment contract and that is with its City Manager. That contract, which was approved by the City Council on June 15, 2010, has been available for public review online on the City's transparency page since August 3, 2010.

The City would like to thank the Orange County Grand Jury for its efforts in researching these issues and for giving the City an opportunity to respond to its findings and recommendations. Should you have any questions regarding the City's responses, please contact Laurie Murray, Administrative Services Manager, at (714) 690-3338.

The Honorable Thomas J. Borris
September 1, 2011
Page 3

Sincerely,

A handwritten signature in black ink, appearing to read "Ralph D. Rodriguez". The signature is fluid and cursive, with a large, stylized initial "R" and "D".

Ralph D. Rodriguez
Mayor

c: City Council
City Manager
City Attorney
Orange County Grand Jury