

# BOARD OF SUPERVISORS SALARY METHODOLOGY

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## SUMMARY

**D**uring the current fiscal year, the Board has presented two ordinances for increase in Board salaries without notifying the public that these increases were **subject to referendum**.

Prior to the passage of State of California Proposition 12 in 1970, the State Legislature set the salary of the Board of Supervisors. The ballot language of Proposition 12 amended Article XI, §1, subdivision (b) of the California Constitution. Proposition 12 reads as follows: “COMPENSATION OF COUNTY SUPERVISORS. Legislative Constitutional Amendment. Provides that county governing body, rather than Legislature, shall prescribe compensation of its members by an ordinance that is **subject to referendum**.” (Emphasis added.)

Proposition 12 was approved by the voters. Orange County methodology for meeting the requirements of Proposition 12 is to present an ordinance providing for an increase in salary for the Board of Supervisors in the Agenda for the meeting of the Board. The ordinance is held for at least 5 days for a required second reading. During 1998–99, the first ordinance increased salaries to be received and the second ordinance recommended deferred salary benefit. The first reading of the second increase, deferred salary, occurred on December 15, 1998 as Item 79. The second reading when the ordinance was “APPROVED AS RECOMMENDED” occurred on January 12, 1999.

The Grand Jury questions the current methodology for increasing Board of Supervisors salaries.

## FINDING:

Under *California Penal Code* Sections 933 and 933.05, responses are required to all findings. The 1998–99 Orange County Grand Jury has arrived at one major finding. The **Board of Supervisors** is required to respond to the finding.

1. The system in current use does not give taxpayers a realistic opportunity to voice their opinions about salary policy. Voters do not receive Board of Supervisors Meeting Agenda. Even if the average citizen became aware of the ordinance proposing a salary increase for supervisors, appearance before the Board to voice objection

provides no timely or affordable method to ensure that the ordinance would then be decided by referendum. Therefore, the present method of granting salary increases nullifies the intent of Proposition 12, which is to give voters veto power over proposed salary increases for members of the Board of Supervisors.

## **RECOMMENDATION:**

In accordance with *California Penal Code* Sections 933 and 933.05, each recommendation must be responded to by the government entity to which it is addressed. These responses are submitted to the Presiding Judge of the Superior Court. **The Board of Supervisors** is required to respond to the recommendation. Based on the finding, the 1998–99 Orange County Grand Jury recommends that:

1. The Orange County Board of Supervisors should place the matter of all future Board salary increases on the ballot of the next regularly scheduled Orange County election after adoption of the ordinance by the Board.

# APPENDIX

## REFERENCE SOURCES

*California Penal Code:*

Grand Jury Proceedings, *Section 927. Salaries of county-elected officials; report.*

*West's Annotated California Codes, Elections Code Section 7000 to 12999,*

West Publishing Company, St. Paul, MN, 1996:

Section 9126. REFERENDUM.

Section 9140. Submission of ordinance without petition; election, p. 318.

Section 9143. Effective date; change of supervisorial salaries, p. 322.

Section 9144. Petition protesting adoption, p. 323.

Section 9145. Submission of protested ordinance, p. 325.

CALIFORNIA CONSTITUTION, ARTICLE 11, LOCAL GOVERNMENT, "...each governing body shall prescribe by ordinance the compensation of its members, but the ordinance prescribing such compensation shall be subject to referendum...."

[http://www.leginfo.ca.gov/.const/article\\_11](http://www.leginfo.ca.gov/.const/article_11)

California Citizens Compensation Commission, 1999 Local Salary Data. State of California, 1515 S Street, North Building, Suite 400, Sacramento, CA 95814-7243

California Ballot Pamphlet, Primary Election, June 5, 1990. March Fong Eu, Secretary of State.

Orange County Board of Supervisors, Summary Action Minutes, Tuesday June 23, 1998, and Tuesday, December 15, 1998, Board Hearing Room, First Floor, 10 Civic Center Plaza, Santa Ana, CA

*County of Orange Benchmark Compensation Survey, Final Report*, Submitted May 17, 1996, Prepared by KH Consulting Group, 1901 Avenue of the Stars, 18<sup>th</sup> Floor, Los Angeles, CA 90067

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County of Orange, *Summary of Employee Benefits & Premium Pay, 1998*, Prepared May 27, 1998.

County of Orange, Office of Human Resources, *Elected Officials and Executive Managers to Receive Deferred Compensation Benefit Approved 12-15-98.*

*\*current as of 5-99.*

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(Santa Ana, Anaheim, Irvine, Huntington Beach, and Long Beach), and Other (OCSD, OCWD, TCA, OCTA and OPTIMA), No. date.

*Survey of Deferred Compensation Programs & Employer Contributions, Recap of Employers Who Contribute to Either a 457 Plan or 401(K) Plan, So. Cal Area Only*, No date.

County of Orange, Chief Executive Office, Press Release, *Board Allocates Funds To Pay Off Recovery Bonds*, December 17, 1998, <http://www.oc.ca.gov/press/bonds.htm>

County of Orange, *Employee Benefits Summary*, Bluebook/2, 052798.

County of Orange, *1997–1998, Budget Analysis*, Schedule Summarizing the Orange County Budget (a) for 1997/1998 as adopted by the Board of Supervisors on September 16, 1997.

*Class and Salary Schedule*, for the following counties:

Los Angeles County, 1/19/99

Orange County, 1/6/99

Riverside County, 1/28/99

San Diego County, 2/3/99

Santa Barbara County, 3/1/99

*Personnel and Salary Resolution*, County of Orange, July 3, 1998.

## **NEWSPAPER ARTICLES**

“Raising the Ceiling,” *Orange County Register*, Editorial, December 18, 1998, “Metro” Section, p. 6.

“Another Unjustified Pay Raise,” *Los Angeles Times, Orange County Edition*, Editorial, January 20, 1999, p. B6R.

“Government salary circle,” *Orange County Register*, Editorial, February 24, 1999.

“State payday plums,” *Orange County Register*, Editorial, March 12, 1999.

## **WORLD WIDE WEB**

Employee Benefits Home Page, The County of Orange, CEO/Human Resources Department, Employee Benefits, 10 Civic Center Plaza, First Floor, Rm 107, Santa Ana, CA 92701, contact on 3/15/99. <http://www.oc.ca.gov/hr/benefits/bnfrt1.htm>

Orange County Labor Management Task Force (OCLMTF) homepage. The P.I.P. (Performance Incentive Program) Update. Performance Management System, contact on 3/15/99. <http://www.oc.ca.gov/hr/oclmtf/index.htm>