



LANE COUNTY

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W. 4. a.

AGENDA COVER MEMO

Memorandum Date: October 23, 2008
Order Date: October 29, 2008

TO: Board of County Commissioners
DEPARTMENT: Human Resources
PRESENTED BY: Greta Utecht
AGENDA ITEM TITLE: ORDER/IN THE MATTER OF ADJUSTING THE
COMPENSATION OF ELECTED OFFICIALS

I. MOTION

**MOVE APPROVAL OF ORDER 08 -- _____ IN THE MATTER OF
ADJUSTING THE COMPENSATION OF ELECTED OFFICIALS**

II. AGENDA ITEM SUMMARY

The Board is being asked to approve adjustments to the Commissioners', the Sheriff's, the Assessor's and the Justices' of the Peace total compensation, and to the District Attorney's county-paid stipend. ...

The Elected Officials Compensation Board (EOCB) met on July 23, 2008 and made recommendations for adjusting the elected officials' compensation. *Attachment A* reflects the EOCB's discussion and *Attachment B* is the order documenting the EOCB's recommendations. The Budget Committee met on September 3, 2008 to review those recommendations. The Board met on September 3 and requested that staff return with this item on October 29.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Human Resources staff first presented information regarding the EOCB's recommendations for the Sheriff, the Assessor, the District Attorney and the

Justices of the Peace to the Board of Commissioners on August 27, 2008, since recommendations that impact the other elected officials (non-Board) may go directly to the Board of Commissioners without going through the Budget Committee. (Any changes to the Board of Commissioners' compensation do not take effect until January 1 of the year following the general election. Changes to the other elected officials' compensation can take effect immediately, can be retroactive, or can have future implementation timelines.) In this case, the Board requested that staff present the full list of recommendations to the Budget Committee for deliberation.

The Budget Committee met on September 3 to review the Elected Officials Compensation Board's recommendations and did not endorse them. Discussion was focused on the County's financial forecast, especially since federal funding was still not forthcoming. Additional concerns were raised about how compensation for the Sheriff's Office employees is calculated, given the provision in the Lane Manual stipulating that the Sheriff must be compensated higher than his or her highest paid employee.

Staff was also asked to bring back information as to how social security cost of living increases have compared with those granted elected officials and other County employees over the years. (See *Attachment D*.)

The Board of Commissioners met again after the Budget Committee meeting and requested that staff return with this item in late October should federal funding be resumed. The County was notified in late September that federal funding would continue for four more years at a step-down rate each year. For fiscal year 2008-09, funding will be at 90% of fiscal year 2006-07 levels, or a total of approximately \$35,000,000.

B. Policy Issues

Compensation for Lane County's elected officials is governed by Lane Manual 3.600, which requires the Human Resources director to convene the Elected Officials Compensation Board at least once each year in which there is held a general election. The EOCB must meet by July 31 and if there are recommendations that could result in increases for the Board of Commissioners, those recommendations must be reviewed by the Lane County Budget Committee.

Changes to the Commissioners' compensation must be approved by the Board of Commissioners prior to the date of the general election. Section 27 of the Lane County Charter sets the timeline under which increases to the Board members' compensation may take place:

"The compensation for the services of a county officer or employee shall be whatever amount the board of county commissioners fixes, but no increase in the compensation of a member of the board may

take effect prior to the first odd-numbered year after the first general election after the increase is authorized."

In addition, Lane Manual Section 3.600 states that "the Compensation Board shall consider at least the following when determining the compensation schedule:

(a) The compensation paid to persons comparably employed by the State of Oregon; local public bodies, private businesses, non-profit agencies, and/or other counties within a labor market deemed appropriate by the Compensation Board for each elected officer.

(b) The number of employees supervised; the size of the budget administered by each elective officer; the duties and responsibilities of each elective officer; and the compensation paid to subordinates and other appointed employees who serve in positions of comparable management responsibility. In any event, the Sheriff's compensation shall be fixed in an amount which is not less than that for any member of the Department of Public Safety.

(c) "Compensation" is to be evaluated on the basis of the total compensation received, as relevant to the particular elected position. For example, the District Attorney position receives health insurance benefits from the State of Oregon as a State official. Total compensation includes consideration of insurance benefits, retirement benefits (including pension and deferred compensation programs), time management or vacation and sick leave, life insurance, medical leave, and other fringe components."

C. Financial and/or Resource Considerations

1. The EOCB recommends that the Sheriff's base salary be increased from \$113,568 to \$122,000. When statutory benefit costs are applied to this amount, the total increased cost to the County is \$11,715. If approved, raising the Sheriff's base to \$122,000 will place him approximately 6% above the Undersheriff until February 2009 and then, if no additional changes are recommended or approved, the difference will decrease to 1.6%. In addition to the internal equity analysis, salary survey data indicates that the Sheriff is presently about 6.6% below his market comparators.
2. Commissioners are currently 10.6% below the average of other commissioners in comparable Oregon counties. If the base salary for the commissioners is increased to \$78,400, it will place them at 2.8% below average market, and when the COLA and deferred are factored in, they would be just \$98 (.01 percent) above average. The EOCB's recommendation for increasing the Commissioners' base salaries to \$78,400 will equate to an additional \$19,304 with statutory benefit costs applied.

3. As for the other non-Board elected officials, they are at or very close to market and other than keeping them at par with the other non-represented employees in the County, the EOCB does not recommend any additional changes. For all elected official positions, the EOCB recommends that they be granted the same cost of living adjustments (COLAs) granted to other non-represented employees, which equates to a two percent (2%) COLA and an additional one percent (1%) contribution to employees' deferred compensation accounts for fiscal year 2008-09. The cost of this compensation adjustment for all elected official positions is \$21,112.

The total cost of implementing the EOCB's recommendations for fiscal year 2008-09 is \$52,131. *Attachment C* outlines these cost calculations.

D. Alternatives/Options

There are several options open to the Board of Commissioners:

1. Approve the full package of recommendations of the EOCB listed in the EOCB order dated July 23, 2008 (Attachment B) to increase the base salary of the Sheriff effective the first full pay period following July 1, 2008; increase the base salary of the Commissioners effective the first full pay period following January 1, 2009, and amend and approve the recommendation of the EOCB to grant a two percent COLA and a one percent deferred compensation contribution to the Sheriff, the Assessor, the Justices and District Attorney effective the first full pay period following July 1, 2008, and the same COLA and deferred compensation contribution to the Commissioners effective the first full pay period following January 1, 2009.
2. Do not make adjustments to the base salary of the Sheriff or the Commissioners, but grant all elected officials a two percent COLA and a one percent deferred compensation contribution to the Sheriff, the Assessor, the Justices and District Attorney effective the first full pay period following July 1, 2008, and the same COLA and deferred compensation contribution to the Commissioners effective the first full pay period following January 1, 2009.
3. ***In addition to option 1 or 2 above***, grant the commissioners the same total compensation and/or benefit adjustments approved for other non-represented employees for fiscal year 2009-10, not to exceed the value of the Consumer Price index for Portland-Salem, OR-WA (Urban Wage Earners) for the same period, effective the first full pay period following July 1, 2009; and the same

compensation and/or benefit adjustments approved for other non-represented employees for fiscal year 2010-11 not to exceed the value of the Consumer Price index for Portland-Salem, OR-WA (Urban Wage Earners) for the same period, effective the first full pay period following July 1, 2010.

4. ***In addition to option 2 above***, direct staff to return to the Board with proposed changes to the Lane Manual that will address the policy issue regarding how the Sheriff's salary is to be established.

5. Do not approve options 1, 2 or 3, and approve option 4.

IV. TIMING/IMPLEMENTATION/FOLLOW-UP

Immediately upon receiving direction from the Board, staff will either implement the compensation changes and/or draft changes to the Lane Manual for the Board's approval.

V. RECOMMENDATION

Human resources and the Elected Officials Compensation Board recommend Option 1 above.

VI. ATTACHMENTS

Board Order reflecting Option 1

Attachment A: EOCB Minutes

Attachment B: EOCB Order 072308

Attachment C: EOCB 08 Recommendations Cost Analysis

Attachment D: CPI, COLA & SSI Comparison

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER 08-) IN THE MATTER OF ADJUSTING THE
) COMPENSATION OF ELECTED
) OFFICIALS

WHEREAS, the Lane County Elected Officials Compensation Board was duly convened and met on July 23, 2008 and after due consideration, it recommended that the compensation for the Commissioners, the Sheriff, the Assessor, the Justices of the Peace and the District Attorney be adjusted; and

WHEREAS, the Lane County Budget Committee was duly convened and met on September 3, 2008; and

WHEREAS, the Board of Commissioners has now duly considered the recommendations of the Elected Officials Compensation Board and the Budget Committee; now, therefore

IT IS HEREBY RESOLVED AND ORDERED, that compensation for elected officials be adopted as follows:

1. Board of County Commissioners: Increase base salary to \$78,400, effective the first full pay period after January 1, 2009. Also effective the first full pay period after January 1, 2009, increase base salary by the same cost of living adjustment (COLA) granted to non-represented employees for fiscal year 2008-2009, and increase County-paid deferred compensation contribution by the same percentage granted to non-represented employees for fiscal year 2008-2009. Effective the first full pay period following July 1, 2009, grant the commissioners the same total compensation and/or benefit adjustments approved for other non-represented employees for fiscal year 2009-10, not to exceed the value of the Consumer Price index for Portland-Salem, OR-WA (Urban Wage Earners) for the same period. Effective the first full pay period following July 1, 2010, grant the commissioners the same compensation and/or benefit adjustments approved for other non-represented employees for fiscal year 2010-11, not to exceed the value of the Consumer Price index for Portland-Salem, OR-WA (Urban Wage Earners) for the same period, effective the first full pay period following July 1, 2010.
2. Sheriff: Increase base salary to \$122,000, effective the first full pay period after July 1, 2008. Also effective the first full pay period after July 1, 2008, increase base salary by same COLA granted to non-represented employees for fiscal year 2008-2009, and increase County-paid deferred compensation contribution by same percentage granted to non-represented employees for fiscal year 2008-2009.
3. Assessor and Justices of the Peace: Increase base salary by same COLA granted to non-represented employees for fiscal year 2008-2009, and increase County-paid deferred compensation contribution by same percentage granted to non-represented employees for fiscal year 2008-2009, each increase effective the first full pay period after July 1, 2008.

4. District Attorney. Increase the County-paid stipend by same COLA granted to non-represented employees for fiscal year 2008-2009 and increase County-paid deferred compensation contribution calculated on the value of the stipend by same percentage granted to non-represented employees for fiscal year 2008-2009, each increase effective the first full pay period after July 1, 2008.

Dated this _____ day of _____, 2008.

Faye Stewart, Chair
Board of County Commissioners

LANE COUNTY ELECTED OFFICIALS COMPENSATION BOARD

Wednesday, July 23, 2008

7:30-9:00 a.m.

**Carmichael Training Room
Lane County Juvenile Justice Center
Eugene, OR 97404**

Members Present: Mary Adams, Lauren Fox, Patricia Kenney, Glenda Surdam

Members Absent: Noreen Franz-Hovis

Other Attendees: Greta Utecht, Human Resources Director; Jan Wilbur, Personnel Services Manager, Teresa Wilson, County Counsel

Election of Chair

Ms. Adams was nominated and this was seconded by Ms. Kenney.

Compensation Survey

Ms. Utecht began by explaining the 2008 Elected Officials Compensation Survey. Lane County was compared to counties 50% to 200% its size (and Multnomah, which falls slightly outside of that range). These counties are considered category 1. The survey showed base compensation and total compensation, taking COLAs into account.

Topics of Discussion:

District Attorney

Issues:

Accounting for the fact that the state has raised their portion of the salary, Lane County's DA total compensation with the County stipend is now 4.6% above average. During the ensuing discussion, Ms. Utecht pointed out that members of the Elected Officials Compensation Board (EOCB) could consider reducing the stipend, in light of the incoming DA having less experience than the current DA. This is similar to what occurred when the previous long term Assessor was replaced by a less experienced Assessor.

Current DA Doug Harclerod is retiring. Alex Gardner, currently the Chief Deputy DA will become the new DA. It is not clear if Gardner will fill the Chief Deputy DA position or personally take on duties for both positions.

If the Chief Deputy DA position is left vacant, the next highest paid position would be the Senior Prosecutor 3, resulting in a 16.5% differential between the DA and the highest paid employee in the office. If the Chief Deputy DA position is not filled, Gardner's scope of work will be much greater and the differential will be justified.

Gardner will probably not make the decision to fill or leave vacant the position until further into the fiscal year, depending on the department budget.

Elected Officials Compensation Board Recommendation:

The EOCB recommends that the County-paid stipend be increased by any COLA granted to non-represented employees, but that no further increase or decrease of the stipend for the District Attorney be given at this time.

COLAs

Issues:

Deputies received a 2% COLA, while COLAs in other counties have been 3% to 4.25%. AFSCME is currently in the bargaining process, asking for COLAs, a reduction in pay plan steps, and longevity pay.

With only a 2% COLA currently budgeted in the County's financial plan, we are still below market, but the Commissioners are very concerned about the County's ability to pay.

Ms. Utecht may take any proposals from this meeting to the Board of Commissioners, along with any proposals for non-represented employee COLAs or benefit changes, before the AFSCME contract is finalized in order to lead by example, and because there is no way to know at this point in time how long bargaining may last.

Sheriff

Issues:

The Sheriff must be paid more than any of his or her top-paid employees, which the Lane Manual has defined as total compensation. The 80 hours of Time Management sell-back are included in the total compensation calculation.

Effective July 28, the Undersheriff (assistant department director) will be eligible for a merit increase, raising his total compensation above that of the Sheriff.

An adjustment in the Sheriff's base salary to \$122,000 would put his total compensation at \$130,540, bringing the Sheriff's total compensation slightly higher (6.24%) than the Undersheriff's.

Elected Officials Compensation Board Recommendation:

The EOCB recommends that the Sheriff's base salary be adjusted to \$122,000 and that he receive the same COLA that non-represented employees receive.

Assessor

Issues:

The Assessor's salary is at a fair place in the market.

Elected Officials Compensation Board Recommendation:

The EOCB recommends that no changes be made other than the COLAs granted to non-represented employees.

Justices

Issues:

The Justices' salaries are at a fair place in the market

There has been some discussion about reorganizing or combining positions, and also about making the Florence position part time, but no further action has been taken.

Elected Officials Compensation Board Recommendation:

The EOCB recommends that no changes be made other than the COLAs granted to non-represented employees.

Commissioners

Issues:

Commissioners are currently paid 10.6% below market.

Ms. Utecht reminded the EOCB that any recommendation about the Board of Commissioners' salary goes first to the Budget Committee, not the Board of Commissioners.

There was a community backlash in 2002 when, after several years of not approving COLAs for Commissioners, Commissioners' salaries had to be increased by 30% in order to be brought up to market. They have only accepted below market COLAs since that time. Political concerns may make it difficult for Commissioners to accept a salary increase, but that should not affect the EOCB's recommendation in terms of best compensation practices. A recommendation by the EOCB to do nothing would be inconsistent with the other elected officials' market positions.

Elected Official Compensation Board Recommendation:

The EOCB recommends that the Commissioners' base salary be adjusted from \$72,842 to \$78,400 and that they receive any COLA that non-represented employees receive. This equates to a 7.6% increase.

Summary of Recommendations:

The Lane County Elected Officials Compensation Board recommends the following compensation adjustments:

- The base salary for the Board of Commissioners be increased to \$78,400 and by any COLA granted to non-represented employees in FY 08-09, effective Jan 1, 2009; and any COLA granted to non-represented employees in FY 09-10.
- The base salary for the Sheriff be increased to \$122,000 and by any COLA granted to non-represented employees in FY 08-09 and FY 09-10.
- The base salary for the Assessor be increased by any COLA granted to non-represented employees in FY 08-09 and FY 09-10.
- The base salary for the Justices of the Peace be increased by any COLA granted to non-represented employees in FY 08-09 and FY 09-10.
- The base salary for the District Attorney be increased by any COLA granted to non-represented employees in FY 08-09 and FY 09-10.

Meeting Adjourned Approximately 9:00 a.m.

Lane County Elected Officials Compensation Board


ORDER

) IN THE MATTER OF ADJUSTING
) THE SALARIES OF ELECTED
) OFFICIALS

WHEREAS, the Lane County Elected Officials Compensation Board was duly convened and met on July 23, 2008 and after due consideration, it recommends the following salary adjustments to the Budget Committee:

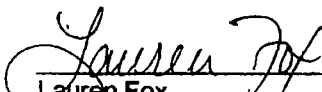
1. Board of County Commissioners: Increase base salary to \$78,400, effective the first full pay period after January 1, 2009. Also effective the first full pay period after January 1, 2009, the base salary shall be increased by any COLA granted to non-represented employees which takes effect after the first full pay period after July 1, 2008. Effective the first full pay period following July 1, 2009, increase base salary by any COLA granted to non-represented employees which takes effect for the fiscal year 2009-2010.
2. Sheriff: Increase base salary to \$122,000, effective the first full pay period after July 1, 2008. The base salary shall be increased by any COLA granted to non-represented employees which takes effect after the first full pay period after July 1, 2008 and by any COLA granted to non-represented employees which takes effect for the fiscal year 2009-2010.
3. Assessor and Justices of the Peace: The base salary shall be increased by any COLA granted to non-represented employees which takes effect after the first full pay period after July 1, 2008 and by any COLA granted to non-represented employees which takes effect for the fiscal year 2009-2010.
4. District Attorney. The County-paid stipend shall be increased by any COLA granted to non-represented employees which takes effect after the first full pay period after July 1, 2008 and by any COLA granted to non-represented employees which takes effect for the fiscal year 2009-2010.

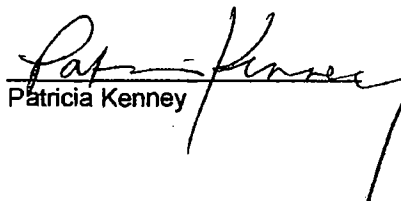
Dated this 23rd day of July, 2008.


 Mary Adams

(Absent)
 Noreen Franz-Hovis


 Glenda Surdam


 Lauren Fox


 Patricia Kenney

**Elected Officials Compensation Board Recommendations
FY08-09 Cost Analysis**

	Current	Proposed	<u>2% COLA + 1% DC</u>
Undersheriff			
Base Salary	\$113,568	\$122,000	
Total w/ DC & PERS	\$121,518	\$130,540	
Undersheriff Total Comp	\$122,869	\$122,869	
Differential	-1.10%	6.2432%	
w/Statutory Benefits	\$157,780	\$169,495	
FY08-09 Incr costs		\$11,715	\$4,610
COMMISSIONERS (5)			
Base Salary	\$364,210	\$378,105	
w/Statutory Benefits	\$505,997	\$525,301	
FY08-09 Incr costs		\$19,304	\$7,144
ASSESSOR			
Base Salary	\$102,190	NA	
w/Statutory Benefits	\$141,973	NA	\$3,861
DISTRICT ATTORNEY			
Base Salary	\$33,120	NA	
w/Statutory Benefits	\$46,014	NA	\$1,251
JUSTICES OF THE PEACE			
Base Salaries	\$49,941	NA	
	\$37,456	NA	
	<u>\$24,970</u>	NA	
	\$112,367	NA	\$4,246
w/Statutory Benefits	\$156,111	NA	
TOTALS		\$31,019	\$21,112
TOTAL MAX (Salary changes plus COLA/DC)			\$52,131

* Commissioners changes are effective 01/01/2009. All others effective 07/01/2008

LANE COUNTY
Cost-of-Living Adjustments (COLAs) Compared to Inflation Index (Consumer Price Index)

	General Employees	ICRDA (Reps/Asst)	Elected Officials, Except BCC	Commissioners	CPI for Portland Salem: Urban Wage Earners and Clerical Workers	Social Security Cost of Living Increases
7-1-94	—	—	—	—	2.9%	2.8%
12-3-94	6%	6%	—	—		
7-1-95	2%	2%	—	—	2.9%	2.6%
7-1-96	—	—	—	—	3.5%	2.9%
7-1-97	—	2%	3%	3%	3.4%	2.1%
12-27-97	—	2%	—	—		
3-21-98	—	—	—	—		
7-1-98	—	1.7%	2%	2%	1.9%	1.3%
1-1-99	—	2%	—	—	—	
4-1-99	5%	—	—	—	—	
7-1-99	2%	2%	2%	—	3.3%	2.5%
7-1-00	3.25%	2%	3.25%	—	3.1%	3.5%
1-1-01	—	—	—	2%	—	
7-1-01	3.25%	6.0%	3.25%	3.25%	2.5%	2.6%
1-1-02	—	1.0%	—	—	—	
7-1-02	3.25%	3.25%	3.25%	3.25%	.8%	1.4%
7-1-03	—	—	—	—	1.6%	2.1%
7-1-04	2%	2%	2%	2%	2.3%	2.7%
7-1-05	2%	2%	2%	2%	2.6%	4.1%
7-1-06	—	—	—	—	2.7%	3.3%
7-1-07	—	2%	—	—	3.7%	2.3%
7-1-08	—	2%	—	—	4.1%	5.8%
Total:	28.75%	37.95%	20.75%	17.5%	41.3%	42%