



Transparency in Government

Recommended Guidelines for LAFCos on Compensation and Budget Disclosure

14 December 2010

At the request of members, CALAFCO has prepared these Guidelines as suggested approaches for Local Agency Formation Commissions. The Guidelines contain three sections: 1) principles that drive transparency and accountability to our communities; 2) guidelines for disclosing compensation and budget documents; and 3) suggestions for responding to public document requests related to compensation or finances.

Principles of Transparency and Accountability

The California Constitution declares that *the people have the right of access to information concerning the conduct of the people's business*. Because public funds are the source of compensation for public officials and employees, the California Supreme Court has ruled that “that disclosure of government salary information serves a significant public interest.”

As a matter of public trust, LAFCos should take measures to assure that commissioner and staff compensation levels, benefits and perquisites are made available for public review. This disclosure should be routine and made in a manner that is accurate, comprehensive, and accessible, while at the same time protective of each individual's privacy.

Guidelines for Disclosure of Compensation and Budgets

CALAFCO recommends that all commissions consider posting a staff and commissioner compensation disclosure and the current year adopted budget on the commission Web sites. The information should be easy to locate from the home page. For consistency, CALAFCO recommends a button or link on the home page entitled “Commission Budget and Compensation” that will take the visitor to the posted information.

The following documents and options are recommended for commission consideration to post:

1. Current FY Adopted Budget.
2. Annual Compensation for Each Commissioner (see options below)
3. Annual Compensation for Each Employee and/or Contractor (see options below)

Commissioner Compensation Options

- A. Stipend Per Meeting

- B. State Controller Model – Includes total wages paid on the most recent W-2 form for each commissioner plus any LAFCo-paid pension formula and/or LAFCo contributions for pension, deferred compensation or health/dental/vision programs.
- C. All Forms of Compensation – All of the information in Option B plus total reimbursements and other monetary and nonmonetary perquisites paid to the individual (vehicle allowance, vehicle use, telecommunications allowance, housing or clothing allowances, professional dues, and others).

Staff Compensation Options

- A. Position and Salary Range for Employees
- B. State Controller Model for Each Employee or Contractor – Includes total wages paid on the most recent W-2 form (or 1099 form for contractors) for each employee or contractor by position plus any pension formula and employer contributions for pension, deferred compensation and health/dental/vision programs.
- C. All Forms of Compensation – All of the information in Option B plus total reimbursements and other monetary and nonmonetary perquisites paid to the individual (vehicle allowance, vehicle use, telecommunications allowance, housing or clothing allowances, professional dues, and others).

Discussion

Recent events have placed demands for greater disclosure of public agency compensation. Both the public and the funding local agencies may want to know more information regarding LAFCo compensation for staff and commissioners than is contained in an adopted budget or by providing salary ranges. Responding to a Public Records Act request for compensation information can be a costly and time consuming effort, and may result in unwelcomed publicity. Further, the California Supreme Court in 2007 said the “disclosure of government salary information serves a significant public interest.” Further, a “public employee’s salary relates to a particular person, but ... it is a matter of public interest and not primarily a matter of the individual’s private business.” (*International Federation of Professional and Technical Engineers, Local 21, AFL-CIO v. Superior Court* 42 cal.4th 319.) For these reasons CALAFCO recommends commissions look beyond Option A for effective transparency and openness.

CALAFCO recommends commissions consider either Option B or C disclosure. The more information clearly disclosed, the more informed the public will feel, the more transparent the LAFCo will be, and the less likely a commission will receive a public records request.

<p style="text-align: center;">CALAFCO Suggests</p> <ul style="list-style-type: none"> ◆ Option B or C ◆ Include all commissioners, alternates, employees, and contract staff ◆ Most recent calendar year, updated annually

The information in Option B is already disclosed for virtually every city and county employee and elected official in California – including many LAFCo employees who are county employees. The information is posted on the State Controller’s Local Government Compensation Reports Web site (www.lgcr.sco.ca.gov). For LAFCos, CALAFCO suggests including disclosure of all commissioners, alternates, employees, and contract executive officers and staff. The inset includes the specific disclosure information required by the Controller. If the executive officer is a contractor, then either the most recent 1099 or the total

compensation paid in the most recent calendar year should be disclosed. CALAFCO recommends use of calendar year information so all compensation disclosures are consistent in the period covered. Disclosure posting should be updated in January after issuance of W-2 and 1099 forms.

Commissions may want to consider a more complete disclosure of total compensation included in Option C. That disclosure would include, in addition to Option B information, all other monetary and nonmonetary compensation made to each individual during the calendar year. This additional disclosure includes travel and expense reimbursements, vehicle or transportation allowance, use of vehicle, telecommunications allowance or use of equipment, other allowances, professional dues, education reimbursements and any other LAFCo expenditures made on behalf of the individual or contractor. In an October 2010 hearing before the Senate Local Government Committee there was no consensus to this issue. The public – and in LAFCo’s case the funding local agencies – may have an interest in total costs of commissioners, staff, and/or contract executive officers. This information would have to be disclosed in a public records request, and including it in the posted disclosure may avoid the time and resources needed to respond to such a request.

Suggestions for Responding to Public Records Requests

While the goal of these Recommended Guidelines is to avoid a time-consuming public records act request, LAFCos are covered by the California Public Records Act (PRA) and from time-to-time may be required to respond to records requests from the public or other entities.

Should you receive a PRA request the first step is to contact your LAFCo Legal Counsel to determine how to respond and what information should be disclosed. The objective is to be responsive and transparent without disclosing private information protected by the Act.

STATE CONTROLLER COMPENSATION DISCLOSURE COMPONENTS



Classification: Local Government Civil Service Classification

Multiple Positions Footnote: A footnote is included for each employee that holds more than one position. Only the first position contains compensation information earned by the individual regardless of how many positions held.

Annual Salary Minimum: The minimum annual salary for the employee classification listed.

Annual Salary Maximum: The maximum annual salary for the employee classification listed.

Total 2009 Wages Subject to Medicare (Box 5 of W-2): This column represents the amount of total wages subject to Medicare taxes as reported in Box 5 of the employee’s W-2. In the event an employee has no wages subject to Medicare, the local government was instructed to calculate this amount. The amounts listed may include, but are not limited to, wages, overtime, cash payments for vacation and sick leave, and bonus payments.

Applicable Defined Benefit Pension Formula: This formula is used to calculate an employee’s pension at retirement. A defined benefit pension formula is comprised of a benefit factor, such as 2 percent at age 55, multiplied by the years of service to provide a percentage of final compensation earned at retirement. For example, an individual eligible for the 2 percent at age 55 defined benefit pension formula, with 30 years of service credit in that category, could be eligible for up to 60 percent of final compensation if retiring at age 55. Some local entities have unusual variations to the standard formulas and these will appear in this column if they exist.

2009 Employer Contribution: Employees’ Share of Pension Benefits: This column represents any amount of the employee’s share of pension contribution paid by the employer. For example, if the employee’s contribution is 5 percent of their annual gross salary but the employer paid any portion of that contribution on behalf of the employee, that payment amount will be shown in this column.

2009 Employer Contribution: Deferred Compensation: This column represents any amounts the employer contributed to a deferred compensation plan, such as a 401(k) style plan, on behalf of the employee.

2009 Employer Contribution: Health, Dental, Vision: This column represents the total amount paid by the employer towards health, dental or vision benefits for the employee.

An outstanding resource on responding to public records requests is available on the League of Cities Web site. ***The People's Business: A Guide to the California Public Records Act*** provides a comprehensive review of the law coupled with detailed information on how to respond to requests and helpful practice tips. Please also see the ***2010 Update***. Both are available to review and download at: www.cacities.org/opengovernment.

San Diego County Counsel reviewed the Public Records Act with respect to disclosure of employee and elected official compensation. You can download a copy of San Diego Council's interpretation of the information that should and should not be disclosed from the CALAFCO web site at www.calafco.org/members/Forms_Library.htm. Please note that this interpretation was prepared by County Counsel in response to a specific PRA request in San Diego for compensation records. *CALAFCO strongly recommends that staff consult with their LAFCo Counsel before responding to any PRA request.*

PUBLIC INFORMATION REQUEST
EXECUTIVE SALARY/CONTRACT

CITY/AGENCY INFORMATION	REQUIRED DISCLOSURE		
	(YES)	(NO)	
2010-11 Overall Budget:	YES	Approx. \$	billion
2010-11 General Fund or Operating Budget:	YES	Approx. \$	billion
Population Served:	YES	3.2 million	
Square Miles of Jurisdiction:	YES	4261	
Number of Employees:	YES	Approx. 16,000	
COMPENSATION			
Name:	YES	John Doe	
City/Agency:	YES	County	
Title:	YES	CAO	
Date Hired in Current Position:	YES	May-2010	
Initial Annual Salary:	YES	\$200,000	
Current Annual Base Salary:	YES	\$300,000	
Next Raise Due (if any, date and amount):	YES	Unknown	
Contract Expiration Date:	YES	Continuous	
Management Incentives or Bonuses (maximum allowed per year):	YES	None	
Deferred Compensation Contributions:	YES	8% of salary	
CalPERS/Retirement Contributions:	YES	See pay stub	
Premiums Paid (medical, dental, vision, etc.):	YES	See pay stub (flex credit)	
Increases in Salary, if any, to cover insurance premiums:	YES	None	
Insurance Premiums (term life, group life, disability, etc.):	YES	See pay stub	
Auto Expenses (allowance or city's cost to provide your vehicle):	YES	\$1000 per month	
In-Home Office Allowance, if any:	YES	None	
Housing Allowance, if any:	YES	None	
Annual Vacation Days:	YES	25	
Annual Sick/Personal Days:	YES	12	
Medicare (employer-contribution and employer-paid employee contribution):	--	--	NO
Any other compensation (bonuses, vacation/sick leave payouts, etc):	YES	None	
Any other positions or contracts with city or agency?	YES	None	

PUBLIC INFORMATION REQUEST
EXECUTIVE SALARY/CONTRACT

CITY/AGENCY INFORMATION	REQUIRED DISCLOSURE			
	(YES)			(NO)
2010-11 Overall Budget:	YES	Approx. \$	billion	
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COMPENSATION				
Name:	YES	John Doe		
City/Agency:	YES	County		
Title:	YES	CAO		
Date Hired in Current Position:	YES	May-2010		
Initial Annual Salary:	YES	\$200,000		
Current Annual Base Salary:	YES	\$300,000		
Next Raise Due (if any, date and amount):	YES	Unknown		
Contract Expiration Date:	YES	Continuous		
Management Incentives or Bonuses (maximum allowed per year):	YES	None		
Deferred Compensation Contributions:	YES	8% of salary		
CalPERS/Retirement Contributions:	YES	See pay stub		
Premiums Paid (medical, dental, vision, etc.):	YES	See pay stub (flex credit)		
Increases in Salary, if any, to cover insurance premiums:	YES	None		
Insurance Premiums (term life, group life, disability, etc.):	YES	See pay stub		
Auto Expenses (allowance or city's cost to provide your vehicle):	YES	\$1000 per month		
In-Home Office Allowance, if any:	YES	None		
Housing Allowance, if any:	YES	None		
Annual Vacation Days:	YES	25		
Annual Sick/Personal Days:	YES	12		
Medicare (employer-contribution and employer-paid employee contribution):	--	--		
Any other compensation (bonuses, vacation/sick leave payouts, etc):	YES	None		
Any other positions or contracts with city or agency?	YES	None		

PAY WARRANT
INFORMATION DISCLOSURE

	REQUIRED DISCLOSURE		
	(YES)		(NO)
DIRECT DEPOSIT DISTRIBUTION			
Account Type	--	--	NO
Account Number	--	--	NO
Deposit Amount	--	--	NO
Total	--	--	NO
PAY INFORMATION			
Pay Group:	YES	SAL-Salaried Employees	--
Pay Begin Date:	YES	7/2/2010	--
Pay End Date:	YES	7/15/2010	--
Business Unit:	YES	12345	--
Advice No. :	YES	12345	--
Advice Date:	YES	7/23/2010	--
MAILING INFORMATION			
Name:	YES	John Doe	--
Address:	--	--	NO
POSITION INFORMATION			
Department:	YES	12345-Executive	--
Location:	YES	County Admin Ctr	--
Jobcode-Step:	YES	12345	--
Pay Rate:	YES	\$132.00 Hourly	--
TAX DATA			
Marital Status:	--	--	NO
Allowances:	--	--	NO
Addl. Pct.:	--	--	NO
Addl. Amt.:	--	--	NO
HOURS AND EARNINGS			
Flex Credit:			
Current Rate/Hours/Earnings	YES	N/A / N/A / 229.50	--
YTD Hours/Earnings	YES	N/A / 3213.00	--

PAY WARRANT
INFORMATION/DISCLOSURE

	REQUIRED DISCLOSURE		
	(YES)		(NO)
County Comp Time Adj.:			
Current Rate/Hours/Earnings	YES	N/A / 8.00/ 0.00	--
YTD Hours/Earnings	YES	56.00/ 0.00	--
Holiday Off:			
Current Rate/Hours/Earnings	YES	131.970 / 8.00 / 1055.76	--
YTD Hours/Earnings	YES	56.00 / 7390.00	--
Regular Hours Worked:			
Current Rate/Hours/Earnings	YES	131.970 / 72.00 / 9501.84	--
YTD Hours/Earnings	YES	1024.00 / 135137.28	--
Additional Pay Without Retr:			
Current Rate/Hours/Earnings	YES	N/A / N/A / 0.00	--
YTD Hours/Earnings	YES	N/A / 21959.81	--
Sick Leave Other - Taken:			
Current Rate/Hours/Earnings	YES	N/A / N/A / N/A	--
YTD Hours/Earnings	YES	N/A / 2111.52	--
Vacation Taken:			
Current Rate/Hours/Earnings	YES	N/A / N/A / 0.00	--
YTD Hours/Earnings	YES	104.00 / 13724.00	--
Auto Allowance A:			
Current Rate/Hours/Earnings	YES	N/A / N/A / 0.00	--
YTD Hours/Earnings	YES	N/A / 7000.00	--
TAXES			
Federal Withholding:			
Current/YTD	--	--	NO
Federal Med:			
Current/YTD	--	--	NO
Federal OASDI:			
Current	YES	0.00	--
YTD	--	--	NO
CA Withholding:			
Current/YTD	--	--	NO
BEFORE TAX DEDUCTIONS			
Description: Current/YTD			
Kaiser:	--	--	NO
Vision:	--	--	NO
Dental:	--	--	NO

PAY WARRANT
INFORMATION DISCLOSURE

	REQUIRED DISCLOSURE	
	(YES)	(NO)
Voluntary AD & D:	--	NO
401 Deferred Comp:	--	NO
458 Deferred Comp:	--	NO
AFTER-TAX DEDUCTIONS		
Description: Current/YTD		
Supplemental Life Insurance:	--	NO
EMPLOYER PAID BENEFITS		
Description:		
Retirement Contribution:		
Current:	YES	997.87
YTD:	YES	15633.05
County Retirement Contribution		
Current:	YES	2159.03
YTD:	YES	27184.49
Dependent Life:		
Current:	YES	0.13
YTD:	YES	1.82
Executive Life:		
Current:	YES	12.50
YTD:	YES	175.00
Executive AD & D:		
Current:	YES	3.75
YTD:	YES	52.50
Long Term Disability:		
Current:	YES	17.10
YTD:	YES	271.80
Executive Life (Taxable):		
Current:	YES	96.75
YTD:	YES	1,354.50
TOTAL GROSS: Current/YTD	--	NO
FED TAXABLE GROSS: Current/YTD	--	NO
TOTAL TAXES: Current/YTD	--	NO
TOTAL DEDUCTIONS: Current/YTD	--	NO
NET PAY: Current/YTD	--	NO

PAY WARRANT
INFORMATION DISCLOSURE

	REQUIRED DISCLOSURE		
	(YES)		(NO)
VACATION HOURS: YTD			
Start Balance:	--	--	NO
+ Earned	--	--	NO
- Taken	--	--	NO
± Adjustments:	--	--	NO
End Balance:	--	--	NO
SICK HOURS: YTD			
Start Balance:			
+ Earned	--	--	NO
- Taken	--	--	NO
± Adjustments:	--	--	NO
End Balance:	--	--	NO
CO COMP HOURS: YTD			
Start Balance:	YES	0	--
+ Earned	YES	N/A	--
- Taken	YES	56.00	--
± Adjustments:	YES	56.00	--
End Balance:	--	--	NO
FLSA COMP HOURS: YTD			
Start Balance:	YES	0.00	--
+ Earned	YES	N/A	--
- Taken	YES	N/A	--
± Adjustments:	YES	N/A	--
End Balance:	--	--	NO
NET PAY DISTRIBUTION:			
Advice No.:	--	--	NO
Total:	--	--	NO

County of XXXX
 1600 Pacific Highway
 San XXXXX, CA 92XXX

Date
 7/23/2010

Advice No.
 12345

To The Account(s) Of

JOHN DOE

DIRECT DEPOSIT DISTRIBUTION		
Account Type	Account Number	Deposit Amount
Total:		

NON-NEGOTIABLE

County of San Diego
 1600 Pacific Highway
 San Diego, CA 92101

Pay Group:	SAL-Salaried Employees	Business Unit:	12345
Pay Begin Date:	7/2/2010	Advice #:	12345
Pay End Date:	7/15/2010	Advice Date:	07/23/2010

John Doe	Department:	12345-Executive	TAX DATA:	Federal	CA State
Address	Location:	County Admin Ctr	Marital Status:		
	Jobcode-Step:	12345 - 0 - CAO	Allowances:		
	Pay Rate:	\$132.00 Hourly	Addl. Pct.:		
			Addl. Amt.:		

HOURS AND EARNINGS						TAXES			
Description	Current			YTD			Description	Current	YTD
	Rate	Hours	Earnings	Hours	Earnings				
Flex Credit			229.50		3213.00				
County Comp Time Adj.		8.00	0.00	56.00	0.00				
Holiday Off	131.970	8.00	1055.76	56.00	7390.00	Federal Withholding			
Regular Hours Worked	131.970	72.00	9501.84	1024.00	135137.28	Federal Med			
Additional Pay Without Retr			0.00		21959.81	Federal OASDI	0.00		
Sick Leave Other - Taken					2111.52	CA Withholding			
Vacation Taken			0.00	104.00	13724.00				
Auto Allowance A			0.00		7000.00				
Total:		88.00	10787.00	1256.00	190536.81	Total:	3346.90		60108.37

BEFORE-TAX DEDUCTIONS			AFTER-TAX DEDUCTIONS			EMPLOYER PAID BENEFITS		
Description	Current	YTD	Description	Current	YTD	Description	Current	YTD
Kaiser			Supplemental Life Ins.			Retirement Contribution	997.87	15633.05
Vision						County Retirement Contribution	2159.03	27184.49
Dental						Dependent Life	0.13	1.82
Voluntary AD & D						Executive Life	12.50	175.00
401 Deferred Comp						Executive AD & D	3.75	52.50
458 Deferred Comp						Long Term Disability	17.10	271.80
						Executive Life*	96.75	1354.50
						*Taxable		

TOTAL GROSS		FED TAXABLE GROSS		TOTAL TAXES		TOTAL DEDUCTIONS		NET PAY	
Current:									
YTD:									
				Holiday					
VACATION HOURS	YTD	SICK HOURS	YTD	CO COMP HOURS	YTD	FLSA COMP HOURS	YTD	NET PAY DISTRIBUTION	
Start Balance:		Start Balance:		Start Balance:	0.00	Start Balance:	0.00	Advice No.:	
+ Earned:		+ Earned:		+ Earned:		+ Earned:			
- Taken:		- Taken:		- Taken:	56.00	- Taken:		Total:	
±Adjustments:		±Adjustments:		±Adjustments:	56.00	±Adjustments:			
End Balance:		End Balance:		End Balance:		End Balance:			

Legend:

 = Redacted Information