



NEVADA COUNTY BOARD OF SUPERVISORS- COMPENSATION AND BENEFITS REVIEW

Conducted by The Nevada County
Grand Jury at the request of the Board
of Supervisors

June 26, 2008

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I. Summary

In November 2007, the Nevada County Board of Supervisors (BOS) asked the Nevada County Grand Jury (Jury) to analyze, and make recommendations regarding, BOS's salary. The Jury, after reviewing relevant data and evaluating a number of salary methodologies, concludes that:

- current Supervisor duties and time spent in performance thereof warrants the finding that the position requires full time work;
- under all but one of the salary methodologies reviewed, the Supervisors' salary is inadequate; and
- a fair base salary for the Supervisors would be \$53,800 per year.

While the Jury recognizes the impact of current economic conditions on governmental agencies, the Jury recommended increase in salary totals \$71,765, which is less than 1/20% of the County's 2007-2008 Budget.

Finally, the Jury recommended methodologies for use in establishing future base salaries for the Supervisors and for periodic adjustments, and urged that the process to adjust current salary be taken without further delay.

II. REASON FOR INVESTIGATION

By Resolution adopted November 27, 2007, the BOS requested the Jury to analyze the BOS's salary and benefits. The Jury elected to treat the BOS request as being made pursuant to California Penal Code Section 927, which states: "A grand jury may, and when requested by the board of supervisors shall, investigate and report upon the needs for increase or decrease in the salaries of the county-elected officials."

III. SCOPE OF INVESTIGATION

To prepare this Report, the Jury reviewed the answers to confidential questionnaires submitted to each current Supervisor. They interviewed individual Supervisors; the County Executive Officer (CEO), the Assistant CEO, the Deputy CEO (Finance Officer), the Clerk to the BOS, a representative of the County's outside consultant, Bryce Consulting; and obtained advice from the Office of County Counsel, and salary data from the County's Human Resources Department.

Additionally, the Jury conducted an extensive review of the literature on the salary of elected officials. The Jury also reviewed a broad range of BOS salary and benefits data assembled by the CEO and the County's outside salary consultant. They conducted telephone interviews with officials of the Counties of Merced, San Bernardino, Santa Barbara, San Luis Obispo, Santa Cruz, Stanislaus, San Joaquin, and Tehama, regarding salary and benefits paid to supervisors and the salary methodologies used in those counties. The Jury also researched

different BOS salary methodologies used by the various California counties, and reviewed the history of Nevada County's BOS salary and benefits for the period 1981 to 2008

IV. BACKGROUND

1. Current Salary and Benefits.

Members of the BOS currently receive an annual salary of \$39,446.65 with the exception of the Supervisor serving as the Board Chair who receives a salary of \$41,419.48 in recognition of additional duties. The BOS's salary was last adjusted in January 2006 when their annual salary was increased two percent or \$773.46 for Members and \$812.15 for the Chair.

The Supervisors' salary, as well as their benefits, is determined by the BOS and affected by Board Resolution adopting appropriate Ordinances. Current salary and benefits are reflected in Ordinance No. 2194 adopted January 24, 2006 and Board Resolution No. 06-27 adopted January 10, 2006.

Pursuant to Board Resolution No. 06-27, the Supervisors "shall consider annual adjustments to their salary and benefit compensation to be that of other County of Nevada Elected Officials [the Assessor, Auditor-Controller, Clerk-Recorder, Treasurer-Tax Collector and District Attorney] with the exception of the Sheriff, who is afforded benefits commensurate with public safety***." [Brackets Added]

Approved in June 2007, and effective July 1, 2007, the salaries of the County's elected officials were adjusted upward 15.92 % to reflect the results of collective bargaining agreements covering nearly 94% of the County's employees. The increase in County employee salaries was intended to meet average labor market rates for comparable job classifications in Sutter, Mendocino, Placer, El Dorado, and Butte counties.

If the same upward salary adjustment of 15.92% accorded County elected officials effective July 1, 2007 were extended to the BOS, the Members' annual salary would increase by \$6,279.96 to \$45,726.61 and the Chair's salary \$6,594.00 to \$48,013 per year. Rather than consider such an increase in salary, the BOS referred the matter to the Jury for review.

2. History of BOS Salary and Benefits: 1981-2008

Nevada County is a General Law County. Its powers and duties are set forth at California Government Code Sections 25000 et seq. Under this law, the BOS enjoys the power to fix and change its salary and benefits. County Counsel advises the Jury that the BOS must exercise the power to fix and change its salary benefits only on a current basis. That is, the BOS may not provide for automatic future changes to its salary and benefits. Instead, each time a change is desired or otherwise indicated (as in the case of a formula for determining the amount of a future adjustment) the BOS must authorize the change by Ordinance.

Attachment No. 1 to this Report reflects in summary form, Nevada County BOS salary and benefits for the period 1981 to 2006.

In 1981, Members of the Board received \$1,272 a month with the Board Chair receiving an additional \$50 per month. Using the Bureau of Labor Statistics (BLS) Inflation and Consumer Spending Inflation Calculator, \$1,272 in 1981 represents \$2,952 in 2008 buying power. This compares with current BOS Member salary of \$3,287.22 per month.

Benefits extended to the Supervisors historically have followed the benefits extended to County employees. Today, the authorized Supervisors' benefits are those "provided by the county to other County of Nevada Elected officials, with the exception of the Sheriff, to the extent authorized by law; provided, however, that each Member shall have the right to retain the existing \$400 [per month] cafeteria plan or to opt into the traditional health plan for the County's elected officials." Nevada County Ordinance No. 2194; January 24, 2006. [Brackets Added]

The BOS receive benefits as regular full-time employees, although the benefits they have elected to receive vary depending upon the nature and extent of retirement and health benefits earned in prior careers or health benefits available through spouses. For fiscal 2008-2009, the CEO estimated that the total cost of health and life insurance coverage and retirement benefits for the Supervisors (one of whom does not receive retirement benefits) will be \$67,346 or an average cost per Supervisor of \$13,469. The Supervisors do not receive retiree health benefits from the County.

3. Other Salary Sources

As reflected under the heading "*Survey of Current Supervisor Duties and Time Spent*," below, each Supervisor, because of being a Supervisor, serves as a member or alternate member of other committees and on the Boards of other agencies. Three of these positions provide for the payment of attendance fees. Based on January 2008 assignments and assuming that each agency holds only the scheduled number of meetings per calendar year, the average amount of fees paid to a Supervisor would be \$797 a year.

4. Survey of Current Supervisor Duties and Time Spent

As a General Law County, Nevada County BOS serves as both the legislative and executive body of county government. The BOS also serves as the governing body of the Nevada County Sanitation District No. 1, the Nevada County Housing Authority, and the Nevada County Water Agency. In addition, Supervisors represent the County on numerous intergovernmental bodies. See Attachment No. 2.

In its legislative role the BOS adopts ordinances, resolutions and rules within limits prescribed by State law, and is responsible for seeing that all Federal and State mandated functions are carried out.

As an executive body, the BOS determines annual budget allocations; approves contracts for public improvements and other specialized services; conducts public hearings on zoning appeals and planning issues; provides for the salary of all county officials and employees, including itself; creates offices, boards and commissions as needed, appoints members and fixes terms of office; directs an annual audit of all County accounts, books and records; provides policy direction to the CEO for the operation and administration of County departments; and exercises executive authority for the provision of local government services to county residents including roads, health and welfare, public safety, public defender and jail facilities.

The BOS consists of five members who are elected on a non-partisan basis for four-year terms. Each Supervisor is elected from one of five Supervisorial districts. Supervisors from Districts 3 and 4 are elected in gubernatorial election years, while Supervisors from Districts 1, 2 and 5 are elected in presidential years. Accordingly, there will be elections for Supervisor in Districts 1, 2 and 5 in November 2008 to take office effective January 5, 2009.

As noted earlier, the Jury reviewed the answers to confidential questionnaires provided by each Supervisor, as well as individually interviewing each Supervisor. The questions and interviews focused on the activities of each Supervisor and the time spent carrying out those activities. As a result of these inquiries, a reasonably consistent pattern of activity and time spent by the current Supervisors emerged. Table 1 reflects those activities and time spent on a monthly basis:

Table 1: Activities and Hours

ACTIVITY	TIME SPENT
Attending BOS meetings	2 full days monthly plus special meetings
Attending BOS committee meetings	16 to 24 hours/mo
Attending intergovernmental agency meetings as a Supervisor meetings	10 to 16 hours/mo
Preparing for BOS, committee & other agency meetings	30 to 36 hours/mo
Attending public functions as a Supervisor	6 to 18 hours/mo
Communicating with members of the public/constituents; travel to and from meetings	10 to 40 hours/mo

Based on the statements of the current members of the BOS, on average, they each spend at least 40 hours per week in the discharge of their duties.

V. PROS AND CONS REGARDING BOS SALARY INCREASES

As Attachment No. 1 reflects, the Nevada County BOS has considered adjustments to its salary and benefits about every two or three years during the period 1981-2006. In the course of reviewing the BOS minutes associated with those considerations, and the public input

associated therewith, one finds a consistency in the arguments for and in opposition to such increases. These arguments appear to enjoy continued life.

1. Arguments Against Raising Salaries -

The most prevalent arguments against increasing Nevada County BOS salaries over the years have included:

The County cannot afford to spend money on Supervisor salaries when money is needed to repair or enhance the roads.

The incumbent Supervisors ran for office knowing the duties, functions and salary of the office and, in asking for a salary increase, are, in effect, trying to change the terms of their ongoing employment agreement.

Given the current economic conditions, it is difficult for the County to justify an increase in Supervisor salaries.

An element of being a Supervisor is the duty of the citizen to take part in the discharge of government, a duty shared by all, and for which there should be a contribution of uncompensated service.

Some citizens assert that the position is not full time.

2. Arguments in Favor of Raising Salaries -

In a similar fashion, the most often heard arguments in favor of increasing Nevada County Supervisor salaries have included:

A Supervisor should receive enough pay so that a young person or head of a family could afford to run for Supervisor and thus give the Board a good cross section of the County citizenry.

The current salary is based on the Supervisor position being a part time job, which it is not.

Supervisors in other comparable counties are paid significantly more than Nevada County Supervisors.

Unless Supervisor salaries are increased, the County will end up with a BOS comprised of retired persons or those who have other sources of income.

The duties and responsibilities of a Supervisor and the complexity of the job require each Supervisor to devote in excess of 40 hours per week to management of the County, a fact not reflected in their current salaries.

VI. REVIEW OF BOS SALARY METHODOLOGIES

The Jury determined that before it could make any recommendation regarding the BOS's salary, it needed to review the various methodologies currently in use by other California counties to determine their supervisors salary, as well as methodologies used by other governmental agencies in similar situations. While the Jury does not regard its efforts in this area as exhaustive, it does believe that the methodologies, which it identified are representative of those currently in use.

It should be pointed out that in determining BOS salary (in this case salary as separate from benefits), there are two distinct aspects: First, for the Jury, the more difficult task is fixing a fair and appropriate base salary. Second, and much easier is how and when it is appropriate to adjust the base salary.

1. Tying Supervisor Salaries to Superior Court Judge Salaries

Currently California Superior Court Judges are paid an annual salary of \$178,789. Twenty (20) of California's 58 counties either pay their supervisors the same annual salary paid to judges, or pay a varying percent of the judge's salary (the range is 18 to 100 percent). Only Los Angeles County sets its supervisor salaries at the 100% level. Salaries of the supervisors are then adjusted periodically by the same percentage as that received by the judges. Judges are state employees and get annual percentage adjustments based on average salary increases for the then current fiscal year for California state employees. The percentage used for the judges salary adjustment is determined by the California Department of Personnel Administration after negotiation with the major state employee bargaining units has concluded. See California Government Code Section 68203. For the fiscal year 2006-2007, the increase in judge's salaries was 4.16%.

While this approach has appeal in the sense that it is "easy" and once adopted just rolls along, how does one know what percentage of a judge's salary is appropriate for a member of a board of supervisors? What percentage is an appropriate base salary? Eighteen percent (18%) of \$178,789 is \$32,182, while 100% is \$178,789. This only begs the question of what percentage would be appropriate for Nevada County.

2. Use of Employee Compensation Benchmark Counties

Many California Counties compare or benchmark their employee salaries against those of other counties. The use of other counties occurs for several reasons. Counties chosen were selected because they share a common labor pool (usually implying a reasonable geographic proximity), because other counties frequently have the only comparable job classifications, because they share similar political problems in increasing employee salaries, and because selected counties usually share some similar characteristics. An additional reason is that California counties are accustomed to sharing salary data and find it relatively easy to ask and answer requests for such information. It should be clear that there are only similar and

not comparable counties. For example, if one sorts by population, using Nevada County as the midpoint, the population of the 10 counties with the nearest populations would range from 61,774 to 172,672. Geographically, these same counties would spread from Imperial County on the Mexican border to Humboldt County near the Oregon border, with the rest scattered in between. Comparing similar counties by the number of their Full Time Equivalent employees (FTE) would also find wide disparities. Using the same methodology, Nevada County has 986 FTE, The ten counties nearest in FTEs range from Mendocino with 1,554 FTEs to Amador with 515 FTEs. Geographically, the counties range from Siskiyou on the Oregon border to Kings County in the Southern part of the Central valley. The counties also vary widely in size and wealth. In spite of its wide use in setting employee salaries, only five counties use this method to set supervisor's salaries.

The main advantage of this method is that it allows comparison of similar positions, i.e., supervisors. The key factor is choosing the correct counties to use as comparisons. In general, those counties that use the comparison method tend to use some combination of proximity, cost of living, county government budget, number of employees and the economic composition of the county. When asked by the Jury, none of the counties using this approach was able to describe a specific methodology they had used in selecting the benchmark counties. As one Personnel Director said, it is more art than science.

The five counties that determine supervisor's salaries by a survey of benchmark counties are San Luis Obispo, Santa Barbara, Santa Cruz, San Joaquin, and Stanislaus. Three of the counties use an average of the salaries in the benchmark counties, one uses the median, and one uses the survey as a guide in determining the salary to pay their supervisors. The Board of Supervisors must approve the survey results.

The Nevada County CEO, in considering use of benchmark counties to determine BOS salary, proposed the following Counties as being most similar to Nevada County: El Dorado, Mendocino, Butte, Sutter, and Placer. In reviewing their population, county government budget and FTEs it appears the counties differ significantly. The largest County, Placer, has a population of 324,495; the smallest, Mendocino has a population of 90,291. The largest county budget, that of Placer is \$638,461,003 and the smallest, is that of Sutter at \$ 202,390,003. The county with the largest number of FTEs is again Placer with 2,827 and the county with the fewest is Sutter with 962 FTEs.

In reviewing other counties for comparability, the same kinds of differences occur. If contiguous counties are reviewed, they have significant variations in population, county budget, and FTEs.

3. Determining Supervisor Salaries Based on Average Salary of Nevada County Employees

As noted under the discussion of the current Supervisors' duties and time spent, the data available to the Jury reflects that the current Supervisors spend at least 40 hours per week (on average) in the discharge of their Supervisor duties. Moreover, their current benefits treat

them as if they were full time County employees. The Jury determined that, for the purposes of this Report, it would be appropriate to compare the Supervisors salary with that paid to various other classifications of County employees.

With assistance from the County Human Resources Department, the duties and salaries of County Management and Professional employees were reviewed; with emphasis on those positions bearing some similarity to the responsibilities of the Supervisors. See Table 2:

Table 2: Positions and Salaries

Position Description	Average Annual Salary
Management	\$73,574
Professional	\$54,537
BOS Member	\$39,447

Another approach to comparing Supervisor salaries to those of Nevada County employees, based on data provided by the CEO, is to look at the hourly rate paid to selected job classifications. See Table 3:

Table 3: Position and Hourly Rate

Position	Hourly Rate
BOS Clerk	\$19.96
Library Technician	\$19.76
Lead Bus Driver	\$19.56
Road Maintenance Worker	\$19.56
Cook	\$19.37
BOS Member	\$18.96

At the Jury’s request, the CEO staff calculated the average salary for County full time, permanent employees (without location differential) at \$50,381 per year. The data reflects that the Supervisors earn less than many of their fellow employees do. The difficulty with using such data is that the Supervisors ultimately determine what the County’s employees are paid, thus, such data are not totally objective.

4. Average Annual Earnings of Nevada County Residents

A methodology used in a few jurisdictions outside of California is to base the salary of the governing body on the average earnings per worker in the jurisdiction. Using this methodology to determine the BOS salary is straightforward. Based on the Jury’s discussions with members of the Board, as well as information provided by Board members, the Jury determined that BOS members work the equivalent of full time.

The Employment Development Department of the State of California works cooperatively with the US Census Bureau to produce County level employment data. The base information

is taken from Census Bureau form ES 202, the Quarterly Census of Employment and Wages. The average earnings per worker in Nevada County in 2006 were \$ 35,776. If one uses the Bureau of Labor Statistics Inflation Calculator, that salary would be equal to \$37,893 in 2008.

Another way of adjusting the figure to reflect current earnings would be to use the Social Security Cost of Living Adjustment (COLA) figures for 2007 and 2008. This adjustment would raise the average earnings, from its 2006 level, to \$37,807 in 2008. Subsequent adjustments would be simple and straightforward *i.e.* on an annual or biennial basis; the BOS would adjust their salary based on changes of average earnings per resident within the County. This methodology has several advantages. It is easy to compute and apply. It has a surface plausibility and it requires no political decision making to arrive at the salary figure.

The major difficulty with the method is that it does not take into account the difficulty and complexity of the Supervisors job. The Supervisors are responsible for directing an organization with nearly 1000 employees and an annual budget of nearly 200 million dollars. Given their responsibilities, it is reasonable to consider compensating the Supervisors at a rate higher than that of the average earnings of County residents.

The Social Security COLA aspect of this method however would be suitable to use in making periodic adjustments to the Supervisors salaries.

5. U.S. Census Bureau - Nevada County Data Methodology

The U.S. Census Bureau regularly collects income data for various geographical segments of our nation (e.g. the US, California, Nevada County) the most recent data having been collected in 2004.

The U.S. Census Bureau data approach to a baseline BOS salary would utilize U.S. Census Bureau data as source material. This methodology would focus on using data unique to Nevada County and not influenced by outside entities. This would remove any political bias associated with the process of determining a fair and impartial base salary.

A feature of this approach is that it would not require lengthy examination of financial considerations of other counties or “factoring” Superior Court judges’ salaries or any other outside influence on the adequacy or fairness of compensation of Nevada County Supervisors. However, the Jury concluded that a major fault with this approach is its use of household income data, rather than individual salary data, and that this would produce a figure wholly unrelated to a BOS salary.

6. Use of Social Security Cost of Living Adjustment

Once a base salary is established, the of data used by the Social Security Administration for Cost of Living Adjustments (Social Security COLAs) offers an independent and simple methodology for annually adjusting BOS salaries. Table 4 below reflects the COLAs for the period 2005-2008.

Table 4: COLAs 2005 * 2008

Year	COLA
2005	2.7%
2006	4.1%
2007	3.3%
2008	2.3%

The historical swing of COLA percentages (2-4%) suggests that its use in adjusting Supervisor salaries would not lead to excessive increases.

7. Use of a “Blue Ribbon Committee” to Establish Board of Supervisor Salary

Approximately 20 states and a large number of local jurisdictions, counties, cities, and towns use committees of private citizens to establish or recommend the salaries of elected officials. These committees have a number of different names but for simplicity, and because this was the name selected when Nevada County used the method, this Report identifies the methodology as a “Blue Ribbon Committee.”

In Nevada County, a Blue Ribbon Committee was established in 1983 and submitted its recommendations March 5, 1984. The Committee was composed of seven members chosen at random from citizens who volunteered. One member was chosen from each Supervisor’s District and two were chosen at large. The BOS approved the recommended salary of \$1,600 per month effective July 1984.

The purpose of a Blue Ribbon Committee is to establish proper salaries for elected officials while removing political considerations from the process. In setting the salaries of the BOS, the committee would be charged with attracting citizens of the highest quality to public service by basing salaries on realistic standards, and by compensating the Supervisors according to the duties of their office. The strength of a Blue Ribbon Committee is that it is composed of private citizens and its only purpose is to meet and arrive at agreement about the salary of the BOS. The committee has no concern over the political ramifications of its recommendations since it ceases to exist after its report is submitted. Its members return to their roles as private citizens.

Normally members of a committee are chosen by lot either from among volunteers or from all eligible voters. One member would be chosen from each of the Supervisor Districts and others would be chosen at large. Members of the committee would be required to live within the County and, in the case of those selected by District, to reside in the District. They could not be a County official, public employee or a lobbyist.

The Human Resources Department would provide staff support. The Committee would hold several public hearing to receive the views of County residents and would then meet and

prepare a report recommending the salary for the BOS and including the rationale for the salary proposal.

The advantage of the Blue Ribbon Committee is its members are chosen without any political involvement. Selection process, coupled with the one time nature of the activity, should eliminate political influence.

A problem that exists with the use of a Blue Ribbon Committee is how to adjust the salary in the following years. The use of a Blue Ribbon Committee is a time consuming and extensive process and one that would probably not reasonably be done annually or biannually.

Since the law requires that the BOS set their own salary, a Blue Ribbon Committee might not be worth the time and effort involved. On the other hand, the Blue Ribbon Committee might be used to set the initial salary and then catch up raises could be based on the increase in the average workers annual salary, Social Security COLA, or some other non-political method.

8. Performance Proximity Method

This method is similar to the Employee Compensation Benchmark Counties Method but uses a different set of criteria for selection of comparison counties. It is designed for the creation of a base salary for the BOS. Techniques, like the Employee Compensation Benchmark Counties Method discussed previously, focuses on salaries of other counties' supervisors. In an effort to establish impartiality, certain parameters are set to capture counties with similarities in selected performance measurements. This is an attempt to create a new base salary predicated on the factors of like kind and quality.

The sole source for this methodology is data taken from the "BOS Salary Survey-June 2007," Attachment No. 3, hereto. Sample groups of counties were defined as those with a population between 50,000 and 300,000. This produced twenty counties, from which ten would ultimately be identified as *exhibiting performance characteristics in close proximity to Nevada County*. Geographic size and location relative to Nevada County were not factors.

The core information consists of a county's population, supervisor's salaries, number of county employees and the county's annual budget. From this core data, measurement factors were developed for each county in the sample group. These factors are budget per capita; budget per employee; employees per capita; and a ratio of salary to population. See Table 5.

Table 5: Selected Data by County Population 50,000 to 300,000

COUNTIES & LETTER CODE	POP (000)	SALARY (000)	EMPLOYEES	BUDGET (00000)	BUDGET PER CAPITA	BUDGET PER EMP(000)	EMP. PER CAPITA (00)	SALARY POP RATIO
A- BUTTE	218	48	2,330	360.2	1,652	157	94.4	4.54
B- EL DORADO	179	77	2,093	474.1	2,648	227	85.5	2.33
C- HUMBOLDT	132	74	2,056	263.2	1,993	128	64.2	1.78
D- IMPERIAL	173	51	2,105	293.8	1,698	140	82.2	3.39
E- KING	155	55	1,287	193.6	1,282	150	117.3	2.75
F- LAKE	64	57	976	181.0	2,828	185	65.6	1.12
G- MADERA	149	69	1,520	173.5	1,164	114	98.0	2.16
H- MARIN	256	92	2,193	402.2	1,571	183	116.7	2.78
I- MENDOCINO	90	68	1,554	206.5	2,294	133	57.9	1.32
J- MERCED	252	69	2,312	416.3	1,651	180	108.9	3.65
K- NAPA	136	81	1,339	276.7	2,034	207	101.5	1.68
L- SAN BENITO	58	46	450	112.0	1,931	249	128.9	1.26
M- S.L. OBISPO	265	79	2,501	474.9	1,798	190	105.9	3.35
N- SANTA CRUZ	264	99	2,455	317.4	1,203	129	107.5	2.67
O- SHASTA	181	54	1,918	310.3	1,714	162	94.4	3.35
P- TEHAMA	32	13	828	120.2	1,938	145	74.9	4.76
Q- TUOLUME	57	37	940	122.6	2,150	130	60.6	1.54
R- YOLO	194	48	1,739	299.2	1,206	172	111.6	4.04
S- YUBA	71	46	1,055	154.2	2,171	146	67.3	1.54
T- NEVADA	100	39	986	180.1	1,801	183	101.4	2.56

To compress the comparative data, the sample group was reduced to ten counties. Nevada County was designated as the midpoint. Five counties were placed in ascending and descending order in relation to Nevada County. The sample counties are shown on the next page Table 6. In Table 6, the letters assigned in Table 5, for the sake of brevity, identify them. In Table 5, they are rank ordered by each factor and so appear in different orders in the several columns. Those counties having measurement factors closest to Nevada County were listed in numeric order. The counties appearing most often were selected to be the counties from which to extract the supervisor’s salaries. See Table 6 next page:

Table 6: COMPARATIVE COUNTY DATA RANKINGS Nevada (T) Baseline

POP. (000)	CO.	SAL. (000)	CO.	EMP.	CO.	BUD. (00000)	CO.	BUD. PER CAP.	CO.	BUD. PER EMP. (000)	CO.	EMP. PER CAP. (00)	CO.	SAL. POP. RATIO	CO.
179	B	54	O	1,739	R	276.7	A	2,150	+Q	249	L	111.6	R	3.35	M
173	D	51	D	1,554	I	263.2	+C	2,034	+K	227	B	108.9	J	3.35	+O
155	+E	48	A	1,339	+K	206.5	I	1,993	+C	207	+K	107.5	N	2.78	C
136	+K	46	+L	1,287	+E	193.6	+E	1,938	+P	190	M	105.9	M	2.75	+E
132	+C	46	S	1,055	S	181.0	+F	1,931	+L	185	+F	101.5	+K	2.67	N
100	T	39	T	986	T	180.1	T	1,801	T	183	T	101.4	T	2.56	T
90	I	37	+Q	976	+F	173.5	G	1,792	M	183	H	98.0	G	2.33	B
71	S	13	M	940	+Q	154.2	S	1,714	O	180	J	94.8	A	2.16	G
64	+F			828	+P	122.6	+Q	1,698	D	172	R	85.5	B	1.78	C
62	+P			450	+L	120.2	+P	1,652	A	162	O	82.2	D	1.68	+K
58	+L					112.0	+L	1,651	J	157	P			1.54	Q

**See Table 5 for the county letter code.

Other county data is displayed in ascending and descending order from Nevada County (T).

This identified five counties ranking above and below Nevada County.

The blank spaces below Nevada County indicate there were no counties ranking lower than the last entry.

This selection process identified seven counties that appeared at least four times in close proximity to Nevada County. The BOS salaries for each selected county are listed below. The bracketed numbers represent the number of times the county was deemed to be in “proximity.” An average salary was computed by eliminating the highest and lowest salary. This methodology produced an average supervisor salary of \$53,800. See Table 7.

Table 7

CODE	COUNTY	SALARY
K	Napa {6}	\$81,000
C	Humboldt {5}	74,000
F	Lake {4}	57,000
E	Kings {4}	5,000
L	San Benito {5}	46,000
Q	Tuolumne {4}	37,000
P	Tehama {4}	13,000

9. Rural County Comparison

In 1990, the Nevada County BOS sent a memorandum to the 1990 - 1991 Nevada County Grand Jury requesting that the Jury investigate and report on the need for an increase or decrease in the salaries of the elected County officials. After investigating a number of sources, the Jury decided to focus on a comparison of Nevada County Elected Officials salaries with the salary of elected officials in other rural counties. It will be noted that this

method is similar to the Employee Compensation Benchmark Counties Method, in this case choosing counties for comparison based on their description as rural in nature. The 1990 - 1991 Jury identified 26 counties as rural but did not specify a population upper limit in so doing. From that group, they selected a subgroup of 5 counties which they used for the Report. The five counties making up the subgroup in 1990 were El Dorado, Madera, Mendocino, Sutter, and Lake. Currently, the average salary of the BOS of those five rural counties is \$61,267.

The Jury’s 1990 recommendation resulted in raising the salaries of the Nevada County Supervisors from \$25,268 to \$27,160 and the salary of the Chairman from \$26,522 to \$28,360.

How Might The Rural County Methodology Be Currently Used By Nevada County?

There are many lists of California rural counties but no agreement on what constitutes a rural county. The US Census Bureau approaches the problem by indicating counties that are not metropolitan are rural. The California Rural Counties Environmental Services Joint Powers Authority includes 22 member Counties. The California Criminal Justice Statistics Center identifies 24 rural counties and the Rural Counties Taskforce identifies 28 rural counties (counties with a population under 250,000 and no single urbanized area over 50,000). The California Regional Council of Rural Counties (RCRC) has 31 members. The Jury elected to use a subset of the RCRC data, which is shown in Table 8.

If this methodology were to be used, it appears appropriate to reduce the number of counties to those that most resemble Nevada County, in terms of population, county budget, and FTEs. With this in mind, the following criteria were used to establish Table 8 a minimum population of 75,000 in January 2007; a minimum County budget of \$150 million; and minimum FTEs of 850. Twelve RCRC counties meet these criteria.

Table 8: Rural Counties Most Resembling Nevada County

County	Population	Budget	Total FTEs
1.) Placer	324,495	\$638,461,479	2,827
2.) S L Obispo	264,900	474,898,770	2,501
3.) Merced	251,510	416,308,606	2,312
4.) Butte	218,069	360,192,182	2,300
5.) Shasta	181,401	310,277,475	1,919
6.) El Dorado	178,674	474,000,000	2,093
8.) Imperial	172,672	293,806,694	2,105
9.) Madera	148,721	173,491,786	1,520
10.) Napa	135,969	276,708,214	1,339
11.) Nevada	99,766	180,121,519	986
12.) Sutter	93,919	202,390,003	962
13.) Mendocino	90,291	206,480,000	1,554

Removing the county with the highest supervisors’ salary (Napa) and the county with the lowest (Placer) as well as Nevada County, nine counties form the pool for evaluation. The nine counties with their supervisors’ salaries are listed in Table 9.

Table 9: Rural Counties Used as Comparisons

County	BOS Salaries
Merced	\$69,360
Butte	48,581
San Luis Obispo	79,014
Shasta	54,600
El Dorado	76,876
Imperial	51,070
Madera	68,659
Sutter	34,471
Mendocino	68,640
Average Salary of Supervisors	\$61,253

10. Use of the Grand Jury to Recommend BOS Salary Changes

California Penal Code section 927 mandates that a Grand Jury shall, upon the request of the BOS, “investigate and report on the needs for increase or decrease in the salaries of the county elected officials.” The BOS November 27, 2007 request to the Jury invoked the provisions of Penal Code section 927.

As noted earlier in this Report, the BOS has, on at least one other occasion, November 1990, requested the Jury’s participation, and adopted the Jury’s recommendations.

Currently, the BOS has again invoked the Penal Code section 927 process to secure salary adjustment recommendations independent of the BOS. While the scope of this Report exceeds the BOS’s request, it nevertheless required six months of preparation effort. The Jury is hopeful that its effort will obviate the future need to invoke its services in the area of BOS salary by giving the BOS one or more methodologies for setting BOS salary. The Jury further hopes that this method, in its utilization of data which are unique to supervisors generally, and substantially independent of factors subject to BOS influence, will prove resilient enough to be used repeatedly in the future.

11. The BOS Establishes its Salary by Majority Judgment

While probably self evident, the only way the BOS can fix or adjust its salary is to do it as a BOS. In theory, a BOS may act on its salary without considering any factors (other than possible political repercussions). On the other hand, a BOS may seek as much information and consider as many factors as it desires. A review of BOS Salary and Benefits 1981-2006 (*Attachment No. 1*) offers little insight into the factors considered, especially in the earlier years. However, it is evident that the Nevada County BOS has, in recent years, sought to rely on data or processes deemed independent of the Board (or at least more distant from the Board’s control) when considering their salary.

The Jury's methodology recommendations are intended to enhance the BOS's desire to act as objectively and independently as possible when considering an issue which cannot escape being in its Members' economic self interest.

12. Methodology Preferences of Current BOS Members

In their questionnaires, the current Supervisors were asked for their individual preferences for a methodology to address their salary in the future. Not surprisingly, there is no real consensus:

One Supervisor would be happy with either the current process (where the then current salary is adjusted in the same percent as the salaries of elected County officials {except the Sheriff}) or having salary fixed and adjusted by a citizens committee appointed by the BOS.

Two Supervisors prefer selecting a percentage of the Superior Court Judge's salary as a base, and then adjusting the salary each year by the same percentage as the Judges salaries are adjusted.

A fourth Supervisor favors using the average of selected benchmark counties' BOS salary, adjusted every several years.

The fifth Supervisor prefers taking the average of benchmark counties' BOS salary, and adjusting it annually in the same percentage as County employees receive each year (or when received.)

The Supervisors' views do, however reflect a desire to seek factors not within their direct control.

VII. EVALUATION OF SALARY METHODOLOGIES

The Jury has identified ten methodologies that have been, or could be, used to establish a base salary for Supervisors or, once a base salary is determined, used to address future increases.

It has been the Jury's goal to seek methodologies for both situations, which avoid involving, to the greatest degree possible, the BOS's economic self interest beyond that inherent in raising the issue of salary adjustment in the first place.

In the Jury's judgment, the strengths and weaknesses of the ten identified methodologies are as follows:

1. Tying Supervisors Salaries to Court Judges Salaries:

This method enjoys the benefit that all data are unrelated to financial decisions of the BOS. Once one selects a base salary, this approach is automatic, relying on the actions of others outside the BOS's control. It is best suited to handling periodic future adjustments. However, the Jury would not recommend this methodology for future adjustments because the salary increase factors flow from annual increases in salaries negotiated with the major state employee bargaining units covering literally thousands of employees. The factors appropriate for employee bargaining unit members are not necessarily the factors that affect supervisor salary. In addition, as noted earlier, this methodology offers no help in ascertaining a base salary for Supervisors. Some other approach is needed to establish the base salary.

2. Using the Average of Supervisor Salaries in Employee Compensation Benchmark Counties

This approach is popular because the raw data are supervisor salaries. The challenge is the selection of the benchmark counties. What factors should be used in selecting the counties involved? In an ideal sense, one would want counties "Just like Nevada County." Unfortunately, there are no such counties as all counties are unique. For purposes of this evaluation the Jury has chosen to use the counties suggested by the CEO: El Dorado, Mendocino, Butte, Sutter and Placer, these being Counties used when Nevada County is seeking salary comparisons for the purposes of employee recruiting and salary increases.

When the 2007 Salary Survey (Attachment No. 3) Supervisor base salaries for the five counties are consulted, the average supervisor salary is \$49,669 per year, as compared to the current Nevada County supervisor salary of \$39,477 per year.

As noted earlier, while these five benchmark counties may be appropriate for the purposes of comparing county employee salaries and benefits, they are not at all comparable to Nevada County as a collection of government activities and community needs. The Jury does not recommend the Employee Compensation Benchmark Counties Method (using the CEO selected counties) for the fixing of either Nevada County BOS base salaries or future periodic adjustments.

3. Tying Supervisor Salary to the Salaries Paid to Nevada County Employees

This approach has both positive and negative implications. On the positive side, one is looking at salaries paid to the employees of Nevada County, who mostly work at least 40 hours per week. Many hold positions of responsibility on a par with that of the Supervisors (ignoring the political aspect of a Supervisor's life). That a Supervisor should be paid, at least the average of what all-county employees are paid has the ring of merit. Using the data

provided by the CEO's staff, the average annual salary paid to a County employee is \$50,381, as compared to the current Supervisor's annual salary of \$39,447.

While using the average County employee salary may well demonstrate that the Supervisors earn less than most County employees, whether that average is appropriate for establishing a base salary for Supervisors is open to question because the BOS ultimately is responsible for setting and approving all County salaries. In other words, they would benefit indirectly from their own actions with respect to other employee salaries.

On the other hand, even with the BOS's role in approving periodic raises for employees and other elected officials, using such periodic percentage increases to also adjust BOS salaries has the benefit that all County employees (except those under personal employment agreements) are treated the same, establishing a ceiling on BOS salaries going forward.

4. Tying Supervisor Salary to the Average Annual Earnings of Nevada County Residents

This methodology is appropriate for establishing base salary and future adjustments. Its appeal lies in the use of data unconnected to Nevada County as a governmental agency while being geographically relevant.

Whether using the 2008 Social Security COLA adjusted average county resident earnings of \$37,893 would be suitable for a Supervisor base salary is open to question. Certainly, it supports the idea the current Supervisor salaries may be low. However, it is hard to fit the average resident earnings into the difficulty and complexity of a Supervisor's job. The annual percentage increase (or decrease) would work for future adjustments, again setting a ceiling for the Supervisor's raises.

5. Use of Social Security Cost of Living Adjustments

The Jury concludes that the use of Social Security COLA to effect annual adjustments of BOS salaries would be appropriate; these data being independent of BOS actions.

6. Use of a Blue Ribbon Committee to Establish BOS Salary

The Jury found much appeal in the use of a Blue Ribbon Committee, perhaps because the Jury itself, in preparing this Report, is acting in such a manner. The main distinction between the Jury and a Blue Ribbon Committee is that citizens volunteered for the Jury without the knowledge that it would be asked to review and comment upon BOS salaries.

Again, as we have seen with certain other methodologies, the use of a Blue Ribbon Citizens Committee tends to take the process out of the hands of the BOS in terms of selecting a dollar amount and recommending a change; the BOS nevertheless being left with the ultimate responsibility of adopting the enabling Ordinance. Assuming the process for selecting the members of the Committee is free of politics and self interest, the recommendations of such a Committee should be viewed by the public as reasonably objective and deserving of implementation. Two aspects, however, make its use questionable:

First, the assembly of such a Committee, its meetings and public sessions are likely to be quite time consuming and possibly expensive (at least if County funds and resources are involved) when compared with the use of a statistical methodology applied periodically.

Second, while the Blue Ribbon Committee approach is well suited to fixing a base salary, it is not regarded by the Jury as being the best for use in periodic adjusting of BOS salaries.

7. Using the Performance Proximity Method to Establish BOS Salary

The Performance Proximity Method is viewed by the Jury as an especially appealing approach to establishing a base salary for BOS members. The methodology uses core data consisting of a county's population, supervisor salaries, number of county employees and the county's annual budget. This approach identified seven counties exhibiting performance characteristics in close proximity to Nevada County. It is similar to Employee Compensation Benchmark Counties Method, except that geographic size and location in relation to Nevada County are not factors.

Using this approach, the average BOS salary (after eliminating the highest and lowest salary) was \$53,800, as compared to Nevada County's current \$39,447.

8. Using Rural Counties as Benchmarks for Determining BOS Salary

Like the Employee Compensation Benchmark Counties Method and the Performance Proximity Method, the use of Rural Counties' data endeavors to identify counties appropriate for comparison with Nevada County, in this case looking at so-called rural counties without regard to their geographic size or location relative to Nevada County. As noted earlier, this approach was used by the Jury in its 1990 Report on BOS salary.

While the Jury was intrigued with the Rural Counties approach because it offered a chance to create an "apples to apples" approach, the Jury believed that the selection of comparison counties still lacked sufficient rigor for the needed relevance to Nevada County.

9. Use of the Grand Jury to Recommend BOS Salary

Although flattered to be asked to weigh in on the issue of BOS salaries, the Jury reactively questions its competence to advise on such matters. Only the mandate of Penal Code section 927 compels the Jury's involvement. Certainly, the Jury's perceived independence and integrity should not be appropriated to mask the political challenges associated with an increase in BOS salaries.

Thus, as a methodology for establishing BOS salaries (as distinguished from methodologies considered by the Jury) the Jury would prefer to step aside, and avoid having its value as an independent investigating body diluted through association with a political issue which does not lend itself to a clearly correct answer. The invoking of Penal Code section 927 to consider the salaries of Supervisors (as distinguished from other county elected officials) should occur only in dire circumstances.

10. The Role of the BOS

Only the BOS can set their salary and benefits. They are the methodology. The challenge, of course, is how they do it, and to a lesser extent, when they do it. The how, from the Jury's point of view, is by first selecting a methodology, which establishes a base salary, and then selecting a methodology for future adjustments. Both methodologies (although they could be the same) should rely on data unique and/or relevant to Supervisors, and which, to the extent practicable (and available), is independent of factors subject to Supervisors' influence.

11. Comparing the Outcome of the Various Methodologies

Viewing all of the salary methodologies discussed herein, without regard to their individual strengths or weaknesses, where they produce as base salary, all but one generate a base salary greater than that currently paid to Nevada County BOS Members (\$39,447) Table 10:

Table 10

<u>Methodology</u>	<u>Annual Salary</u>
Superior Court Judges	N/A
Benchmark Counties	\$49,669
Nevada County Employees	\$50,380
Nevada County Residents	\$37,893
Blue Ribbon Committee	N/A
Performance Proximity	\$53,800
Rural Counties	\$61,253
Average of the above	\$50,599

12. Summary Evaluation

The Jury is comfortable in concluding, based on the time spent by the current Supervisors in the discharge of their duties, and the reality that the position requires full time work that the Supervisors are underpaid approximately \$15,000 per year. As a methodology for establishing a base salary for the BOS (with a 5% upward adjustment for the Chair), the Jury believes that the Performance Proximity Method would be the most appropriate for use in Nevada County. If adopted by the BOS, this would produce a base salary of \$53,800 per year.

The Jury recommends the use of the Social Security COLA for periodic adjustments.

VIII. WHEN TO ADJUST SUPERVISOR SALARIES

The Jury's consideration of BOS salaries would not be complete without asking the question of when, or how often, should the BOS adjust its compensation? As Attachment No. 1 reflects, historically the Nevada County BOS has acted to adjust their compensation every two or three years. The Board's current policy, as reflected in Resolution No. 06-27 adopted in January 2006, is to "consider annual adjustments to their salary and benefit compensation." However, following that policy is easier said than done. Obviously, in the public sector, it is more difficult to ask for a raise when the person or body asking is also the person or body which must authorize or approve the raise. And, while it may be all right for the bulk of County employees to see their income periodically adjusted in order for the County to be a competitive employer, there is a certain discomfort in the BOS doing the same for itself.

An approach is needed whereby the BOS first determines whether its salary, at a given point in time, is fair and reasonable considering the duties assumed, responsibilities discharged, and time spent. The more objective this can be, the better. The Jury believes that the Performance Proximity Method, herein described, offers a viable approach to this objective.

Should the BOS follow the Jury's recommendation, this would lead to the fixing of a current, new, base salary of \$53,800 per year, with a five percent (5%) add-on for the Board Chair.

The next question is when should the BOS next adjust (or consider adjustment to) its salary? This is not an altogether easy question to answer, as the Jury's research indicates that large "catch-up" raises resulting from extended periods of non-adjustment often generates negative public reactions.

The BOS has three options here: 1) Annual adjustments; 2) Periodic adjustments tied to some relevant event; or 3) Fixed periodic adjustments:

If an annual adjustment is the choice, the Jury prefers the use of Social Security COLA as it is simple and independent of the BOS. However, to the extent that the BOS elects to skip an

annual adjustment, for whatever reason, its policy should be that adjustments forgone are not made up in the following year.

If periodic adjustments tied to a relevant event is selected – and this is actually the BOS current policy, despite the use of the word “annual” in Resolution 06-27- the use of a new Union contract for the bulk of County employees as the event, and the average percent increase as the amount of the adjustment seems reasonable.

Fixed periodic adjustments (every two or three years for example) do not have much appeal without knowing the percent of increase in advance. Otherwise, it is almost like doing a new base salary calculation.

The Jury’s view is that the most politically satisfying and practical approach to the timing of BOS salary adjustments is to adjust annually using the Social Security COLA percentage, with the caveat that a new base salary calculation, based on the Performance Proximity Method, is made at least every 5 years.

IX. FINDINGS

1. Current Supervisor duties and time spent in the performance thereof warrant finding that the position requires full time work.
2. When compared to the BOS salaries generated by all but one of the methodologies reviewed (even where the Jury rejects or discounts a methodology as not necessarily appropriate for Nevada County), the current salaries paid to Nevada County Supervisors are noticeably lower.
3. The Nevada County Supervisors are paid, on average, less than most other County employees.
4. Regardless of the methodology selected the determination of the Supervisors’ salary and benefits cannot be delegated; but must be accomplished by adoption of an Ordinance, by the Supervisors, after a public hearing.
5. There will always be opposition to a pay raise for the BOS.

X. CONCLUSIONS

1. Given the time devoted to the discharge of their duties, and the nature of those duties, the current salary paid to members of the BOS is inadequate.
2. A continued delay in addressing Supervisor salaries will only exacerbate the political difficulties in considering such matters.

3. The Jury believes that the Performance Proximity Method would be the most appropriate to use in fixing a new base salary for the Members of the BOS, the current 5% differential for the Chair of the Board also being appropriate.
4. The Jury believes that once a new base salary is approved for the Members of the BOS, the Social Security COLA method would be the most suitable to use for future adjustments.
5. All other factors being equal, an increase in the Supervisors base salary to \$53,800/year appears warranted at this time.

XI. RECOMMENDATIONS

1. The BOS should adopt the Performance Proximity Method for establishing a new, current, base salary for the members of the BOS.
2. The BOS should adopt the Social Security COLA Method for determining future adjustments to the base salary.
3. Any increases in the BOS Member salaries should take effect on January 5, 2009.
4. The BOS should adjust their salary yearly using the Social Security COLA to determine the amount of increase.
5. BOS should review their base salary every five fiscal years, using the Performance Proximity Method.

XII. Attachments

Compensation History
Committee Assignments
BOS Salary Survey June 2007

Responses

Board of Supervisors, October 29, 2008

NC BOARD OF SUPERVISORS COMPENSATION HISTORY

1981 TO 2006

Ordinance	DATE	Monthly Salary	Benefits
1035	9/8/1981	Member \$1,271.51 Chair \$1321.51	Same as other County Officers.
1214	4/2/1984	Member \$1,335.09 Chair \$ 1435.09	Dependent health care coverage NTE \$82/month. All other forms of compensation same as other elected County Officers.
1246	9/4/1984	Member \$ 1599.99 Chair \$1699.99	Dependent health care coverage NTE \$82/month. 5/7 of each Supervisor's Contribution to PERS. Such other fringe benefits as heretofore granted by BOS to each member.
1324	8/19/1985	Member \$1,928 Chair \$2,028	Dependent health care coverage NTE \$82/month. 5/7 of each Supervisor's Contribution to PERS. Dental Insurance for Supervisor only. Such other fringe benefits as heretofore granted by BOS to each member.
1556	2/7/1989	Member \$2,389.50 Chair \$2489.50	Dependent health care coverage NTE \$82/month. 5/7 of each Supervisor's Contribution to PERS. Dental Insurance for Supervisor only. Such other fringe benefits as heretofore granted by BOS to each member.
1590	9/12/1989	Repealed Ord. #1556 because a Referendum was qualified for the ballot, against Ord.1556 on April 6, 1989. Salary and Benefits reverted to those established by Ord. #1324 in 1985.	
1667	9/18/1990	Added Mileage allowance of \$500 per month for Districts 1-4 and \$575 for District 5 or use of County Vehicle.	

NC BOARD OF SUPERVISORS COMPENSATION HISTORY

1981 TO 2006

Ordinance	DATE	Monthly Salary	Benefits Page 2
1707	4/23/1991	Member \$2,263 Chair \$2,363	Dependent health care coverage NTE \$82/month. 5/7 of each Supervisor's Contribution to PERS.
1858	4/19/1994	Member \$2,353.52 Chair \$2457.52 Retro to 01/01/1994	Same benefits as authorized by Ordinance Number 1707.
1907	7/23/1996	Member \$2,518.27 Chair \$2,629.55	\$350/month toward Cafeteria Health Benefit Plan 7% of Members contribution to PERS in excess of \$133.33 per month. Such other fringe benefits as heretofore granted by BOS to each member.
1983	9/15/1998	Member \$2,568.63 Chair \$2,682.20	Same benefits as authorized by Ordinance number 1907.
2043	1/9/2001	Member \$2,843.47 Chair \$ 2,969.20	\$400/month toward Cafeteria Health Benefit Plan 7% of Members contribution to PERS in excess of \$133.33 per month. Such other fringe benefits as heretofore granted by BOS to each member.
2104	1/23/2003	Member \$3,098.81 Chair \$3,253.79	Same benefits as authorized by Ordinance number 2043.
2194	1/24/2006	Member \$3,222.77 Chair \$3,383.94	Same benefits provided for other County Elected Officials (except Sheriff). May retain existing \$400/month toward Cafeteria Health Benefit Plan or opt for traditional health plan as provided for County's Elected Officials.
2194	1/24/2006	Effective 07/01/06: Member \$3287.22 Chair \$3451.62	

NEVADA COUNTY BOARD OF SUPERVISORS
COMMITTEES, COMMISSIONS, ETC. - 2008

DISTRICT I – NATE BEASON:

Member

Ad Hoc Committee for HEW Reuse Opportunities
Area 4 Agency on Aging Governing Board
Foothill Airport Land Use Commission
Nevada County Substance Abuse Advisory Board
Remote Access Network (RAN)
Sierra Economic Development Corporation (SEDCorp)
Sierra Planning Organization Board (SPO)
Transit Services Commission
Transportation Commission (Chair)
Yuba Watershed Council

Alternate

Finance Authority (Nevada County)
Golden Sierra Job Training Agency Governing Board
Local Agency Formation Commission (LAFCo)

10 (R) 3(A)

NEVADA COUNTY BOARD OF SUPERVISORS
COMMITTEES, COMMISSIONS, ETC. - 2008

DISTRICT II - SUE HORNE:

Member

Ad Hoc General Plan Update Steering Committee

Audit Review Committee

California Rural Home Mortgage Finance Authority (CRHMFA) (RCRC)

Environmental Services Joint Powers Authority (ESJPA) (RCRC) (Alternate member attends)

Mental Health Advisory Board

National Association of Counties (NACo)

Regional Council of Rural Counties (RCRC)

Solid and Hazardous Waste Commission

Alternate

Central Sierra Subregional Selection Committee/Sierra Nevada Conservancy Board

Sierra Sacramento Valley Emergency Medical Services Joint Powers Authority Governing Board

8 (R) 2 (A)

**NEVADA COUNTY BOARD OF SUPERVISORS
COMMITTEES, COMMISSIONS, ETC. - 2008**

DISTRICT III - JOHN SPENCER

Member

Ad Hoc Committee for Dorsey Drive Interchange
Ad Hoc General Plan Update Steering Committee
Economic Resource Council (Nevada County)
Finance Authority (Nevada County) – Housing Authority Representative
Golden Sierra Job Training Agency Governing Board
Northern Sierra Air Quality Management District Board
Transit Services Commission
Transportation Commission

Alternate

*CRHMFA (California Rural Home Mortgage Finance Authority) Homebuyers Fund (RCRC)
Fire Safe Council of Nevada County
High Sierra Resource Conservation and Development Council
Operational Area Emergency Services Council
Regional Council of Rural Counties (RCRC)
8 (R) 5 (A)

NEVADA COUNTY BOARD OF SUPERVISORS
COMMITTEES, COMMISSIONS, ETC. - 2008

DISTRICT IV – HANK WESTON

Member

Ad Hoc Committee for Capital Facilities Planning (western)

Audit Review Committee

Budget Review Committee

Fire Safe Council of Nevada County

First Five Nevada County Children & Families First Commission

High Sierra Resource Conservation and Development Council

Local Agency Formation Commission (LAFCo) (Chair)

Nevada Power Authority

Operational Area Emergency Services Council

Sierra Sacramento Valley Emergency Medical Services Joint Powers Authority Governing Board

Solid & Hazardous Waste Commission (Nevada County)

Alternate

Economic Resource Council (Nevada County)

Northern Sierra Air Quality Management District Board (NSAQMD)

Risk Management Committee

11 (R) 3 (A)

NEVADA COUNTY BOARD OF SUPERVISORS
COMMITTEES, COMMISSIONS, ETC. - 2008

DISTRICT V –TED OWENS:

Member

Ad Hoc Committee for Capital Facilities Planning (eastern)

Ad Hoc Committee for HEW Reuse Opportunities

Budget Review Committee

California State Association of Counties (CSAC)

Central Sierra Subregional Selection Committee/Sierra Nevada Conservancy Board

Community Development Agency Land Use Efficiency Committee

Finance Authority (Nevada County)

Local Agency Formation Commission (LAFCo)

Multi-Agency Juvenile Justice Coordinating Council

Northern Sierra Air Quality Management District Board

Risk Management Committee

Sacramento Mother Lode Regional Association of County Supervisors

Truckee River Basin Water Group

Truckee River Watershed Council

Alternate

Foothill Airport Land Use Commission

Mental Health Advisory Board

National Association of Counties (NACo)

Nevada Power Authority

Regional Council of Rural Counties (RCRC)

Risk Management Committee

Sierra Economic Development Corporation (SEDCorp)

Sierra Planning Organization Board (SPO)

Transit Services Commission

Transportation Commission

14 (R) 10 (A)

BOS Salary Survey

June 2007

Rank	Sort by Salary				Sort by Population		
	County	Population as of 1/1/07	Current Annual Salary		County	Population as of 1/1/07	Current Annual Salary
1	Los Angeles	10,331,939	171,648		Los Angeles	10,331,939	171,648
2	Riverside	2,031,625	137,319		San Diego	3,098,269	137,318
3	Santa Clara	1,808,056	137,318		Orange	3,098,121	137,318
4	San Diego	3,098,269	137,318		Riverside	2,031,625	137,319
5	Alameda	1,526,148	137,318		San Bernardino	2,028,013	121,024
6	Orange	3,098,121	137,318		Santa Clara	1,808,056	137,318
7	Sonoma County	481,765	123,576		Alameda	1,526,148	137,318
8	San Bernardino	2,028,013	121,024		Sacramento	1,406,804	94,404
9	Ventura	825,512	113,338		Contra Costa	1,042,341	97,479
10	Monterey	425,960	113,196		Fresno	917,515	102,989
11	Fresno	917,515	102,989		Ventura	825,512	113,338
12	Santa Cruz	264,125	99,424		San Francisco	808,844	92,901
13	Contra Costa	1,042,341	97,479		Kern	801,648	83,070
14	Sacramento	1,406,804	94,404		San Mateo	733,496	85,896
15	San Francisco	808,844	92,901		San Joaquin	679,687	73,278
16	Marin	255,982	91,957		Stanislaus	521,497	68,073
17	Solano	424,823	90,972		Sonoma County	481,765	123,576
18	San Mateo	733,496	85,896		Tulare	429,006	80,537
19	Santa Barbara	424,425	84,200		Monterey	425,960	113,196
20	Kern	801,648	83,070		Solano	424,823	90,972
21	Napa County	135,969	80,829		Santa Barbara	424,425	84,200
22	Tulare	429,006	80,537		Placer	324,495	30,000
23	San Luis Obispo	264,900	79,014		San Luis Obispo	264,900	79,014
24	El Dorado	178,674	76,876		Santa Cruz	264,125	99,424
25	Humboldt	131,959	73,920		Marin	255,982	91,957
26	San Joaquin	679,687	73,278		Merced	251,510	69,360
27	Merced	251,510	69,360		Butte	218,069	48,581
28	Madera	148,721	68,659		Yolo	193,983	49,730
29	Mendocino	90,291	68,640		Shasta	181,401	54,600
30	Stanislaus	521,497	68,073		El Dorado	178,674	76,876
31	Lake	64,276	57,689		Imperial	172,672	51,070
32	Kings	151,381	55,931		Kings	151,381	55,931
33	Shasta	181,401	54,600		Madera	148,721	68,659
34	Amador	38,435	51,494		Napa County	135,969	80,829
35	Imperial	172,672	51,070		Humboldt	131,959	73,920
36	Yolo	193,983	49,730		Nevada	99,766	39,447
37	Butte	218,069	48,581		Sutter	93,919	34,471
38	Calaveras	46,028	48,110		Mendocino	90,291	68,640
39	Inyo	18,383	46,448		Yuba	70,745	46,248
40	Yuba	70,745	46,248		Lake	64,276	57,689
41	San Benito	57,803	46,150		Tehama County	61,774	12,540
42	Lassen	36,375	42,912		San Benito	57,803	46,150
43	Mono	13,985	41,064		Tuolumne	57,223	37,210
44	Nevada	99,766	39,447		Calaveras	46,028	48,110
45	Plumas	21,128	38,040		Siskiyou	45,953	33,129
46	Mariposa	18,254	37,290		Amador	38,435	51,494
47	Tuolumne	57,223	37,210		Lassen	36,375	42,912
48	Sutter	93,919	34,471		Del Norte	29,341	28,080
49	Siskiyou	45,953	33,129		Glenn	28,915	30,285
50	Sierra	3,485	31,000		Colusa	21,951	24,000
51	Glenn	28,915	30,285		Plumas	21,128	38,040
52	Placer	324,495	30,000		Inyo	18,383	46,448
53	Del Norte	29,341	28,080		Mariposa	18,254	37,290
54	Alpine	1,261	25,176		Trinity	14,171	25,008
55	Trinity	14,171	25,008		Mono	13,985	41,064
56	Colusa	21,951	24,000		Modoc	9,721	15,859
57	Modoc	9,721	15,859		Sierra	3,485	31,000
58	Tehama County	61,774	12,540		Alpine	1,261	25,176

BOS Salary Survey

June 2007

Sort by Budget						
Rank	County	Population as of 1/1/07	Current Annual Salary	Total County Budget *	Total FTE	
1	Los Angeles	10,331,939	171,318	21,241,000,000	102,058	
2	San Francisco	808,844	92,901	6,065,992,294	27,990	
3	Orange	3,098,121	137,318	5,904,027,069	18,733	
4	San Diego	3,098,269	137,318	4,193,000,000	16,844	
5	Santa Clara	1,808,056	137,318	3,900,000,000	15,000	
6	Riverside	2,031,625	137,319	3,860,000,000	17,285	
7	San Bernardino	2,028,013	121,024	3,428,014,633	18,165	
8	Sacramento	1,406,804	94,404	2,663,597,225	14,428	
9	Alameda	1,526,148	137,318	2,360,221,864	9081	
10	Fresno	917,515	102,989	1,652,065,199	8,018	
11	San Mateo	733,496	85,896	1,648,095,478	5,777	
12	Ventura	825,512	113,338	1,541,213,431	7,932	
13	Kern	801,648	83,070	1,384,730,300		
14	Contra Costa	1,042,341	97,479	1,248,308,445	5,658	
15	San Joaquin	679,687	73,278	1,129,000,000		
16	Sonoma	481,765	123,576	1,100,000,000	5,212	
17	Solano	424,823	90,972	990,526,546	3,092	
18	Monterey	425,960	113,196	879,800,000	4,559	
19	Santa Barbara	424,425	84,200	712,709,201	4,296	
20	Placer	324,495	30,000	638,461,479	2,827	
21	Tulare	429,006	80,537	614,798,095	4,919	
22	San Luis Obispo	264,900	79,014	474,898,770	2,501	
23	El Dorado	178,674	76,876	474,100,000	2,093	
24	Merced	251,510	69,360	416,308,606	2,312	
25	Marin	255,982	91,957	402,200,000	2,193	
26	Butte	218,069	48,581	360,192,182	2300	
27	Santa Cruz	264,125	99,424	317,390,792	2,455	
28	Shasta	181,401	54,600	310,277,475	1,918	
29	Yolo	193,983	49,730	299,191,305	1,739	
30	Imperial	172,672	51,069	293,806,694	2,105	
31	Napa County	135,969	80,829	276,708,214	1,339	
32	Stanislaus	521,497	68,073	272,920,531	4,582	
33	Humboldt	131,959	73,920	263,205,062	2,056	
34	Mendocino	90,291	68,640	206,480,000	1554	
35	Sutter	93,919	34,471	202,390,003	962	
36	Kings	151,381	55,931	193,646,679	1,287	
37	Lake	64,276	57,689	181,000,000	976	
38	Nevada	99,766	39,447	180,121,519	986	
39	Madera	148,721	68,659	173,491,786	1,520	
40	Yuba	70,745	46,248	154,212,245	1,045	
41	Tuolumne	57,223	37,210	122,652,221	940	
42	Tehama	61,774	12,540	120,247,256	828	
43	San Benito	57,803	46,150	112,000,000	450	
44	Siskiyou	45,953	33,129	111,188,924	744	
45	Calaveras	46,028	48,110	104,650,273		
46	Lassen	36,375	42,912	87,333,966	472	
47	Mariposa	18,254	37,290	82,538,294	403	
48	Plumas	21,128	38,040	81,340,419	438	
49	Inyo	18,383	46,448	76,068,479	534	
50	Amador	38,435	51,494	73,705,727	515	
51	Glenn	28,915	30,285	64,883,927	466	
52	Colusa	21,951	24,000	60,898,778		
53	Mono	13,985	41,064	45,453,966		
54	Del Norte	29,341	28,080	43,441,973	482	
55	Modoc	9,721	15,859	32,228,015	229	
56	Alpine	1,261	25,176	25,000,000	70	
57	Sierra	3,485	31,000	18,146,264	119	
58	Trinity	14,171	25,008			

* Budget can reflect either 2006-07 or 2007/08

NEVADA COUNTY SUPERIOR COURT
201 Church Street, Suite 6
Nevada City, CA 95959
(530) 265-1311

ROBERT L. TAMIETTI

September 26, 2008

Larry Schwartz, Foreman
Nevada County Civil Grand Jury
950 Maidu Avenue
Nevada City CA 95959

Dear Larry:

I have reviewed the letter & material enclosed, submitted by Ted S. Owens, Chairman, Board of Supervisors, and have asked the Deputy Jury Commissioner to forward the letter & accompanying documents on to you.

Thanks to you and the other members of the Grand Jury.

Sincerely,



ROBERT L. TAMIETTI
Presiding Judge of the
Civil Grand Jury

RLT:cjm

Enclosure

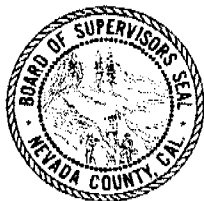
COUNTY OF NEVADA

STATE OF CALIFORNIA

950 Maidu Avenue • Nevada City • California 95959-8617

BOARD OF SUPERVISORS

Nate Beason, 1st District
Sue Horne, 2nd District
John Spencer, 3rd District
Wm. "Hank" Weston, 4th District (Vice Chair)
Ted S. Owens, 5th District (Chair)



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Cathy R. Thompson
Clerk of the Board

E-Mail: bdofsupervisors@co.nevada.ca.us
Web: www.mynevadacounty.com/clerkofboard

September 23, 2008

The Honorable Judge Robert Tamietti
Presiding Judge of the Nevada County Grand Jury
Nevada County Courthouse
201 Church Street
Nevada City, CA 95959

Re: Board of Supervisors' Responses to the 2007-2008 Nevada County Civil Grand Jury Report, *Board of Supervisors Compensation and Benefits Review*.

Dear Judge Tamietti:

The attached responses by the Board of Supervisors to the 2007-2008 Nevada County Civil Grand Jury Report, dated June 26, 2008, entitled *Board of Supervisors Compensation and Benefits Review* are submitted as required by California Penal Code Section 933.

These responses to the Grand Jury's Findings and Recommendations were approved by the Board of Supervisors at their regular meeting on September 23, 2008. Responses to Findings and Recommendations are based on either personal knowledge, examination of official County records, information received from the County Executive Officer, or the Board of Supervisors and County staff members.

The Board of Supervisors would like to thank the members of the 2007-2008 Grand Jury for their participation and effort in preparing their Reports, and their participation in the Grand Jury process.

Respectfully submitted,

Ted S. Owens
Chairman, Board of Supervisors

**NEVADA COUNTY BOARD OF SUPERVISORS RESPONSES TO
2007-2008 CIVIL GRAND JURY REPORT
DATED JUNE 26, 2008**

Board of Supervisors Compensation and Benefits Review

Responses to findings and recommendations are based on either personal knowledge, examination of official county records, review of the responses by the County Executive Officer, or testimony from the Board of Supervisors and county staff members.

A. RESPONSES TO FINDINGS

- 1. Current Supervisor duties and time spend in the performance thereof warrant finding that the position requires full time work.**

Agree.

- 2. When compared to the BOS salaries generated by all but one of the methodologies reviewed (even where the Jury rejects or discounts a methodology as not necessarily appropriate for Nevada County), the current salaries paid to Nevada County Supervisors are noticeably lower.**

Agree.

- 3. The Nevada County supervisors are paid, on average, less than most other County employees.**

Agree.

- 4. Regardless of the methodology selected the determination of the Supervisors' salary and benefits cannot be delegated; but must be accomplished by adoption of an Ordinance, by the Supervisors, after a public hearing.**

Agree.

- 5. There will always be opposition to a pay raise for the BOS.**

Agree.

B. RESPONSES TO RECOMMENDATIONS

- 1. The BOS should adopt the Performance Proximity Method for establishing a new, current, base salary for the members of the BOS.**

The recommendation has not yet been implemented, but will be implemented within the next 6 months.

The 2007-2008 Grand Jury spent six months researching and evaluating several different Board of Supervisor Salary models for setting and increasing base Board salaries as described in their report. Their research and analysis resulted in a 23-page report outlining their philosophy and recommendations regarding this topic. At the core of their effort was the Grand Jury's goal to offer the Board a method that "would avoid involving, to the greatest degree possible, the BOS's economic self interest beyond that inherent in raising the issue of salary adjustments in the first place" and to offer "a method that would prove resilient into the future." The Grand Jury presented the Board several options for establishing and reviewing the Board's base salary, proposing salaries ranging from \$37,893 to \$61,253. See Table 1 for a summary of these models. The Jury ultimately recommended the Performance Proximity Method because "it utilizes data which is unique to Boards of Supervisors generally and it is substantially independent of factors subject to Board influence."

The Performance Proximity Method is based on selecting benchmark counties that exhibit performance characteristics that closely match Nevada County. These characteristics are based on population, supervisor salaries, number of county of employees and annual budget size. These factors, along with ratios based on this information; budget per capita, budget per employee, employees per capita, and Board salary per population are used to determine the counties to include in an average by which to set Board salaries. Unlike the other methods researched by the Grand Jury, this method utilizes several specific criteria to establish like counties from which a proposed base supervisor salary is derived. The grand Jury calculated an average Board salary of \$53,800 using this method.

The Board will adopt the Performance Proximity Method to determine Board base salaries because it utilizes several essentially independent specific criteria to determine like counties and it meets the Board's objective as outlined in the Grand Jury report to "rely on data or a process that is deemed to be independent of the Board of Supervisors when considering salary." While the Board will adopt this method to establish and review Board salaries in the future, the Board intends to use discretion in determining when it is applied.

The Grand Jury believes the Board should adjust Board salaries based on this method by January 5, 2009 because currently Board salaries are inadequate, the budget impact for this increase is minimal at 1/20 of 1% of the County's 07/08 budget, catch-up raises generate negative public reaction and approving an increase is a political challenge whenever an increase is proposed by the Board. While the Grand Jury makes sound arguments for an increase in January 2009, it is the Board's opinion that it would not be prudent to raise the Board's base salary as significantly as suggested by this method, from 39,447 to \$53,800, or by 36.4%, in a period of statewide economic uncertainty. The Board will not make adjustment to Board base salaries using this method by January 5, 2009 as recommended.

While the Board believes the salary increase of 36.4% produced by the Performance Proximity Method would not be reasonable this year, the 2008 Social Security COLA of 2.3% has a \$4,672 budget impact. Given the Board's last salary adjustment of 2% in January 2006, a 2.3% Board salary adjustment three years later is reasonable. The Board will utilize the 2008 Social Security COLA method proposed by the Grand Jury to make a 2.3% adjustment to their salaries to become effective by January 5, 2009. Table 1

below summarizes the different models developed and investigated by the Grand Jury and compares current and proposed Board salaries to those methods.

Table 1

Methodology	Annual Salary	Description
Nevada County Residents	37,893	Average earnings per Nevada County worker based on 2006 Census Bureau wages plus application of Bureau of Labor Statistics inflation factors thru 2008
Current BOS Salary	39,447	Last increased Jan 2006 by 2%
Proposed Salary	40,354	2008 Social Security Cola of 2.3%
Benchmark Counties	49,669	June 2007 El Dorado, Mendocino, Butte, Sutter, Placer average BOS salary comparison based on counties' contiguosness to and/or similar service levels to Nevada County and used to determine employee market
Nevada County Employees	50,380	2008 Average annual County Employee salary
Performance Proximity (Grand Jury's Recommendation)	53,800	June 2007 Average BOS salary of benchmark counties whose selection was based on like-kind and quality performance characteristics in close proximity to Nevada County: population, BOS salaries, # of employees, budget size
Rural Counties	61,253	1990-91 Grand Jury recommended and Board adopted June 2007 average of 5 rural counties (El Dorado, Madera, Mendocino, Sutter, Lake) as benchmark for BOS salaries
Superior Court Judges	N/A	As some % of Judge's salary: currently BOS salaries are approximately 22% of Judges' salaries
Blue Ribbon Committee	N/A	Based on 1984 Blue Ribbon Committee composition of 7 randomly selected members from a pool of volunteers, with 1 from each BOS district and 2 at-large who determine BOS salary increase

2. The BOS should adopt the Social Security COLA Method for determining future adjustments to base salary.

The recommendation has not yet been implemented, but will be implemented within the next 6 months.

The 2007-2008 Grand Jury spent six months researching and evaluating several different Board of Supervisor Salary models for setting and increasing base Board salaries as described in their report. Their research and analysis resulted in a 23-page report outlining their philosophy and recommendations regarding this topic. At the core of this

effort was the Grand Jury's goal to offer the Board a method that "would avoid involving, to the greatest degree possible, the BOS's economic self interest beyond that inherent in raising the issue of salary adjustments in the first place" and to offer "a method that would prove resilient into the future." The Grand Jury recommends the Social Security COLA Method for effecting annual Board salary adjustments because "it is independent of BOS action" and "does not lead to extensive swings or increases." In the last four years COLA increases were: 2005 2.7%, 2006 4.1%, 2007 3.3%, 2008 2.3%.

The Board supports the Grand Jury's philosophy and goals under this method and will adopt the Social Security COLA Method for annually reviewing Board member salaries. However, the Board intends to use discretion in determining when it is applied.

3. Any increases in the BOS Member salaries should take effect on January 5, 2009.

This recommendation will be partially implemented.

While the Board will adopt the Performance Proximity Method and Social Security COLA methods for establishing and reviewing Board salaries and annual increases in the future, the Board intends to use discretion in determining when any increases may be applied. It is the Board's opinion that this is not the year to make significant adjustment to Board base salaries based on the Performance Proximity Method and will not do so by January 5, 2009, but the Board will provide for an annual salary increase based on the 2008 Social Security COLA of 2.3% effective on January 5, 2009.

4. The BOS should adjust their salary yearly using the Social Security COLA to determine the amount of increase.

This recommendation will be partially implemented.

The Board will adopt the Social Security COLA method as the method used in establishing future Board salary increases, however the Board intends to use discretion in determining when it is applied.

5. BOS [sic] should review their base salary every five fiscal years, using the Performance Proximity Method.

The recommendation has not yet been implemented, but will be implemented within the next 6 months.

The Board will adopt a five-year cycle for reviewing the Performance Proximity Method. This cycle will become effective when the Board first applies the Performance Proximity Method to Board member salaries. The Board intends to use discretion in determining when the results of this review are applied to supervisor salaries.