



County Administrative Officers Association of California

March 9, 2012

Roger Abe
District 4 County Supervisor
Yuba County
915 8th Street, Ste. 109
Marysville, CA 95901-5273

Dear Supervisor Abe:

The County Administrative Officers Association of California (CAOAC) is pleased to send you a copy of the Guidelines for Compensation. These guidelines are meant to aid you in the selection and consideration of appropriate compensation for County Administrative Officers (CAO), County Executive Officers (CEO) or County Managers. These positions act as your chief executive in recommending and executing policy as well as budgetary recommendations to the Board of Supervisors.

The attached guidelines were developed by a taskforce of current CAOs given the City of Bell controversy and the importance of maintaining and enhancing public trust.

The guidelines include a code of ethics which CAOs and CEOs should adhere to in performing their professional duties.

We have sent a copy of these guidelines to your County Personnel Administrator so that he or she is aware of this correspondence. We hope you find these guidelines useful. If you have questions please contact Terry Schutten, Executive Director at tschutten@counties.org.

Sincerely Yours,

Matthew Hymel
President, CAOAC
County Administrator, Marin County

Walt Ekard
Vice President, CAOAC
Chief Administrative Officer, San Diego County

Bill Goodwin
Secretary/Treasurer, CAOAC
Chief Administrator, Tehama County

Nancy Watt
Immediate Past President, CAOAC
County Executive Officer, Napa County

cc: County Administrative Officers
County Personnel Administrators

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Preamble

The County Administrator form of organizational leadership is representative in a majority of California's 58 counties. Functioning as the Chief Executive for a county, the County Administrator reports to and is hired by the Board of Supervisors. The Board of Supervisors is responsible for the legislative function of the County, including establishing policies, passing local ordinances, and setting the overall goals and vision for the County.

County Administrators are responsible to the Board of Supervisors and all countywide residents, for the effective and efficient delivery of a multitude of services and the implementation of all policies and goals. It is a partnership that requires the involvement and commitment of both the County Administrator and Board of Supervisors.

County Administrators are required to be experienced and knowledgeable in public safety, budgeting, legislative affairs, human resources, social services, organizational development, community and economic development, public works, court operations, community services, cultural activities and a variety of state mandates. Functioning in a diverse environment is typical for County Administrators, particularly due to complex funding sources and regulations for state and federally mandated programs that counties provide. County Administrators play an instrumental role in budget formation, budget approval and the fiscal health of counties, including helping to lead labor negotiations and address pension issues.

Recruiting for and retaining quality individuals that serve as County Administrators requires a Board of Supervisors to be strategic and deliberate in developing appropriate job duties and related compensation.

To establish compensation for County Administrators, the recommended practice should be based on the County Administrator's job requirements, the complexity of both the make-up of the county's organization and community, the leadership needed, labor market conditions and the organization's ability to pay. In addition to these factors, there are ethical considerations about what is just and fair. The salaries public employees receive impact public perception and trust and therefore should always be transparent.

Compensation Guidelines for County Administrators

These guidelines are intended to assist Boards of Supervisors in setting and/or negotiating a County Administrator's compensation and/or contracts, but they should not be interpreted as requirements that must be precisely followed. They may also be used to renew or amend current contracts. These guidelines support Board of Supervisors in exercising reasonable judgment in determining the most appropriate terms of employment for the County Administrator.

Setting Compensation (prior to recruitment for a CAO)

1. Determine the requirements of the job and the experience needed to successfully perform the job duties.
2. The appointing authority should ensure compliance with all local, state and charter regulations and local ordinances prior recruitment when setting or revising the job description or compensation.
3. Examine market conditions to learn what comparable public sector executives earn and to gather information based on similar type positions in other public agencies.
4. Compensation of the County Administrator should be set in relation to other top managers in the organization recognizing the highest level of responsibility and accountability of the position.
5. Identify the County's current financial position, its ability to pay and the existing policies toward compensation relative to market conditions. The immediate and anticipated long-term financial resources of the organization always should be taken into account.
6. An annual performance evaluation should be considered for the County Administrator.

Negotiating Compensation

1. Evaluate the candidate's level of understanding, expertise and proven ability to resolve issues regarding services provided by the County and current issues within the community and the organization.
2. The individual's credentials, experience and expertise may be used as factors to set salary.
3. In an area where cost of living is high and the Board may desire the County Administrator to reside in the County, salary negotiations may take into account this unique situation. In addition, other unique and special circumstances may be taken into consideration, such as difficult recruitment markets and the particularly challenging needs of the County.

Compensation Changes

1. Benefits and salary increases should be comparable to those that County Administrators receive within the designated benchmark entities or regional market area (employer size, geographic proximity, number and nature of services provided).
2. For counties that provide across-the-board cost of living adjustments (COLAs) a consistent and pre-determined measure for establishing the annual COLA should be followed.
3. Annual increases should be consistent with those being made available to other employees within the organization.
4. Provisions regarding consideration of periodic merit adjustments or pay for performance should be pre-determined.

5. Should an employment agreement/contract be desired by the appointing authority, a process should be followed or outlined in the document that allows for amendments and final adoption of any amendments in a public meeting.
6. County Administrators will avoid taking steps regarding their own pension that would serve to solely profit them. Examples include dramatically increasing salary thereby leading to pension spiking. Recommending or implementing single highest year to determine retirement benefits is not recommended.
7. County Administrators should not put their personal compensation interests ahead of the good of the overall organization and that of the citizens.
8. An annual performance evaluation should be a factor in setting the annual compensation of the County Administrator.

Transparency

1. County Administrators should provide their total compensation package to the Board when requesting compensation changes so that the Board has a comprehensive view of the County Administrator's compensation.
2. The County Administrator's complete compensation package and any changes must be considered and approved in a public meeting and the contract is made available to the public.
3. The salary plan and ranges for county positions, including the County Administrator, should be publicly accessible on the agency's website.
4. County Administrators should receive a single salary that recognizes all duties and responsibilities assigned rather than different salaries for different assignments.

While the above guidelines were provided to assist Boards of Supervisors, the County Administrator's role in the compensation setting process is critical. The County's Human Resources department should also be consulted by Boards of Supervisors in determining all compensation elements. It is important the County Administrator has a comprehensive understanding of the position and firm commitments to the public, the organization and the Board of Supervisors.

County Administrators Code of Ethics

Ethical Provisions

1. CAOs shall at all times serve the public, beyond serving oneself.
2. CAOs shall respect the laws that define the responsibilities of public agencies, employees and all citizens and the constitutional principles of equality and fairness.
3. CAOs shall demonstrate the highest standards of personal integrity in all activities related to salaries in order to inspire public confidence and trust. This includes a commitment to:
 - a. Maintain truthfulness and honesty and to not compromise them for advancement, honor or personal gain.
 - b. Zealously guard against conflict of interest or its appearance including improper outside employment, misuse of public resources or acceptance of gifts.
 - c. Promote accountability through appropriate controls and procedures.
 - d. Shall not have a financial interest in any public contract approved or deliberated upon in their official capacity.
4. Appointment Commitment: Individuals who accept an appointment to a position should not fail to report for that position. Oral acceptance of an employment officer is considered binding unless the employer makes fundamental changes in terms of employment.
5. Length of Tenure: A minimum of two years is generally considered necessary in order to render a professional service to the county. A short tenure should be the exception. Under special circumstances, it may be in the best interests of the local government and the CAO to separate in a shorter time.
6. It is the responsibility of an applicant for a position to ascertain conditions of appointment. Inadequately determining terms of employment prior to arrival does not justify premature termination.
7. Adherence to the International City and County Management Association and American Society of Public Administration Code of Ethics is encouraged.

