

**LOS ANGELES COUNTY
CITIZENS ECONOMY AND EFFICIENCY COMMITTEE**

ROOM 372, HALL OF ADMINISTRATION / 500 WEST TEMPLE / LOS ANGELES, CALIFORNIA 90012 / 625-3611, Ext. 64605

August 21, 1968

CONFIDENTIAL

Honorable Board of Supervisors
383, Hall of Administration
Los Angeles, California 90012

Gentlemen:

CHANGES TO THE COMMITTEE'S
EXECUTIVE SALARY RECOMMENDATIONS

As a follow-up to the individual meetings which we had last week with the members of your Board, I would like to summarize the views of the Economy and Efficiency Committee on the executive salary plan. As we reported, the Committee is deeply concerned over the changes recently authorized by your Board to the salary schedules recommended in our report on Executive Compensation which your Board approved on May 27.

Summary of Changes to the Committee's Recommendations

On June 25 your Board approved raises of one to three schedules for 69 positions recommended in a report by the Chief Administrative Officer and the Director of Personnel. Mr. Hollinger and Mr. Nesvig informed us of their report before they submitted it to your Board. Although our Committee felt there was some justification for certain changes, we did not agree with the logic of giving an additional one schedule increase to 62 positions which the Committee had rated one schedule above the Theodore Barry recommendations. Nevertheless,

Robert Mitchell,
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Raymond Arbuthnot
Dr. John C. Bollens
Davis Brabant
Max Candiotty
Maurice Rene Chez
Dr. Warren S. Jones
Mrs. Ray Kidd
Harlan Loud
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Kiyoshi Maruyama
Irvin Mazzei
Maurice McAlister
Ferdinand Mendenhall
Mrs. Benjamin Erick Smith
William Torrence
Gus A. Walker
Burke Roche,
Executive Secretary

since the proposal did not seriously change the relative ranking of positions and the cost was minimal, the Committee did not actively oppose it.

At the same meeting your Board raised the salary schedule of the Sheriff's division chiefs from 75 to 77. Three weeks later on July 16 your Board raised the schedule of the Forester and Fire Warden from 86 to 87 and his division chiefs from 74 to 77. Your action was taken against the advice of both the Director of Personnel and the Chief Administrative Officer.

Affect on the Salary Plan

With no intention to exaggerate we believe that these changes have jeopardized any possibility of the County's maintaining a systematic, businesslike executive salary system. The raises in the Fire and Sheriff's departments have created serious inconsistencies in what had been an objective and internally logical salary plan.

As a result, the division chiefs in the Fire and Sheriff's departments are now one schedule above the chief deputies in the Road department, County Engineer, and Flood Control district. They are three schedules above the chief deputy in Probation, the two assistant assessors, and the division chiefs in the Chief Administrative Office. In addition, the raises for the division chiefs in the Fire department have placed them on the same salary level as the chief deputy to whom they report. They are now on a level three schedules above the Committee's recommendation and seven schedules above the Theodore Barry recommendation.

Re-establishing the Parity Policy

Your Board by these actions has in effect re-established the policy of parity for favored departments with the City of Los Angeles - a policy which we vigorously condemned in our report and which we hoped had been forever buried.

We are not opposed to parity per se. It is entirely proper that the County pay salaries equivalent to those paid by the City as long as these salaries have been evaluated systematically in relation to selected benchmark positions and are in line with salaries paid by comparable governmental agencies throughout California. We are opposed to parity only if it is used as a substitute for or in lieu of such a system.

In that case the County has abdicated its responsibility for setting salaries and turned its obligation over to the City. The result is, if the City makes an incorrect evaluation, the County duplicates the error. Consequently, the fact that the City of Los Angeles assigns certain salaries to police and fire department positions is no justification for the County following suit.

It is true, in raising the Sheriff's salaries your Board cited the urban crisis and the need for better law enforcement as the reason for the change rather than parity. But the effect on internal relationships and whether our evaluation had a sound basis were never discussed. With the Fire department raises your Board indicated clearly that parity was the dominant motive.

Committee Recommendations

Our Committee spent many hours studying the Theodore Barry report and the backup data supporting it. We also reviewed such relevant

information as the past and current salary movement of subordinate classes in each County department, the professional requirements for each position, the departmental budget, the number of people supervised, the salary differentials between superiors and subordinates, and finally the salaries paid for comparable positions in the State government and in nineteen of the largest cities and counties in California. During our study we conferred continually with the County staff to discuss various aspects of the plan and to hear their views on particular problems.

No one could expect that every executive in the survey would agree with the evaluation of his position or the salary assigned to it. We believe, however, that the evaluation system we have recommended, and the procedures for maintaining it, will provide the County with a sound and effective executive salary plan.

To see substantial changes made in that plan almost before the ink was dry on our report makes us wonder whether the effort we devoted to the study has served any useful purpose. However, acknowledging our disappointment over what seems to be clearly a step in the wrong direction, we believe the system can be brought back into balance in time, provided the procedures recommended in our report are followed. If they are ignored, then the long, painstaking effort to develop a systematic executive salary plan for Los Angeles County has failed. This is the key issue, we believe, which confronts your Board.

All such salary systems involve extremely delicate relationships. They should be changed only after careful study and analysis. We stated in our report that the Director of Personnel should be held responsible

for administering the executive salary system. Consequently, we believe that your Board should refer all changes to the executive salary plan to the Director of Personnel for evaluation and recommendation before your Board takes action. To assist the Director of Personnel in this responsibility we recommended that your Board appoint an Executive Salary Review Committee to study and evaluate proposals for change at the department head and chief deputy level before the Director of Personnel makes his salary recommendations to your Board. The Committee, we advised, should consist of the Chief Administrative Officer, the Director of Personnel, the President of the Management Council, and two salary administration specialists selected from outside the County. We urge your Board to establish and make use of such a committee.

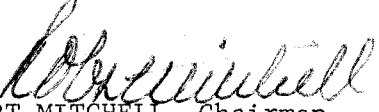
This procedure is similar to the one we recommended to your Board over a year ago in the development of the employee relations ordinance. At that time we recommended that you refer all communications by union or employee representatives to the Chief Administrative Officer, the Director of Personnel, and their staffs. The whole purpose of the procedure was to insulate your Board from preliminary involvement until your final decision.

We commend your Board for following this procedure not only with regard to the employee relations ordinance - where the assistance of outside specialists was ultimately required - but on all matters involving differences with employees. We are certain that the relative peace which has characterized salary setting for the past two years - in contrast to the turmoil of 1966 - is due to your Board's proper delegation of responsibility for evaluation and negotiation to the County administrative staff while reserving the final decision to your Board. We strongly recommend

that your Board adopt a similar approach in the administration of the executive salary plan.

Because we are concerned over the effective application of the salary plan, we thought it important to discuss these matters individually with each of you. There is no question that the responsibility for future action lies solely with your Board. However, if our Committee is to function effectively as an advisory body to your Board, we must maintain a free exchange of views whenever the occasion warrants it. As a result of our discussions we feel reassured that under your direction the executive salary plan will be administered in a responsible and systematic manner and in proper time will be brought back into line with the recommendations of our Committee.

Very truly yours,


ROBERT MITCHELL, Chairman
Los Angeles County Citizens
Economy and Efficiency Committee

RM:lj