



Sukhee Kang, Mayor

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July 28, 2011

Honorable Thomas J. Borris
Presiding Judge
Orange County Superior Court
700 Civic Center West
Santa Ana, CA 92701

RE: Response of the City of Irvine to June 3, 2011 Report of the 2010-11 Orange County Grand Jury entitled "Compensation Study of Orange County Cities"

Dear Presiding Judge Borris:

This letter constitutes, in accordance with Section 933.05 of the California Penal Code, the response of the City of Irvine to the June 3, 2011 Report of the Orange County Grand Jury entitled "Compensation Study of Orange County Cities." The Grand Jury required all Orange County Cities to respond and comment on Findings 4 and 7 and Recommendations 1 and 2. (While certain cities were required to address other Findings and Recommendations, the City of Irvine was not one of them.)

Introductory Statement

The City of Irvine appreciates the role of the Grand Jury as well as the opportunity to respond to the Grand Jury Report.

In May, the Grand Jury invited the City of Irvine staff to preview the Report. At that time, our staff made a notation that the total compensation identified for members of the Irvine City Council needed to be clarified.¹ The Grand Jury declined to do so. Our staff also suggested that the compensation data contained on the City of Irvine website in fact followed the spirit of the Grand Jury's wish for a more transparent public disclosure. The Grand Jury declined to modify the Report in response to these suggestions. Finally, our

¹ Based upon the chart compiled for all city councils in Orange County, "total compensation" for each apparently was based upon the base salary and benefits of the highest paid member of each city council. By the Grand Jury's calculation, the Irvine City Council was the highest paid, with \$21,120 in base salary and \$26,976 in benefits. However, the Grand Jury erroneously added together the annual salary of each member of the City Council and the annual salary of those members who also serve, in a separate and distinct capacity, as members of the Board of Directors of the Orange County Great Park Corporation. The annual salary for members of the Irvine City Council is \$10,560, not \$21,120. The Orange County Great Park Board is also comprised of four public members. The meetings, agendas, deliberations and votes of the City Council and the Great Park Board are entirely separate.

staff questioned the Grand Jury's overall grade given to the City of Irvine with respect accessibility, content and clarity. Again, no change to the Report was made.

Response to Findings 4 and 7

F. 4 *Public Disclosure:* Public disclosure of municipal compensation levels is widely inconsistent, ranging from good to non-existent.

Response: The City of Irvine disagrees with the finding to the extent it suggests that Irvine's public disclosure of municipal compensation is anything less than "good." The City of Irvine's City Compensation page already posts Elected Officials and Management Employees' Salary and Benefits. A link to the State Controller's Office Salaries & Compensation has been added to the City Compensation page to provide easy access to the salary levels of all employees in the City of Irvine.

F. 7 *Employment Contracts:* There is currently no disclosure of written employment contracts on the majority of cities' websites.

Response: The City of Irvine disagrees with the finding with regard to Irvine's disclosure of written employment contracts. The employment contract for the City Manager is already posted along with his Salary and Benefits. The just-approved employment contract of the Orange County Great Park CEO will be added. Both will be found on the City Compensation page, where the City Manager's contract is already posted.

Response to Recommendations 1 and 2

R.1 *Transparency:* All cities in Orange County report their compensation information to the public on the Internet in an easily accessible manner. The Compensation Disclosure Model (Appendix 4 in the Grand Jury Report) provides a sample as to the items that should be included in determining total compensation.

Response: The Irvine City Council will adjust the City's current online format to report compensation information to the public that conforms to the intent of the Grand Jury to create a more consistent reporting format countywide.

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The City of Irvine's City Compensation page received an "A" for accessibility and a "C" for both clarity and content. The specific complaint relating to all the cities' websites was the requirement that users do the math, in other words add compensation numbers to reach a total, as well as a critique that many, including the City of Irvine, do not break down specific compensation (except for members of the City Council and the City Manager) but rather publish a range, for example, for all directors. The Grand Jury found this practice on an unspecified number of city websites as "somewhat imprecise." A "disturbing level of inconsistency in the degree of transparency pertaining to compensation information" also was directed not so much to the data provided, but that cities use their own criteria for producing and displaying that information. The City of Irvine will adopt a compensation disclosure format that should satisfy the Grand Jury's concern, as well as provide specific compensation information for each compensated position in question, rather than a range.

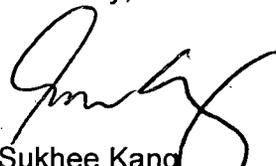
R.2 *Employment Contracts:* Each city reveal any individual employment contracts in an easily accessible manner.

Response: The City of Irvine already posts the contract of its City Manager. It will add the just-approved contract for the CEO of the Orange County Great Park as well. Both will be found on the City Compensation page, where the City Manager's contract is already posted.

CONCLUDING STATEMENT

The City Council of the City of Irvine acknowledges the work of the 2010-2011 Orange County Grand Jury and its efforts to determine whether abusive compensation exists in Orange County cities. Having found none, the Grand Jury has suggested sensible additions and changes to help provide the public more accessibility and transparency to each city's highest-compensated individuals. In this time of public scrutiny and, frankly, amid much misunderstanding, a more uniform, transparent system countywide will help provide a better service and understanding to all citizens.

Sincerely,


Sukhee Kang
Mayor, City of Irvine

cc: Orange County Grand Jury
Irvine City Council
Sean Joyce, City Manager