

CALIFORNIA CITIZENS COMPENSATION COMMISSION

**TRANSCRIPTION OF RECORDED CALIFORNIA CITIZENS COMPENSATION
COMMISSION MEETING HELD AT SACRAMENTO CITY HALL SACRAMENTO,
CALIFORNIA JUNE 26, 2018**

TRANSCRIBED BY: DONNA K. NICHOLS, RPR, CSR NO. 5660

CHAIRMAN DALZELL: I think we're ready to get started. Uh, my name is Tom Dalzell. I am the -- I guess I'm identified as a meeting facilitator. Um, I've been called many things. Rarely have I been called that. Uh, I call this meeting to order and -- and ask the roll be called.

CLERK SNARR: Tom Dalzell.

CHAIRMAN DALZELL: Here.

CLERK SNARR: Anthony Barkett.

COMMISSIONER BARKETT: Here.

CLERK SNARR: Martina Kolokotronis.

COMMISSIONER KOLOKOTRONIS: Here.

CLERK SNARR: And Margaret Wong.

COMMISSIONER WONG: Here.

CLERK SNARR: There's a quorum.

CHAIRMAN DALZELL: Have the members of the Commission had an opportunity to review the Minutes from our meeting of June 19, 2017?

COMMISSIONER KOLOKOTRONIS: Yes.

CHAIRMAN DALZELL: Uh, do -- do any Commission members have changes that they would suggest to these Minutes?

COMMISSIONER KOLOKOTRONIS: No.

COMMISSIONER BARKETT: No.

COMMISSIONER WONG: No.

CHAIRMAN DALZELL: So the minutes will, uh, stand -- uh, approved as stand.

We now begin with, uh, opening comments by Commission members. And let's start -- start at the end with Commissioner Wong.

COMMISSIONER WONG: Um, the, um -- looking at the economy of today and also the, um -- the budget of California and, um, this is something that we -- and also comparable with other states on, uh -- on the compensation, and historically what had been, uh, uh, you know, adjusted, and those were all these, uh, criteria that I have been looking into, uh, before coming to this meeting today.

COMMISSIONER KOLOKOTRONIS: I want to welcome my fellow commissioners here today, and I look forward to the discussion.

COMMISSIONER BARKETT: I have no -- no opening comments. But just good to see everybody. Our once -- once-a-year ritual.

CHAIRMAN DALZELL: Uh, I'd like to just, uh, um, establish a little bit of context what we're doing. Um, as we've noted the last several years, what we do with the salaries of legislators has no affect whatsoever on the State budget. They have a fixed budget for all matters within the two houses. And whether we increase or decrease the wages of -- of legislators that budget remains the same. That is not to say that there is not a symbolic value. There is a strong symbolic value. But actual, uh, value, no. With constitutional officers there is a statistically insignificant affect on the budget. But, once again, it is symbolic. And I -- I say that, uh, as a positive thing, not a -- not to diminish what we're doing. I note several numbers that the cost of living in the United States has increased 2.8 percent in the last 12

months. Once you get to a city level the -- the measurements are far less reliable.

Uh, I note that the State employees who are represented by the largest bargaining unit represented by the Service Employees International Union will be, once the budget is approved, receiving a four percent general wage increase as will the vast majority of non-bargained excluded employees. Uh, State prison guards will be receiving five percent.

And I would just note -- I'd -- I remind us that when the -- when the economy took a downturn, what the State did with its employees was to keep their salaries the same but to furlough them. So their salaries remained constant but their earnings decreased because of the furloughs.

With legislators and constitutional officers we decreased their pay rate, um, thus, their established salary went down significantly and their earnings went down both. And so it has been a catchup process which we began in two thousand --

COMMISSIONER KOLOKOTRONIS: '12.

COMMISSIONER BARKETT: '12.

CHAIRMAN DALZELL: '12 was a -- was a -- appears to be a decrease. Um, '13 was an increase. We went down five in '12 and up five in '13, I think.

COMMISSIONER BARKETT: Yeah, that's right.

COMMISSIONER KOLOKOTRONIS: Yes, yes, '13.

COMMISSIONER BARKETT: That's right.

CHAIRMAN DALZELL: And so you've calculated where we stand compared to --

COMMISSIONER BARKETT: Well, I -- I think we're just under, um, now where they were in 2009. We go back -- we're just under, uh, where we were in 2009. I think that's correct.

CHAIRMAN DALZELL: All right. I think we -- we have, um -- we've --

COMMISSIONER BARKETT: We haven't got back to where they were before the -- call it the great recession.

CHAIRMAN DALZELL: Yeah. Um, and I think we've done so in a -- in an incremental and responsible way, um, that -- we're remembering our symbolic role. Um, I think that we've done that responsibly.

Um, is there a -- I don't think that we put off any discussion from the June 19th Commission meeting. Although we did ask the staff to report a summary chart of the Commission review which the staff did starting with the establishment of the Commission in 1990, uh, summarizing the, uh, resolutions made by the Commission from 1990 through 2017. The members of the Commission have been provided with this, and I find it really useful. And with -- I don't think we need a formal motion for this. But with the approval of the Commission I suggest that this be posted on the Commission website for the public to see.

COMMISSIONER WONG: Agree.

COMMISSIONER KOLOKOTRONIS: I agree.

CHAIRMAN DALZELL: Yeah.

COMMISSIONER BARKETT: Yes.

CHAIRMAN DALZELL: All right. So we -- we will do that. And I'll thank the staff for, uh, sort of the thankless job of going through 27 years of resolutions and summarizing them for us.

Um, are there any members of the public that would, uh, like to make a statement or -- or -- or testify? If so, now is the time.

Seeing none, um, I'd ask the staff to describe the reports that you have provided. And I believe that the binder information is online. Some is, some is not?

FEMALE STAFF MEMBER: Um, it is not until after the meeting --

CHAIRMAN DALZELL: Okay.

FEMALE STAFF MEMBER: -- as far as the salary information.

CHAIRMAN DALZELL: All right.

FEMALE STAFF MEMBER: So we have the -- we have the Agenda and the Public Meeting Notice. Uh, we have the meeting Minutes from the June 19th, 2017, meeting. And we also have the Resolution from that meeting. We have a salary survey reflecting the, um, salaries of elected officials throughout other states in the U.S. including, um, the salaries of, uh, city and county elected officials. Then we have, um, the, um, State administrative annual salaries. We also provided, uh, a salary history of those of civil -- State Civil Service, uh, including rank and file and excluded classifications. We have legislative information, uh, reflecting numbers, terms, and party affiliations of 2017. We have the State legislative retirement benefits. There is the, um, summary of the constitutional and legislative officer benefits. And, lastly, we have the Department of Finance, um, certification letter.

CHAIRMAN DALZELL: All right. That is dated May 14th, 2018. It certifies a positive balance in the Special Fund for economic uncertainties. Without this we could not act. Uh, we have it so we may act.

FEMALE STAFF MEMBER: That is correct.

CHAIRMAN DALZELL: All right. Uh, signed by Michael Cohen, the Director of the Department of Finance.

COMMISSIONER BARKETT: If I could, I would like to thank the staff. Uh, because last year I had a bunch of questions regarding how some of the pensions and health care, uh, issues were treated. And the staff had set up a couple phone calls with me with the Department of Finance and they kind of walked me through some of the numbers. So, uh, I appreciate you guys doing that. And I was satisfied with my answers.

CHAIRMAN DALZELL: Um, now we -- we now come to, um, Commission discussion and adoption of resolution setting compensation. Uh, is there anybody who has a strong preliminary opinion who would like to voice it?

COMMISSIONER BARKETT: I came in today thinking that, um, three percent was a reasonable and fair number. But I set that out for discussion purposes.

COMMISSIONER KOLOKOTRONIS: I, uh, think that we have a responsibility to do with something modest and, um,

incremental. And I think that three percent is very fair. So I would put that out for discussion too.

COMMISSIONER WONG: I also look at the, um - you know, the reduction, you know, the two thousand, uh, eight -- I mean, uh, nine on this -- on this sheet that we have the reduction. And then it kind of make up for all these years. We're still short. Uh, but we are on the right track. So I also suggest a, uh, nominal, uh, increase. And, uh, three percent is the nominal number that I have in mind.

CHAIRMAN DALZELL: I think that, um, unless we are interested in really rocking the boat and looking at a comparison with, uh, local electeds who are generally paid quite a bit more than State legislators -- and I'm not interested in rocking that boat -- I think that our approach with, uh, incremental, modest, symbolic increases, uh, and -- and actually I -- I think that to say that with the majority of State employees receiving a four percent increase for, uh -- for legislators and constitutional officers, to -- to have three percent is -- is a good symbolic statement, that, um, uh, the, um -- that they will take a little bit less, um, and, um -- there are plenty of people who are getting more than that around the State and people getting less. I think three percent is fine.

COMMISSIONER BARKETT: Yeah, I -- I would agree with that. I'd also add about comparing it to the local, uh, governments. And some of the discussions I had, you know, with the Department of Finance and, uh, just past experience I've had with at least my local jurisdiction and other jurisdictions and understanding the pension issues the State is in much, much better shape than all of our local cities counties.

So I really am not in favor of starting to compare what we're doing here with what cities and counties are doing because they're in for a -- a big surprise in the next, uh, five to ten years and there's going to have to be some real hard decisions made. So I think we're doing the responsible thing with three percent.

CHAIRMAN DALZELL: Absent any further discussion is there a motion?

COMMISSIONER BARKETT: I'd make the motion for a three percent raise, uh, across the board.

CHAIRMAN DALZELL: Second?

COMMISSIONER KOLOKOTRONIS: I'll second it.

CHAIRMAN DALZELL: All right. Roll.

CLERK SNARR: Anthony Barkett.

COMMISSIONER BARKETT: Yes.

CLERK SNARR: Thomas -- are you -- Tom Dalzell.

CHAIRMAN DALZELL: Yes.

CLERK SNARR: Martina Kolokotronis.

COMMISSIONER KOLOKOTRONIS: Yes.

CLERK SNARR: Margaret Wong.

COMMISSIONER WONG: Yes.

CHAIRMAN DALZELL: All right. Motion passes.

Um, are we prepared to, um, print out and sign, or -- or will we do it in a serial fashion?

MS. JOHNSTON: We can't do it in a serial fashion.

But what we did the last couple years was to make a motion (unintelligible).

CHAIRMAN DALZELL: As we wait and sign -- and --

MS. JOHNSTON: (Unintelligible).

CHAIRMAN DALZELL: Okay.

COMMISSIONER KOLOKOTRONIS: Yeah.

MS. JOHNSTON: (Unintelligible).

CHAIRMAN DALZELL: All right. So let's take a look at the resolution from last year which is the fourth tab. And -- I think everything -- everything else will remain the same without a -- a motion to change. So that is the treatment of health benefits, dental, vision, life insurance, and employee assistance programs. Um, all other items will same -- will remain the same.

The staff will calculate a three percent increase for each of the positions identified in item number one in the 2017 Resolution. And that will be what is adopted today.

Is that the understanding of the Commission?

COMMISSIONER KOLOKOTRONIS: Yes.

COMMISSIONER WONG: Yes.

CHAIRMAN DALZELL: All right. Uh, is there any further business?

In world record time then we will go and --

COMMISSIONER BARKETT: And (unintelligible) -- (Speaking over each other)

CHAIRMAN DALZELL: -- and do our -- do our business.

And -- and, uh, thank you. And I close this meeting.

COMMISSIONER BARKETT: Thank you.

COMMISSIONER KOLOKOTRONIS: Thank you.

CHAIRMAN DALZELL: Again, thank the staff for a very good job with the, uh, summary and all the data they provided.

COMMISSIONER KOLOKOTRONIS: I know.

COMMISSIONER WONG: I love this.

COMMISSIONER BARKETT: It's great.

---o0o---

CERTIFICATE OF CERTIFIED SHORTHAND REPORTER

---o0o---

I, DONNA K. NICHOLS, a Certified Shorthand Reporter in and for the State of California, duly commissioned and a disinterested person, certify;

That the foregoing pages were transcribed from digital recording;

That the statements of all parties made on the digital recording were thereafter transcribed into typewriting by me to the best of my ability;

That the foregoing transcript is a record of the audible statements of all parties made on the digital recording.

Dated: JULY 26, 2018

/S/ DONNA K. NICHOLS, RPR
STATE OF CALIFORNIA
CSR NO. 5660