

CALIFORNIA CITIZENS COMPENSATION COMMISSION

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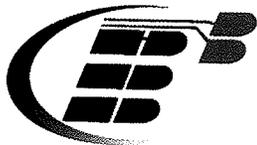
TRANSCRIPTION OF RECORDED HEARING AT
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1 CHARLES MURRAY: Good morning. Appreciate you all
2 coming here. Is this on?
3 DEBBIE BALDWIN: (Unintelligible).
4 CHARLES MURRAY: Hello, testing, one, two three.
5 KATHY SANDS: Yeah, they're working. They're on.
6 CHARLES MURRAY: Okay, it is working.
7 Welcome to the second meeting for the 2008, 2009
8 meeting of the California Citizens Compensation Commission
9 for -- to start off I'd like to ask -- ask Debbie Baldwin
10 to -- to call the roll and see if we have a voting quorum.
11 DEBBIE BALDWIN: Charles Murray.
12 CHARLES MURRAY: Here.
13 DEBBIE BALDWIN: Kathy Sands.
14 KATHY SANDS: Here.
15 DEBBIE BALDWIN: Ruth Lopez Novodor.
16 RUTH LOPEZ NOVODOR: Here.
17 DEBBIE BALDWIN: William Feyling.
18 WILLIAM FEYLING: Present.
19 DEBBIE BALDWIN: John Stites.
20 JOHN STITES: Here.
21 DEBBIE BALDWIN: Scott Somers.
22 SCOTT SOMERS: Here.
23 DEBBIE BALDWIN: We have a quorum.
24 CHARLES MURRAY: Great. As you might recall, after
25 our last meeting there were three new appointees to -- to

1 our commission. Unfortunately, one -- one backed out about
2 48 hours when -- I guess when she saw the scope of the job.
3 It was threatening. So we have -- we have six. And we need
4 four for a vote. So I just wanted that clear, because it
5 was not clear last time.

6 First off, I'd like to thank Debbie Baldwin who
7 sacrificed her birthday today to fly down to help us with
8 our meeting. Thank you, Debbie.

9 KATHY SANDS: Happy birthday.

10 CHARLES MURRAY: And Nancy Greene who is helping us
11 with the ins and outs and everything. And Bill Curtis who
12 is usually our -- our counsel is off today on vacation, I
13 guess, and Linda Mayhew is -- is joining us to keep us on
14 the legal track. So I thank you, Linda.

15 First off, we have an approval of the prior minutes.
16 Has everybody had a chance to read those? Do we have --
17 have any comments or concerns?

18 RUTH LOPEZ NOVODOR: Nope. I would move approval.

19 KATHY SANDS: Second.

20 CHARLES MURRAY: All in favor.

21 (Multiple voices saying aye)

22 CHARLES MURRAY: Opposed.

23 They are approved.

24 As far as the opening comments are concerned, I look
25 at this to be sort of a -- a recap and conclusion of the

1 last meeting. But I'd like to offer any comments that any
2 of us on -- on the -- on the podium here might have.

3 John, do you -- do you have any comments you wish to
4 make at this time?

5 JOHN STITES: No, not at this time.

6 CHARLES MURRAY: Okay. Scott?

7 SCOTT SOMERS: Not at this time.

8 CHARLES MURRAY: Kathy?

9 KATHY SANDS: No.

10 CHARLES MURRAY: Okay. Ruth?

11 RUTH LOPEZ NOVODOR: I'm fine.

12 CHARLES MURRAY: Okay. Bill?

13 WILLIAM FEYLING: Just welcome to our new
14 commissioners.

15 CHARLES MURRAY: Okay. Thank you very much.

16 JOHN STITES: Thank you, Bill.

17 CHARLES MURRAY: Okay.

18 WILLIAM FEYLING: If -- if -- if people could speak
19 up a little bit, it would make it a little bit easier.

20 CHARLES MURRAY: Okay.

21 WILLIAM FEYLING: Okay?

22 CHARLES MURRAY: Staff reports. We had one report
23 outstanding, but obviously in the amount of time it's not
24 going to -- going to be done.

25 Are there any other staff reports outstanding? We

1 all have received the report by -- by counsel on the review
2 of legality of the implementation date of any -- of any of
3 the pay reductions. So -- and that's the only report I know
4 of that's outstanding.

5 Moving right along, we are -- we are honored to have
6 Senator Maldonado here today, and he wishes to -- to address
7 us. So welcome to Burbank, Senator.

8 SENATOR MALDONADO: Thank you, Mr. Chairman and
9 members. I'm Senator Maldonado, for the record. I
10 represent the 15th Senatorial District, which is central
11 coastal California.

12 Thank you, Chairman Murray and members. I thank you
13 for allowing me the opportunity to say a few words this
14 morning.

15 Last year I came before this commission and I urged
16 you not to approve a salary increase for legislators and
17 constitutional officers. At that time we were already in
18 the shadow of a looming economic crisis in California. We
19 had made our cuts to education and obviously to health care,
20 and we knew things were only going to get worse.

21 Much has changed in the last 12 months. Our state
22 has experienced a full blunt of the economic tailspin. It
23 has crippled our state's already broken budget system. To
24 put things in perspective, 149 days after we passed our
25 current budget, we revised it to stave off bankruptcy or

1 going off the cliff. And now, 90 days later, we're here
2 again on the verge of maybe going off the cliff again.

3 Yesterday, Mr. Chairman and members, you know what
4 happened. The people of this state made it very clear that
5 legislators and constitutional officers are not immune to
6 fiscal crisis. They overwhelmingly passed Proposition 1F.
7 They said enough is enough.

8 Later today I'll be heading back to Sacramento to
9 start the difficult task of cutting billions and billions of
10 dollars from government. But one area of the government
11 that's not included in the cut list is the legislature.
12 Needless to say, legislative leaders in Sacramento are well
13 aware of the fiscal crisis in which we find ourselves today.
14 Both Assembly Speaker Karen Bass and Senate Pro Tem Darrell
15 Steinberg have been cutting office budgets, instituting
16 hiring freezes and implementing the cost-saving measures
17 that are needed. They should be applauded for those
18 efforts.

19 But control over our salaries falls on you, the
20 members of the Citizens Compensation Commission. I believe
21 that it is only fair that we, as elected officials, share in
22 the pain and share in the sacrifices the rest of my state
23 has felt and will continue to feel in the next couple of
24 months. And your vote today could make that a reality.

25 Five thousand state workers are receiving pink slips.

1 Thousands of teachers, our children's heroes, will be out of
2 jobs, the elderly, the disabled, the voiceless and
3 vulnerable are going to struggle as cuts will force them to
4 do more with a lot less. And while Speaker Bass, Pro Tem
5 Steinberg are to be commended for their cost-saving efforts,
6 today you can take their -- their actions one step further.

7 Yesterday the people made their wishes known. Tax
8 dollars should be spent on people, not elected officials. I
9 hope you reinforce that message here today. No one in
10 Sacramento got elected for their paycheck, got elected to
11 serve. We all came here to help the great people of
12 California. And right now in this economic crisis the best
13 way we can do as to help the people is to ensure that their
14 tax dollars go back to them in a way of services.

15 Will a pay cut be painful? Yes. Yes, it will. Some
16 will really hurt. But measured against the painful cuts
17 that will be forced to take upon the people of California,
18 this is only a small sacrifice we should all be willing to
19 make.

20 I would like to end by applauding the Commission and,
21 of course, Chairman Murray for his efforts. He has
22 spearheaded this campaign to bring accountability to the
23 legislature.

24 Thank you for allowing me to say a few words, and I
25 hope you implement the cut that Chairman Murray has been

1 pushing for the legislature and the constitutional officers.

2 Thank you.

3 CHARLES MURRAY: All right, thank you very much,
4 Senator.

5 Any other -- other speakers that we have scheduled?

6 DEBBIE BALDWIN: No other speakers.

7 CHARLES MURRAY: No other speakers. Okay.

8 Having said that, what I'd like to do is move on with
9 what we left the prior meeting with. We had -- we had a
10 motion on -- on the floor which allowed for a ten percent
11 pay cut which, unfortunately, we didn't have -- we had a
12 quorum, but we didn't have the quorum of votes. So I will
13 entertain -- entertain a motion in order to proceed --
14 proceed with discussion.

15 Would you care to make -- call for the motion?

16 KATHY SANDS: Yeah, I'll move to continue that
17 discussion of the salary decrease. I guess that's . . .

18 CHARLES MURRAY: Okay.

19 KATHY SANDS: That -- you just wanted to continue the
20 discussion?

21 CHARLES MURRAY: Well, I -- well, I want a motion,
22 and then we'll -- then we'll have a discussion after the
23 motion is proposed.

24 KATHY SANDS: Of a ten-percent decrease?

25 CHARLES MURRAY: Correct, right.

1 KATHY SANDS: Okay, I will make a motion to -- as we
2 talked about before, to have a ten-percent salary reduction
3 in the salaries of the elected and the other -- for the
4 legislature and the other elected officials that are under
5 our jurisdiction. That decrease would be effective when our
6 legal counsel says it is appropriate, I guess.

7 And, you know, and I -- I'm -- I'm proposing at least
8 a ten-percent salary reduction. I think they should
9 share -- share -- just like Senator Maldonado said, they
10 should share in all the sacrifices that everyone else has --
11 has had to en -- encounter, so . . . That's my motion.

12 CHARLES MURRAY: Very good. Thank you.

13 KATHY SANDS: I need a second.

14 CHARLES MURRAY: Do I hear a second?

15 JOHN STITES: Second.

16 CHARLES MURRAY: Okay. For discussion I'd like to
17 start to my left.

18 Okay, John, do you have anything to add?

19 JOHN STITES: A question. This is the same
20 ten-percent cut that we had at the last meeting according to
21 the minutes that --

22 CHARLES MURRAY: That we proposed at the last
23 meeting.

24 JOHN STITES: That was proposed at the last meeting.

25 It appears to me that the economic situation in the

1 state was a little bit different then. Everybody was
2 looking forward to the propositions that were submitted to
3 the public yesterday or the voters yesterday. And all but
4 one appeared to be soundly defeated.

5 So doesn't that place us in more dire circumstances
6 economically? Are we looking as -- as the state workers,
7 now we're looking -- we're hearing 5,000 pink slips will be
8 issued, 5,000 employees from the state will be laid off.

9 That has a -- an effect at local level. The state --
10 the state, of course, impacts the local governments. I've
11 already seen in some areas, El Monte one, they've laid off
12 17 police officers in -- about a month ago. And,
13 unfortunately, with these propositions not passing I would
14 assume they will lay off -- again lay off employees. So my
15 concern is, is ten percent enough.

16 And a secondary concern is, is with the passing of
17 Proposition 1F and maybe -- Senator, maybe you can answer
18 this, is what impact will that have on this body and our
19 decisions that we make in the future?

20 CHARLES MURRAY: I think though -- although you're
21 welcome to answer, but it -- but -- but I think that is --
22 that is more up to who I say the counsel to answer what --

23 JOHN STITES: I'd like counsel --

24 CHARLES MURRAY: -- with what Prop. -- Prop. F will
25 do, not -- obviously, Senator, if you want to say anything,

1 please.

2 But we -- we were going to propose at the end of the
3 meeting that we ask for -- for a ruling from Counsel to say,
4 all right, Prop. 1F has been passed, what does that -- does
5 that mean to us. That is, obviously you've all read the
6 statute, and -- but it doesn't -- doesn't address any of the
7 issues like can we further reduce the salary. It says we
8 can't give any raises. It says it has to be -- to be a
9 deficit, but it doesn't say that we -- we can't remeet.
10 Because if we can't do anything on the salaries, we can't do
11 anything.

12 I personally feel that there is -- I -- I would agree
13 with you, we've just started to see the snowball roll, and
14 it's going down the hill, and it's going to get bigger and
15 bigger and bigger. And the 21 billion that is being thrown
16 around right now is -- is just -- just the starting point.
17 And it's how soon our economy can recover. But I -- I would
18 like to know and get -- and get legal opinion saying, all
19 right, this is Prop. 1F and here's what you can do, here's
20 what you can't do. Okay.

21 RUTH LOPEZ NOVODOR: Mr. Murray?

22 CHARLES MURRAY: Yes.

23 RUTH LOPEZ NOVODOR: Would you -- I'm not sure what
24 your question that you're asking the (unintelligible).

25 CHARLES MURRAY: I'm -- I'm going to ask at the end.

1 RUTH LOPEZ NOVODOR: All right.

2 CHARLES MURRAY: Okay. Save the good stuff for last.

3 RUTH LOPEZ NOVODOR: All right.

4 CHARLES MURRAY: Okay.

5 John -- John, if I could ask, since it's going to be
6 a discussion here -- do you have -- do you have any other
7 number in mind that you -- you think a -- a pay cut should
8 hit? What -- what is -- what is the (unintelligible)?

9 JOHN STITES: Well, on the extreme then, 25 percent.

10 CHARLES MURRAY: Okay.

11 JOHN STITES: But again, my concern is, is should the
12 legislature and our elected officials grab the bull by the
13 horns and begin to make progress. At a national level we
14 keep hearing that in 2010 we'll see -- we'll begin to see
15 the light at the end of the tunnel. And that may be true.

16 But at a state level is that true. Do we impose a
17 higher percentage of a cut, which, as I understand, it
18 doesn't impact the legislature until December of 2010, and
19 we'll meet again beforehand. Will the legislature find us a
20 way out of this economic mess.

21 And this is not an issue of punitive. I just
22 recognize that if we're laying off 5,000 employees, we're
23 going to lay off more, and there will be salary reductions.
24 Unions will be consulted, as they are being now, and
25 there'll have to be some concessions made if we're going to

1 make it through this.

2 And if we're going to -- it's -- it's the issue of
3 when we're at the feast, we all eat well. And when it's
4 famine time, we all get a smaller portion. And it's --

5 CHARLES MURRAY: Okay. Good thought.

6 JOHN STITES: It's just my take on it. But I may --

7 CHARLES MURRAY: Good input. No, well, it -- the --
8 the -- the point here is we are all newly -- very few have
9 had governmental jobs, and so on and so forth, but that's
10 why we're called California Citizens Compensation Commission
11 because they want folks like us that have been in the
12 business world that have been out there and know how the
13 playing field works. And, obviously, you do.

14 So -- and -- and I -- and I think you made a good
15 point when -- when -- when you feast, you feast well, and
16 when you don't -- don't have barter to feast with, you --
17 you have to cut back. So . . .

18 Scott, can I ask -- ask what you may feel about that
19 or -- or the proposed bill?

20 SCOTT SOMERS: Right. I am supportive of a
21 reduction. I think, as I understand, and I'm obviously new
22 on this commission, but there are three official criteria
23 that we are required to consider and time required for the
24 role, compensation to other state officers and -- and
25 individuals and the scope of the role. But the -- our

1 constitutional responsibility also allows us to consider any
2 other factor that we believe is appropriate.

3 And my experience with compensation is the health,
4 the financial health of the organization, is almost always a
5 very, very important part of compensation. What can you
6 afford and what's appropriate is in the financial health for
7 the organization.

8 So I would -- I would support a ten percent. I could
9 go -- 25 seems high to me. But I could go to 12. I might
10 even be persuaded to go to 15. And -- and that's very
11 heavily impacted by the financial condition of the
12 organization, of the state currently as a -- I think that's
13 a very important factor in this whole discussion.

14 May I comment on the implementation now?

15 CHARLES MURRAY: Certainly.

16 SCOTT SOMERS: In some explorations of this, the --
17 we are -- we -- we had compensation for all the impacted
18 groups effective in the fiscal year to be officially
19 implemented the first Monday in December. And for all
20 increases, that's when it would go into effect. For
21 decreases, and there haven't been any since Prop. 112 was
22 passed in 1990 and became part of this -- this commission's
23 overview, the -- I think that the -- the -- the -- the need,
24 frankly, to consider how we would actually handle deductions
25 I think has become very important.

1 And there was a proposition, which has been alluded
2 to, Prop. 6, which was passed in 1972, which is now Article
3 3, Section 4(a) of the Constitution which basically says you
4 cannot reduce salaries during the term of a particular
5 person's or particular office's -- officer's term. That
6 would seemingly impact our ability to -- to effect change.

7 My understanding from counsel is that anyone new
8 after the first Monday in December, if they were to be
9 elected new as part of a regular election or if they were to
10 assume a seat, either elected or appointed, that the new
11 compensation, whatever it would be that we might mandate
12 here would, in fact, apply.

13 I would also suggest, Mr. Chairman, while I think our
14 counsel has been very helpful, and I really appreciate the
15 time and thoughtfulness there, I would propose that we
16 challenge this implementation. I still see a potential
17 conflict in our ability to adjust salaries up or down, which
18 counsel has clearly said we have the authority to do. But
19 if we -- if we raise this -- have authority to raise it and
20 it goes into effect in the first Monday in December, but any
21 reductions can sometimes be delayed for years, I still see
22 that as an issue. And, frankly, I think it should be an
23 issue for the people of California.

24 Therefore, I would suggest that we make any
25 challenges that are appropriate, including potentially

1 taking it to the Attorney General.

2 CHARLES MURRAY: Okay. All right, thank you.

3 If I could ask -- I don't know if that would be a
4 question for you Debbie, or -- or -- or Linda.

5 But what is the appeal process for an opinion that
6 comes down from DPA counsel office? Is there -- how do we
7 go about it?

8 LINDA MAYHEW: You would want a second legal opinion.

9 CHARLES MURRAY: Right.

10 LINDA MAYHEW: And I would have to research who would
11 be the appropriate party to take a look at it for you.

12 CHARLES MURRAY: Okay.

13 LINDA MAYHEW: As far as challenging the language
14 itself, that would seem to be through an initiative process,
15 and you could not get a challenge to the language from the
16 judiciary without an existing controversy --

17 CHARLES MURRAY: Okay.

18 LINDA MAYHEW: -- which means someone would have to
19 challenge and (unintelligible).

20 CHARLES MURRAY: Okay. Can -- can we -- can we order
21 then through -- through Debbie's office an opinion as to how
22 we would -- how we would get -- get another opinion?

23 LINDA MAYHEW: I can take care of that for you.

24 CHARLES MURRAY: Okay.

25 LINDA MAYHEW: I would get that.

1 CHARLES MURRAY: Okay. Okay, Scott?
2 SCOTT SOMERS: Okay, fine.
3 CHARLES MURRAY: Kathy, any comments?
4 KATHY SANDS: No, I --
5 CHARLES MURRAY: Okay, Ruth?
6 KATHY SANDS: -- I stand on my motion.
7 CHARLES MURRAY: You -- you have a motion?
8 KATHY SANDS: I -- I would -- I would be agreeable to
9 amending it, but after I hear the comments --
10 CHARLES MURRAY: Okay.
11 KATHY SANDS: -- more comments.
12 CHARLES MURRAY: Okay.
13 RUTH LOPEZ NOVODOR: I --
14 CHARLES MURRAY: Ruth.
15 RUTH LOPEZ NOVODOR: -- initially was a little
16 concerned about the decrease and its impact and the size of
17 the decrease. But after I reviewed in detail the last
18 couple of years and the process that the commission took to
19 come to the current salary, I want to share with you what I
20 discovered.
21 As you know, the salaries and the compensation of our
22 state legislators are, on the average, 30 percent higher
23 than the rest of the country in terms of govern -- state
24 legislators. So when I looked at the -- what -- how the
25 decisions were made, we evaluated the compensations of the

1 highest paid executives first, which is fine, and then we
2 jumped to the conclusion that the legislators should receive
3 60 to 75 percent of whatever the executives get.

4 The salaries that we took as the compensation that we
5 compared it to with not just other states, but we went to
6 counties and other government agencies, and I'm not sure
7 that we took into account whether they were managed by an
8 independent council or if they came by those salaries such
9 as Los Angeles County, very high salaries there that
10 influenced our decision, or if they are self-decided by the
11 councils themselves.

12 I think this commission has some room to renegotiate
13 and take a second look at the compensation after we make
14 these cuts. So at first I was a little more sensitive about
15 going over ten. If we're 30 percent over most of the other
16 states in the union, I think there's room. There's room.

17 We've made this 30 -- this 37 percent increase over
18 the last couple of years, last three years. And I think
19 that the elected officials coming into office will know in
20 advance, we know that this will not impact the legislators
21 coming in -- I mean the current legislation.

22 But the point is we are not going to be out of the
23 water, we're not going to be out of trouble here by the time
24 the next -- the next set of legislators come in. And I
25 think the commission can then take a more intelligent view

1 of salary compensation and fair compensation by also asking
2 the question is there an independent third party giving
3 these people these salaries, or are they electing their own
4 salary base. And that's a point I wanted to make. And
5 within that and because of that I support a higher increase
6 than ten percent -- a higher decrease than ten percent --

7 KATHY SANDS: Decrease.

8 CHARLES MURRAY: Whoa.

9 RUTH LOPEZ NOVODOR: -- and, you know, somewhere
10 between 15 and 20 I'd be comfortable.

11 CHARLES MURRAY: Bill Feyling, could you -- oh, could
12 you add anything to what we've already discussed?

13 WILLIAM FEYLING: Well, Mr. Chair, I guess through
14 the chair I'd like to ask Linda. So -- so based on the
15 issues that -- that were asked by Commissioner Somers and
16 the constraints placed on the commission via the initiative
17 process back in 1972, specifically he mentioned Proposition
18 6, what would be the -- the fiscal impact of this motion on
19 next year's budget in -- in ballpark figures dollars and
20 cents?

21 CHARLES MURRAY: I -- I will also defer to counsel.
22 But from what I know is based on the legal opinion that we
23 have right now it would virtually have no effect on the
24 salaries for December 1st of this year except for new
25 appointees. And in December 1st of 2010 it will have an

1 effect on half the legislators --

2 SCOTT SOMERS: 2011. Oh, I'm sorry. Pardon me. I'm
3 sorry.

4 CHARLES MURRAY: 2010.

5 WILLIAM FEYLING: I'm sorry, I -- I can't hear when
6 you're speaking.

7 CHARLES MURRAY: Well, it will -- it will have a --
8 an effect on half the senate and a third of the legislators,
9 as I recall. If I could ask Counsel to confirm that that's
10 correct.

11 LINDA MAYHEW: Yes. Any resolution that you would
12 pass today, the resolution itself becomes effective in
13 December of this year.

14 Now, there's a difference between being effective and
15 a difference in -- in implementing it. And implementation
16 pursuant to California Constitution, Article 3, Section 8 --
17 I mean, I'm sorry, Section 4 says that you cannot affect the
18 salaries of the people that are existing in the position.
19 So that means that you're looking at when the new group
20 would take office.

21 So that means that in 2010 all assembly members and
22 half of the senate would be effected in December. And then
23 elected officials that take office in 2011, when they start,
24 it's the first Monday after January 1st following the
25 election. So that would be 2010 for the elected officers.

1 So other people would be -- the remaining people would be
2 senators that would be elected in 2012.

3 So you have all of the assembly members and half of
4 the senate would be effected in December of 2010. And then
5 you would have the elected officials, theirs would be
6 effected in January 2011 when they take office, their term
7 begins.

8 Does that answer your question?

9 WILLIAM FEYLING: Yeah, it does. So basically I --
10 you just reiterated what Chairman Murray said, that for --
11 for next budget cycle it's not going to have any impact, and
12 then we'll have to redo something for the -- for the
13 following --

14 CHARLES MURRAY: I would -- I would just add, yes,
15 you're right as it stands now.

16 WILLIAM FEYLING: Okay. Okay. That's the -- that's
17 the question that I had. Thank you.

18 CHARLES MURRAY: Okay. I'll weigh in on it.

19 I think in our last meeting which John was -- was not
20 at, but we had a basis for the board -- board decrease and
21 we had someone from the treasury area --

22 DEBBIE BALDWIN: Finance.

23 CHARLES MURRAY: -- from the finance area, and they
24 were quoting I believe a 9.4 percent salary reduction.

25 DEBBIE BALDWIN: 9.2 -- 9.23 is (unintelligible).

1 CHARLES MURRAY: Okay. Okay.

2 Plus as we've heard, and -- and John has said,
3 there's another slew -- slew of layoffs coming which really
4 doesn't factor back in to a 9.23 percent, so -- because of
5 these people out of work, and the workload is being shifted
6 to other people.

7 I appreciate the comments by John, and though --
8 though he's new here, he's had a wealth of experience in,
9 let's say, the real world. And though I -- my -- my only
10 concern is because of Prop. 1F. If we -- we are overly
11 aggressive and doing 25 -- 25 percent cut, Prop. 1F locks
12 our hands in doing anything for next year if there is -- if
13 there is a deficit. And so even though it might -- it might
14 appear to be drastic, we can't do anything about it.

15 On the other hand, I feel that in seeing what has
16 gone on, seeing what -- what the people voted very strongly
17 yesterday in -- in Prop. 1A through 1E, and it's not just --
18 just it won, it won by a landslide. So I would -- I would
19 look at, as far as to revise the motion that's on the floor,
20 a compromise between the ten percent and the 25 percent.
21 And I would -- I would ask -- ask the panel to consider an
22 18 percent decrease in salary. Okay.

23 KATHY SANDS: Well, I'll amend my motion to 18
24 percent.

25 CHARLES MURRAY: Do I hear a second?

1 JOHN STITES: Second.

2 CHARLES MURRAY: Okay. Do we have any more --

3 RUTH LOPEZ NOVODOR: Do we have a discussion?

4 CHARLES MURRAY: Do we have --

5 SCOTT SOMERS: We didn't have a second on that.

6 RUTH LOPEZ NOVODOR: Yeah.

7 CHARLES MURRAY: Oh, I -- I thought I heard --

8 SCOTT SOMERS: Oh, I'm sorry. All right.

9 CHARLES MURRAY: Okay.

10 RUTH LOPEZ NOVODOR: Yeah. And we can all discuss
11 it.

12 CHARLES MURRAY: Let's --

13 SCOTT SOMERS: (Unintelligible).

14 CHARLES MURRAY: Oh, let's discuss it now on.

15 And I'll start again with John. Do -- do you -- do
16 you have anything to add to the motion that's currently on
17 the floor?

18 JOHN STITES: No, sir. I think it's reasonable.

19 WILLIAM FEYLING: Excuse me, Mr. Chairman?

20 CHARLES MURRAY: Yes.

21 WILLIAM FEYLING: Just it's a little bit difficult to
22 hear. Could you please repeat the motion that's on the
23 floor that's under consideration?

24 CHARLES MURRAY: The motion that is on the floor
25 right now is effective July 1st the salary levels for all

1 the legislative offices and the executive offices under our
2 control will be reduced 18 percent.

3 WILLIAM FEYLING: Thank you.

4 CHARLES MURRAY: Is that correct?

5 KATHY SANDS: Correct.

6 CHARLES MURRAY: Okay, Scott, do you -- do you have
7 anything to add?

8 SCOTT SOMERS: My sense, I guess, was I'm a little
9 uncomfortable with that -- with that level. I would be very
10 comfortable with 15 percent, essentially for the reason that
11 you had mentioned, Mr. Chair.

12 We have the ability to continue to make reductions.
13 Our ability to ultimately make increases might be more
14 limited. And I do, I am very supportive of something higher
15 than -- than ten percent, particularly in light of the --
16 the elections yesterday. And I do very strongly believe
17 that -- that, again, the total health of the -- financial
18 health of the organization is very, very critical and
19 important element of -- of the compensation.

20 So I guess I'm at the 15 percent level rather
21 than the -- let's just say my preference would be at the 15
22 percent level rather than the 18 percent level.

23 CHARLES MURRAY: Okay. Any -- any comments, Kathy?

24 KATHY SANDS: No.

25 CHARLES MURRAY: No.

1 Ruth?

2 RUTH LOPEZ NOVODOR: I was kind of leaning towards
3 the 20, only because I think --

4 CHARLES MURRAY: Okay.

5 RUTH LOPEZ NOVODOR: -- that the commission needs to
6 really look at the way we came up with those numbers.

7 So I guess I support the 18 percent as a -- as a --

8 KATHY SANDS: As a compromise.

9 RUTH LOPEZ NOVODOR: -- as a compromise.

10 MALE VOICE: As a compromise.

11 KATHY SANDS: I do too. You know, really, I was
12 thinking 20 also, Ruth. But I think as a compromise --

13 RUTH LOPEZ NOVODOR: Yes.

14 KATHY SANDS: -- and -- and that's what
15 (unintelligible).

16 RUTH LOPEZ NOVODOR: And for the issues from Chuck.

17 KATHY SANDS: Yeah.

18 CHARLES MURRAY: Okay. Bill. Bill, can I ask you to
19 weigh in on this?

20 WILLIAM FEYLING: Well, I would, you know, listen to
21 the comments. I'm not sure who the speaker was, but it was
22 a gentleman that -- that -- that expressed similar concerns
23 to the -- to the issues you expressed, Chairman Murray --

24 CHARLES MURRAY: That would be Scott Somers.

25 BILL FEYLING: -- (unintelligible) to going down, and

1 having our hands tied with one out. So I -- I share those
2 concerns. I'll (unintelligible).

3 CHARLES MURRAY: Okay.

4 RUTH LOPEZ NOVODOR: I call for the question.

5 CHARLES MURRAY: Okay. The motion is called. To
6 repeat the motion.

7 KATHY SANDS: Okay, I guess I move that we reduce the
8 salaries of the -- by 18 percent effective July 1st of the
9 legislature and the other state-elected officers under our
10 jurisdiction. And the -- the effective date would be
11 according to the information from our counsel. That's the
12 motion.

13 CHARLES MURRAY: Okay.

14 KATHY SANDS: Eight -- 18 percent.

15 CHARLES MURRAY: Any seconds?

16 RUTH LOPEZ NOVODOR: Second.

17 CHARLES MURRAY: Okay.

18 All in favor by name?

19 Kathy Sands.

20 KATHY SANDS: Aye.

21 CHARLES MURRAY: Ruth Lopez.

22 RUTH LOPEZ NOVODOR: Aye.

23 CHARLES MURRAY: Bill Feyling.

24 BILL FEYLING: No.

25 CHARLES MURRAY: John Stites.

1 JOHN STITES: Aye.

2 CHARLES MURRAY: Scott Somers.

3 SCOTT SOMERS: Aye.

4 CHARLES MURRAY: Chuck Murray.

5 Aye.

6 It is a vote. It's -- my count is four to two.

7 Well, Debbie's nodding her head.

8 SCOTT SOMERS: No, five.

9 DEBBIE BALDWIN: (Unintelligible).

10 CHARLES MURRAY: No?

11 DEBBIE BALDWIN: Five to one.

12 CHARLES MURRAY: Five to one. Five to one, okay.

13 It is passed. Okay.

14 Moving right along, any other -- other -- other

15 comments anybody on the panel would like to make, starting

16 again with John?

17 JOHN STITES: No. Not at all.

18 CHARLES MURRAY: Scott?

19 SCOTT SOMERS: Mr. Chairman, you and I have talked

20 about the -- a more thorough benefits analysis.

21 RUTH LOPEZ NOVODOR: Yes.

22 SCOTT SOMERS: And I would certainly volunteer, if

23 you would like me to do so, to -- to push more heavily on

24 that --

25 KATHY SANDS: That would be great.

1 SCOTT SOMERS: -- (unintelligible) meeting.

2 CHARLES MURRAY: Okay.

3 KATHY SANDS: That would be great. That would be
4 great.

5 CHARLES MURRAY: Excuse me. Excuse me. Could you
6 use the phone outside, please. Thank you.

7 Could I ask -- ask you, Scott, with your background
8 to work with -- with Debbie Baldwin in getting the project
9 started and -- and -- and completed? She has a lot of
10 resources, and you might be able to provide that list.

11 SCOTT SOMERS: I would be delighted.

12 CHARLES MURRAY: Okay, thank you.

13 SCOTT SOMERS: No other comments.

14 CHARLES MURRAY: Kathy?

15 KATHY SANDS: I guess after we -- we get the new
16 information, will we meet before the end of the year to have
17 a workshop on that? Is that what you're thinking about?

18 CHARLES MURRAY: We can meet --

19 KATHY SANDS: Or --

20 CHARLES MURRAY: -- any time we want.

21 KATHY SANDS: Yeah, or if we do wait to we -- to meet
22 until next year, I'd like to meet sooner in the year than --
23 because when we get down to the line, the end of June --

24 CHARLES MURRAY: Right.

25 KATHY SANDS: -- and when we have to make this

1 decision, I'd just like to see our meetings a little earlier
2 in the year, if we can.

3 CHARLES MURRAY: Okay, certainly.

4 The -- the -- the only thing I will add in -- in
5 response to that is it was always in May, June, because at
6 the end of June, we had to have our proposals in to apply to
7 the next budget.

8 KATHY SANDS: Yeah. Yeah.

9 CHARLES MURRAY: And -- and so we wanted to get as
10 much input as we can all throughout the year. But -- but
11 if -- but if you feel -- I -- I think maybe with the next
12 report we get out we can talk and find out when might be a
13 good time to meet.

14 KATHY SANDS: And the other thing I'd like to say is
15 that, you know, I appreciate the vote today. I wish we
16 could have had a full, you know, six to nothing, but -- that
17 would have made me happier. But I understand. You know, we
18 all have our opportunity to -- to, you know, vote the way we
19 want.

20 But last year we talked about having the elected take
21 a voluntarily -- a voluntary pay cut. I wish that would
22 have happened. And I think even now, to me as an elected
23 person to say, well, we're going to cut all you people, you
24 know, if they could say, you know, we're taking a cut too,
25 well, there's now because we've said we're going to take an

1 18 percent cut. But they still have an opportunity to take
2 a reduction themselves. And -- and I would just appreciate
3 that, if any of them do that. To me, if I was in that
4 position, I would. So --

5 RUTH LOPEZ NOVODOR: I second that.

6 KATHY SANDS: I -- I just say -- I just want to say
7 that.

8 CHARLES MURRAY: Okay.

9 KATHY SANDS: Thank you.

10 CHARLES MURRAY: Do you have anything to add, Ruth?

11 RUTH LOPEZ NOVODOR: I have a concern, Mr. Chairman.
12 And that is that the benefits are a significant component of
13 this discussion, and I think we are past the deadline to
14 having the discussion to include it in this commission's
15 decision-making purview for this year. Because, remember,
16 it won't change now for two years.

17 So if we don't act on the benefits before June, which
18 I'm getting the impression we didn't get a report --

19 CHARLES MURRAY: Right.

20 RUTH LOPEZ NOVODOR: -- so I guess we're not going to
21 get it, we're not going to get to address that issue --

22 KATHY SANDS: No.

23 RUTH LOPEZ NOVODOR: -- I'm a little concerned that
24 that's an area that is a runaway problem, and we need to
25 take a look at it.

1 Do you have any ideas on how we can include that in
2 and for the deadline that's due?

3 CHARLES MURRAY: That's a good point. I was just
4 trying to -- instead of me trying to find it, could I ask --
5 ask Counsel is the restriction we have and the wait period,
6 shall we say, to implement any -- any change, and I forget
7 what law it was, but it's -- it's -- we -- we cannot
8 decrease any salaries during the term of office. Right?

9 LINDA MAYHEW: Correct.

10 CHARLES MURRAY: Okay. Does the language apply
11 strictly to salaries or benefits or to compensation?

12 LINDA MAYHEW: Looking at the language of the
13 Constitution, Article 3, Section 8(g), it says that you
14 shall by a single resolution adopt it by the majority of the
15 membership, adopt -- adjust the annual salary and the
16 medical, dental insurance and other benefits. So I would be
17 glad to research it further for you, but off the top of my
18 head what I -- what I would say to you is that it's one
19 resolution.

20 CHARLES MURRAY: Well, but -- but -- but I guess my
21 question was then it does include all benefits?

22 LINDA MAYHEW: It seems to according to this
23 language, but I'll be glad to look at it further.

24 CHARLES MURRAY: Okay. If you -- if you could.
25 Because we're -- when we speak about the benefits, and Scott

1 is going to -- to work well I think with -- with DPA in
2 getting to the bottom what are the benefits, it -- it goes
3 far beyond health insurance. I mean it's two free cars,
4 free gasoline, you know, everything. What -- what is this
5 as compared to other states and other -- other jobs.

6 It's --

7 LINDA MAYHEW: We'll be glad to give you a list of
8 what's in the -- on what the benefit --

9 CHARLES MURRAY: Okay.

10 LINDA MAYHEW: -- package is that we believe is
11 similar to the salary that is referred to in the
12 Constitution. Is that what you're asking?

13 CHARLES MURRAY: I don't know. What -- what -- what
14 did you say again?

15 LINDA MAYHEW: I think -- well, I'm trying to clarify
16 the -- the request.

17 CHARLES MURRAY: If you'll bring it down to an eighth
18 grade level, I appreciate it.

19 LINDA MAYHEW: I think you're asking me what benefits
20 is -- are comparable to what is mentioned in the
21 Constitution and if that's part of the salary package.

22 CHARLES MURRAY: What -- yeah -- yes. What is --
23 what is included in the Constitution saying that the -- you
24 cannot make a change for -- for the salary or the benefits
25 until the end of the term.

1 LINDA MAYHEW: Okay. I have that here.

2 CHARLES MURRAY: Okay, what is -- what is encompassed
3 in the attitude of benefits. I mean would it include gas
4 for the car.

5 LINDA MAYHEW: Okay, that's --

6 CHARLES MURRAY: Okay.

7 LINDA MAYHEW: Thank you.

8 CHARLES MURRAY: Okay.

9 RUTH LOPEZ NOVODOR: Oh, may I ask a question.

10 CHARLES MURRAY: Yes, Ruth.

11 RUTH LOPEZ NOVODOR: Would it be -- and this is
12 really pushing the envelope, but I'm interested in my
13 colleagues' opinion. Would it be possible with a little
14 more information before June to at least come up with a
15 percentage not to exceed as part of our commission
16 statement?

17 In other words, benefits including everything should
18 not exceed X percent of the salary. And with that, the
19 determination be made on how that gets broken down may
20 become the job of the -- of the -- of the personnel
21 department, but we set a limit as a percentage of salary
22 that all of that must be. And because we don't have time --
23 and I've learned the hard way that by not taking action last
24 year we can't take action this year.

25 So we need to look a year and a half ahead. And I

1 would like us to consider something that at least says
2 there's going to be a cap on this, and this is a reasonable
3 cap relative to expenses, relative to benefits.

4 So I don't know that we have to get into the minutia,
5 but I do think we need to set a protocol. And -- and I
6 defer to our expert on the panel for --

7 KATHY SANDS: Yeah, we think that would be --

8 SCOTT SOMERS: Well, I --

9 KATHY SANDS: -- workable.

10 SCOTT SOMERS: I guess I have a question of -- Mr.
11 Chairman, of -- how it is currently working. In other
12 words, we just made a salary adjustment. What does
13 currently happen with benefits? Are there cost-of-living
14 adjustments? Are there -- that are already built into the
15 system?

16 KATHY SANDS: No.

17 CHARLES MURRAY: No.

18 KATHY SANDS: No.

19 CHARLES MURRAY: No, I mean as -- as --

20 KATHY SANDS: No.

21 CHARLES MURRAY: As I know right now, and that's why
22 we're getting -- getting the legal opinion, the benefits
23 have been excluded from us to look at. Because we've asked
24 for this report for at least two sessions now. And -- and
25 the benefits and a recap of the benefits have been excluded

1 from us, so we don't know what is included within the
2 benefit structure or not. I mean is having two cars, one
3 here and one at the home district, one here meaning at
4 Sacramento, is that a benefit, or is that -- is that a job
5 requirement?

6 So this is -- but -- this is why, you know, I -- I
7 appreciate Ruth's comment only -- only because it -- it
8 really takes a 3,000 foot viewpoint of the problem and
9 set -- and I think most of us will defer to you on what is
10 the appropriate -- appropriate percent. Is it 25 percent,
11 is it 30, is it 18?

12 SCOTT SOMERS: I don't have a number on that right
13 now. And I guess my -- I guess my concern would be that
14 I -- that I -- I -- I would like to, and I'm -- I'm sure
15 that the -- the -- this group, we need to thoroughly
16 understand exactly what our current benefits are and how
17 they can compare it.

18 CHARLES MURRAY: Okay.

19 SCOTT SOMERS: And I can't say today that I
20 understand that.

21 I would be very much in favor of somehow capping
22 anything that is, you know, currently out there, if we need
23 to have some sort of a resolution on that, you know, pending
24 further analysis on this. And, you know, it might take, you
25 know, a little bit of time, and I don't know that it can be

1 done before the end of June, you know, in terms of --

2 KATHY SANDS: Yeah.

3 SCOTT SOMERS: -- in terms of a meeting with this
4 group.

5 But one of the things that I was going to perhaps
6 recommend, we talked about one meeting. As a suggestion,
7 that maybe having two meetings, with the first meeting being
8 essentially a data analysis kind of a meeting where we're
9 kind of looking at the numbers, looking at benefits, et
10 cetera, that we might then be able to -- and particularly
11 since we're prohibited by Bagley-Keene from even talking to
12 each other other than in these -- you know, these meetings,
13 that we think of it as sort of a two-step process.

14 That being said, I'd be happy to push with staff to
15 try and do something sooner rather than later. But I don't
16 see that a -- you know, any kind of a really good, thorough
17 analysis could happen before the end of June.

18 CHARLES MURRAY: Okay.

19 John, do you -- do you have a comment to add?

20 JOHN STITES: Am I to understand that this
21 information was requested at least two sessions ago --

22 CHARLES MURRAY: Right.

23 JOHN STITES: -- and they've yet to provide it?

24 CHARLES MURRAY: Well, it's -- it's a history --

25 JOHN STITES: Okay.

1 CHARLES MURRAY: -- that -- that we have. We -- we
2 asked for it, it was given to another department to -- to
3 prepare. They had their budget cut. They came back later
4 and said, no, we can't do it because we don't have the
5 personnel. And it just --

6 RUTH LOPEZ NOVODOR: That's more reason to put a cap
7 on it, gentlemen.

8 JOHN STITES: There -- there is a -- a standard that
9 you'll see across the board, having negotiated quite a few
10 contracts for benefits and salary, and that's generally
11 around 45 to 47 percent.

12 RUTH LOPEZ NOVODOR: But doesn't that include taxes?

13 JOHN STITES: It includes everything --

14 RUTH LOPEZ NOVODOR: Yeah.

15 JOHN STITES: -- right off the top.

16 RUTH LOPEZ NOVODOR: So net of taxes, payroll taxes,
17 what should it be. And I think that's something we can
18 figure out between now and June 1st.

19 JOHN STITES: So I would assume whatever their salary
20 is, probably around 45 percent of that is going to their
21 health care benefits, their dental, their -- and I don't
22 think that includes -- if -- if it actually is included,
23 whether it's a -- actually a work requirement to have the
24 vehicles --

25 CHARLES MURRAY: Right.

1 JOHN STITES: -- and the -- and the gasoline card and
2 all that.

3 CHARLES MURRAY: Well, you know, what -- what I like
4 about -- about Ruth's motion or proposal or whatever it
5 winds up being is that we can put it in place now. And then
6 down the road we can determine what is a benefit, what isn't
7 a benefit, what -- what is right and what is wrong.

8 And I think as -- and I'm sure Scott has been
9 involved in this much more than any one of us, it's -- it's
10 going to be -- going to be amazing to see what is -- what is
11 considered within the benefit package.

12 RUTH LOPEZ NOVODOR: Yeah, the percentages.

13 JOHN STITES: Amazing is a good word.

14 RUTH LOPEZ NOVODOR: Yeah.

15 SCOTT SOMERS: Yeah, I -- I think, by the way, just
16 as a percentage, percentage, my experience, is that
17 percentage varies all over the board depending on the
18 industry the person's in and --

19 CHARLES MURRAY: Right.

20 SCOTT SOMERS: -- (unintelligible) and total
21 compensation. If your total compensation is, you know,
22 \$300,000 a year, then total benefits are a certain
23 percentage of our total compensation of --

24 CHARLES MURRAY: True.

25 SCOTT SOMERS: -- dollars. But there again, your

1 benefits are a much different kind of percentage.

2 So I do think we have to be thoughtful about it. At
3 the same time we need to ensure now that somehow we're --
4 we're not allowing a runaway train here, you know, in the
5 short term.

6 CHARLES MURRAY: Okay.

7 RUTH LOPEZ NOVODOR: But do you think that's an
8 easier task? Excuse me, Mr. Chairman, I'm just trying --

9 CHARLES MURRAY: Go ahead.

10 RUTH LOPEZ NOVODOR: If I can formulate a motion.

11 But do you think that's an easier --

12 CHARLES MURRAY: We're all friends here.

13 RUTH LOPEZ NOVODOR: -- easier task to come up with
14 what that percentage is when -- before June -- is it June
15 1st or June 30th?

16 CHARLES MURRAY: June 30th.

17 RUTH LOPEZ NOVODOR: June 30th.

18 -- before June 30th what a percentage range might be
19 so that we as the commission can take action? Because we
20 know that they're not going to ever give us the information,
21 not because they don't want to, the budget cuts -- we're --
22 we're going to -- this is the -- the top priority. So we're
23 not really going to get a lot of the information before June
24 30th. We've requested it, it's not here. I think we need
25 to be prudent in coming up with a number and to say it needs

1 to be capped (unintelligible) folks, and then you figure it
2 out.

3 CHARLES MURRAY: I would -- I would agree with Ruth.
4 Bill? Bill?

5 BILL FEYLING: Could I weigh in just for a second?

6 CHARLES MURRAY: Sure. Sure.

7 BILL FEYLING: And it's a little bit difficult to
8 follow the conversation, so I hope you -- I hope you'll bear
9 with me.

10 CHARLES MURRAY: Certainly.

11 BILL FEYLING: The concern I might have about the --
12 the -- the concept of -- of having percentage benefits,
13 total benefit package is a percentage of the -- of the
14 salary is that since -- since we have a sliding scale and --
15 you know, so that would mean if you came up with X
16 percentage of salary, that the governor would have less
17 health benefits than the legislators, because he makes twice
18 as much as the legislators do.

19 Does that make sense to folks?

20 CHARLES MURRAY: I --

21 BILL FEYLING: It's the same thing as -- as the
22 fantastic health plan as a percentage of someone who makes
23 \$500,000 is much less than a fantastic health plan that is a
24 percentage of 100,000.

25 CHARLES MURRAY: As --

1 BILL FEYLING: To get the average of what that is,
2 is -- out there in the -- in the open market is -- is --
3 would be -- seems -- seem to be a little bit challenging.
4 And then to apply that same type of percentage to the folks
5 that we look after here, it -- it seems a little bit
6 problematic based on the fact that they don't all make the
7 same thing.

8 Does that make sense to anybody?

9 CHARLES MURRAY: Good point. Good point.

10 If I could -- if I could ask Scott. I mean the way I
11 heard what he was stating is that what -- what we might do
12 is come back with under 100,000, it's 42 percent, 100 to 200
13 is 35 percent, or -- or -- or something along that line.

14 Scott, am I right, or did I read that wrong?

15 SCOTT SOMERS: Yeah, no, I think that -- I think that
16 is exactly right. And at the same time I think it's
17 important to understand what the categories are, you know,
18 in each of these cases so that you can be -- again, I am --
19 I am as supportive I think as -- as -- hopefully as -- as --
20 as most people on here really controlling costs and making
21 sure that we're getting a bang for our buck.

22 RUTH LOPEZ NOVODOR: Yes, that's our job.

23 CHARLES MURRAY: Right. Right.

24 RUTH LOPEZ NOVODOR: That's our job.

25 SCOTT SOMERS: On the other hand, I think we do have

1 to be thoughtful about it and make sure that we're
2 understanding so that -- that we can -- can ask all of these
3 people that we're regulating to operate as absolutely
4 efficiency as possible with benefits that we think they
5 should get.

6 So I am a little concerned, I will say, that if
7 you've been talking about trying to get this information for
8 two years, I'm concerned about what I'm going to be able to
9 get from anyone in the next, you know, two weeks to be able
10 to make that kind of decision. That would be my only
11 concern.

12 CHARLES MURRAY: I would agree. But -- but if we
13 could try to massage this a little bit, can -- would you
14 feel in two, three weeks you could come back with and say,
15 all right, in the -- in the business world this is the norm,
16 someone making under this, their benefit package is this,
17 someone making this, and forget about the legislator. Just
18 say this is what -- what a Mercer would come up with or a
19 Korn/Ferry or someone.

20 SCOTT SOMERS: Right.

21 CHARLES MURRAY: Just say this is -- this is the norm
22 that would -- and we could work on that.

23 SCOTT SOMERS: Certainly. I -- I --

24 CHARLES MURRAY: I think there --

25 SCOTT SOMERS: There's no doubt I can get some -- you

1 know, some -- some general numbers --

2 CHARLES MURRAY: Okay.

3 SCOTT SOMERS: -- you know, in -- and even in
4 particular industries and -- and what would normally be
5 included in that.

6 I would like to, however, at the same time at least
7 get some of the information --

8 CHARLES MURRAY: Right.

9 SCOTT SOMERS: -- you know, from the state --

10 CHARLES MURRAY: Right.

11 SCOTT SOMERS: -- because there may be some
12 categories there that, you know, are --

13 RUTH LOPEZ NOVODOR: We got a great packet before the
14 last meeting, and all the salaries -- and that's where I've
15 endeavored how the -- how we came to this 35 percent above
16 all other states.

17 CHARLES MURRAY: Right.

18 RUTH LOPEZ NOVODOR: All the salaries are there.
19 It's multiple different ways of organizing the data.

20 So I would like to request that Deborah get you a
21 copy of that, if you don't already have it.

22 Debbie, could we please get him at least the package
23 we got for the last meeting, the one with all the salaries
24 and by department and so forth?

25 CHARLES MURRAY: I -- I think (unintelligible).

1 RUTH LOPEZ NOVODOR: Oh, it might be. Okay. That
2 one I think would give you at least a -- a -- a -- kind of a
3 snapshot of what kind of salaries we're talking about.

4 SCOTT SOMERS: I -- I think that's great. And I
5 would be delighted to take a crack at this over the next
6 couple of weeks.

7 And then, what, convene another meeting, is that what
8 you're thinking, Chuck?

9 CHARLES MURRAY: Since it's transparent, any of our
10 meetings, I would say if we could get the data to each of
11 the members. And then in staring at my calendar for June, I
12 would say the 17th or the 18th of June, that would -- that
13 would give us enough time to --

14 KATHY SANDS: Yeah, it would be good for me.

15 CHARLES MURRAY: Anybody -- anybody have -- have a
16 problem with that?

17 RUTH LOPEZ NOVODOR: No, that's good for me. The
18 following weekend I'm gone. But I could tele -- I could be
19 on the phone.

20 CHARLES MURRAY: Yeah. John?

21 JOHN STITES: I think I'm good, sir.

22 CHARLES MURRAY: Okay.

23 RUTH LOPEZ NOVODOR: Yeah.

24 CHARLES MURRAY: The only thing that I -- I've agreed
25 with DPA, that we'll alternate the meetings between the

1 Sacramento and -- and -- and L.A. So this one will probably
2 be up there. Okay.

3 JOHN STITES: That's fine. That works for me.

4 CHARLES MURRAY: Any problems?

5 JOHN STITES: Debbie, I'll need your assistance on
6 this.

7 RUTH LOPEZ NOVODOR: I think that's great. I'm game.

8 CHARLES MURRAY: Bill, any problem with the 17th or
9 18th?

10 BILL FEYLING: I could make a meeting on the 17th.
11 Unfortunately, I have a -- I have a -- would have a conflict
12 on the 18th.

13 CHARLES MURRAY: Okay.

14 KATHY SANDS: Yeah, 17th --

15 SCOTT SOMERS: The 17th works fine with me.

16 RUTH LOPEZ NOVODOR: The 17th. 17th is --

17 CHARLES MURRAY: Debbie, can we call a meeting for
18 the 17th and do whatever is necessary and we'll be up --

19 DEBBIE BALDWIN: In Sacramento.

20 CHARLES MURRAY: -- up in Sacramento? Okay.

21 And Scott -- Scott will work with you on the report,
22 and then he'll clear everything all through you. Okay?

23 CHARLES MURRAY: Okay. Bill? Any --

24 WILLIAM FEYLING: No, I'm fine. I'm sorry, I was
25 just getting a little confused --

1 CHARLES MURRAY: Okay.

2 BILL FEYLING: I got a little -- looking at my
3 calendar the 17th is good.

4 CHARLES MURRAY: Okay. Good. Good. Okay.

5 RUTH LOPEZ NOVODOR: Good for me too.

6 KATHY SANDS: Yeah.

7 CHARLES MURRAY: Okay, any other -- other comments,
8 any -- anyone on the panel would like to make?

9 John?

10 JOHN STITES: Just a real quick one.

11 It would just be nice to understand what process they
12 use to provide them with their medical benefits and all the
13 other supplemental benefits. I -- I have zero understanding
14 of it now, and it may be just, you know, relatively simple.
15 Perhaps the budget people could just tell us. That's the
16 way it works in L.A. County, the budget people tell us.

17 CHARLES MURRAY: Okay. Okay. As -- as I recall,
18 what I read, and I -- and I -- and I -- I haven't spent a
19 lot of time on it, but I think the legislature and the
20 executive offices are part of a larger -- larger medical
21 program.

22 RUTH LOPEZ NOVODOR: Can I make a recommendation?

23 CHARLES MURRAY: Certainly.

24 RUTH LOPEZ NOVODOR: That under these circumstances
25 could we not request that certain executives join us and

1 make a presentation at the meeting and -- so that we can ask
2 them questions and we don't have to go through all the
3 reading of the materials?

4 DEBBIE BALDWIN: We have our -- our business officer
5 that can cover the medical section, attended out last
6 meeting. That's (unintelligible).

7 RUTH LOPEZ NOVODOR: And we didn't use it.

8 DEBBIE BALDWIN: (Unintelligible.) And we've been
9 asked that they have the (unintelligible) from --

10 RUTH LOPEZ NOVODOR: Yeah.

11 DEBBIE BALDWIN: -- (unintelligible) and that
12 (unintelligible).

13 RUTH LOPEZ NOVODOR: I think we need a
14 (unintelligible) --

15 CHARLES MURRAY: That's great.

16 RUTH LOPEZ NOVODOR: -- staff report.

17 SCOTT SOMERS: I think that's a great idea
18 particularly if we're doing it in Sacramento.

19 KATHY SANDS: Yeah, because, you know, the city, we
20 have staff reports and --

21 RUTH LOPEZ NOVODOR: Now, is there any other
22 executives that we want to make a -- to have here so we can
23 get more intelligence about our decisions? Is it the
24 benefits officer? And is there anything else? What about
25 the cars and all of that? Where does that come from?

1 DEBBIE BALDWIN: I don't know.

2 CHARLES MURRAY: Unfortunately, the senator left,
3 so --

4 KATHY SANDS: The senator -- because he told those --
5 that's all -- but you know how everything's approved, you
6 do, you told us.

7 GUS DEMAS: But if I may speak (unintelligible).

8 CHARLES MURRAY: Sure.

9 KATHY SANDS: Sure.

10 GUS DEMAS: Gus Demas (unintelligible). With the
11 vehicles, I think you should probably get the opinion
12 (unintelligible), because I don't believe vehicles are
13 considered a benefit in the Constitutional language that you
14 have in front of you. (Unintelligible) --

15 KATHY SANDS: Well, we need to know that.

16 GUS DEMAS: -- (unintelligible) health benefits and
17 related benefits.

18 FEMALE VOICE: And what was (unintelligible?)

19 GUS DEMAS: Health, dental -- there's similar
20 benefits.

21 KATHY SANDS: Okay.

22 GUS DEMAS: I don't believe the car's on it. But
23 once --

24 MALE VOICE: Can I ask who's speaking, please?

25 GUS DEMAS: I'm sorry, I'll repeat my name is Gus

1 Demas, D-E-M-A-S, and I'm the fiscal officer for the
2 assembly.

3 MALE VOICE: Thank you.

4 GUS DEMAS: Sure.

5 RUTH LOPEZ NOVODOR: Thank you.

6 GUS DEMAS: With that information, we -- we'd be
7 happy to provide that information to you.

8 RUTH LOPEZ NOVODOR: Where would that come from?

9 GUS DEMAS: We can provide that information to you.
10 The -- the members have the option of selecting a leased
11 vehicle. And not all members do have a vehicle. But those
12 that do, the monthly payment computed is capped, 350 or 400
13 a month depending on the lease. The senate is a little
14 different. I believe theirs goes for 500 a month. And so
15 that --

16 CHARLES MURRAY: For two -- two vehicles, right?

17 GUS DEMAS: Actually, they have a vehicle available
18 in Sacramento if they fly to Sacramento. But if they drive
19 to Sacramento, they only have one vehicle.

20 CHARLES MURRAY: Okay.

21 GUS DEMAS: And if I could mention one other item --

22 CHARLES MURRAY: Certainly.

23 KATHY SANDS: Sure.

24 GUS DEMAS: -- (unintelligible) that might help you
25 for your next meeting.

1 The members, most of them, are not in a retirement
2 system. And so I would just caution that you be very
3 careful when you compare -- especially with other states. I
4 believe New York probably has the next highest salary, and I
5 believe they do have a retirement system.

6 So when you're talking about 30 percent below, you
7 should look at New York very carefully, because they have a
8 stipend that's provided to over 90 percent of the senators
9 and 70 percent of their assembly members. And so if you
10 look at just their top 120 members, because they have 250, I
11 believe, they are paid close to 100,000 a year, not their
12 base salary of 79,000. And again, they're in a retirement
13 system.

14 So with this reduction that you just passed here a
15 few minutes ago, I believe New York then would be a higher
16 paid legislature than the State of California.

17 KATHY SANDS: But we were the highest before that?

18 GUS DEMAS: Yes.

19 KATHY SANDS: Yes.

20 GUS DEMAS: Yeah. But let me -- let me quantify that
21 or -- qual -- put a disclaimer there for a minute. I don't
22 know how you value their retirement system. If it was
23 valued at 20 to 25 percent of their salary -- salary,
24 perhaps they were even better paid then. And that's
25 something you might want to --

1 KATHY SANDS: Do you know of any other states?

2 GUS DEMAS: I don't know if the other states can have
3 that type of a stipend or additional payments. I don't know
4 that. But I know New York definitely does.

5 But any -- in terms of other information, I'm happy
6 to provide that to you. Much of it is reported periodically
7 through open records request. The gas amount that's made
8 available to them. Some members pay for their gas as well.
9 And their leased car payments, we can give you the type of
10 vehicle they have. All that detail is available to you.

11 KATHY SANDS: Yeah, I think that -- that helps us I
12 think more to do our job. You know, I think it's hard to --
13 to understand the information that we've had, and we haven't
14 really had enough, so we'll appreciate that. Thank you.
15 That's --

16 GUS DEMAS: Sure.

17 KATHY SANDS: Chairman Murray had to step out for a
18 minute.

19 So is there any other -- any more conversation?

20 JOHN STITES: One of the things, Kathy, you
21 volunteered that I was going to ask him. But I would, if I
22 could, request your assistance directly involved in this, in
23 this other benefit analysis particularly because of your
24 location also and you're -- you're in the Sacramento area;
25 are you not?

1 KATHY SANDS: I am.

2 SCOTT SOMERS: And some of this information that we
3 might be gathering might even be helpful to have a
4 face-to-face meeting, but you might be able to more easily
5 than I prior to that meeting on the 17th. So --

6 KATHY SANDS: Okay.

7 SCOTT SOMERS: -- I request your --

8 KATHY SANDS: Okay.

9 SCOTT SOMERS: -- your assistance.

10 KATHY SANDS: I'd be happy to. I was thinking maybe
11 Ruth would like to, but she is a ways away.

12 RUTH LOPEZ NOVODOR: And you know what, this is a
13 very difficult month for me. But I'll here for the
14 meetings, and I'll be available by phone.

15 KATHY SANDS: Okay. I would be happy to help you.

16 SCOTT SOMERS: Okay, thank you.

17 And we could call on others too. I guess we have
18 some restriction about how many of us can talk at any point
19 in time.

20 KATHY SANDS: Yeah, how we communicate is -- we have
21 to watch how we (unintelligible). So . . . Two can say?

22 RUTH LOPEZ NOVODOR: Yeah. Two people is good.

23 SCOTT SOMERS: Two's okay, yeah.

24 KATHY SANDS: Yeah.

25 SCOTT SOMERS: (Unintelligible).

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KATHY SANDS: Right.

Okay, any other conversation or comment? Was there any -- any other public comment? We can always have that. But it looks like we're good.

So if there's no further comment or discussion, the meeting is adjourned.

(End of recording).

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