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November 24, 2010

**Re: Adoption of a Resolution Authorizing Voluntary Salary Reductions
by Elected Officers of the County**

Honorable Supervisors:

Recommendation:

County Counsel recommends that the Board consider a resolution authorizing voluntary reductions in salary by elected officers of the County other than members of the Board of Supervisors.

Reasons for Recommendation:

On November 15, 2010, the Board adopted a resolution authorizing voluntary salary reductions to be taken by Board members. This was in light of a report by County Counsel that the Board could not adopt a mandatory salary reduction during the current terms of Board members. The same rationale applies to elected officers. The Board directed that County Counsel prepare a similar resolution applicable to elected officers of the County other than the Board of Supervisors. A resolution accomplishing that is attached.

These voluntary reductions in salary must be irrevocable and unconditional to meet IRS regulations. Being unconditional means the elected officer voluntarily reducing his salary cannot direct the use of the money. The County Counsel cannot give, nor is it qualified to give, personal tax advice. Any elected officer seeking to reduce their salary pursuant to this policy should consult their tax advisor regarding tax questions. With that caveat in mind, it appears that an elected officer can waive compensation without incurring tax liability on the amount of salary waived. In general, if you elect to reduce your salary, your taxable wages should be reduced accordingly, and thereafter the applicable taxes would be deducted on your remaining income.

We would be pleased to answer any questions you might have.

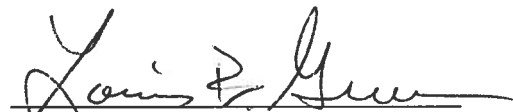
Fiscal Impact:

Unknown.

Actions to Be Taken After Board Approval:

The County Auditor would process any voluntary salary reductions received.

Respectfully submitted,



Louis B. Green
County Counsel

LBG/stl

Att.

cc: Chief Administrative Officer
County Auditor
Elected Department Heads

S:\Bd of Supervisors\Agenda Transmittals\Elected Officers Voluntary Reduction of Salary