El Dorado County Board of Supervisors
Response to the
2025-26 El Dorado County Grand Jury Report
(Case 26-06: Investigation of Charter 504 Executive Salary Linkage Practices – Efficiency, Equity, and Governance)

Case 26-06: Investigation of Charter 504 Executive Salary Linkage Practices – Efficiency, Equity, and Governance

The Grand Jury has requested responses from the Board of Supervisors to all Findings and Recommendations.

Consistent with previous practice and pursuant to Board Policy A-11, the Chief Administrative Office is responsible for coordinating the County's response to the Grand Jury. Responses to the Grand Jury Report are directed by Board Policy A-11 and Penal Code 933.05. Accordingly, the Chief Administrative Office has reviewed and compiled the responses from all non-elected department heads into this Initial Draft Response for the Board's consideration.

<u>FINDINGS</u>

F1. The Grand Jury finds that Charter Section 504 percentage adjustments are currently applied to seven non-Charter executive and elected positions in opposition to original voter intent.

The Board of Supervisors disagrees partially with the finding.

The Board agrees that the salaries of six positions (District Attorney (DA), Public Defender, Alternate Public Defender, Chief Probation Officer, County Counsel, and Chief Administrative Officer (CAO)) are set directly or indirectly in relation to the salary of the Sheriff/Coroner/Public Administrator, whose salary is set in relation to the Undersheriff, which is one of the classifications listed in Charter Section 504. The Board, however, disagrees that such a methodology is in opposition to the intent of the voters who approved the current version of Charter Section 504. To that end, the Board acknowledges the question placed before the voters at the time pertained directly to compensation for six employee classifications in the Sheriff's Office. It is likely that the voters were not aware that the automatic increases for those six classifications would lead to salary compaction within the Sheriff's Office and create a compensation structure that was not aligned with that of other comparable counties. There is no evidence that the voters at the time intended to restrict the Board's ability to later set compensation for other employees, or to prohibit reasonable linkages between those classifications and others in the County to maintain a logical compensation structure.

In 2022, the Human Resources Department conducted a review of the executive compensation structure of the eight comparator counties that had been adopted by the Board. This review showed that across all comparator counties, the executive compensation structure was hierarchical, with the CAO at the top, followed by either the DA or County Counsel, followed by the Sheriff. Based on this information, the Board made a conscious policy decision to adopt a similar structure; however, due to the inclusion of the Undersheriff in the Charter Section 504 annual mandated increases, in 2021, the Board had adopted a linkage between the Sheriff and Undersheriff salaries to avoid compaction. In order to maintain the structure in line with comparator counties, it was necessary to establish linkages between the Sheriff and CAO, and between the Sheriff, DA, and County Counsel.

F2. The Grand Jury finds that automatic uniform-percentage increases under Charter Section 504 are applied to high-based-salary non-Charter executive positions and no revenue-tied stress testing is performed on these linkages.

The Board of Supervisors disagrees wholly with the finding.

Salary increases based on the Salary and Benefits Resolution language are not automatic. Before any increase takes effect, the Board must adopt a resolution modifying the salary schedule at a public meeting. The public has the opportunity to review all the materials and provide comments. Each staff report includes the estimated cost of any proposed increase and a statement about how the increase will be funded. With each annual action to increase salaries, staff perform the same costing analysis that is done for salary increases for other represented and non-represented employee groups.

F3. The Grand Jury finds that compensation for non-Charter executive positions is benchmarked to law-enforcement salary comparators rather than to peer executive positions in comparable counties.

The Board of Supervisors disagrees partially with the finding.

Under the Salary and Benefits Resolution for Unrepresented Employees, the Sheriff is linked to the Undersheriff, which is one of the positions listed in the Charter and six positions are linked to the Sheriff's compensation, directly or indirectly. It is important to note, however, that the linkage of the Chief Administrative Officer, County Counsel, and District Attorney to the Sheriff was based on a 2022 review of the compensation structure of the eight comparator counties that had been adopted by the Board. This review showed that across all comparator counties, the CAO was the top-paid department head, followed by either the DA or County Counsel, followed by the Sheriff. The Board-adopted compensation structure in the Salary and Benefits Resolution for these positions follows that of comparable counties.

F4. The Grand Jury finds that the current application of Charter Section 504 adjustments to non-Charter positions includes no sunset clause, periodic independent review, or governance stress test.

The Board of Supervisors disagrees partially with the finding.

The Salary and Benefits Resolution for Unrepresented Employees, which is the document that sets forth the compensation structure for the "non-Charter" positions does not have a sunset date; however, the Board of Supervisors may amend the resolution at any time. All salary increases based on the Salary and Benefits Resolution language must be separately adopted annually by resolution of the Board of Supervisors at a public meeting. The public has the opportunity to review all the materials and provide comments. Each staff report includes the estimated cost of any proposed increase and a statement about how the increase will be funded.

It is unclear what is meant by a "governance stress test." When the Board established the compensation structure outlined in the Salary and Benefits Resolution for Unrepresented Employees, it was a conscious policy decision to adopt a compensation structure in line with that of our comparator counties. With each annual action to increase salaries, staff perform the same costing analysis that is done for salary increases for other represented and non-represented employee groups.

RECOMMENDATIONS

R1. The Grand Jury recommends that the Board of Supervisors reassess the merits of decoupling the seven high-level executive positions not originally named in Charter Section 504 by December 31, 2026. The positions are Sheriff/Coroner/Public Administrator, District Attorney (DA), Chief Administrative Officer (CAO), County Counsel, Public Defender, Alternate Public Defender, and Chief Probation Officer.

The recommendation has already been implemented.

On December 9, 2025, the Board of Supervisors (Legistar File 25-2000) "directed staff to return to the Board in March 2026 for a discussion to review Resolution 037-2025, Section 602 for unrepresented employees and all classifications affected by El Dorado County Charter 504." Subsequently, on March 24, 2026, the Human Resources Department presented an item (Legistar File 26-0449) for discussion related to unrepresented employee compensation. The presentation provided an overview of the current Salary and Benefits Resolution for Unrepresented Employees, with a focus on Section 602, which governs compensation for Elected and Appointed Department Heads, as well as Administrative Management.

During the March presentation, extensive data and historical information was provided to the Board of Supervisors. This included a total compensation study of Department Head classifications and benchmark classifications in the unrepresented employee group, a Charter 504 "Fact Sheet," and a presentation describing historical compensation and comparisons to compensation structures in other counties. The Board took the following actions:

1) *Receive and file a presentation on the County's compensation structure for the classifications referenced in the Salary and Benefits Resolution (037-2025) for Unrepresented Employees, Section 602 (Section 602) and the County's compensation philosophy;*
2) *Receive and file the 2026 Total Compensation Study for unrepresented classifications;*
3) *Direct staff to return to the Board after consultation with labor groups and Ad Hoc Committee consisting of Chair and Vice Chair with revisions to the Compensation Philosophy Resolution to reflect a data-driven approach to compensating employees, which maintains the goal of bringing employees to the median of established comparator agencies and includes consideration of other factors such as fiscal outlook, vacancy rates, hard-to-fill positions, and other operational needs;*

4) *Direct staff to conduct a total compensation survey of all benchmark classifications, countywide at least every two years;*
5) *Direct staff to draft revisions to the Unrepresented Salary and Benefits Resolution for Unrepresented Employees to require an annual Board review each fall of compensation for Unrepresented Employees and the Board of Supervisors; and*
6) *Direct staff to develop benchmarks and internal linkages for all unrepresented classifications for positions that currently don't have benchmarks or linkages to roughly maintain structure within Section 602.*

R2. The Grand Jury recommends that the Board of Supervisors direct the Chief Administrative Officer and Director of Human Resources to develop and present to the Board by September 2026 a formal unrepresented-employee compensation framework. This framework should include a three-year sunset/re-evaluation cycle, public reporting of fiscal impact versus projected revenue growth, and clear performance metrics for department heads.

The recommendation requires further analysis.

As noted in the response to Recommendation 1, the Board has already provided direction to staff regarding unrepresented employee compensation. Staff will bring a follow-up item that is responsive to this direction in the Fall of 2026.

With regard to the last part of the recommendation, it should be noted that all appointed Department Heads receive annual performance evaluations which include input from internal and external stakeholders, ratings on a range of competencies, and performance criteria in the form of goals developed jointly by the Department Head, CAO, and the Board of Supervisors.

R3. The Grand Jury recommends that the Board of Supervisors direct the Chief Administrative Officer and the Director of Human Resources to adopt peer-county best practice models for unrepresented executive compensation.

The recommendation requires further analysis.

As noted in the response to Recommendation 1, the Board has already provided direction to staff regarding unrepresented employee compensation. Staff will bring a follow-up item that is responsive to this direction in the Fall of 2026.

R4. The Grand Jury recommends that the Board of Supervisors direct the Chief Administrative Officer work with the Auditor Controller to incorporate into all future adopted budgets and mid-year reports a transparent breakout of Charter Section 504 costs (Charter vs. linked positions) and a five-year fiscal projection under varying revenue scenarios.

The recommendation will not be implemented because it is not warranted.

As noted above, each staff report to increase salaries, for any group of employees, includes cost and funding source information. It is not clear what value a fiscal projection comprised solely of the Charter Section 504 costs would provide. When developing budgets, staff rely on holistic projections, taking into account all anticipated expenses and projected revenues.