



Legislation Text

File #: 17-0575, **Version:** 2

Human Resources recommending the Board authorize the Chair to sign a Memorandum of Agreement between El Dorado County and Donald Ashton establishing the compensation, benefits, and other terms of employment for his employment as the Chief Administrative Officer. (Est. Time: 5 Min.)

FUNDING: General Fund.

DEPARTMENT RECOMMENDATION

Human Resources recommends the Board authorize the Chair to sign the Memorandum of Agreement between El Dorado County and Donald Ashton establishing the compensation, benefits, and other terms of employment for his employment as the Chief Administrative Officer.

DISCUSSION/BACKGROUND

On May 24, 2016 the Board of Supervisors of El Dorado County appointed Donald Ashton as Chief Administrative Officer ("CAO") of the County effective May 25, 2016. As part of this action, the County and CAO subsequently entered into an employment agreement pursuant to El Dorado County Ordinance Code section 2.13.025 (the "Original Agreement"), which set forth the compensation, benefits, and other terms of employment for CAO. The term of the Original Agreement was three (3) years, ending May 24, 2019.

On May 9, 2017 the Board of Supervisors as required by the Charter conducted a performance evaluation of the CAO and entered into a new contract with the CAO that contained terms that better reflected the market for an experienced CAO and would promote retention of Mr. Ashton.

It has come to the attention of the Board that the current compensation package provided to the CAO is well below what is available in the market for similarly situated administrative heads of county governments. In order to better align the CAO's compensation package with the existing market trends, the proposed contract is being brought forward for approval. Even with the adjustments contained in the contract, the total compensation being provided to the CAO is well below that offered by at least one neighboring County. However, the contract adjustment is designed to further the Charter's directive to retain the best qualified officers and to compensate such officers on the basis of performance and merit.

The primary changes between this contract and the existing contract are as follows:

- (1) The existing contract has a three (3) year term that is automatically extended by one (1) year upon a satisfactory annual performance review of the CAO by the Board. The proposed contract contains a four (4) year term which is set to expire in 2021;
- (2) Effective January 1, 2018, the proposed contract increases the CAO salary to two hundred twenty-seven thousand sixty hundred seventy-six dollars and no cents (\$227,676.00). Majority of this increase is due to the 4.6% increase in salary in exchange for a waiver of their

right to cash out Management Leave (which totals \$9,887). The remaining increase is due to the 1.28% increase in salary which brings the position to 10% below the market median. This is still below the median salary of the 9 comparator agencies for CAOs. Effective January 1, 2021, the annual salary of the CAO will be increased to the median of the base salary for the nine comparator agencies used by the final version of the Koff & Associates 2017 El Dorado County Compensation Study;

- (3) In lieu of the contributions by the County to the deferred compensation plan under the Salary & Benefits Resolution for the CAO, the County will contribute annually the amount of eighteen thousand dollars (\$18,000) to the County's 457 deferred compensation plan for the CAO paid biweekly;
- (4) County shall make a one-time contribution of twelve thousand dollars (\$12,000) toward the CAO's participation in a professional development course offered by the American Leadership Foundation;
- (5) In consideration of the foregoing, the CAO is waiving all vested rights to receive Longevity Pay under the Salary & Benefits Resolution;
- (6) The existing contract has a provision providing for nine (9) months of base salary as severance pay in the event the County terminated the contract without reasonable cause. The proposed contract increases the severance pay to eighteen (18) months of base salary or the remaining term of the contract, whichever is less, payable on a monthly basis.

ALTERNATIVES

The Board could decline to authorize the Chair to sign the proposed contract, in which case the existing contract would remain in full force and effect. The Board could authorize in open session other changes to the contract; however those changes would be subject to negotiation with the CAO.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Board of Supervisors

FINANCIAL IMPACT

The increase to compensation and increased contribution to deferred compensation will have a fiscal impact which will be partially offset to a degree in future years by the waiver of rights to Longevity Pay.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Following Board approval, the Board Clerk will forward 3 fully executed originals of the Memorandum of Agreement to Human Resources for distribution and administration.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT:

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