

CITY OF LAGUNA HILLS
PUBLIC OFFICIALS' COMPENSATION REPORT
FOR CALENDAR YEAR 2015

February, 2016

The City of Laguna Hills welcomes and encourages public participation and interest in the important decisions associated with governing our City and delivering the services that are most important to our citizens. Crucial to this undertaking is the establishment of a strong public trust. Your elected and appointed leaders are empowered by you, the citizenry, to make decisions that can have a significant impact on the quality of life in this community. That responsibility is taken very seriously. That is why good financial stewardship and transparency with regard to the expenditure of the City's treasury is so important.

CITY COUNCIL COMPENSATION:

City Council members are elected to serve four year terms of office. They are paid a monthly stipend of \$623.66, as authorized under State Law, for the time they contribute to serving their community and fulfilling their constitutional duties. While it is considered a part-time job, there are periods of time when a great many hours must be committed to attending public meetings within the City and also to representing the City of Laguna Hills at events and meetings held by other governmental agencies. Most of these meeting are held during the regular work week and require Council members to take leave from their private, full-time employment.

City Council members, elected prior to 2010, are also required to participate in the City's retirement program with CalPERS. This participation is in-lieu of Social Security, which would otherwise be required under Federal law. The City currently contributes 4.75% of the Council members' 7% contribution to CalPERS, which amounts to \$29.62 monthly. Under the City's 2% at 60 retirement program, if a Council member were to have served twenty years on the City Council and retire at age 60 from City service today, he or she would receive a monthly pension check of about \$250. By law, Council member pensions can only be calculated on the Council member's age, years of service, and monthly stipend. No other forms of compensation or benefits can be used to calculate his or her pension. A Council member elected on or after November 2, 2010, may select an alternative defined benefit contribution retirement plan in

place of CalPERS. If the newly elected Council member chooses this option to supplant the CalPERS program, the City contributes 3.75% of the monthly stipend, which amounts to \$23.39.

In an effort to streamline the land-use planning process and save money, the City Council also sits as the Laguna Hills Planning Agency. Council members do not receive any additional compensation for this service. The full City Council also appoints individual Council members to serve on a variety of regional boards. You can find a complete listing of all appointments at <http://ca-lagunahills.civicplus.com/DocumentCenter/Home/View/351>. For the most part, Council members serve on these governing boards with no additional compensation; however, there are a few governing boards that pay meeting stipends to appointed members to compensate them for their mileage and the amount of time required to effectively serve. The Council members that received meeting stipends in 2015 from the Boards on which they serve are as follows:

Orange County Fire Authority – Don Sedgwick: \$100 meeting stipend (\$300 maximum per month).

Orange County Mosquito & Vector Control District – Barbara Kogerman: \$100 per month maximum.

San Joaquin Transportation Corridor Agency – Melody Carruth: \$120 meeting stipend (maximum of eighteen meetings per quarter).

Southern California Association of Governments (Orange County Council of Government) – Barbara Kogerman: \$120 meeting stipend.

As part-time employees, City Council members and their dependent family members are eligible to participate in the City’s group health plans (medical, dental and vision) along with all other City employees. The following listing is the current breakdown of the monthly health insurance premiums paid by the City of Laguna Hills in 2015 for each member of the City Council:

Andrew Blount:	\$1,760.63 mo.
Melody Carruth:	\$675.64 mo.
Dr. Dore Gilbert:	\$1,440.09 mo.
Barbara Kogerman:	\$113.94 mo.
Don Sedgwick	\$1,760.63

The City does not provide retired Council members with any retiree health coverage, nor are they permitted to purchase their health benefits through the City's group health plan after they retire.

In addition to the monthly stipends, CalPERS contribution, and insurance premiums as stated above, City Council members may be reimbursed for their routine travel and incidental expenses associated with attending training, meetings, or other official business pertaining to the City. This can vary widely from year-to-year depending on the circumstances and demands of City business. On average, the combined cost for all five Council members' business-related travel and meetings ranges from \$5,000 to \$8,000 annually.

You can find an at-a-glance table that details all compensation received by City Council members for calendar year 2015 below:

At-A-Glance Table for City Council Members					
CITY COUNCIL COMPENSATION FOR CALENDAR YEAR 2015					
	Melody Carruth	Don Sedgwick	Barbara Kogerman	Dore Gilbert	Andrew Blount
Annual Stipend	\$7,484	\$7,484	\$7,484	\$7,484	\$7,484
Retirement Plan Contribution	\$384	\$0	\$281	\$281	\$0
Other Governing Boards	\$1,440	\$3,600	\$2,640	\$0	\$0
City-Paid Premiums for:					
Medical Insurance	\$7,316	\$19,030	\$0	\$15,731	\$19,030
Dental Insurance	\$662	\$1,693	\$1,113	\$1,258	\$1,693
Vision Insurance	\$130	\$405	\$255	\$292	\$405
Total Compensation	\$17,415	\$32,211	\$11,772	\$25,046	\$28,611

CITY ORGANIZATION:

The City of Laguna Hills is a General Law City which means that most of the laws we operate under were first established by the State of California. When permitted to do so by the State Constitution, the City may adopt new or more restrictive laws than those already established by the State. Laguna Hills operates under what is known as the Council-Manager form of Government. This form of government is modeled after the traditional corporate business model of a Board of Directors (the City Council) and a Chief Executive Officer (the City Manager). So the role of the City Council is primarily to make policy-level decisions, to adopt the annual budget, and to make land-use decisions and other financial and legislative decisions as required by law. The City Manager's role is to oversee the day-to-day operations of the City, to implement the City's \$48.9 million biennial budget and to implement the laws and policies established by the City Council. The specific enumerated duties of the City Council and the City Manager are set forth in Sections 2-04 and 2-08 of the City of Laguna Hills Municipal Code and

may be viewed by clicking here <http://www.codepublishing.com/CA/LagunaHills/>. Additionally, you can find a copy of the City's organization chart depicting the reporting relationships and primary responsibilities of each department at <http://www.lagunahillsca.gov/DocumentCenter/View/86>.

Laguna Hills has always prided itself in being a streamlined and efficient organization, and while there are only 28 full-time employees, the City's actual total workforce is over 130. These positions are filled with a variety of full-time employees, part-time employees, and contract employees. By design, the City Council and City Manager have chosen to use contracted services whenever advantageous to do so in lieu of hiring City employees to perform the work. This strategy has proven to be a cost-effective approach to providing traditional city services. It has also been proven to be a very effective way to quickly adjust staffing levels to properly reflect the changing demands that are often driven by the economic conditions of a given time period.

The City Manager has a management staff of six professionals who report directly to him. Collectively, they serve as department heads over all City operations. All management salaries are set by the City Council pursuant to authorizing Resolutions adopted at public meetings. The most recent Salary Resolution adopted by the City Council may be viewed by clicking here: <http://www.lagunahillsca.gov/DocumentCenter/View/353>. Salaries are benchmarked against comparable positions in Orange County. The compensation of all management staff, beginning with the City Manager is listed below.

MANAGEMENT STAFF COMPENSATION

CITY MANAGER:

The City Manager, Bruce E. Channing, is appointed by the City Council and serves at their pleasure. His specific powers and duties are established by law in the City of Laguna Hills Municipal Code. His compensation and other related terms of employment are embodied in an Employment Agreement which was last updated and approved in March, 2003, a copy of which may be found at <http://www.lagunahillsca.gov/DocumentCenter/View/350>. The City Manager may be removed from his position upon a majority vote of the City Council at a lawfully noticed public meeting conducted in accordance with the requirements set forth in the Municipal Code and his Employment Agreement.

The City Manager's annual base salary was \$262,169 in 2015. Pursuant to City Council Resolution, he received a 3.5% cost of living adjustment on July 1, 2015. The City Council has established a practice of setting the City Manager's salary at a level commensurate with his professional competence, knowledge, education, length of service, and performance. With his 39 years of local government experience and 24 years of service as Laguna Hills' City Manager,

he is among the longest-tenured City Managers in the County. He has served as President of the Orange County City Managers Association; Chairman of the Orange County Fire Authority, Technical Advisory Committee; is currently International City/County Management Association Regional Vice President; is currently a member of the Board of Directors for the California City Management Foundation; is currently Past President and Department Director of the League of California Cities, City Managers' Department; and is a member of the Board of Directors for Saddleback Memorial Medical Center. He receives no additional compensation for serving on these committees and boards. During his tenure with the City, Mr. Channing has been the recipient of two Distinguished Service Awards for "Program Excellence" from the International City/County Management Association.

The City Manager receives all of the same employee fringe benefits that are afforded to all City employees. That includes, City-paid medical, dental and vision coverage; group life and disability insurance; a defined benefit pension plan through CalPERS (2 % at 60 formula); and a supplemental retirement contribution. The City also contributes toward additional benefits such as Deferred Compensation, Excess Life and Disability Insurance and Retiree Health Savings. The position of City Manager requires the use of an automobile seven days a week, 24 hours a day as he is always on-call to respond to emergencies. The City Manager is the top official in charge of implementing the City's Emergency Operations Plan. The City Council has chosen to supply the City Manager with a vehicle in lieu of a monetary car allowance. The City-owned vehicle (Toyota Sequoia, SUV) is typically replaced on a five-year cycle. The total annual value of all the aforementioned benefits provided to the City Manager for calendar year 2015 is \$108,594. The combined total of all of the above-listed annual compensation items (base salary, incentive pay and benefits) for calendar year 2015 was \$370,762. You can find an at-a-glance table that details all compensation received by the City Manager for calendar year 2015 below:

At-A-Glance Table for City Management						
MANAGEMENT STAFF COMPENSATION FOR CALENDAR YEAR 2015						
City Manager						
Bruce Channing						
Regular Compensation	2015	2014	2013	2012	2011	2010
Base Salary	\$262,169	\$243,785	\$238,157	\$234,994	\$233,592	\$233,592
Management Incentive Plan	\$12,417	\$0	\$0	\$0	\$0	\$0
City-Paid Premiums for:						
Medical Insurance	\$14,632	\$17,685	\$18,035	\$16,229	\$19,232	\$24,374
Dental Insurance	\$1,113	\$1,663	\$1,966	\$1,299	\$1,405	\$1,875
Vision Insurance	\$255	\$380	\$417	\$253	\$294	\$400
Group Life and Disability Insurance	\$1,538	\$1,550	\$1,562	\$1,562	\$1,509	\$1,455
CALPers Contribution ^{1, 3}	\$13,456	\$14,377	\$15,840	\$16,450	\$16,351	\$16,351
Supplemental Retirement Contribution ²	\$17,041	\$15,846	\$15,480	\$15,275	\$15,183	\$15,183
Retiree Health Savings Contribution	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Auto Allowance	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Compensation ³	\$18,000	\$17,500	\$17,500	\$17,000	\$16,500	\$16,500
Taxable Personal Use of City-Owned Vehicle ³	\$3,660	\$3,494	\$8,245	\$8,298	\$8,015	\$8,320
Physical Examination ³	\$0	\$0	\$760	\$0	\$0	\$800
Employee's MediCare Contribution Paid by Employer ³	\$6,041	\$4,178	\$4,580	\$4,194	\$4,430	\$4,469
Excess Life and Disability Insurance Premiums ³	\$14,740	\$14,172	\$13,669	\$13,213	\$12,792	\$12,382
Taxable Personal Toll Road Fees Payment ³	\$700	\$689	\$665	\$607	\$600	\$779
Total Regular Compensation	\$370,762	\$340,319	\$341,877	\$334,372	\$334,903	\$341,481
Other Compensation						
Unused Vacation Buyouts	\$24,297	\$9,575	\$36,657	\$13,593	\$32,143	\$11,230
Unused Sick Leave Buyouts	\$0	\$0	\$0	\$0	\$0	\$0
Retiree Health Savings Contribution from Unused Sick Leave in Excess of 160 Hrs	\$11,462	\$10,152	\$4,551	\$10,781	\$4,492	\$8,535
Value of Additional Vacation Days Granted by Resolution	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Compensation	\$35,759	\$19,726	\$41,208	\$24,374	\$36,635	\$19,765
TOTAL COMPENSATION	\$406,521	\$360,045	\$383,085	\$358,746	\$371,538	\$361,247
¹ As of July 1, 2015, all City employees contribute 2.25% of the 7% employee portion paid to CalPERS.						
² These are 100% funded by the City.						
³ These items are contractually obligated to employee pursuant to employment agreement.						

Mr. Channing graduated from the University of Southern California with a Master's degree in Public Administration. He completed his undergraduate work at the University of California, Santa Barbara, with a degree in Political Science. Prior to coming to Laguna Hills in 1991 as the City's first City Manager, he worked for the cities of Santa Barbara, Santa Monica, Pasadena and Yorba Linda.

ASSISTANT CITY MANAGER/FINANCE DIRECTOR:

The Assistant City Manager, Donald J. White, is appointed by the City Manager and serves at his pleasure. He is an “At-Will” employee under State law. In addition to the traditional duties of an Assistant City Manager, he also functions as the department head for Finance, Budget, Personnel, Risk Management, Economic Development, , and Civic Center leasing operations and property management. Mr. White also serves on the County of Orange Chief Executive Officer’s City-County Management Committee, as Chairman of the Orange County Animal Care’s Financial and Operations Advisory Board, and as Chairman of the Exclusive Risk Management Authority of California, of which the City is a founding member. He receives no additional compensation for serving on these boards.

The Assistant City Manager’s annual base salary was \$221,711 in 2015. Pursuant to City Council Resolution, he received a 3.5% salary benchmark and cost of living adjustment on July 1, 2015. Mr. White also receives additional benefits (retirement, health, disability and life insurances) that had a total annual value for calendar year 2015 of \$62,871. This included the use of a City-owned vehicle (Ford Explorer) in lieu of a monetary car allowance. The combined total of all of the above-listed annual compensation items for 2015 is \$284,581. You can find an at-a-glance table that details all compensation received by the Assistant City Manager for calendar year 2015 below:

Assistant City Manager/Finance Director Donald White						
Regular Compensation	2015	2014	2013	2012	2011	2010
Base Salary	\$221,711	\$206,159	\$199,085	\$194,456	\$193,296	\$193,926
Management Incentive Plan	\$0	\$0	\$0	\$0	\$0	\$12,564
City-Paid Premiums for:						
Medical Insurance	\$17,198	\$18,393	\$18,035	\$16,229	\$16,294	\$19,988
Dental Insurance	\$1,451	\$1,764	\$1,966	\$1,299	\$1,927	\$2,481
Vision Insurance	\$342	\$405	\$417	\$253	\$396	\$517
Group Life and Disability Insurance	\$1,538	\$1,550	\$1,550	\$1,530	\$1,432	\$1,341
CALPers Contribution ^{1, 3}	\$11,379	\$12,158	\$13,234	\$13,612	\$13,531	\$14,410
Supplemental Retirement Contribution ²	\$14,411	\$13,400	\$12,941	\$12,640	\$12,564	\$12,564
Retiree Health Savings Contribution	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Auto Allowance	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Compensation ³	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Taxable Personal Use of City-Owned Vehicle ³	\$1,551	\$1,725	\$832	\$791	\$941	\$903
Physical Examination ³	\$0	\$0	\$0	\$1,000	\$0	\$0
Employee's MediCare Contribution Paid by Employer	\$0	\$0	\$0	\$0	\$0	\$0
Excess Life and Disability Insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0
Taxable Personal Toll Road Fees Payment	\$0	\$0	\$0	\$0	\$0	\$0
Total Regular Compensation	\$284,581	\$270,555	\$263,059	\$256,808	\$255,380	\$273,694
Other Compensation						
Unused Vacation Buyouts	\$8,077	\$13,267	\$15,062	\$8,578	\$19,158	\$22,818
Unused Sick Leave Buyouts	\$0	\$0	\$0	\$0	\$0	\$0
Retiree Health Savings Contribution from Unused Sick Leave in Excess of 160 Hrs	\$2,423	\$7,804	\$5,272	\$372	\$3,717	\$5,948
Value of Additional Vacation Days Granted by Resolution	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Compensation	\$10,500	\$21,071	\$20,334	\$8,949	\$22,875	\$28,766
TOTAL COMPENSATION	\$295,081	\$291,625	\$283,393	\$265,758	\$278,255	\$302,460
¹ As of July 1, 2015, all City employees contribute 2.25% of the 7% employee portion paid to CalPERS.						
² These are 100% funded by the City.						
³ These items are contractually obligated to employee pursuant to employment agreement.						

Mr. White graduated from Whittier College, CA, with a degree in Business Administration. Prior to coming to Laguna Hills in December of 1991, he served for eleven years in various capacities with the City of La Mirada, including Assistant to the City Manager and Director of Economic Development. During the course of his employment with the City, Mr. White has been the recipient of numerous awards for financial reporting and budgeting from the Government Finance Officers Association of the United States and Canada.

DIRECTOR OF PUBLIC SERVICES:

The Director of Public Services, Kenneth H. Rosenfield, is appointed by the City Manager and serves at his pleasure. He is an "At-Will" employee under State law. In addition to the traditional duties of a Director of Public Services, he also serves the City as the City Engineer,

the City Traffic Engineer, the Parks Director and the Street Superintendent. Mr. Rosenfield directs the functions of the Engineering Department, Public Works Department, Parks Department and Capital Improvement Administration, and is the principal staff for the City's Traffic Commission. He also serves as a voting member of the Orange County Transportation Authority Technical Steering Committee. He receives no additional compensation for serving on this committee. In 2008-09, Mr. Rosenfield served as President of the Orange County branch of the American Society of Civil Engineers. In 2003, he served as President of the City Engineers Association of Orange County.

The Director of Public Services' annual base salary was \$200,539 in 2015. Pursuant to City Council Resolution, he received a 3.5% salary benchmark and cost of living adjustment on July 1, 2015. Mr. Rosenfield also receives additional benefits (retirement, health, disability and life insurances, auto allowance) that had a total annual value for calendar year 2015 of \$58,754. The combined total of all of the above-listed annual compensation items for 2015 is \$259,293. You can find an at-a-glance table that details all compensation received by the Director of Public Services for calendar year 2015 below:

Director of Public Services						
Kenneth Rosenfield						
Regular Compensation	2015	2014	2013	2012	2011	2010
Base Salary	\$200,539	\$186,478	\$177,271	\$170,710	\$169,692	\$169,692
Management Incentive Plan	\$0	\$0	\$0	\$0	\$0	\$10,182
City-Paid Premiums for:						
Medical Insurance	\$19,030	\$18,393	\$19,465	\$18,381	\$19,776	\$20,957
Dental Insurance	\$1,693	\$1,764	\$1,966	\$1,962	\$2,265	\$2,481
Vision Insurance	\$405	\$405	\$417	\$403	\$473	\$517
Group Life and Disability Insurance	\$1,498	\$1,471	\$1,428	\$1,386	\$1,326	\$1,274
CALPers Contribution ¹	\$10,293	\$10,998	\$11,774	\$11,950	\$11,878	\$12,591
Supplemental Retirement Contribution ²	\$13,035	\$12,121	\$11,523	\$11,096	\$11,030	\$11,030
Retiree Health Savings Contribution	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Auto Allowance	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800
Deferred Compensation	\$0	\$0	\$0	\$0	\$0	\$0
Taxable Personal Use of City-Owned Vehicle	\$0	\$0	\$0	\$0	\$0	\$0
Physical Examination	\$0	\$0	\$0	\$0	\$0	\$0
Employee's MediCare Contribution Paid by Employer	\$0	\$0	\$0	\$0	\$0	\$0
Excess Life and Disability Insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0
Taxable Personal Toll Road Fees Payment	\$0	\$0	\$0	\$0	\$0	\$0
Total Regular Compensation	\$259,293	\$244,430	\$236,643	\$228,688	\$229,241	\$241,524
Other Compensation						
Unused Vacation Buyouts	\$0	\$0	\$0	\$0	\$0	\$0
Unused Sick Leave Buyouts	\$0	\$0	\$0	\$0	\$0	\$0
Retiree Health Savings Contribution from Unused Sick Leave in Excess of 160 Hrs	\$8,767	\$8,471	\$7,934	\$7,832	\$7,832	\$7,832
Value of Additional Vacation Days Granted by Resolution	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Compensation	\$8,767	\$8,471	\$7,934	\$7,832	\$7,832	\$7,832
TOTAL COMPENSATION	\$268,060	\$252,901	\$244,577	\$236,520	\$237,072	\$249,356
¹ As of July 1, 2015, all City employees contribute 2.25% of the 7% employee portion paid to CalPERS.						
² These are 100% funded by the City.						

Mr. Rosenfield graduated from the University of California, Irvine, with a Bachelor of Science degree in Civil and Environmental Engineering. He subsequently earned a Master's in Business Administration degree from the University of California, Riverside. He is a licensed Civil Engineer in the State of California. Prior to becoming a City employee of Laguna Hills in July 1995, he served a variety of other public agencies for seventeen years as City Engineer, and he worked in other positions through both private and public employment.

COMMUNITY DEVELOPMENT DIRECTOR:

The Community Development Director, David Chantarangsu, is appointed by the City Manager and serves at his pleasure. He is an “At-Will” employee under State law. As the Community Development Director, he oversees the Planning, Building, Code Enforcement, and Receptionist functions for the City of Laguna Hills. He is the principal staff for the City’s Planning Agency. Mr. Chantarangsu joined the City on December 26, 2011.

The Community Development Director’s annual base salary was \$172,208 in 2015. Pursuant to City Council Resolution, he received a 3.5% salary benchmark and cost-of-living adjustment on July 1, 2015. Mr. Chantarangsu also receives additional benefits (retirement, health, disability and life insurances, auto allowance) that had a total annual value for calendar year 2015 of \$49,681. The combined total of all of the above-listed annual compensation items for 2015 is \$221,889. You can find an at-a-glance table that details all compensation received by the Community Development Director for calendar year 2015 below:

At-A-Glance Table for City Management

MANAGEMENT STAFF COMPENSATION FOR CALENDAR YEAR 2015					
Community Development Director					
David Chantarangsu					
Regular Compensation	2015	2014	2013	2012	
Base Salary	\$172,208	\$156,589	\$148,357	\$131,456	
Management Incentive Plan	\$0	\$0	\$0	\$0	
City-Paid Premiums for:					
Medical Insurance	\$19,030	\$18,393	\$19,465	\$18,381	
Dental Insurance	\$1,693	\$1,764	\$1,966	\$1,962	
Vision Insurance	\$405	\$405	\$417	\$403	
Group Life and Disability Insurance	\$1,335	\$1,293	\$1,243	\$1,167	
CALPers Contribution ¹	\$8,824	\$9,235	\$9,852	\$9,202	
Supplemental Retirement Contribution ²	\$11,194	\$10,178	\$9,643	\$8,545	
Retiree Health Savings Contribution	\$0	\$0	\$0	\$0	
Auto Allowance	\$7,200	\$7,200	\$6,600	\$6,000	
Deferred Compensation	\$0	\$0	\$0	\$0	
Taxable Personal Use of City-Owned Vehicle	\$0	\$0	\$0	\$0	
Physical Examination	\$0	\$0	\$0	\$0	
Employee's MediCare Contribution Paid by Employer	\$0	\$0	\$0	\$0	
Excess Life and Disability Insurance Premiums	\$0	\$0	\$0	\$0	
Taxable Personal Toll Road Fees Payment	\$0	\$0	\$0	\$0	
Total Regular Compensation	\$221,889	\$205,056	\$197,543	\$177,116	
Other Compensation					
*** Unused Vacation Buyouts	\$0	\$0	\$0	\$0	
Unused Sick Leave Buyouts	\$0	\$0	\$0	\$0	
**** Retiree Health Savings Contribution from Unused Sick					
Leave in Excess of 160 Hrs	\$0	\$0	\$0	\$0	
Value of Additional Vacation Days Granted by Resolution	\$0	\$0	\$0	\$0	
Total Other Compensation	\$0	\$0	\$0	\$0	
TOTAL COMPENSATION	\$221,889	\$205,056	\$197,543	\$177,116	
¹ As of July 1, 2015, all City employees contribute 2.25% of the 7% employee portion paid to CalPERS.					
² These are 100% funded by the City.					

Mr. Chantarangsu earned a Bachelor of Science degree from California State Polytechnic University Pomona, CA. Prior to coming to Laguna Hills in December 2011, he served for 21 years in the City of Glendora in various planning and redevelopment capacities, ultimately being appointed Assistant Director of Planning.

CHIEF OF POLICE SERVICES

The Chief of Police Services, Lt. Roland Chacon, is selected by the City Manager. He is an employee of the Orange County Sheriff's Department. In addition to the traditional duties of a Police Chief, he also oversees Animal Care Services and Emergency Management. As an employee of the Sheriff's Department, Lt. Chacon does not receive any compensation directly from the City. The cost of his position is paid for under the City's contract with the Sheriff. For the current fiscal year, that annual cost to the City is \$319,245. In 2014, it was \$310,751.

DEPUTY CITY MANAGER/DIRECTOR OF COMMUNITY SERVICES:

The Deputy City Manager, David Reynolds, is appointed by the City Manager and serves at his pleasure. He is an "At-Will" employee under State law. The Deputy City Manager is the department head of the Community Services Department and is responsible for the management of the 18-acre Laguna Hills Community Center and Sports Complex. In addition, the Deputy City Manager is responsible for the administration of the City's waste and recycling franchise agreement with CR&R, and also oversees the City's Information Technology Department. Mr. Reynolds is also the principal staff support assigned to the City's Parks and Recreation Commission.

The Deputy City Manager's annual base salary was \$167,962 in 2015. Pursuant to City Council Resolution, he received a 3.5% salary benchmark and cost-of-living adjustment on July 1, 2015. Mr. Reynolds also receives additional benefits (retirement, health, disability and life insurances) that had a total annual value in calendar year 2015 of \$46,979. The combined total of all of the above-listed annual compensation items for 2015 was \$214,492. You can find an at-a-glance table that details all compensation received by the Deputy City Manager for calendar year 2015 below:

Deputy City Manager/Director of Community Services						
David Reynolds						
Regular Compensation	2015	2014	2013	2012	2011	2010
Base Salary	\$167,962	\$156,181	\$145,115	\$136,788	\$132,483	\$128,023
Management Incentive Plan	\$0	\$0	\$0	\$0	\$0	\$6,475
City-Paid Premiums for:						
Medical Insurance	\$19,030	\$18,393	\$19,465	\$18,381	\$17,100	\$17,769
Dental Insurance	\$1,693	\$1,764	\$1,966	\$1,962	\$2,265	\$2,481
Vision Insurance	\$405	\$405	\$417	\$403	\$473	\$517
Group Life and Disability Insurance	\$1,313	\$1,290	\$1,234	\$1,180	\$1,155	\$1,099
CALPers Contribution ¹	\$8,621	\$9,211	\$9,626	\$9,575	\$9,274	\$9,415
Supplemental Retirement Contribution ²	\$10,918	\$10,152	\$9,432	\$8,891	\$8,611	\$8,321
Retiree Health Savings Contribution	\$5,000	\$5,000	\$5,000	\$0	\$0	\$0
Auto Allowance	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Compensation	\$0	\$0	\$0	\$0	\$0	\$0
Taxable Personal Use of City-Owned Vehicle	\$0	\$0	\$0	\$0	\$0	\$0
Physical Examination	\$0	\$0	\$0	\$0	\$0	\$0
Employee's MediCare Contribution Paid by Employer	\$0	\$0	\$0	\$0	\$0	\$0
Excess Life and Disability Insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0
Taxable Personal Toll Road Fees Payment	\$0	\$0	\$0	\$0	\$0	\$0
Total Regular Compensation	\$214,942	\$202,395	\$192,256	\$177,181	\$171,361	\$174,100
Other Compensation						
Unused Vacation Buyouts	\$0	\$0	\$0	\$0	\$0	\$0
Unused Sick Leave Buyouts	\$0	\$0	\$0	\$0	\$0	\$0
Retiree Health Savings Contribution from Unused Sick Leave in Excess of 160 Hrs ³	\$0	\$0	\$38,044	\$0	\$0	\$0
Value of Additional Vacation Days Granted by Resolution	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Compensation	\$0	\$0	\$38,044	\$0	\$0	\$0
TOTAL COMPENSATION	\$214,942	\$202,395	\$230,300	\$177,181	\$171,361	\$174,100
¹ As of July 1, 2015, all City employees contribute 2.25% of the 7% employee portion paid to CalPERS.						
² These are 100% funded by the City.						
³ Employee became eligible in 2013 on 10th year employment anniversary.						

Mr. Reynolds graduated from California State University, Fullerton, with a degree in Liberal Arts and a minor in Environmental Science. He also has a Project Management certification from the University of California, Irvine. Prior to coming to Laguna Hills in February 2003, he worked in the private sector for eight years in information technology at Thomas Bros. Maps and for an information technology outsourcing firm, Affiliated Computer Services (ACS). Mr. Reynolds' six years with ACS provided him an opportunity to work in several local cities including Irvine, Lake Forest, Pomona, and Chino. His last position with ACS was to serve as the Director of Information Technology for the City of Pomona.

ASSISTANT TO THE CITY MANAGER/CITY CLERK:

The Assistant to the City Manager/City Clerk, Melissa Au-Yeung, is appointed by the City Manager and serves at his pleasure. She is an “At-Will” employee under State Law. Ms. Au-Yeung oversees the City Clerk Services for the City, which includes the Municipal Code, Records Management, Elections, and Public Records Requests, and is responsible for the administration of the Public Information, CDBG, and Franchise Administration functions. Ms. Au-Yeung is the newest member of the City’s management staff, having been promoted from Senior Management Analyst in April 2015.

The Assistant to the City Manager/City Clerk’s annual base salary was \$124,560 in 2015. Pursuant to City Council Resolution, she received an 3.5% salary benchmark and cost-of-living adjustment on July 1, 2015. Ms. Au-Yeung also receives additional benefits (retirement, health, disability and life insurances, auto allowance) that had a total annual value for calendar year 2015 of \$38,117. The combined total of all of the above-listed annual compensation items for 2015 is \$162,677. You can find an at-a-glance table that details all compensation received by the Assistant to the City Manager/City Clerk for calendar year 2015 below:

At-A-Glance Table for City Management		
MANAGEMENT STAFF COMPENSATION FOR CALENDAR YEAR 2015		
Assistant to the City Manager/City Clerk		
Melissa Au-Yeung		
Regular Compensation		<u>2015</u>
Base Salary		\$124,560
Management Incentive Plan		\$0
City-Paid Premiums for:		
Medical Insurance		\$19,030
Dental Insurance		\$1,693
Vision Insurance		\$405
Group Life and Disability Insurance		\$1,037
CALPers Contribution ¹		\$6,158
Supplemental Retirement Contribution ²		\$5,744
Retiree Health Savings Contribution		\$0
Auto Allowance		\$4,050
Deferred Compensation		\$0
Taxable Personal Use of City-Owned Vehicle		\$0
Physical Examination		\$0
Employee's MediCare Contribution Paid by Employer		\$0
Excess Life and Disability Insurance Premiums		\$0
Taxable Personal Toll Road Fees Payment		\$0
	Total Regular Compensation	<u>\$162,677</u>
Other Compensation		
Unused Vacation Buyouts		\$1,329
Unused Sick Leave Buyouts		\$0
Retiree Health Savings Contribution from Unused Sick Leave in Excess of 160 Hrs ³		\$0
Value of Additional Vacation Days Granted by Resolution		\$0
	Total Other Compensation	<u>\$1,329</u>
	TOTAL COMPENSATION	<u>\$164,006</u>
¹ As of July 1, 2015, all City employees contribute 2.25% of the 7% employee portion paid to CalPERS.		
² These are 100% funded by the City.		

Ms. Au-Yeung graduated from California State University, Fullerton, with a Master's degree in Public Administration. She completed her undergraduate work at Vanguard University, with degrees in English and History/Political Science. Prior to coming to Laguna Hills in June 2008, she worked for the cities of Burbank and Pico Rivera.

California Public Employees Retirement System (CalPERS)

After incorporation in 1991, the City joined CalPERS in 1992. Today, of the 480 cities in California, 449 are members of CalPERS. CalPERS offers a wide array of defined benefit pension plans, generally described by one of the following formulas:

- 2.0% at the age of 60
- 2.0% at the age of 55
- 2.5% at the age of 55
- 2.7% at the age of 55
- 3.0% at the age of 60

Laguna Hills is the only city in Orange County that retained the more conservative and sustainable 2.0% at 60 formula. In Orange County, there are 15 cities that at one time or another have provided or still provide the 2% at 55 pension plan. Another 17 cities offered the more lucrative 2.5% or 2.7% at 55 formulas. These more lucrative 2.5% or 2.7% formulas serve to enhance pension benefits by 20% to 26% over and above the City of Laguna Hills' pension plan. Since January 1, 2013, pursuant to State law, all new employees who have not been a part of a public employee pension plan in the previous six months are under a 2% at 62 formula. It should also be noted that in Laguna Hills the only compensation that can be legally used to calculate an employee's retirement pension is base salary, plus performance based incentive pay. No other benefits, including vacation buy-outs, can be used to enhance an employee's pension.

There are two components of the City's contributions to CalPERS. The first is the employee's individual contribution rate, which is fixed at 7%. Beginning on July 1, 2015, the City pays 4.75% of this portion on the employee's behalf and this amount is included in the total compensation figures listed above. The second component of the City's CalPERS contribution is the employer rate. For Laguna Hills, the rate this year is 10.238%. The City's employer contributions are considered an asset of the City and not of its employees. For this reason, it is not considered employee compensation.

Retiree Health Savings Plan

It is a common practice for governmental agencies to provide retiree health insurance coverage to their employees. Over ten years ago, the City evaluated the provision of this benefit to its employees. The analysis showed that it was just too expensive. As a cost-effective alternative, the City evaluated a Retiree Health Savings (RHS) plan for long-time employees. This type of plan functions like a defined contribution 401k plan. After ten years of full-time employment, employees are enrolled in the City's RHS plan and the City starts contributing \$5,000 annually while the employee is employed by the City. This amount is

included in the management compensation reported above and only for those management employees who have reached the ten-year anniversary mark. In addition, any unused sick leave over 160 hours is bought out by the City and deposited in the employee's RHS account. Since this amount can vary widely from year-to-year, it is not included in management compensation reported above, but is listed under "Other Compensation" in the at-a-glance tables. The employee may use these contributions to help defray medical expenses in retirement. When the employee retires, or exits employment with the City, the City has no post-employment benefit obligation. The City Council does not participate in this plan.

Vacation Buy-out

City employees accrue vacation leave at various levels depending on years of service. State law requires that employees be compensated for unused vacation leave when they exit employment with the City. It is a recommended best management practice to limit the amount of vacation leave that an employee may accumulate. In Laguna Hills, the maximum number of hours that an employee may carry-over from one year to the next is 320 hours. If at the end of a given fiscal year, an employee has an excess of 320 hours of vacation, the City buys out all vacation leave in excess of the 320 hours. The City encourages all employees to reduce their unused leave balances each year to 160 hours or less. This practice allows the City to avoid the accumulation of large unfunded liabilities. Employees are thereby allowed to cash out vacation leave in excess of 80 hours. To the extent that an employee has his or her vacation bought out by the City, or if it is cashed out by the employee, it is taxable compensation. And, as stated above, it is illegal to include vacation buy-outs when an employee's pension is calculated. Since vacation buy-outs vary significantly from year-to-year, these amounts are treated by the City as special, one-time occurrences and are not included in the regular, recurring compensation of management staff listed above, but is listed under "Other Compensation" in the at-a-glance tables. City Council members do not receive vacation, or any other types of leave.