Bi-Partisan Bill Package Introduced August 17th in Response to City of Bell Financial Scandal

Highlights of the reform package include:

- **AB 1955 (De La Torre) Local Government: Compensation**

  Requires the Attorney General to determine whether a charter city is an excess compensation city (any one over the existing law compensation levels for general law cities). If after a hearing the AG determines that the city is an excess compensation city then the city would be prohibited from amending an old or approving a new redevelopment plan or issuing any new debt until the issue is resolved. The bill also requires that a city council person pay 50% personal income tax on any compensation received in excess of the existing law thresholds for general law city, if the charter city is found to be an excess compensation city. These provisions only apply to charter cities and exclude any full-time city council or independently elected mayor position. The bill also amends the Brown Act to require all contracts of employees who report directly to the legislative body to be approved in open session and requires that the contents of the compensation contract be posted on the local agency's website 7 days prior to it being ratified in an open session.

- **AB 827 (De La Torre) Local Public Employees Enrolled/To Governor**

  Would prevent "evergreening" clauses (no automatic renewal) in the contracts of unrepresented individuals who report directly to a legislative body of a local agency, prohibit automatic salary increases in these contracts, unless it is a cost-of-living adjustment, without the vote of a legislative body, and prohibit severance payments of greater than 12 months' salary for these non-represented employees. The measure would also require a performance review to occur prior to increasing the salary, beyond a COLA, of an unrepresented individual who reports directly to the legislative body of a local agency.

- **AB 2064 (Huber) State and Local Government—Salary Disclosure**

  Requires each house of the Legislature to annually post on its official Internet Web site the annual salary for all Legislators and all Legislative employees. Requires all constitutional officers to annually post on their official Internet Web site the annual salary for the constitutional officer, any appointed or exempt deputies, and any appointed or exempt employees. Requires each general law or charter city, county, city and county, special district, school district, and JPA to annually post on its official Internet Web site the annual salary received from the local governmental entity by each elected or appointed official, and designated employees.

- **AB 192 (Gatto) Public Retirement benefits: Excess Salaries**

  Would require a city, which seeks to lure a municipal employee from another city by offering an exorbitant raise, to pay for the higher pension payments that come with the raise. Under current law, the city where that employee worked for the majority of his or her career has to pay the pension at the level set by whatever city hires the employee. AB 192 would require that any city offering an employee greater than a 15% raise to pay for the associated difference in pension benefits.

- **SB 501 (Correa) Local Government: Compensation Disclosure**

  Requires each officer or designated employee of a county, city, city and county, school district, special district, or joint powers agency (JPA), to annually file a compensation disclosure form that provides compensation information for the proceeding year. Defines "designated employee" and "officer" as a designated employee or an elected or appointed officer of a county, city, city and county, school district, special district, or JPA who is required to file a statement of economic interest pursuant to existing law.

- **AB 194 (Torrico) Retirement: Local Employees Enrolled/To Governor**

  Not withstanding any other law, for the purposes of determining a retirement benefit paid to a person who first becomes a member of a public retirement system on or after January 1, 2011, the maximum salary or pay rate upon which retirement benefits shall be based shall not exceed 125 percent of the salary recommended to by paid to the Governor of the State of California by the California Citizens Compensation Commission effective December 7, 2009. This amount shall be adjusted annually based on changes in the All Urban California Consumer Price Index.