



March 4, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Adopt Executive-Level Salary Ranges to Satisfy a California Public Employees' Retirement System Requirement

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is written over the "From:" line of the memo.

Overview

Executive-level salary ranges for fiscal years 2018-19 through 2023-24 are needed to satisfy a requirement of the California Public Employees' Retirement System for a publicly available pay schedule that has been adopted by the Board of Directors. This action will support Orange County Transportation Authority employees who are covered under this plan.

Recommendation

Adopt executive-level salary ranges for fiscal years 2018-19 through 2023-24 (July 1, 2018 through June 30, 2024).

Background

The Orange County Transportation Authority (OCTA) was formed in 1991, combining the seven separate Orange County agencies that managed transportation planning and programs. While most of the employees within each of these agencies were covered under the Orange County Employees Retirement System (OCERS), employees from one of the agencies were covered under the California Public Employees' Retirement System (CalPERS). Those employees were grandfathered into the CalPERS system. OCTA has one remaining employee covered exclusively under CalPERS who plans to retire on March 24, 2024. In addition, OCTA has employees who have worked at other public agencies so they will have a blended retirement with CalPERS and OCERS.

OCTA's Personnel and Salary Resolution (PSR), which is approved annually by the Board of Directors (Board) along with the annual budget, provides salary ranges for each administrative position, except for "executive" positions.

Executive positions are clearly defined in the Board-approved PSR and include Chief Executive Officer (CEO), Deputy CEO, Chief Operating Officer, Chief Financial Officer, Executive Director, Director, and General Manager. Additionally, the PSR clearly states in Section 5.2 that the Board has delegated the authority to establish salaries for "executive employees" to the CEO. The PSR is supported by numerous Human Resources policies that serve as the cornerstone of OCTA's organizational structure. They outline the meticulous analysis process utilized in establishing all salary parameters, a process consistently applied across the organization, including executive positions. Further, in an effort to be transparent, all executive employee salaries are available on the OCTA website.

During the process of providing information and documentation to CalPERS for the last covered executive employee, CalPERS staff cited California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule, which became effective in 2011. In essence, this regulation requires salary ranges to be approved by each agency's governing body for every employee. While OCTA has had many executive-level employees retire from OCERS in the past without incident based on the information in the PSR that is annually approved by the Board, CalPERS is requiring more specific information for the last remaining employee at OCTA covered exclusively under CalPERS.

In an effort to fulfill this requirement and to support any future CalPERS-covered executive employees, staff is requesting that the Board approve the salary ranges on Attachment A, for fiscal years 2018-19 through 2023-24. The timeframe of those fiscal years will validate compensation for the pending retiree. The salary ranges on Attachment A are inclusive of all executives, except the CEO, and are based on the lowest and highest paid executives in those years. The CEO is not included in the attached salary ranges since the CEO has an employment contract that is separately approved by the Board.

There is no financial impact to this request.

Summary

Staff proposes that the Board adopt executive-level salary ranges for fiscal years 2018-19 through 2023-24, in order to satisfy a requirement of CalPERS. This action will support OCTA's last remaining CalPERS-covered executive employee who plans to retire on March 24, 2024.

Attachment

- A. Orange County Transportation Authority Executive Salary Ranges, Fiscal Year 2018-19 to 2023-24

Prepared by:



Karen DeCrescenzo
Manager, Human Resources
714-560-5547

Approved by:



Maggie McJilton
Executive Director, People and
Community Engagement
714-560-5824