

City of San Marino

Financial Reporting and Transparency

The City of San Marino is committed to reporting its financial activities to residents in a timely and transparent manner. This document describes the City's budgeting and financial reporting processes and provides compensation information.

The Annual Budget is developed in meetings open to the public. The budget applicable to the upcoming fiscal year is annually adopted by the end of June. The adopted Annual Budget is posted to the City's website by the end of July of the fiscal year.

The Finance Director presents monthly financial reports to the City Council for review and discussion at meetings open to the public. In addition, at such meetings monthly disbursement reports are presented to the City Council for review and discussion.

The City Council engages a registered independent accounting firm to conduct an examination of the City's annual financial statements. The City Council meets with the independent accountants in a public meeting to discuss the financial statements and their audit report. The independent accountants are available to respond to appropriate questions from the public. The annual financial statements and the auditor's report are available to the public for review on the City's website and at City Hall. Copies will be provided upon payment of a copying fee. The City website is www.cityofsanmarino.org.

The City Council has adopted disclosure policies relating to remuneration and compensation somewhat similar to disclosures required of public stock companies. However, compensation practices for the City of San Marino, as a government entity, are considerably different from practices in a public stock company where bonuses, stock incentives, stock options and other long-term incentive awards are a common part of compensation plans. The City's objective is to attract and retain the best talent available to manage the City, given its size, by offering attractive and competitive salaries and benefits.

City Council Compensation and Fees

Members of the City Council, including the Mayor, receive no compensation or fees for services to the City. They are reimbursed for expenses directly related to City businesses (such expenses are normally minor).

As required by State law, Members of the City Council annually file a Statement of Economic Interests (California Form 700). The Statements are available for review at City Hall. Copies will be provided upon payment of a copying fee.

The Mayor and Vice Mayor, by statute, serve as the City's representative on the boards of various regional boards. A couple of these boards pay attendees a nominal fee (usually \$50) for attendance at meetings.

The City Council advertises for residents who are interested in serving on various City boards, commissions and committees, such as the Planning Commission, Design Review Committee, Recreation Commission, Traffic Commission, Library Board of Trustees, and others. Interested applicants are interviewed by two members of the City Council who make recommendations to the full Council for appointment. Appointees serve at the pleasure of the Council, but may not serve more than two terms. Those serving receive no compensation or fees for services.

Management Salary and Benefits Schedule and Employee Memoranda of Understanding

Compensation of City employees is governed by a Management Salary and Benefits Schedule and Memoranda of Understandings (MOU) with various employee groups. Such agreements have the following terms:

- A Management Salary and Benefits Schedule, covering executive managers, was scheduled to expire on June 30, 2011; however, it was extended to June 30, 2012, with no increase in compensation for the additional year in recognition of the struggling economy. All employees listed below in the **Summary Compensation Information** are covered by the Management Salary and Benefits Schedule. The City also has a Supervisory/Confidential Employees Salary and Benefits Schedule that was extended one year to June 30, 2012, in the same manner (i.e., at no increase in compensation for the additional year).
- A MOU with the San Marino City Employees' Association, representing general employees, was scheduled to expire on July 3, 2011; however, it was extended to June 30, 2012, with no increase in compensation for the additional year in recognition of the struggling economy.
- A MOU with the San Marino Police Officers' Association, representing employees of the Police Department, was scheduled to expire on June 30, 2011; however, it was extended to June 30, 2012, with no increase in compensation for the additional year in recognition of the struggling economy.
- An MOU with the San Marino Firefighters' Association, representing employees of the Fire Department, was scheduled to expire on December 31, 2011; however, it was extended to December 31, 2012, with no increase in compensation for the additional year in recognition of the struggling economy.

Summary Compensation Information

The table below sets forth summary compensation information for each of the last three fiscal years (years ending on June 30) for the City's executive managers who were serving in such capacities on June 30, 2011.

	FY	Salary	(1) Defined Benefit Retirement Plan	Defined Contribution Retirement Plan	Total
Matt Ballantyne City Manager	2011	192,096	13,447	18,726	224,269
	2010	192,096	13,447	18,726	224,269
	2009	192,096	13,447	18,766	224,309
Cindy Collins (2) Assistant City Manager	2011	127,368	8,916		136,284
	2010	127,368	8,916		136,284
	2009	124,872	8,741		133,613
Lisa Bailey Finance Director	2011	144,732	10,131		154,863
	2010	144,732	10,131		154,863
	2009	141,900	9,933		151,833
John Schaefer (3) Public Safety Director	2011	86,778	-		86,778
	2010	160,668	14,460		175,128
	2009	157,512	14,176		171,688
Dave Saldaña Planning & Building Director	2011	128,940	9,026		137,966
	2010	128,940	9,026		137,966
	2009	126,408	8,849		135,257
Lucy Garcia Community Services Director	2011	114,700	8,029		122,729
	2010	111,900	7,833		119,733
	2009	103,608	7,253		110,861

(1) All full time employees, including executive managers, participate in the Public Employees Retirement System (P.E.R.S.) and are eligible for benefits after a minimum of five years of full-time employment with the City. Contributions to P.E.R.S. are in part the responsibility of the City (averaging approximately 17% of salaries) and in part the employees (7% to 9% of salary). The City, as additional compensation to employees, pays the full amount of the employee's contribution. The amounts shown above do not include the PERS contribution that is the responsibility of the city.

(2) Ms. Collins works 88% of a full-time schedule.

(3) Beginning July 1, 2010 Mr. Schaefer works 46% of a full-time schedule.

Benefit Plans – In order to attract and retain employees while paying competitive levels of base salaries, the City also provides executive managers, as well as other employees, the following benefits and perquisites.

Medical Insurance and Floating Fringe Benefit Pool (FFBP) – The City provides to all employees medical insurance allotment under the P.E.R.S. medical program, and FFBP benefits. The FFBP allotment allows employees to purchase life, dental and disability insurance. The City's monthly contributions under the medical and FFBP programs for various categories of employees is as follows:

Management employees - \$275 medical; \$480 FFBP (except fire personnel at \$200 and \$555, respectively)

Supervisory/confidential employees - \$175 medical; \$493 FFBP

General employees - \$200 medical; \$300 FFBP

Police employees - \$275 medical; \$480 FFBP

Fire employees - \$200 medical; \$500 FFBP

Post Retirement Benefits – After retirement, all employees are eligible for payment of post retirement medical benefits for life. Such benefits are limited to \$175 to \$275 per month per retired employee.

Post retirement benefits are expensed in the City's financial statements as paid. See Note 8 to the City's audited annual financial statements for a description of the actuarial present value of post retirement benefits.

Housing Allowances and Relocation Costs – Generally, the City does not pay such costs and none of the executive managers or other employees currently receives such benefits.

Other – The City makes available other perquisites or fringe benefits to certain executive managers, such as professional society and community dues and fees, and food reimbursement incidental to official City-related activities or use of City official vehicles. The City Manager receives \$600 per month for auto allowance. Also, all employees are granted benefits such as sick leave, bereavement leave, and vacation leave as are generally standard with governmental entities in the area. Employees are allowed to cash out certain unused leaves periodically.

Severance Benefits – With the exception of the City Manager, the City has no agreements to provide severance benefits to employees. The agreement with Mr. Ballantyne provides for the payment of one year of salary compensation in the event of his being involuntarily terminated by the Council for any reason, except for cause as defined in the agreement. The California Joint Powers Insurance Authority provides an additional six month unemployment benefit in the event the City Manager is not gainfully employed following the one year separation.