

Pension board to vote on raises

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At the same time many Contra Costa public employees anticipate more pay and benefit cuts, the managers of their pension system want raises for three top executives and a pass from cuts for the rest of their staff.

The Contra Costa County Employees Retirement Pension Board is expected to vote Wednesday on a 4 percent raise for Chief Executive Officer Marilyn Leedom, and 6 percent hikes each for Chief Investment Officer Cary Hally and General Counsel Karen Levy.

Leedom is also seeking direction from the board on whether the pension agency's 40 employees should suffer the same cuts as other county employees or seek a side agreement to maintain salary and benefit levels.

The retirement system, which manages the pensions of 17 public agencies and roughly 18,500 current and past workers, is an independent entity whose trustees are free to set the pay and benefits of its employees.

But county unions represent some of retirement system workers. Contra Costa County, looking at a \$50 million budget deficit next year, is negotiating with its employee unions for up to 5 percent in pay cuts and higher worker contribution to pension costs. Nonrepresented employees are likely to have the same hits.

Leedom said it will be up to the board to decide how it wants to proceed but stressed that her agency is already running lean compared with other comparably sized retirement systems and salaries have lagged for several years.

"My job is to make sure I can retain highly trained individuals and make sure we are fiduciarily responsible for the retirement system," Leedom said. "But we are falling further and further behind in our salaries at the same time we are becoming a more and more complex system."

Board member and Contra Costa County Supervisor John Gioia questions whether awarding raises and exempting even a relatively small staff from budget cuts is the right decision.

"We certainly want to pay fair compensation but this sends the wrong message," said Gioia. "Nearly every agency in the system is experiencing cutbacks. This is the wrong time."

It cost an estimated \$7.35 million last year to run the \$5 billion pension system. The money comes from member contributions and investment earnings. Salaries, benefits and retirement costs consumed about 66 percent of the budget, or \$4.8 million.

The governing board comprises nine voting trustees including Gioia, county Treasurer Russell Watts and representatives elected among active and retired employees.

A retirement board subcommittee is recommending a 4 percent pay raise for Leedom, citing her "exemplary performance rating," and lack of parity with peers in comparable Bay Area pension systems.

Leedom earns \$194,400 a year and has not received a pay boost since 2007. A 4 percent raise would push her pay up \$7,776 for a total of \$202,176 a year.

The pay bumps for Hally and Levy, the investment officer and chief counsel, would help close the gap between their wages and those of comparable executives in Cal- PERS and nonprofits, Leedom wrote.

A 6 percent increase for Levy would boost her pay by \$9,005, for an annual wage of \$159,095. Hally's pay would jump to \$187,051 a year.

The board approved 4 percent pay hikes for its accounting and benefits managers, also for equity reasons, in early 2009 after a consultant completed a compensation study.

But following the 2008 market downturn that devastated Contra Costa's and other pension systems, the board deferred most of the proposed pay equity adjustments.