



DATE: June 12, 2019

MEMO TO: MROSD Board of Directors

FROM: Ana M. Ruiz, General Manager *AMR*
Hilary Stevenson, General Counsel

SUBJECT: Update to Board Regarding Amendments to Board Compensation

INTRODUCTION

Effective January 1, 2019, state law allows Midpeninsula Regional Open Space District, along with many other special district boards including state healthcare districts, to increase Board compensation. First, by increasing the total number of compensable meetings in a month from five to six upon annually adopting written findings that more than five meetings per month are necessary for the effective operation of the District. Second, by increasing the per-meeting compensation, not to exceed 5% annually, through the adoption of an ordinance.

Pursuant to this new legislation, at its January 23, 2019 meeting, the Board adopted findings that up to six compensable meetings per month are necessary for the effective operation of the District. However, it deferred a decision regarding a change to the \$100 per-meeting compensation amount. Instead, the Board directed the General Manager to do further research and bring this issue back at the beginning of Fiscal Year 2019-2020, pending an evaluation of other special districts' actions in response to the new law.

DISCUSSION

District staff recently checked with the California Special Districts Association, and a handful of other special districts, regarding increases to their per-meeting compensation. Grossmont Healthcare District and a number of water districts have increased their per-meeting compensation pursuant to the new legislation. It is likely that as the year goes on and more agencies become aware of the changes in the law, they may also gradually begin to adopt such ordinances.

To date, staff has not identified another Public Resources Code (PRC) section 5500 park/open space district that has considered an increase to the \$100 per meeting compensation amount. Note that East Bay Regional Park District Board ("EBRPD") has slightly different authority than other PRC section 5500 agencies, in that Board members may be compensated \$100 per meeting for up to 10 meetings per month. That policy was recently affirmed by EBRPD's Executive Committee.

The Board may at any time consider whether to adopt an ordinance increasing the per-meeting compensation by up to 5%. Subsequent adjustments may only occur annually. The ordinance must be adopted pursuant to the procedure used by water districts (Water Code section 20200 *et seq.*), which includes multiple opportunities for the public to provide input through a public

hearing and a petition process. This differs from the District's normal procedure for adopting an ordinance. In order to adopt an increase in Board compensation, the District must:

- Publish a notice of the public hearing in the local newspaper once per week for two consecutive weeks.
- Hold a public hearing (first reading), and adopt the ordinance at a subsequent meeting (second reading)
- Within 60 days after adoption, the public may petition for reconsideration of the ordinance. In this case, the Board must reconsider the ordinance in an open meeting before enacting it.

CONCLUSION

Absent different Board direction, the General Manager and General Counsel will continue to monitor activity and bring this item back to the Board in January 2020, which is when the Board is scheduled to consider adopting its annual finding that up to six meetings per month are compensable. At that time, if directed to do so, the General Manager and General Counsel would prepare to introduce an ordinance to increase compensation to \$105 per meeting, publish a notice, and agendize a public hearing for that purpose.