

Date of Hearing: May 9, 2018

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 2329 (Obernolte) – As Amended April 9, 2018

SUBJECT: Special districts: board of directors: compensation.

SUMMARY: Increases the amount of compensation board members of certain special districts can receive per month. Specifically, **this bill:**

- 1) Increases the number of meetings, from four to six, which board members from fire protection, airport, and public cemetery districts can be compensated for in each calendar month.
- 2) Increases the number of meetings, from five to six, which board members from healthcare districts can be compensated for in each calendar month.
- 3) Increases the total amount that the board of directors of a recreation and park district (RPD) can receive in compensation, from \$500 to \$600, per calendar month.
- 4) Authorizes the board members of airport and healthcare districts to increase, by ordinance, the amount of compensation received for attending meetings of the board by no more than 5% annually.

EXISTING LAW:

- 1) Determines the amount of compensation board members of each type of special district can receive for attending specified board meetings.
- 2) Authorizes certain special district board members to increase, by ordinance, the amount of compensation received for attending meetings of the board by no more than 5% annually.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill increases the amount of compensation that certain special districts' board members can receive per month. Additionally, this bill authorizes airport and healthcare districts to increase the compensation provided to board members for attending meetings by 5% every year. Each airport and healthcare district board must pass an ordinance, no more than once a year, increasing compensation. This bill is sponsored by the author.
- 2) **Author's Statement.** According to the author, "This bill puts special districts on the same playing field. Many special districts are operated with small boards of directors that work diligently to make their special district as useful to the community as possible. This important work takes board members' time. Allowing special districts to be allowed the same amount of meetings a month will help level the playing field for those districts that currently have lower limits. Additionally, allowing districts the authority to slightly adjust

their compensation annually will help districts assess for themselves what is fair and what their district can handle, rather than raising the compensation statewide.”

- 3) **Board Compensation.** Special district board member compensation is traditionally dictated by the enabling act of that type of special district. Due to the differing enabling acts, the amount that each type of special district can compensate its board members varies significantly. Most types can compensate board members \$100 or more per meeting while others are prohibited from providing any compensation. The districts that are allowed to provide compensation are usually limited to doing so for a maximum number of meetings per calendar month. For instance, public cemetery district board members are capped at receiving compensation for a maximum of four meetings per month. In contrast, municipal water district board members can be compensated for a maximum of six meetings per month. AB 2329 does not authorize special districts that are currently prohibited from providing compensation to do so in the future. Instead, this bill is focused upon the types of special districts the Legislature has already given compensation authority.

Additionally, the Water Code allows certain special districts to increase the amount of compensation paid to board members. Such an increase is limited to 5% and must be implemented through an ordinance only once per year. However, this authority to increase the amount of compensation does not apply to all types of special districts.

- 4) **Policy Considerations.** The Committee may wish to consider the following:
- a) **Regional Parks and Open Space Districts (RPOSDs).** Similar to RPDs, RPOSDs can currently compensate their board members a maximum of \$500 per month. However, AB 2329 does not increase the maximum compensable amount for RPOSDs even though they are vastly similar types of districts. To ensure consistency and to avoid confusion, compensation authority for RPOSDs should mirror the authority given to RPDs.
 - b) **Consistency.** Most other types of special districts compensate their board members on a per meeting basis (i.e., this bill proposes to increase the amount of compensable meetings for public cemetery districts from four to six per month). However, RPDs and RPSODs are unique and are limited to providing a flat, maximum dollar amount per month regardless of how many meetings the board members attend (i.e., this bill proposes to increase this amount to a maximum of \$600 per month). The inconsistency in how these statutes are written creates confusion regarding the amount special district board members can be compensated.
- 5) **Committee Amendments.** To address the issues above, the Committee may wish to ask the author to accept the following committee amendments:
- a) Provide that RPDs and RPOSDs have equal authority to compensate board members for attending meetings; and,
 - b) Specify that RPDs and RPOSDs are authorized to compensate their board members for a maximum of six meetings per month instead of a flat, maximum dollar amount.
- 6) **Prior and Related Legislation.** AB 1234 (Salinas), Chapter 700, Statutes of 1234, clarified the rules pertaining to compensation to members of a local government legislative body for attendance at authorized meetings and conferences; required the establishment of guidelines

for reimbursement of members of a local government legislative body for actual and necessary expenses incurred in the performance of official duties; and, established provisions for ethics training for local government officials and designated employees.

This year, AB 1889 (Caballero) increases the maximum amount of meetings the board members of the Santa Clara Valley Water District can be compensated for from 10-20, among other provisions. This bill was heard in this Committee on April 18 and passed with a 9-0 vote. AB 1889 is currently pending in the Senate Rules Committee.

7) **Arguments in Support.** None on file.

8) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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