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CRA File No. 9195
CF#: 10-0770
Council District: 9
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Honorable Council of the City of Los Angeles
John Ferraro Council Chamber
200 N. Spring Street
Room 340, City Hall
Los Angeles, CA. 90012

COUNCIL TRANSMITTAL:

Transmitted herewith, is a Board Memorandum adopted by the Agency Board on May 20, 2010, for City Council review and approval in accordance with the "Community Redevelopment Agency Oversight Ordinance" entitled:

VARIOUS ACTIONS RELATED TO:

APPROVAL OF AN ANNUAL SALARY OF \$223,256 AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT WITH CHRISTINE ESSEL AS THE CHIEF EXECUTIVE OFFICER/AGENCY ADMINISTRATOR

RECOMMENDATION

That City Council approve(s) recommendation(s) on the attached Board Memorandum.

ENVIRONMENTAL REVIEW

The recommended action does not constitute a "project" as defined by the California Environmental Quality Act "CEQA")

FISCAL IMPACT STATEMENT

There is no fiscal impact to the City's General Fund, as a result of this action.



Calvin E. Hollis, Interim Chief Executive Officer

cc: Alan Alietti, Office of the City Clerk (Original & 3 Copies on 3-hole punch)
Lisa Johnson Smith, Office of the CAO
Ivania Sobalvarro, Office of the CLA
Larry Frank, Office of the Mayor
Steve Ongele, Office of the Mayor
Noreen Vincent, Office of the City Attorney

MEMORANDUM

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DATE: MAY 20, 2010 AD 0000

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: BRUCE D. ACKERMAN, CHAIRPERSON

SUBJECT: APPROVAL OF AN ANNUAL SALARY OF \$223,256 AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT WITH CHRISTINE ESSEL AS THE CHIEF EXECUTIVE OFFICER/AGENCY ADMINISTRATOR

RECOMMENDATION

That the CRA/LA Board of Commissioners, subject to City Council review and approval, approve the annual salary of \$223,256 and other terms and conditions of employment for Ms. Christine Essel as the Chief Executive Officer/Agency Administrator (CEO).

SUMMARY

At the CRA/LA Board meeting on May 6, 2010, the Board, based upon recommendation from the Mayor's office, appointed Ms. Essel as the CEO, subject to City Council review and approval.¹ The action was taken after the completion of the CEO recruitment process, which started in November 2009.

Additionally, the Board authorized the Chairperson to negotiate an employment agreement with Ms. Essel and to return to the Board for approval of the terms of the agreement, subject to City Council review and approval.² Agreement has been reached with Ms. Essel regarding the salary and benefits of her employment as CEO. (See Attached)

RE

May 6, 2010: Appointment of Chief Executive Officer/Agency Administrator

November 19, 2009: Appointment of Calvin E. Hollis as Acting/Interim CEO

April 6, 2006: Appointment of Cecilia V. Estolano as CEO/Agency Administrator

¹ Section 301 of the Bylaws of the Board of Commissioners provides that the Chief Executive Officer/Agency Administrator (CEO) is to be appointed by the Board.

²Section 302 provides that the CEO's compensation is to be fixed by the Board. The Oversight Ordinance (Chapter 4, Article 4 of the Los Angeles Administrative Code) requires that the appointment and fixing of compensation of the CEO be reviewed and approved by the City Council.

SOURCE OF FUNDS

Agency Overhead.

PROGRAM AND BUDGET IMPACT

Approval of this action is in conformance with the CRA/LA's organizational structure and budget. This is a budgeted position in the CRA/LA's administrative budget.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a "Project" as defined by the California Environmental Quality Act (CEQA).

BACKGROUND

A vacancy in the CEO position occurred when Cecilia V. Estolano resigned in November 2009. The Board of Commissioners, at its meeting of November 19, 2009, appointed Calvin E. Hollis as Interim CEO and initiated a formal process for the selection of the new CEO.

The Board, on March 9, 2010, interviewed selected candidates for the CEO position and submitted the names of three individuals, including Christine Essel, to the Mayor for consideration. In April 2010, the Mayor recommended for Board consideration the appointment of Ms. Essel as the new CRA/LA CEO/Agency Administrator.



Bruce D. Ackerman
Chairperson, Board of Commissioners

Attachment--Summary of Benefits for CEO/Agency Administrator

CRA OF LA
2010 CEO SALARY & BENEFITS SUMMARY SHEET

Salary Range: \$175,000 - \$250,000 Annually

Medical/Dental Insurance: \$1,110.38 Monthly Subsidy

HMOs: Blue Cross and Kaiser
Indemnity Plan: Blue Cross PPO
Dental: Delta Dental PPO and Deltacare USA

Life Insurance: Term life insurance and accidental death coverage equivalent to annual salary.

Disability Plan: Agency paid basic monthly coverage of \$2,000.

State Disability/Unemployment Insurance: Agency participates in both state insurance programs.

Retirement Plan(s): Agency participates in the Federal Social Security program and in the California Public Employees Retirement System. The CalPERS contribution is entirely paid by the Agency, including 7% of which is the "employee share."

Flexible Spending Account: Agency will contribute \$100 per month for the CEO to use for a number of available benefit options, such as supplemental term life. Certain reimbursements may be received tax free as permitted by the IRS.

Deferred Compensation Plan: Agency has a 457 Plan wherein employees may defer their earned salary of up to \$16,500 per year for income tax purposes. Deferred earnings are not taxable until the time of withdrawal from the plan and/or retirement.

Sick Leave: Accrues sick leave of 8 hours per month at full pay, and 3.33 hours per month at 75% pay.

Vacation: Accrual at the rate of 21 days per year.

Administrative Leave: 8 days/64 hours per fiscal year.

Floating Holiday: 20 hours per fiscal year.

Paid Holidays: 12 designated holidays per year.

Transportation/Parking Subsidy: Agency will provide vehicle and insurance coverage or \$500 per month (paid bi-weekly) if using personal vehicle; must provide own insurance coverage.

Credit Union: Staff may participate in the California Bear Credit Union or the Los Angeles City Employee's Federal Credit Union.

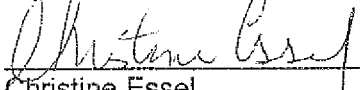
Performance Evaluation Review: An annual performance evaluation review will be conducted each year by the CRA/LA Board of Commissioners.

EMPLOYMENT STATUS:

Staff members are not Civil Service employees but are public employees. As Federal funds are a source of CRA salaries, employees must adhere to the HATCH ACT which restricts partisan political activities.

The CEO is an at-will position, serving at the pleasure of the CRA/LA Board of Commissioners.

ACCEPTED:


Christine Essel

5/19/2010
Date

05/18/2010



THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA

2010 CEO BENEFITS AND EMPLOYMENT INFORMATION

This is a capsule summary of the main employee benefits available to the Agency CEO, and other items of interest to potential employees.

EQUAL OPPORTUNITY EMPLOYMENT

The Community Redevelopment Agency is an equal opportunity/affirmative action employer. All personnel matters are conducted without regard to race, religion, creed, color, national origin, ancestry, physical handicap, sexual preference, age, sex or political affiliation.

EMPLOYEE STATUS AND PERFORMANCE EVALUATION REVIEW

Staff members are not Civil Service employees but are public employees. As Federal funds are a source of CRA salaries, employees must adhere to the Hatch Act, which restricts partisan political activities.

The CEO is an at-will position, serving at the pleasure of the CRA/LA Board of Commissioners.

An annual performance evaluation review will be conducted each year by the CRA/LA Board of Commissioners.

HEALTH INSURANCE (Medical and Dental)

CRA provides medical and dental insurance coverage for all employees who wish to participate. A generous monthly subsidy is available to full-time employees for this purpose. Employees may choose from three medical plans including BlueCross/PPO, Kaiser/HMO, and BlueCross/HMO; and two dental plans: Delta Dental PPO and Deltacare USA.

RETIREMENT BENEFITS: FED - Social Security, STATE - CalPERS

CRA participates in the Social Security program and in the California Public Employees' Retirement System (CalPERS).

The 2010 Social Security deduction is computed at a rate of 6.2% each from both employee and employer for the first \$106,800 earned during the calendar year. Medicare: is 1.45% and has no wage base limit.

No money is deducted from Agency employees' salaries for CalPERS. The total CalPERS contribution is paid by the Agency, including 7%, which is the "employee share" as designated by CalPERS, and is contributed directly to an account for each individual employee.

Those leaving CalPERS employment with less than five years service under the systems may request this 7% plus any credited interest paid to them by CalPERS, or may leave on deposit. If left on deposit with CalPERS, the funds will continue to earn interest at the current interest crediting rate. Individuals may then later apply for a refund or retirement (if service and age requirements are met).

SICK LEAVE

Agency employees are eligible for paid sick leave. All full-time employees accrue sick leave at the rate of 8 hours per month at full pay. In addition, regular full-time employees accrue 3.33 hours per month at 75% pay, after successful completion of their initial probationary period.

VACATION (ANNUAL LEAVE) & SELL-BACK

Vacation is accrued at 1.75 days per month (21 days per year). Vacation may be taken as accrued, but in not less than 2 hour increments.

Executive staff may elect to sell a maximum of 20 days of accrued vacation leave back to the Agency per fiscal year, provided that a minimum of 5 days of time off are taken during the year.

ADMINISTRATIVE LEAVE

Regular executive staff is eligible for 8 days (64 hours) of Administrative Leave per fiscal year. Administrative Leave does not accrue from year to year. It must be taken in the year earned, or lost.

PAID HOLIDAYS

There are 12 designated holidays per year, as well as any day declared to be a holiday by the Mayor of Los Angeles or the State Governor. Regular employees who have successfully completed their initial probationary period by December 31 also are eligible for 20 hours of floating holiday per fiscal year. Persons gaining regular employee status on or after January 1 shall be granted 10 hours of floating holiday in that fiscal year. Temporary and part-time employees are not eligible for paid Agency holidays.

LIFE INSURANCE

CRA provides term life insurance and accidental death and dismemberment coverage in an amount equivalent to annual salary. An option to purchase supplemental insurance is available.

FLEXIBLE SPENDING ACCOUNT

The Agency has agreed to establish a flexible spending account under which executive employees may choose to pay for a number of available benefit options, such as supplemental term life and accidental death and dismemberment insurance. Certain reimbursements may be received tax free as permitted by the Internal Revenue code. The Agency will contribute \$100 per month to each executive employee's account.

DEFERRED COMPENSATION PLAN

Interested employees may elect to defer a portion of their current earned salary for income tax purposes, through participation in the Agency's Deferred Compensation Plan 457. Deferred earnings would not be taxable until the time of withdrawal from the plan and/or retirement. The maximum deferral for 2010 is \$16,500 and an additional \$5,500 for those age 50 and above.

STATE DISABILITY INSURANCE (SDI) and PAID FAMILY LEAVE

CRA participates in the California SDI program for non-work related injury or illness. Employee contributions are made through payroll deduction based on 1.1% of the first \$93,316 earned during the calendar year. Employee participation is mandatory. Effective 2004, the CA Paid Family Leave extended disability compensation to individuals who take time off work to care for a seriously ill child, spouse, parent, domestic partner, or to bond with a new minor child.

GROUP DISABILITY INSURANCE PLAN

CRA provides a group disability plan to all employees that will pay \$2,000 monthly coverage. This basic core plan is effective once the employee has exhausted all sick leave banks. Employees may voluntarily "buy-up" to 66 2/3% of their monthly salary if they so desire.

WORKER'S COMPENSATION INSURANCE

CRA subscribes to the California State Compensation Insurance Fund for on-the-job injury or illness. The Agency will continue all benefits in force and effect from the time of the injury or illness for a period not to exceed one year from the date of injury/illness for an executive employee who is temporarily unable to perform his/her regular duties due to an injury or illness arising out of and occurring in the course and scope of employment with the Agency, which has been certified by a duly authorized physician.

STATE UNEMPLOYMENT INSURANCE

CRA participates in the State of California Unemployment Insurance Program, which provides income protection for employees who are terminated or laid off through no fault of their own. The Agency pays the full cost of this program. Claims are filed at the employee's local Unemployment Insurance Office (State Employment Development Department).

MILEAGE REIMBURSEMENT AND USE OF AGENCY VEHICLES

Employees who must use their own vehicles for Agency business are compensated at the rate established by the Federal Government for all miles driven. For 2010, the rate is \$0.50 per mile. Some Agency vehicles are available to Central Office employees who must attend special meetings, conferences, etc., during normal working hours. Employees who drive on Agency business, whether Agency vehicles or their own, must have a valid driver's license, excellent driving record, and insurability under the terms of the Agency's vehicle insurance carrier.

TRANSPORTATION AND PARKING SUBSIDY

The CRA/LA will provide vehicle and insurance coverage of \$500 per month (paid bi-weekly) if using personal vehicle; must provide own insurance coverage. The CEO is eligible for fully-subsidized parking at Central Office.

TUITION REIMBURSEMENT

The Agency provides a tuition reimbursement program for regular employees who enroll in specialized training courses determined to be of direct value to the Agency. Reimbursement may cover 100% of tuition, books, registration and laboratory fees, up to a maximum for an employee of \$3,000 in any calendar year. The reimbursement per calendar year will increase to \$3,300 effective July 1, 2008 and \$3,500 effective July 1, 2011. The passing grade requirement has been changed to B- (B minus) to be eligible for reimbursement.

CREDIT UNION

Interested employees may participate in the California Bear Credit Union. An option to join the Los Angeles City Employee's Federal Credit Union also is available.

CONFLICT OF INTEREST

As employees of a public agency, CRA employees are prohibited from engaging in any outside work, employment, activities or enterprises, which may be in CONFLICT or incompatible with Agency employment. Employees must report any such actual or intended outside interests, for review by Agency management.

ADDITIONAL INFORMATION

Further details on these and other employee benefits and employment information are available through the Human Resources Department.