

OFFICE OF
THE CITY ATTORNEY
CITY OF SAN DIEGO

1200 THIRD AVENUE, SUITE 1620
SAN DIEGO, CALIFORNIA 92101-4178
TELEPHONE (619) 236-6220
FAX (619) 236-7215

Jan I. Goldsmith
CITY ATTORNEY

May 8, 2009

REPORT TO THE AUDIT COMMITTEE

COMPENSATION OF THE CITY AUDITOR

INTRODUCTION

Charter section 39.1 provides that the Audit Committee shall recommend the annual compensation of the City Auditor to the Council. At its meeting on April 27, 2009, the Audit Committee recommended that the City Auditor continue to receive the same level of compensation he earned in his previous position as Internal Auditor, with a six percent reduction in total compensation. Pursuant to that decision, the Audit Committee has requested that the Office of the City Attorney prepare a memorandum of understanding outlining the City Auditor's compensation package. In addition, the Committee has suggested that the City's Salary Setting Commission be contacted to review the City Auditor's compensation for FY 2011.

DISCUSSION

The compensation of City employees is generally set forth in various documents, including the salary ordinance and budget. On May 5, 2009, the Council introduced the annual salary ordinance, which included a monthly salary range of \$2,901.00 to \$17,328.00 (up to \$207,936 per year) for the City Auditor. The salary ordinance also described other benefits received by the City Auditor such as a \$475 per month automobile allowance and 80 hours per year of management leave. The City Auditor is an unclassified and unrepresented position and generally would receive the benefits provided to other similarly situated employees. For FY 2010, this would include a six percent reduction in salary and benefits. A draft letter outlining the compensation for the City Auditor is attached for your consideration.


In addition to the above, Charter sections 39.1 and 39.2 include other terms and conditions relating to the City Auditor's employment. Specifically, Section 39.1 of the Charter states that the Audit Committee shall be responsible for the annual performance review of the City Auditor. Section 39.2 states that the City Auditor shall serve a term of ten years and shall report to and be accountable to the Audit Committee. Finally, Section 39.2 also states that upon recommendation of the Audit Committee, the City Auditor may be removed for cause by a vote of two-thirds of the members of the Council. These matters are also addressed in the attached letter.

Finally, we note that the Salary Setting Commission [Commission] established in Charter section 41.1 recommends the salaries for the Mayor and Council. The Commission is not authorized to provide salary recommendations for any other position, and to do so would require a Charter amendment. However, our understanding is that the Commission receives information and assistance from the Personnel Department to help it formulate its salary recommendations. Accordingly, the Personnel Department may be an appropriate resource for information on the City Auditor's compensation.

CONCLUSION

We recommend that the Audit Committee finalize its recommendations for the City Auditor's compensation so that the Council can make a final determination. The Council has approved a salary range for this position, but the actual salary remains to be set. In addition, the Council may authorize the Council President to sign a letter outlining the compensation package.

Respectfully submitted,


Catherine M. Bradley
Chief Deputy City Attorney

CMB:amt
Attachment
RC-2009-7