

CLIENT NEWS BRIEF

Governor Signs Bill Requiring Local Legislative Bodies to Provide Oral Summary of Compensation Recommendations for Local Agency Executives

Governor Jerry Brown recently signed into law Senate Bill (SB) 1436, which impacts the process for approving the compensation of a local agency executive. To encourage transparency, SB 1436 requires that, before taking final action, a local agency's legislative body orally report a summary of the recommended compensation of a local agency executive. This report must be made during the same open meeting in which final action on the compensation is to be taken.

In 2011, the Legislature passed Assembly Bill (AB) 1344 in reaction to the City of Bell corruption scandal. AB 1344 increased the procedural requirements and limitations related to local agency executives (LAE) and added Government Code section 3511.1, which defined a "local agency executive." An LAE is defined under this statute as a person employed by a local agency who is not represented by an employee organization and who meets any of the following requirements:

- (1) The person is the chief executive officer, a deputy chief executive officer or an assistant chief executive officer of the local agency.
- (2) The person is the head of a department of a local agency.
- (3) The person's position within the local agency is held by an employment contract between the local agency and that person.

AB 1344 prohibited a legislative body from calling a special meeting regarding LAE salaries, salary schedules or compensation paid in the form of fringe benefits. Approval of an LAE's compensation must instead be made at a regular meeting. AB 1344 did not affect a local agency's ability to hold a closed session with its designated representatives regarding the negotiation of compensation with the agency's unrepresented employees, but the closed session may not include final action on the proposed compensation for an unrepresented employee.

SB 1436's purpose is to further the goals of AB 1344 by fostering openness and transparency regarding LAE compensation. Effective January 1, 2017, SB 1436 amends Government Code section 54953 and will require a legislative body to orally report a summary of the recommendation for a final action on LAE salaries, salary schedules or compensation paid in the form of fringe benefits. The oral report must be given in open session at the same open meeting that the final action is to be taken. SB 1436 also provides that amended Government Code section 54953 will not impact the public's rights under the California Public Records Act to inspect and copy records created or received when developing this compensation recommendation.

Many local agencies currently approve LAE contracts and salaries during open session as individual agenda items, and those agencies will simply need to provide an oral summary of the compensation and fringe benefits recommended in those agenda items.

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As the information contained herein is necessarily general, its application to a particular set of facts and circumstances may vary. For this reason, this News Brief does not constitute legal advice. We recommend that you consult with your counsel prior to acting on the information contained herein.

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If you have any questions regarding SB 1436, please contact the author of this Client News Brief or an attorney at one of our [10 offices](#) located statewide. You can also visit our [website](#), follow us on [Facebook](#) or [Twitter](#) or download our [Client News Brief App](#).

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