

**Executive Officer's Report  
October 6, 2010 Meeting**

**DATE:** September 28, 2010  
**TO:** Children and Families Commission of Orange County  
**FROM:** Michael M. Ruane, Executive Director   
**SUBJECT:** Executive Officer's Report

RECEIVED  
2010 SEP 29 PM 12:34  
CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

The Executive Officer's Report for October 6, 2010, will include the following items:

**A. Informational Items (Report)**

1. Financial Highlights (included with Agenda Item No. 5)
2. October State Association and Commission Meeting

**B. State Budget and Legislative Update (Report)**

At the time of the agenda distribution, the Governor and state legislative leaders had agreed upon a framework for a new state budget. However, specific details or timeline for action are not available at this time. We will provide a supplemental report prior to your meeting on any new developments.

**C. Paperless Commission Meeting Options (Report)**

At the September meeting, the Commission Chair suggested staff explore opportunities to eliminate or reduce paper for the agenda package through technology. We will be providing a follow-up report at the November meeting which will include an assessment of various options utilized by other public agencies.

**D. Commission Executive Director – Voluntary Reduction of Compensation (Report and Action)**

The updated revenue projections for the Commission and economic conditions in the community underscore the need to curtail administrative costs where possible. We have implemented administrative and cost savings over the last two years and will need to pursue further reductions for the next fiscal year. This item is intended to implement an immediate voluntary reduction of compensation and approved benefits for the Commission Executive Director and to implement a further reduction during any additional years added through an amendment to the employment agreement. Commission Counsel is the designated representative for the Commission on this item and will provide communication directly to your Commission.



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MEMORANDUM

VIA E-MAIL

TO: Commissioners  
Children and Families Commission of Orange County

FROM: Commission Counsel

DATE: October 1, 2010

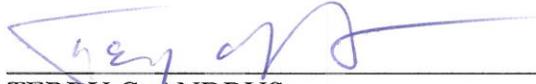
RE: Executive Director's Employment Agreement

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Your Executive Director has asked me to prepare a contract amendment that reduces his overall compensation. Specifically, it is his desire to reduce his salary by \$5,000 effective January 1, 2011, and by another \$5,000 on July 1, 2012. He also wishes to forego the educational incentive pay and the *per diem* payment (for attending sessions of the State Legislature) that your Commission has previously authorized. He is willing to extend his employment contract under those terms for two additional years; that is, until June 30, 2014.

Accordingly, I have prepared the enclosed Fourth Amendment to Employment Agreement for your Commission to consider at your October 6, 2010, meeting. The matter is on your agenda as Item D under the Executive Officer's Report.

If you have any questions, comments or concerns, please do not hesitate to contact me.

  
\_\_\_\_\_  
TERRY C. ANDRUS  
COMMISSION COUNSEL

TCA:mrs  
Enclosure

cc: Michael M. Ruane, Executive Director  
Jamie Ross, Administrative Manager / Deputy Clerk

## FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT is entered into by and between the CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY (the "Commission") and MICHAEL M. RUANE ("Executive"), and amends that certain Employment Agreement made and entered into as of October 1, 2000 ("Original Agreement"), and the First and Second Amendment To Employment Agreement, executed February 7, 2003, and June 12, 2007, and the Third Amendment effective December 3, 2008, respectively (the "Amendments").

WHEREAS, Commission and Executive have entered into the Original Agreement and the Amendments to provide for Executive's services as Executive Director of the Commission; and

WHEREAS, the Original Agreement and the Amendments provide for an annual salary of \$235,000, a *per diem* while attending sessions of the State Legislature and education incentive pay towards an Executive MBA; and

WHEREAS, Executive has voluntarily offered to reduce his compensation in light of current economic realities, and to forego the contracted for *per diem* and education incentive pay; and

WHEREAS, Commission and Executive desire to extend the term and amend or revise provisions of the Original Agreement and the Amendments as set forth herein, and to otherwise affirm the Original Agreement and the Amendments for the extended term provided herein.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, it is agreed by and between the Commission and Executive as follows:

1. Amendment to Term of Original Agreement. Section 1 of the Original Agreement is hereby amended to read as follows:

SECTION 1 Term of Employment. The Commission hereby employs Executive and Executive hereby accepts employment with the Commission beginning on the Effective Date of Agreement, and continuing to June 30, 2014, unless Executive or Commission earlier terminates this Agreement, and Executive's employment, as provided for herein.

2. Salary Reduction. Section 6A of the Original Agreement is amended to read as follows:

SECTION 6A Notwithstanding any other provision of this Section 6, Executive's current annual salary of \$235,000 shall be reduced as follows; payable not less often than bi-monthly:

Commencing January 1, 2011	\$230,000
Commencing July 1, 2012	\$225,000
Commencing July 1, 2013	\$225,000

3. Waiver of Per Diem and Education Incentive Pay. Executive hereby waives, and releases Commission from payment of *per diem* while attending sessions of the State Legislature and education incentive pay, all as provided for in paragraph 3 of Third Amendment to Employment Agreement. The Original Agreement and the Amendments are hereby amended to strike and delete said paragraph 3.

4. Except as expressly amended hereby, the Original Agreement and the Amendments shall remain in full force and effect. This Fourth Amendment to Employment Agreement shall be treated for all purposes as part of the Original Agreement and the Amendments, including without limitation, the notice, integration, modification, waiver, severability and governing law provisions thereof, provided the terms of this Fourth Amendment to Employment Agreement shall be governed by and construed in accordance with the laws of the State of California, in force and effect as of the date of execution as of this Fourth Amendment to Employment Agreement.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2010.

CHILDREN AND FAMILIES COMMISSION  
OF ORANGE COUNTY

By: \_\_\_\_\_  
CHAIR

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED  
TO THE CHAIRMAN OF THE COMMISSION:

\_\_\_\_\_  
Darlene J. Bloom,  
Clerk of the Commission

APPROVED AS TO FORM:

\_\_\_\_\_  
Terry C. Andrus, Commission Counsel

\_\_\_\_\_  
Michael M. Ruane, Executive Director