



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

**SUBJECT: OPTIONS FOR CHARTER
AMENDMENT REGARDING
COUNCIL SALARIES**

DATE: October 4, 2017

SUPPLEMENTAL

REASON FOR THE SUPPLEMENTAL

In the interest of providing the Council with additional options based on other local government agencies, this supplemental includes alternatives that are in an attachment to the original memorandum.

BACKGROUND

On June 27, 2017, the City Council directed staff to return with potential charter amendment revisions related to Council Salary, and requested input from the Salary Setting Commission (SSC). The SSC recommended two options for the Council to consider and such options are included in the main memorandum.

ANALYSIS

ALTERNATIVE ONE: Council salaries indexed to County of Santa Clara Board of Supervisors.

The Mayor shall be paid a salary equal to 90% of the salary set for the County of Santa Clara Board of Supervisors. Councilmembers shall be paid a salary equal to 75% of the salary set for the Mayor. Vehicle allowance shall be set as the same as Council Appointees, and benefits shall be the same as those provided to Unit 99 Employees. Retirement will be offered under the CalPERS Tier 2 Plan and PTC 457 Defined Contribution Plan.

On April 20, 2017, the Salary Setting Commission unanimously adopted recommendations for Mayor and Council salaries. The methodology used by the Salary Setting Commission in their letter transmitted to the Council and considered on May 9, 2017 and June 27, 2017 were based on the County of Santa Clara Board of Supervisor's Pay. The letter from the Commission stated on page 5:

The Commission determines that the duties and responsibilities of the Mayor are generally similar to that of a Santa Clara County Supervisor in complexity, scope and magnitude. The Commission concluded that the Mayor's salary be indexed at

approximately 90% of that of the salary of a Santa Clara County Board of Supervisor. For Councilmembers, to be indexed at approximately 75% of the salary of the Mayor. The salary of the Councilmembers has been historically set at approximately 75% of the Mayor's salary.

The suggestion also included setting the vehicle allowance at \$500 and benefits equivalent to Unit 99 employees.

Similarly, the City of Los Angeles ties the pay of its Mayor, City Attorney, Controller and Councilmembers to the judges of the Municipal Court of the Los Angeles Judicial District.

ALTERNATIVE TWO: Current base salary plus cost of living increases.

In addition to reimbursement for necessary traveling and other expenses actually incurred when on official duty in or out of the City on order of the City Council, commencing July 1, 2019, each member of the City Council shall receive as salary \$8133.57 per month, and the Mayor shall receive as salary \$11051.04 per month.

In order to provide a cost of living adjustment, commencing on July 1, 2020 and annually on July 1 thereafter, the compensation of the Council and Mayor shall increase by a percentage equal to the percentage increase in the preceding April's 12-month rolling average of the Consumer Price Index-Urban(CPI-U), or successor index, for San Francisco-Oakland-San Jose, as determined by the United States Department of Labor, Bureau of Consumers. In no event shall the CPI-U compensation adjustment exceed 5% per year, or result in a compensation decrease. The CPI-U base index year shall be calendar year 2019.

The City of Sunnyvale's Charter sets a base salary for the Mayor and Councilmembers and includes the following language:

In order to provide a cost of living adjustment, commencing on January 1, 2013, and annually on January 1 thereafter, the compensation of the Council and Mayor shall increase by a percentage equal to the percentage increase in the preceding October's 12 month rolling average of the Consumer Price Index-Urban (CPI-U), or successor index, for San Francisco-Oakland-San José, as determined by the United States Department of Labor, Bureau of Consumers. In no event shall the CPI-U compensation adjustment exceed 5% per year, or result in a compensation decrease. The CPI-U base index year shall be calendar year 2012.

The City of Fremont also ties the salary to the CPI, but requires the Council to approve the increases by ordinance. The City of Fremont sets the adjustment cap at 4%.

ALTERNATIVE THREE: Council votes on salary for next term

The Council shall establish by ordinance the compensation of the elective officers

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of the City. Once the compensation of elective officers is fixed the compensation of an elective officer shall not thereafter be increased or diminished during that elective officer's term of office.

In Fresno, the council establishes by ordinance the compensation of elected officers of the City, but the compensation “shall not thereafter be increased or diminished during that elective officer’s term in office.” This alternative would not prevent the City Council from voting on salaries, but the vote would not effect a Councilmember unless they were re-elected.

Other agencies have the equivalent of a Salary Setting Commission

Many of the remaining jurisdictions use some form of Council Salary Setting Commission. In San Francisco, San Diego, Oakland, Sacramento, and Santa Clara, a commission establishes the salary of the Mayor and Council.



Toni J. Taber, CMC
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For questions please contact Toni Taber, City Clerk, at (408) 535-1270.