

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: October 21, 2022

Approved



Date

10/27/22

SUBJECT: FINANCIAL NEED-BASED STIPENDS FOR BOARDS AND COMMISSIONS

RECOMMENDATION

- (a) Approve an ordinance amending Section 2.08.120.A of Title 2 of the San José Municipal Code to provide a monthly \$200 financial need-based stipend to each member of each City board or commission established under Chapter 2.08 of the San José Municipal Code, or the City of San José Charter:
 - (1) Who is not currently receiving a stipend;
 - (2) Who is a member of a low-income household as defined by the U.S. Department of Housing and Urban Development as at or below 80 percent of the area median income pursuant to 24 CFR 92.2;
 - (3) If they have attended a monthly board or commission meeting;
 - (4) Such members shall be eligible to be paid the stipend even if the monthly board or commission meeting is canceled.
- (b) Direct the City Clerk's Office to establish the Financial Need-Based Stipend Application process.
- (c) Direct the City Manager's Office to ensure stipend budgeting and administration are coordinated among City departments.

OUTCOME

Approval of the recommended actions will reduce financial barriers residents may have to serve on a board or commission. More residents throughout the City will have the opportunity to inform and shape the City's policies, programs and budgets. Following approval of the recommended actions, the City Clerk's Office will update its website noting the availability of financial need-based stipends and will revise the current commission application form. The City Manager's Office will coordinate with City departments to ensure stipend budgeting and administration.

BACKGROUND

Charter Review Commission Recommendations to Reform Boards and Commissions

On April 11, 2022, City Council held a Special Meeting to consider 15 recommendations from the 2021 Charter Review Commission (excluding those related to public safety).

Recommendation 6 was to Reform Boards and Commissions, which included recommendations to:

- A. Remove citizenship requirement for all applicable boards and commissions as permitted by Senate Bill 225, which revised membership requirements to all California government boards and commissions;
- B. Ensure all boards and commissions:
 - a. Receive training in ethics, civics, and diversity, equity, and inclusion,
 - b. Elect their chairs and vice-chairs democratically; and
 - c. Incorporate racial and social equity analysis to promote the use of an “equity lens” for decision-making; and
- C. Provide a stipend to all members of boards and commissions.

City Council directed the City Clerk to return, through the annual budget process, with a Manager’s Budget Addendum to analyze the cost and staffing impacts of implementing recommendations 6b and 6c. Manager’s Budget Addendum (#20) was prepared and issued on May 25, 2022; however, it was not included in the Fiscal Year 2022-2023 Operating Budget approved by City Council on June 14, 2022 and adopted on June 21, 2022.

The City of San José has approximately 20 standing boards and commissions, with approximately 306 commissioners. This number is approximate, as it does not include ad hoc or temporary commissions and advisory committees such as the Reimagining Public Safety Advisory Committee, Charter Review Commission, or Community and Economic (COVID-19) Recovery Task Force. It also does not include advisory groups that a department might convene, such as the Police Chief’s Community Advisory Board. A roster of standing boards and commissions may be found on the City Clerk’s website: [Boards and Commissions Roster](#).¹

ANALYSIS

Lived Experience Members of Commissions

On April 5, 2022, City Council approved a new Lived Experience with Homelessness Commissioner seat on the Housing and Community Development Commission. Commencing in Fiscal Year 2022-2023, a \$200 monthly stipend will be paid to this commissioner, dependent on attendance at a monthly meeting.

¹ <https://www.sanjoseca.gov/your-government/departments/city-clerk/boards-commissions/official-roster>

On August 16, 2022, City Council approved the new Community Stabilization and Opportunity Pathways Fund Commission. The fund is the largest component of the community benefits outlined in the Downtown West Development Agreement with Google. This 13-member commission includes at least five seats for people with lived experience in the program areas the fund will address, such as housing insecurity, neighborhood instability, homelessness, low income, unemployment, and/or barriers to opportunity and economic mobility. Each commission member who qualifies as representing lived experiences will receive a \$200 monthly stipend, dependent on attendance at a monthly meeting.

Stipends for Other Board and Commission Members

The City also pays the following stipends to members of the following boards and commissions, as established by ordinance:

- Appeals Hearing Board, \$100 per meeting.
- Civil Service Commission, \$250 per month (\$450 for presiding officer).
- Federated City Employees' Retirement System, \$250 per month.
- Planning Commission, \$250 per month.
- Police and Fire Retirement Plan Board, \$250 per month.

San José for All (formerly referred to as Equity Roundtable)

On August 30, 2022, City Council accepted a status report which detailed the scope and membership of San José for All, an equity-centered advisory body to support the City's goal to advance racial equity by examining effective strategies to ensure organizational uptake of those methods within the City. This advisory body will include 10 to 12 members who have the option of receiving a stipend. Staff will support, monitor, and evaluate the advisory body for two years and subsequently will determine the best form and function. The stipend amount is \$100 every two months, regardless of attendance at meetings, totaling \$600 per year per member. Stipends will be paid from the Office of Racial Equity's budget.

During City Council's discussion on San José for All, Councilmembers shared an interest in developing guidelines or standardizing a process by which stipends could be provided to all boards and commissions. The Administration responded by indicating the importance of reducing barriers for residents to serve on boards and commissions and committed to return to City Council with an analysis and recommendation.

Recommended Financial Need-Based Stipend for Members of All Boards and Commissions in San José Municipal Code Chapter 2.08

The goal of providing financial need-based stipends to those who serve on the City's approximately 20 boards and commissions created by San José Municipal Code Chapter 2.08 and the City Charter is to reduce financial barriers to participation by broadly supporting personal expenses required to conduct board/commission business, such as attending meetings. The stipend would not serve as direct compensation for time spent working on

board/commission business. The stipend would not apply to ad hoc or temporary commissions and advisory committees, such as the Reimagining Public Safety Advisory Committee and Community and Economic (COVID-19) Recovery Task Force. Members already receiving a current stipend, such as the Lived Experience with Homelessness commissioner on the Housing and Community Development Commission or Planning Commissioners, would not be eligible for this stipend.

The recommended stipend amount is \$200 per month if at least one meeting is attended each month, up to \$2,400 annually. This amount is based on the City Council's recent action approving a \$200 monthly stipend for the Community Stabilization and Opportunity Pathways Fund Commission, as well as the new Lived Experience with Homelessness seat on the Housing and Community Development Commission.

The intended outcome is that more residents throughout the City—particularly those from under-resourced and/or low-income neighborhoods, as well as residents who identify as Latina/o/x, Asian, Black/African Ancestry, Indigenous, LGBTQ+, and people with disabilities—will have the opportunity to inform and shape the City's policies, programs, and budgets.

Financial Need-Based Stipend Application Process and Stipend Administration

The City Clerk's Office will establish the financial need-based stipend application process, namely by developing an application form. The applicant will be from a [low-income household as defined for Santa Clara County](#).²

The City is required to report payments to non-employees to the Internal Revenue Service. Board and commission members who choose to receive the financial need-based stipend will have to complete IRS Form W-9, Request for Taxpayer Identification Number and Certification. Individuals receiving compensation for serving on a board or commission will receive an IRS 1099-NEC (non-employee compensation) form for tax filing purposes.

The City Manager's Office will work with departments who staff boards and commissions to ensure members are aware of the Financial Need-Based Stipend application. Individual departments who staff boards and commissions will be responsible for including funding of stipends in their annual budgets. Up to \$2,400 per board or commission member will be budgeted annually.

CONCLUSION

The recommended financial need-based stipends for boards and commissions will remove financial barriers for residents to serve on City boards and commissions and provide them the opportunity to inform and shape the City's policies, programs, and budget.

² <https://www.sanjoseca.gov/home/showpublisheddocument/90049/638003812008400000>

EVALUATION AND FOLLOW-UP

The City Clerk's Office posts California Fair Political Practices Commission Form 806 (Agency Report of Public Official Appointments) on its website, which provides the public with annual updates on the number of board and commission members who receive stipends.

As part of the Administration's focus on improving community outreach and engagement with the San José community and in alignment with the One Team Leadership Values for Community and Employee Engagement, staff is developing a Citywide Community Engagement Framework as a shared vision across all City departments for engaging residents and stakeholders. The Community Engagement Work Group was created out of staff's participation in the Government Alliance on Race and Equity trainings. The Community Engagement Work Group is comprised of approximately 50 employees who are passionate with meaningful, equitable engagement. These employees volunteer their time to research best practices, train staff across departments, and enhance the City's engagement strategies and outcomes; they are an integral part of crafting the Citywide Community Engagement Framework. The City Manager's Office is also working with staff across departments to evaluate compensation tools and guidelines for community engagement. Staff anticipates bringing the Citywide Community Engagement Framework and compensation guidelines for community engagement to City Council in quarter one, 2023.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the November 8, 2022 City Council meeting.

COORDINATION

This memorandum was coordinated with the City Clerk's Office, City Manager's Office of Racial Equity, City Manager's Budget Office, Finance Department, and City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

Financial need-based stipends align with existing City of San José policies and priorities, including the Equity Pledge, San José for All, the mission of the Office of Racial Equity, and the social equity and diversity principles of the *Envision San José 2040 General Plan*.

COST SUMMARY/IMPLICATIONS

Annual costs will be no more than \$2,400 per board/commission member. While staff does not have an estimated number of board/commission members that will qualify and subsequently apply for a stipend, the total amount is expected to be absorbed within the pre-existing budgets of the City departments assigned to staff a board/commission. Adjustments will be brought forward as part of a future budget process to provide additional budgetary capacity if needed.

CEQA

Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

/s/

ROSALYNN HUGHEY
Deputy City Manager

For questions, please contact Rosalynn Hughey, Deputy City Manager, at rosalynn.hughey@sanjoseca.gov or (408) 455-1191.