



## CITY OF SAN JOSE, CALIFORNIA

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### Salary Setting Commission

April 18, 2024

Jennifer Maguire  
City Manager  
City of San José  
200 E Santa Clara Street  
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RE: City Council Salaries effective July 1 2024

Pursuant to City Charter Section 407, the Salary Setting Commission determines the base salary for Mayor and Councilmembers every five years. Specifically, Section 407 provides:

Each member of the Council, including the Mayor, shall be paid a salary for their services as a member of the Council, which shall be established in accordance with the provisions hereinafter set forth in this Section. No salary shall be established for any member of the Council, including the Mayor, except as provided in this Section.

(a) Between March 1st and April 30th commencing in 2019, and every five (5) years thereafter, the Salary Setting Commission shall set the amount of base salary which it deems appropriate for the members of the Council, including the Mayor, commencing July 1 of that year. The amount set for each member of the Council shall be the same, except that the amount set for the Mayor may exceed that of the other members of the Council. The base salary shall be in an amount which takes into account the full time nature of the office and which is commensurate with salaries then being paid for other public or private positions having similar full time duties, responsibilities and obligations. No determination of base salary amounts shall be made except upon the affirmative vote of three (3) members of the Commission. Failure of the Commission to make a determination of salary amounts in any year within the time prescribed shall be deemed to mean that no change to the base salary be made.

(b) The Salary Setting Commission's determination of the Mayor and Council base salaries, together with the reasons therefor, shall be made in writing and submitted to the City Manager no later than May 1, so that funds can be budgeted and appropriated for that purpose. Before it submits any such determination to the City Manager, the Commission shall conduct at least one public hearing on the matter. When such a determination has been submitted to the City Manager, it shall not thereafter be amended by the Commission.

(c) Commencing July 1, 2020, and annually thereafter in years in which there are no base salaries set by the Salary Setting Commission under Section 407(a), in order to provide a

cost of living adjustment, the base salaries of the Council and Mayor shall increase by a percentage equal to the percentage increase of the preceding calendar year's annual average of the Consumer Price Index Urban (CPI-U), or successor index, for San Francisco-Oakland-Hayward, as determined by the United States Department of Labor, Bureau of Labor Statistics. In no event shall the CPI-U salary increase exceed 5% per year.

Additionally, Charter Section 407(e) provides that the Salary Setting Commission shall set the sum to be deducted from the salary of each member for each regular meeting of the Council other than regular adjourned meetings, which he or she fails to attend, provided, however, that such deduction shall not be made for his or her failure to attend any meeting during which he or she is away on authorized City business, or from which he or she is absent because of his or her own illness or the illness or death of a close family member. No deduction shall be made from the Salary of the Mayor because of his or her failure to attend any Council meeting.

In 2019, the salary setting commission set the base pay for the Mayor at \$190,000 and the salary for the Councilmembers at \$125,000. Subsequently, annual adjustments were made pursuant to the City Charter's direction. Including the CPI adjustments over the five-year period, the FY 23-24 salary for the Mayor was \$216,293.70 and for the Councilmembers, \$142,248.96.

The Salary Setting Commission met on January 31, 2024, February 28, 2024, and held a public hearing on March 13, 2024 to make a final determination for base salary for the Mayor and Councilmembers. In reviewing compensation for the City's elected leaders, the Commission recognizes that the City of San Jose is the third largest city in California and the tenth largest city in the United States. The eleven members of the City Council have the responsibility for overseeing an operating and capital budget in FY 23-24 of approximately \$6.1 billion (Adopted Operating and Capital Budgets). Based on estimates by the California Department of Finance in 2024, the population of San Jose is approximately 971,233. Each Councilmember represents approximately 90,000 constituents, which is comparable to the population of a medium-size city in California, and the Mayor represents nearly one million residents. The Commission believes that the salary and benefits should be adequate and fair for current City Councilmembers and the Mayor given overall economic conditions, but also such that the City will reasonably attempt to continue to attract San José residents to represent its citizens.

The Commission believes that the scope of responsibilities of the San Jose Mayor and City Councilmembers has grown over the years. In fact, it is extremely difficult to compare the duties of elected officials between jurisdictions. The services provided, size, and scope of the organization, responsibilities, and community expectations vary greatly. The Commission has determined that the following factors should be considered in establishing the salaries of San Jose's Mayor and City Councilmembers:

- San Jose is the 13<sup>th</sup> largest City in the nation and the third most populous city in California
- The jobs of San Jose's Mayor and City Councilmembers are full-time "plus" positions, which often require fulfilling their duties on nights and weekends. It is difficult to make a direct comparison between the duties and responsibilities of San

Jose's Mayor and Council with the roles and obligations of other elected officials among California's largest cities and counties, some of whom are part-time. Each community is unique with elected officials performing distinct tasks within differing governmental structures amidst varying expectations.

- The frequency of the City Council meetings, Council Committees, and assignments to represent the City on various county, regional, and state boards adds a level of complexity to the duties of San Jose's leaders.
- The size of the City's operating and capital budgets equal or exceed many California counties and place San Jose in the top tier of California cities
- San Jose's geographic area, population, diversity, economy, budget, and number of employees in its work force is more comparable generally to those of California County Boards of Supervisors, rather than other California cities. Especially for this reason, the Commission believes a comparison should be made between the salaries for the City Councilmembers/Mayor and the salaries for Santa Clara County Supervisors. Additionally, the Commission believes a comparison between comparable City of San Jose positions and City Councilmember/ Mayor salaries is instructive due to similar local cost of living and economic conditions.

Taken into consideration is the scope of work for the Mayor and City Council, the salaries of comparable cities, the cost of living, and the desire to attract the best candidates for Council.

**After discussion during the March 13, 2024 hearing and taking various data into consideration, the final determination adopted unanimously by the Commission was to set the annual base salary of the Mayor at 4% higher than the 2023 salary, rounded up to \$224,000 and set the annual base salary of Councilmembers at 75% of the Mayor's salary, rounded up to \$168,000. The amount to be deducted from Councilmember pay for having an unexcused absence at a Council meeting was set at \$300.**

The Commission felt strongly that the salary should empower candidates who can devote their full time to the position. A strong competitive salary for the City Council is imperative to attracting the kind of candidates who will be strong stewards of the City of San José. The Commission strongly believes that the compensation for the Mayor and Councilmembers should be fair and adequate with respect to the scope and complexity of their responsibilities.

Equally important, the Council's salaries should be appropriately competitive by the local living standards so that San José residents are not unduly deterred from running for office because of the level of authorized compensation. Overall, compensation is one of several significant factors in encouraging candidates to run for Mayor and Council positions.

San Jose is fortunate to have had effective leadership by many men and women who have been elected and served with integrity and distinction. It is the desire of the Salary Setting Commission to continue to encourage effective qualified leaders.

On April 17, 2024, by a vote of \_-\_, the Commission approved the language of this letter.

Douglas Ludlow, Chairperson

David Burkhard, Commission Member

Matthew Bright, Vice Chair

Wendell Wenjen, Commission Member

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