



Memorandum

TO: THE HONORABLE MAYOR &
CITY COUNCIL

FROM: Councilmember Lan Diep

SUBJECT: ACTIONS RELATED TO THE
SALARY SETTING COMMISSION

DATE: 10/16/2017

Approved

Date

10/16/17

RECOMMENDATION

- 1) Accept the Salary Setting Commission's Report on Recommended Options for Consideration of Charter Amendment Relating to Mayor and City Council Salaries;
- 2) Decline to amend the City Charter; and
- 3) Direct the Salary Setting Commission to come back with alternatives on how the Council can address the perceived conflict-of-interest problem by custom or ordinance without an amendment to the Charter.

ARGUMENT

Measuring one's own worth is not easy. But that is what the City Charter requires of the City Council. The Council is tasked with the responsibility of approving all city expenditures, including the pay for all city employees, of which councilmembers are. Although it is undoubtedly awkward for the Council to approve its own salary, the power to do so rightfully lies with the Council. To prevent abuse, the City Charter limits the Council's discretion by only allowing it to set a salary within a range determined by the Salary Setting Commission.

The City Charter is our founding document and the public should not bear the cost of amending it by ballot measure – at an estimated cost of \$136,817 – to shield councilmembers from the harshness of public scrutiny.

In their memo dated May 5, 2017, which was discussed at the May 9th city council meeting, Mayor Liccardo, Vice Mayor Carrasco, and Councilmembers Jones, Peralez, and Arenas are concerned that empowering the Council to vote on its own salary “makes it impossible for the Council to reasonably act in the best long-term interest of the City without inviting public suspicion.” They go on to share the experience of previous councils being unfairly treated by the press. When the Council gave itself a pay cut during the Great Recession,

only to restore its pay five years later, “some media reports failed to make any mention of the prior reduction, leading to accusations of self-dealing by the public.”

While such media coverage may be unfair to councilmembers, biased, incomplete, or subpar reporting are part and parcel of life as a public figure.

Being an elected official means being a topic of public discussion, which inevitably includes rumors, untruths, and speculation. But that is the price we pay for the opportunities to learn and the honor to lead.

Taxpayers should not have to bear the cost of a charter amendment so that the Council can avoid an awkward discussion or unfair media coverage. Especially not when there is an estimated budget shortfall of \$35 million for 2018-2019.

A more plausible argument, which the Mayor and his co-authors allude to but do not make, is that the Charter should be amended to prevent the Council from abusing its power. Theoretically, because the Council gets to appoint the commissioners to the Salary Setting Commission, Councilmembers can pack the commission with puppets who make outrageously high salary increase recommendations for the Council to approve.

Yet in practice, the Salary Setting Commission suggested in May that it would be appropriate to increase councilmembers' salaries from \$92,000 to \$102,000 annually and the Mayor's salary from \$125,000 to \$137,000 annually, the Council rejected the suggestion and instead took a 3% pay raise for this year and next.

The political process works as a check on self-dealing and abuse of power. Although it has the authority to set its own salary, the Council is reluctant to use it to excess precisely because it is directly accountable to the voters should the power be abused.

Each of us on the Council was elected to use our best judgement to make decisions for the City. We should not divest ourselves of authority and allow the decision of the Council's salary to be set in a formulaic fashion. There will be times that we should raise our salaries, and times when we may feel it appropriate to reduce our salaries. A charter amendment pegged to the Consumer Price Index will deprive us of discretion and flexibility.

CONCLUSION

The purported problem the Council seeks to solve today regarding salary setting is a political, not a process problem. We can address it by voluntary custom or ordinance, instead of by going to the ballot. This will spare the expense to taxpayers while preserving the nimbleness of the Council to address situations as they arise.