



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Richard Doyle
City Attorney

SUBJECT: Council Salary Setting Methods
and Options

DATE: January 6, 2008

RECOMMENDATION

That the City Council consider alternate Council salary setting methods and direct the City Attorney to prepare a Charter amendment if a change to the current method is approved.

BACKGROUND

On May 22, 2007, the City Council directed staff to research various methods for Council salary setting that would remove City Council approval from the salary setting process. The Council also referred this matter to the City's Charter review process which begins in late 2007 for the June 2008 Ballot.

This report will provide a summary of methods used by other municipalities and the County of Santa Clara to determine the setting of salaries for elected officials and to determine how salaries increase or change over a period of time. Changes to the current method of setting Mayor and City Council salaries would require a Charter amendment.

ANALYSIS

A. Current Salary Setting Method

City Charter Section 407 provides for a biennial salary recommendation from the Salary Setting Commission to the City Council for review and implementation by ordinance. Appointed by the City's Civil Service Commission, the five public members of the Salary Setting Commission make recommendations based on criteria set in Section 407. These criteria take into account the full time nature of the offices and the commensurate salaries then being paid for other public or private positions having similar full time duties, responsibilities and obligations. The Charter provides that the Council may adopt the salaries as recommended, or in a lesser amount but in no event can the Council increase the amount recommended by the Commission.

As several Councilmembers have noted¹ when the Council last reviewed the salary recommendations on May 22, 2007, the Council declined to adopt the Salary Setting Commission's recommendation for several cycles due to the political ramifications of accepting a pay increase during a cycle of chronic budget deficits. Thus, the Council has not received a salary increase for approximately 6 years.

B. Other Methods and Options for Setting Salaries of Elected Officials

Periodic increases or changes to the salaries of the Mayor and Council can be based on objective standards. A review of larger cities and the County of Santa Clara reveals several different methods of salary setting which may be considered by the City Council.

Method 1. Tying Council Salaries to Those of Superior Court Judges

The California Constitution provides that the compensation of judges is determined by the state legislature. Government Code Section 68203 provides Superior Court Judges with the same general salary increases provided to California state employees. The method of setting salaries of elected officials to those of judges is used by Santa Clara County for the Board of Supervisors and the city of Los Angeles for the City Council.

a. Santa Clara County

Santa Clara County Charter Section 204 provides that salaries of the Board of Supervisors including the Chair is fixed by ordinance. The County's salary ordinance for executive management provides that the base salary for members of the Board is 80% of the annual salary of a Superior Court Judge in the County. Information on judicial salaries and increases to judicial compensation is provided to the County from the Judicial Council of California. In November of 2007, Judges received a 4.16% increase effective July 1, 2007. Members of the Board, therefore, have received the same increase bringing their annual salary to \$143,031.

b. City of Los Angeles

Council salaries in the City of Los Angeles are consistent with the salaries of Superior Court Judges in Los Angeles County. Section 218 of the Los Angeles City Charter states in part:

Members of the City Council shall be paid a salary equal to that prescribed by law for judges of the Municipal Court of the Los Angeles Judicial District or its successor in the event that court is dissolved or reconstituted. (The Los Angeles Municipal Court system was

¹ Memorandum to City Council from Councilmembers Pyle, Nguyen, Constant and Liccardo dated May 21, 2007

consolidated with the Superior Court system in 2000 to form a "unified" Superior Court.)

Councilmembers in Los Angeles receive the same annual salary increases as Superior Court judges. Their current salary is \$149,160.

Method 2. Salary Adjustment by Linking to the Consumer Price Index (CPI) With Final Decision by a Commission

Another method for increasing Council salaries over a period of time is to link salaries to adjustments in the CPI. The CPI is a measure of the average change in prices over time of goods and services purchased by households. The US Department of Labor, Bureau of Labor Statistics issues Consumer Price Index Reports for all urban consumers (CPI-U) which includes "wage earners and clerical worker households, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force."

San Francisco and Oakland use the CPI in determining salary increases for their elected officials. Moreover, salary setting decisions in these cities are made by commissions and not by the elected bodies.

a. San Francisco – Civil Service Commission

San Francisco City and County Charter Section A8.409-1 provides for the Civil Service Commission to make a final determination on the base 5 year salary of the Mayor and to conduct and consider a salary survey every 5 years to determine the comparable salary for the Mayor. Additionally, the Commission is charged with the responsibility to adjust the salary of the mayor to account for upward annual movement in the CPI during the prior year, in an amount not to exceed 5%. The mayor is currently paid an approximate \$233,000.

Charter Section 2.100 directs the San Francisco Civil Service Commission to conduct a salary survey of other full-time California City Councils and County Boards of Supervisors to set the salary for the San Francisco Board of Supervisors once every 5 years. The Charter provides that the Commission may consider the CPI when setting the salary for the Board for a 5 year cycle. As with the Mayor, the Commission makes the final salary determination for the Board of Supervisors. The current salary for members of the Board is approximately \$90,720.

b. Oakland – Public Ethics Commission

When the Oakland voters created the Public Ethics Commission in 1996, they authorized the Commission to establish a base salary for City Councilmembers and to adjust it every odd-numbered year in an amount not to exceed 10%. The Charter was

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amended in 2004 and now authorizes the Commission to annually adjust the salary for the Councilmembers by the increase in the Consumer Price Index up to a total of 5%. Any portion of an increase in salary that would result in an overall increase for the year in excess of 5% must be approved by the voters. The current salary for members of the council is an approximate \$65,803.

The salary for the Mayor is set by the City Council pursuant to the charter. The Oakland Charter requires that the Mayor's salary is not less than 70% nor more than 90% of the average salaries of City Managers/Chief Executive Officers of California cities with the three immediate higher and three immediate lower cities in population to Oakland. The mayor's current salary is \$183,395.

CONCLUSION

Linking the salaries of the Mayor and Council to those of Superior Court Judges or to the Consumer Price Index would remove the City Council from the salary setting process. The cities that use the Consumer Price Index method described in this report also have the salary determination made by a separate commission without review by the elected body.

PUBLIC OUTREACH/INTEREST

This memorandum is posted on the City's website for the January 15, 2008 Agenda.

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By 
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cc: Debra Figone

For questions please contact Norm Sato at 535-1925