



Memorandum

To: Honorable Mayor and City Council

From: Councilmember Nancy Pyle
Councilmember Madison Nguyen
Councilmember Pete Constant
Councilmember Sam Liccardo

Subject: Councilmember Salary Setting **Date:** 5/21/07

Approved:

Nancy Pyle 5/21/07 *Sam Liccardo* *Madison Nguyen*

RECOMMENDATION

Direct staff to research various methods for Council salary setting that would remove City Council approval from the Council salary setting process. This direction should be referred to the City Charter Review process which is set to begin in fall 2007.

BACKGROUND

We recommend the City Council refer removing City Council approval from the Council salary setting process to City Charter Review process. Alternatives could include vesting all powers in the Council Salary Setting Commission or attaching Council salaries to an outside index or source.

DISCUSSION

The City Charter established the Council Salary Setting Commission to recommend appropriate compensation for the City Council every two years. The Commission's charge is to recommend a salary that "...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." The Charter does not allow Council salaries to be set in any other manner.

Over the years, the Commission has done a commendable job of formulating recommendations for Council consideration. In the last two cycles, however, the Council has declined to adopt the Commission's recommendations due to the political ramifications of accepting a pay-increase during a cycle of chronic budget deficits. This has resulted in Councilmembers having gone 6 years without a pay increase. In doing so, the City Council has kept the Salary Setting Commission from fulfilling its charge to ensure that Council salaries remain commensurate with

the full-time nature of the position, further limiting the likelihood that qualified candidates will continue to take up the charge of public service. The long-term adverse impacts for the City Council and City government outweigh short-term budgetary reasons for declining to act on the Commission's recommendations. For this reason we believe the Council salary setting process should be removed from the Council decision making process. Recommendations to Council to raise salaries generate inordinate political controversy and deflect attention from more urgently needed reforms in San Jose.

Various methods for City Council salaries setting exist. First, last year the Council discussed the option of leaving Council Salaries to the sole discretion of the Council Salary Setting Commission. Various other municipalities currently use this form. Second, In the City of Los Angeles the Mayor and City Council salaries are tied to the salaries of Superior Court judges in Los Angeles County. The Santa Clara County Board of Supervisors also sets salaries in this model. The third method for increasing Council salaries over time is to link them to adjustments in the Consumer Price Index (CPI). The method is not tied to a political decision of any kind. Cities such as Oakland, San Francisco, and Seattle use the CPI as the basis for increasing salaries. These are various examples of methods that could be used.

CONCLUSION

Service on the City Council should not require either independent wealth or financial sacrifice. Voters should be able to select from well-qualified candidates for office who offer the best leadership abilities, management skills, and professional expertise available to our community, rather than merely those who can afford to take on commitments of public service. If history is any guide then it is clear that the current City Council salary setting practice will further disenfranchise working families and business professionals, by making it financial infeasible for them to serve at the highest level of City government.

Because service as a Councilmember is already more than a full-time job, 60 to 80 hours a week, this is a critical factor in setting appropriate and competitive Council salaries. Councilmembers should not be burdened with the need for income from outside employment to make ends meet, nor the political controversy which this methods trusts upon the Council. Ensuring that Councilmembers are fairly and appropriately compensated, once in office, will therefore lead to a broader range of residents who could seriously consider public service without the risk of financial penalties for their families.

Removing the Council from the Council salary setting process will allow the Council to focus on more urgent needs in San Jose.