



**CITY OF SALINAS
CITY COUNCIL STAFF REPORT**

DATE: November 14, 2023

DEPARTMENT: CITY MANAGER'S OFFICE
CITY ATTORNEY'S OFFICE

FROM: JIM PIA, INTERIM CITY MANAGER
CHRISTOPHER A. CALLIHAN, CITY ATTORNEY

TITLE: CALIFORNIA SB 329 (DODD): CITY COUNCIL COMPENSATION

RECOMMENDED MOTION:

It is recommended that the City Council consider whether to amend the Salinas Municipal Code to increase Council member compensation.

EXECUTIVE SUMMARY:

On June 29, 2023, Governor Newsom signed SB 329 (Dodd) into law which amended Government Code section 36516 thereby allowing cities to adjust Council member compensation to reflect inflation as measured by the California Consumer Price Index. This legislation was intended to increase the compensation schedule for Council members in general law cities. SB 329 allows cities to increase the compensation to adjust for inflation in order to help keep city councils more diverse by allowing people from across different income levels to serve the public and support their families. Increases would require a majority vote of the City Council.

SB 329 requires that an ordinance to increase council member compensation be considered in an open session with at least two regular meetings. The ordinance must include findings demonstrating the need for the increased compensation and there must be at least seven days between the introduction and the adoption of the ordinance.

SB 329 goes into effect on January 1, 2024, meaning that should the Salinas City Council adopt an ordinance to increase Council member compensation, such increase could not take effect until January 1, 2024; however, the City Council can adopt such an ordinance now so that it may be effective January 1, 2024.

A copy of SB 329 is attached to this Report for reference.

The Finance Committee received a report on September 12, 2023, regarding Council member compensation and SB 329. The Finance Committee did not make a specific recommendation to the City Council whether to increase Council member compensation, but instead recommended

that this item be considered by the City Council only after the City had made progress toward approving new contracts with City labor groups.

BACKGROUND:

On June 29, 2023, Governor Newsom signed SB 329 into law, allowing general law cities to increase Council member compensation. The State Legislature (and the City of Salinas) last adjusted these amounts in 1984. Currently, Government Code section 36516 authorizes a City Council to enact an ordinance to provide each member of the city council a salary, with a maximum base limit based upon the population of the city in accordance with a specific schedule. Any increases in salary are also limited and cannot exceed 5% for each calendar year from the operative date of the last adjustment of the salary that is in effect when the increase is enacted.

SB 329 amends Government Code section 36516 to increase the maximum amount of salaries identified in the schedule. SB 329 also authorizes the salary of council members to be increased beyond the specified maximum to an amount not exceeding the greater of either 5% for each calendar year from the operative date of the last adjustment of the salary or an amount equal to inflation since January 1, 2024, based on the California Consumer Price Index (Not to exceed 10% per calendar year).

No ordinance can be enacted or amended to provide automatic future increases in salary and the electors can consider the question of whether city council members should receive a salary and the amount of the salary may be submitted to the electors. Any retirement, health and welfare benefits, federal social security benefits, or reimbursement for the actual and necessary expenses are not included for purposes of determining salary under section 36516.

Salinas is a charter city and, therefore, this new law applies to Salinas because Charter Section 5.3 authorizes the City Council to be compensated in an amount authorized by State law for cities of a similar size, with additional compensation for the Mayor:¹

Section 5.3 Compensation

The monthly salary of the Mayor and the members of the City Council shall be set by ordinance. The monthly salary shall not exceed the amount authorized by State law for cities of a similar size; provided however, that the salary of the Mayor may be set at a higher amount than the salary of the members of the City Council.

Salinas Municipal Code section 2-01.02 sets the current amounts of compensation for the Mayor and Council members:

Sec. 2-01.02. City Councilmember compensation.

¹ Charter Section 5.3 (formerly Section 9) was added to the City Charter by the voters at the November 6, 1984 election. A copy of Resolution No. 11970 declaring the results of the election is attached to this report for reference.

Members of the city council shall receive as compensation for their services a monthly salary of six hundred dollars each and the mayor shall receive a monthly salary of eight hundred dollars.

Compensation for the council and for the mayor may be increased beyond the amount provided for in this section by an ordinance or an amendment to this section, provided the total amount of compensation, and the percent of any increase, shall not exceed the compensation and increase as provided for in Government Code Section 36516.

Pursuant to Government Code section 36516(a)(2)(E), the compensation for Salinas Council members may be up to and \$2,550 per month, and may be increased beyond that if the increase does not exceed (1) an amount equal to 5% for each calendar year from the operative date of the last adjustment of the salary (not compounded); or (2) an amount equal to inflation since January 1, 2024, based on Consumer Price Index (CPI).

Currently, the Mayor receives an annual salary in the amount of \$9,600 and each Council member receives an annual salary in the amount of \$7,200, excluding benefits.² Combined, the annual salary for the Mayor and Council members is \$52,800, excluding benefits. Increasing each of the Mayor and Council members' salaries to the amount of \$2,550 per month would result in an annual salary for each in the amount of \$30,600. The combined annual salary for the Mayor and Council members would thus be increased by \$161,400 to \$214,200:

Position	Current Annual Salary (Mayor-\$800; Council members-\$600)	Increased Annual Salary (\$2,550 per month)
Mayor	\$9,600	\$30,600
Council member D1	\$7,200	\$30,600
Council member D2	\$7,200	\$30,600
Council member D3	\$7,200	\$30,600
Council member D4	\$7,200	\$30,600
Council member D5	\$7,200	\$30,600
Council member D6	\$7,200	\$30,600
Total	\$52,800	\$214,200

Examples from Other Cities.

The following is provided to inform the City Council of the amounts of compensation paid to Mayors and Council members from some other California cities:

City	Monthly Compensation—Monterey County Cities	Population
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² In addition to their monthly salary, the Mayor and Council members receive benefits including health care, retirement, auto allowance, Medicare and Social Security, and reimbursement of expenses.

Monterey ³	Mayor: \$1,417.50.	Council member: \$965.25	26,845
Soledad ⁴	Mayor: \$612	Council member: \$512	26,230
Greenfield	Mayor: \$481	Council member: \$361	19,917
King City	Mayor: \$450	Council member: \$350	13,817
Marina	Mayor: \$250	Council member: \$200	22,068
Seaside	Mayor: \$400	Council member: \$340	29,790
Gonzales	Mayor: \$400	Council member: \$400	8,300
Monthly Compensation--Comparator Cities⁵			
Monterey County	Supervisor: \$13,219 (full-time positions)		430,368
Santa Cruz County	Chair: \$11,901 (full-time positions)_	Supervisor: \$11,822	262,051
San Jose	Mayor: \$17,450 Council member: Varies from a range of \$12,203 to \$11,613 (full-time positions)		959,256
Sunnyvale	Mayor: \$3,884	Council member: \$2,913	156,317
Hayward	Mayor: \$3,474	Council member: \$2,081	159,800
Oxnard	Mayor: \$1,701	Council member: \$1,701	197,477
Gilroy	Mayor: \$1,475 (maximum)	Council member: \$984 (maximum)	60,078
Watsonville	Mayor: \$689	Council member: \$578	49,876
Hollister	Mayor: \$600	Council member: \$400	42,891

Options Available to the City Council.

Ultimately, the City Council has options: The City Council could choose not to increase City Council compensation, could choose not to increase City Council compensation at this time, or could choose to increase City Council compensation by a lesser than the maximum amount permitted.

This bill was sponsored by Cal Cities (formerly League of California Cities). A copy of Cal Cities' June 14, 2023, letter is attached to this Report for reference.

STRATEGIC PLAN INITIATIVE:

An increase to the City Council's compensation would support the City Council's Goal of an effective and culturally responsive government.

³ Effective January 1, 2024.

⁴ All of the salary figures for these six cities and population counts for all of the cities and counties in this chart are from 2022 and are taken from the California State Controller's "Government Compensation in California" website: <https://publicpay.ca.gov/Reports/PositionRpts.aspx?year=2022&rpt=1> .

Salinas's population is listed at 159,475.

⁵ The comparator cities are those used by the City of Salinas for its recent compensation survey.

DEPARTMENTAL COORDINATION:

The City Attorney's Office, City Manager's Office, City Clerk's Office, and Finance Department coordinated on this Report and draft Ordinance.

FISCAL AND SUSTAINABILITY IMPACT:

An increase to the City Council's compensation would have an impact to the City's General Fund. The total impact is dependent upon the increase approved by the City Council.

ATTACHMENTS:

Salinas City Council Resolution No. 11970
SB 329
Cal Cities' June 14, 2023, Letter to Governor Newsom
Draft Ordinance

ORDINANCE NO. _____ (N.C.S.)

AN ORDINANCE AMENDING SALINAS MUNICIPAL CODE SECTION 2-01.02 TO INCREASE COMPENSATION FOR THE MAYOR AND CITY COUNCIL MEMBERS

City Attorney Impartial Analysis

Consistent with Senate Bill 329 (Dodd), this Ordinance amends the Salinas Municipal Code to increase the compensation for the Mayor and City Council members.

WHEREAS, Salinas Charter Section 5.3 authorizes the City Council to be compensated in an amount permitted by State law for general law cities with the same population, with additional compensation for the Mayor; and

WHEREAS, Council members are currently receiving a monthly salary of \$600 and the Mayor \$800, with those amounts having been set in 1984; and

WHEREAS, on June 29, 2023, the Governor signed SB 329 into law, allowing for Council member pay increase in general law cities. The State Legislature last adjusted these amounts in 1984. Effective January 1, 2024, Government Code section 36516 authorizes up to \$2,550 per month, based on Salinas’s population; and

WHEREAS, under the new law, Council member salaries may be increased beyond \$2,550 per month if the increase does not exceed: (1) an amount equal to 5% for each calendar year from the last adjustment—in this case 1984 (not compounded); or (2) an amount equal to inflation since January 1, 2024, based on the CPI; and

WHEREAS, the City Council agrees with the author of SB 329, Senator Bill Dodd (D-Napa), that:

City Council members have one of the hardest jobs in California government. They deal with a wide range of issues, from street maintenance to emergency response duties. And all too often, they do this job with very little financial compensation. No one runs for City Council in order to make money. But the low levels of pay make it much harder for them to balance their careers and personal obligations with the calling to serve their community. The Legislature has not raised the base pay amounts for City Council members since 1984. It’s time those amounts caught up with the present economic reality, especially with the rapid increase in inflation we’ve seen recently. Raising the pay will also make it easier for members of marginalized communities to serve. City Councils should be reflective of the communities they represent, and I believe raising their compensation is an important step to achieving that equitable outcome.

WHEREAS, the City Council agrees with Cal Cities (formerly the League of California Cities), which supported SB 329 for the following reasons:

Lengthy time commitments and limited pay discourage many, especially low-income residents, single parents, people of color, and young people, from running for public office. For many, being a council member is a full-time commitment with part-time pay. Cal Cities is proud to sponsor this important legislation that lessens barriers for those interested in governing at the local level. This overdue reform is another tool communities can choose to use that can help ensure our city councils are reflective of the residents who live, work, and play in their communities.

WHEREAS, the cost of living in Salinas is extremely high.⁶ In August 2022, an editorial in the Monterey County Weekly urged increasing compensation for city elected officials⁷; and

WHEREAS, a first reading of this Ordinance was held on _____, 2023.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF SALINAS as follows:

SECTION 1. The above recitals are true and correct and are hereby incorporated and adopted as findings of the City Council as if fully set forth herein.

SECTION 2. Salinas Municipal Code section 2-01.02 is hereby amended to read as follows:

Sec. 2-01.02. City Councilmember compensation.

- a. Effective January 1, 2024, Members of the city council shall receive as compensation for their services a monthly salary of _____ dollars each and the mayor shall receive a monthly salary of _____ dollars.
- b. The compensation set forth in this subsection (a) is exclusive of any amounts paid by the city for retirement, health, and other benefits, provided that the same benefits are available and paid by the city for its employees.
- c. Compensation for the council and for the mayor may be increased beyond the amount provided for in this section by an ordinance or an amendment to this section, provided the total amount of compensation, and the percent of any increase, shall not exceed the compensation and increase as provided for in Government Code Section 36516.
- d. This ordinance does not and shall not provide for automatic future increases in the compensation.

SECTION 3. All ordinances and parts of ordinances and all resolutions and parts of resolutions in conflict herewith are hereby repealed effective January 1, 2024, or the effective date of this Ordinance, whichever is later.

SECTION 4. Publication. The City Clerk shall cause a summary of this ordinance to be published once in a newspaper published and circulated in Salinas within fifteen (15) days after adoption. (Salinas Charter Section 11.9)

⁶ <https://www.sfgate.com/bayarea/article/salinas-ca-ranked-seventh-most-expensive-to-live-18467574.php>

⁷ https://www.montereycountyweekly.com/opinion/local_spin/monterey-county-s-city-council-members-volunteer-we-should-pay-them/article_e93b1500-18ff-11ed-ace1-f3ae82571b6d.html

SECTION 5. CEQA Compliance. The City Council’s adoption of this ordinance is not a project subject to environmental review under the California Environmental Quality Act (CEQA Guidelines section 15061(b)(3)).

SECTION 6. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, clause, and phase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 7. Effective Date. This Ordinance will take effect thirty (30) days from and after its adoption.

PASSED AND ADOPTED this ____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney