

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: SUE GALLAGHER, CITY ATTORNEY
CITY ATTORNEY'S OFFICE
SUBJECT: CHARTER AMENDMENT BALLOT MEASURE – INCREASE IN
COUNCIL COMPENSATION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended that the Council, by resolution, place a measure on the November 8, 2022 ballot to amend the City Charter to increase Council compensation, tying Mayor and Council compensation to a percentage of the County's Area Median Income, setting the Mayor's salary at 100% of Area Median Income for a three person household (currently \$101,500 annually) and the Council members' salary at two-thirds of that Area Median Income (currently approximately \$67,660 annually), all with an effective date of January 1, 2025.

EXECUTIVE SUMMARY

At its July 12, 2022 meeting, the Council determined to place three measures on the November 2022 ballot for the voters' consideration: (1) a ballot measure to amend the City Charter to increase Council compensation, tying Mayor and Council compensation to the County's Area Median Income; (2) a ballot measure to amend the City Charter to reflect the City's recent transition to district-based election of Council members; and (3) a ballot measure to update and modernize the language of the Charter, including provisions to remove ambiguities, to provide additional flexibility in City operations, and to ensure gender and citizenship neutrality. A resolution was presented to the Council that called for a special election placing all three measures on the November ballot. The resolution required a single vote, without distinction between the three measures.

In order to allow for a separate vote on each of the three measures, the three measures have been separated into three agenda items, each with its own resolution.

In this agenda item, the Council will consider adoption of a resolution to place a measure on the ballot to amend the City Charter to increase Council compensation, tying Mayor and Council compensation to a percentage of the County's Area Median Income, setting the Mayor's salary at 100% of Area Median Income for a three person

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household and the Council members' salary at two-thirds of that Area Median Income. The resolution also incorporates the Council's decision to have the salary increases go into effect on January 1, 2025.

BACKGROUND

The 2022 Charter Review Committee was formed last fall. The Committee met for more than six months and issued its final report on May 24, 2022. After lengthy discussions and deliberations, the Committee recommended that three ballot measures be placed on the ballot for the voters' consideration in November 2022: (1) a ballot measure to amend the City Charter to increase Council compensation, tying Mayor and Council compensation to of the County's Area Median Income; (2) a ballot measure to amend the City Charter to reflect the City's recent transition to district-based election of Council members; and (3) a ballot measure to update and modernize the language of the Charter, including provisions to remove ambiguities, to provide additional flexibility in City operations, and to ensure gender and citizenship neutrality. The Charter Review Committee also recommended that the Council consider at least one possible additional measure in future years.

On June 21 and July 12, the Council met and considered the Committee's recommendations. The Council accepted all three of the Committee's recommendations and directed staff to return with the three proposed ballot measures.

This agenda item brings to the Council a resolution to place on the November 21022 ballot the recommended measure to amend the City Charter to increase Council compensation.

PRIOR CITY COUNCIL REVIEW

On August 17, 2021, Council adopted Resolution No. RES 2021-147, establishing the 2021-2022 Charter Review Committee and initiating Charter review.

On May 24, 2022, Council held a study session to receive the Charter Review Committee's Final Report and Recommendations.

On June 21, 2022, Council considered and discussed the Committee's recommendations. The Council directed staff to return with the three proposed ballot measures, but to allow for flexibility for the Council to determine the specifics for increased Council compensation.

On July 12, 2022, the Council further considered and discussed the Committee's recommendations. The Council directed staff to return with the three proposed ballot measures, with amendments as specified.

ANALYSIS

Ballot Measure to Increase Council Compensation

i. Current Charter Provision

Section 4 of the City Charter currently provides that the Council may provide for compensation for its members by ordinance in accordance with formulas set forth in state law. For a city the size of Santa Rosa, state law allows for Council member salary up to \$800 per month. Although state law allows for periodic increases in that salary, the Council has not taken advantage of that statutory allowance, and Council member salary has remained at \$800 per month since 2005.

Section 4 of the City Charter provides that the Mayor shall receive 150% of Council member salary. Pursuant to that provision, the Mayor currently receives \$1200 per month.

The Mayor and Council members also receive City benefits, including health, vision, dental, life insurance, long-term disability, retirement and other benefits. The value of those benefits range from approximately \$19,400 to \$33,700 per year.

ii. Committee Recommendation and Council Direction

After extensive discussion, the Charter Review Committee recommended that (1) the Mayor's salary be set at Sonoma County's Area Median Income (AMI) for a three person household as determined by the U.S. Department of Housing and Urban Development; (2) the Council members' salary be set at two-thirds of the AMI for a three person household; (3) the Mayor and Council member salaries be permanently tied to the AMI for a three person household, rising or falling with annual adjustments in the AMI.

Currently, AMI for a three person household in Santa Rosa is \$101,500, meaning the Mayor would receive an annual salary of \$101,500 and Council members would receive an annual salary of approximately \$67,660. Those salaries would increase or decrease each year in alignment with the County's Area Median Income for a three person household. Benefits would continue to be provided in accordance with City policy.

The Committee also recommended that the Council consider building in a penalty or reduction in salary for unexcused absences, or to parallel a city-wide reduction in City salaries, or other circumstances as the Council deems appropriate. At its June 21st meeting, the Council directed that the proposed measure include a provision for the establishment of penalties or salary reductions by ordinance.

At its July 12 meeting, the Council determined that the salary increases would be effective on January 1, 2025.

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A proposed ballot measure reflecting the Council direction is attached, as well as a resolution to place that measure on the ballot in the consolidated election to be held on November 8, 2022.

FISCAL IMPACT

The proposed increases in Council salaries will increase costs. The cost increase will likely be approximately \$500,000 annually in the initial years and may increase over time depending on the trajectory of the County's Area Median Income. Although the new costs are likely to increase projected deficits in the coming years, the increases will represent only a small percentage of the overall General Fund budget, likely less than one-third of one percent.

It is anticipated that Area Median Income will continue to increase in future years and thus continue to impact City finances, although such increases in AMI are not assured.

ENVIRONMENTAL IMPACT

The proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Charter Review Committee was formed in the fall of 2021 and worked diligently over the course of six months to research, discuss and deliberate on a series of potential amendments to the City Charter. The Committee issued its Final Report to Council on May 24, 2022.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution
 - Exhibit A - Ballot Measure No. 4 (Council Compensation)

CONTACT

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