

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 (Continued from the July 26, 2022,
Regular Meeting)

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended that the Council, by motion, direct staff to prepare required documents to place a measure on the November 2024 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 and the Council members' salary at two-thirds of that Area Median Income, with an effective date of January 1, 2025.

EXECUTIVE SUMMARY

At its July 26, 2022 meeting, the Council, by informal consensus, tentatively determined to postpone, to the November 2024 election, a ballot measure to amend the City Charter to increase Council compensation, tying Mayor and Council compensation to the County's Area Median Income, setting the Mayor's salary at 100% of Area Median Income for a three person household and the Council members' salary at two-thirds of that Area Median Income, with the salary increases to go into effect on January 1, 2025.

This item will formalize that decision, with Council directing staff to prepare required documents to place the proposed measure on the November 2024 ballot.

BACKGROUND

After a comprehensive six-month review, the 2022 Charter Review Committee recommended that three ballot measures be placed on the ballot for the voters' consideration in November 2022, including a ballot measure to amend the City Charter to increase Council compensation, tying Mayor and Council compensation to the County's Area Median Income.

CHARTER AMENDMENT BALLOT MEASURE – INCREASE COUNCIL COMPENSATION PAGE 2 OF 5

On June 21, July 12 and July 26, the Council met, discussed and considered the Committee's recommendations. At its July 26th meeting, the Council adopted resolutions to place two of the three recommended measures on the November 8, 2022 ballot, including (1) a ballot measure to amend the City Charter to reflect the City's recent transition to district-based election of Council members; and (2) 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 Council hesitated, however, to proceed on the November 2022 ballot with the proposed measure to increase Council compensation. The Council had already determined that the salary increases would not go into effect until January 1, 2025. Moving the measure to the November 2024 election would allow additional time for further financial analysis and community input and, given the 2025 effective date, would cause no detriment.

The Council reached an informal consensus to place the measure on the November 2024 election, but took no final action, pending confirmation of the Council's legal ability to proceed with early placement of the measure on the November 2024 ballot, two years in advance of the election.

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. Among the specified amendments, the Council directed that the measure to increase Council compensation be revised to provide an effective date of January 1, 2025.

On July 26, 2022, the Council approved resolutions to place two of the three recommended measures on the November 8, 2022 ballot, but determined to place the third measure, regarding Council compensation, on the November 2024 ballot, assuming no legal impediments for such early placement. The item was continued to August 9, 2022 for final direction to staff.

ANALYSIS

1. Ability to Place Proposed Charter Amendment on November 2024 Ballot.

The California Elections Code sets a final date for submission of local ballot measures – 88 days before the election. California Elections Code sections 1415 and 9255 specifically address ballot measures proposed by a City Council to amend a City Charter, and those sections confirm that proposed Charter amendments must also meet that 88 days final deadline.

While the Elections Code thus sets the **last** day on which the Council can call an election for proposed charter amendment, staff has found no corresponding restriction in the Elections Code or other state law on how **early** such an election can be called.

The City Charter also contains no impediment to an early placement of the proposed measure on the November 2024 ballot. Section 12 of the Charter requires a full review of the Charter every ten years, beginning in 2002. The proposed measure to increase Council compensation is recommended as part of the required 2022 decennial review. Nothing in the Charter requires that all proposed measures coming out of a decennial review be placed on the same ballot.

Staff also wishes to confirm for the Council that Council will retain the authority to modify the proposed measure if it deems appropriate after further financial analysis and community input. Pursuant to Elections Code section 9605, a ballot measure proposed by a City Council may be amended or withdrawn at any time, provided that the amendment or withdrawal is filed with the Registrar of Voters no later than 83 days prior to the election. No amendment or withdrawal may be made after the 83rd day before the election.

2. Substance of the Proposed Measure to Increase Council Compensation

This agenda item recommends that Council direct staff to prepare required documents to place a measure on the November 2024 ballot to amend the City Charter to increase Council compensation, tying Mayor and Council member salaries to the Sonoma County Area Median Income. The following is a brief summary of the proposed measure for reference. The measure has been discussed at prior Council meetings and no revisions are proposed at this time.

i. Background: 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.

CHARTER AMENDMENT BALLOT MEASURE – INCREASE COUNCIL COMPENSATION
PAGE 4 OF 5

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. Proposed Ballot Measure

After extensive discussion, the 2022 Charter Review Committee recommended that the Council's compensation be increased, such 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; and (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.

At its July 26 meeting, the Council, by informal consensus, tentatively agreed to postpone placement of the measure on the ballot until the November 2024 election, pending confirmation of its legal ability to do so.

With the Council legal authority confirmed, this agenda item will allow the Council to formally direct staff to prepare the required materials to place the proposed measure on the November 2024 ballot.

For reference, the proposed ballot measure is attached as Attachment 1.

FISCAL IMPACT

If approved by the voters in 2024, the proposed increases in Council salaries will increase City 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 would likely 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

- Attachment 1 – Proposed Ballot Measure (Council Compensation)

CONTACT

Sue Gallagher, City Attorney
707-543-3040