

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: SUE GALLAGHER, CITY ATTORNEY  
CITY ATTORNEY'S OFFICE  
SUBJECT: ORDINANCE INTRODUCTION INCREASING COUNCIL  
COMPENSATION IN ACCORDANCE WITH THE PROVISIONS  
OF SECTION 4 OF THE SANTA ROSA CITY CHARTER

AGENDA ACTION: ORDINANCE INTRODUCTION

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RECOMMENDATION

It is recommended that the Council consider introduction of an ordinance to increase Council compensation in accordance with the provisions of Section 4 of the Santa Rosa City Charter, providing for an increase in the salary of Council members from \$800 per month to \$1480 per month (resulting in an annual salary of \$17,760) and an increase in the salary of the Mayor from \$1200 per month to \$2,220 per month (resulting in an annual salary of \$26,640) effective December 14, 2022.

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EXECUTIVE SUMMARY

Council members currently receive a salary of \$800 per month for their service. In accordance with the City Charter, the Mayor receives a salary equal to 150% of the Council member salary, thus \$1200 per month. The City Charter allows the Council, by ordinance, to adjust those salaries consistent with the provisions of state law.

Significant concerns have been raised concerning the inequities created by low Council compensation. Last spring, the City's Charter Review Committee strongly recommended placing a measure on the ballot to amend the City Charter to increase salaries by tying Council compensation to Area Median Income. The Council determined to postpone placement of such measure on the ballot until the 2024 election.

In the meantime, it is recommended that Council consider introduction of an ordinance to implement the more modest salary increases currently allowed under the City Charter. Under the City Charter, Council members' salary may be increased to \$1480 per month, for an annual salary of \$17,760. The Mayor's salary may be increased to \$2,220 per month, for an annual salary of \$26,640.

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BACKGROUND

Section 4 of the City Charter provides that the Council may, by ordinance, provide for compensation of its members in accordance with standards set forth in state law. State law, in turn, sets forth a schedule of Council compensation based on city population. For a city the size of Santa Rosa, state law allows for an initial Council member salary of up to \$800 per month. (Government Code section 36516.)

State law further provides that Council member salaries may be increased up to 5% each calendar year. The 5% increase is a flat rate, not compounded. For purposes of our Council members, the 5% increase equals an additional \$40 per month.

If not immediately applied, the 5% increase may accumulate over time. For example, if no salary adjustment has been made for a period of ten years, the allowable increase will equal  $5\% \times 10$  years, an increase of 50%.

Although state law allows for periodic increases in salary, the Council has not taken advantage of that statutory allowance, and Council member salary has remained at \$800 per month since 2005. The permitted 5% annual increase has thus accumulated for seventeen years. Based on that accumulation, the Council may now increase Council member compensation by up to \$680 per month ( $\$40 \times 17$  years). The resulting monthly salary equals \$1480, for an annual salary of \$17,760.

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 \$1,200 per month. With the increase to Council member salaries, the Mayor's monthly salary would correspondingly increase to \$2,220, for an annual salary of \$26,640.

Under state law, adjustments to Council compensation can be made effective only upon one or more members beginning a new term of office. (Government Code section 36516.5.) The proposed ordinance therefore provides that the new salaries will become effective upon installation of the new Council members in December 2022.

It should be noted that, in addition to their salaries, 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. The proposed ordinance makes no change to these Council benefits.

PRIOR CITY COUNCIL REVIEW

On September 13, 2005, the City Council, by Ordinance 3741, set Council member salaries at \$800 per month and the Mayor's salary at \$1200 per month.

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On August 17, 2021, the City Council, by Resolution No. RES-2021-147 established the 2022 Charter Review Committee and provide a list of twelve issues for the Committee's consideration, including the issue of Council compensation.

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

On June 21, 2022, Council considered and discussed the Committee's recommendations. The Council directed staff to return with three proposed ballot measures, including a measure to provide for increased Council compensation.

On July 12, 2022, the Council determined to place three measures on the November 2022 ballot, including a ballot measure to amend the City Charter to increase Council compensation, tying Mayor and Council compensation to a percentage of the County's Area Median Income.

On July 26, 2022, the Council considered, but did not adopt 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 Rather than moving forward in r the November 2022 election, Council directed that staff research and prepare a proposed ballot measure for the November 2024 election.

### ANALYSIS

Council member salaries have been unchanged for seventeen years, since 2005. At the suggestion of the Council, the 2022 Charter Review Committee considered the issue of Council compensation in depth. The Committee was comprised of twenty-one City residents, appointed by Council and representing a diversity in age, race, gender, geography, interests and backgrounds. The Committee provided a strong and dedicated cross-section of the City.

As described in its final report, the Committee heard evidence of the workload of the Mayor and Council members, of the difficulties of balancing private employment, child care, family and the responsibilities of Council membership. There was no doubt that the Mayor has full time responsibilities, with the responsibilities of the Council members easily requiring 20 - 30 hours per week. The Committee also received information on Council member compensation in other Northern California cities, including (a) eleven comparable cities used by the City to evaluate employee salaries, (b) eleven North Bay cities, including cities in Sonoma, Napa and Marin Counties, and (c) a variety of cities in Northern California, including several larger jurisdictions.

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After full consideration over the course of at least three separate meetings, the Charter Review Committee unanimously agreed that Council compensation should be increased (a) to enable a greater diversity of Council membership (including those with young families, those with lower paying occupations and those without independent means of wealth), (b) to ensure continued strong commitment and professionalism, and (c) as a matter of fairness and respect for the extensive work performed by Council members.

The Committee recommended amending the City Charter to tie Council member and Mayor's salaries to a percentage of the County's Area Median Income. That Council has determined to postpone consideration of that proposal to the 2024 election.

In the meantime, the ordinance offered here would simply provide Council members with the increases in compensation currently authorized by the existing provisions of Section 4 of the City Charter. As outlined in more detail above, the resulting Council member salary would be \$1480 per month, for an annual salary of \$17,760. The resulting Mayor salary would be \$2,220, for an annual salary of \$26,640.

#### FISCAL IMPACT

The total increase in annual compensation for the Mayor and Council members, combined, would be approximately \$33,150 for the remainder of fiscal year 2022/23. This will be drawn from existing General Fund sources. Starting in fiscal year 2023/24, \$61,200 will be budgeted annually for this ongoing General Fund cost.

#### ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under 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 that no further environmental review is required.

#### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The 2022 Charter Review Committee considered the issue of Council compensation over the course of three meetings from December 2021 through April 2022. At the end of its deliberations, the Committee recommended a ballot measure to amend Section 4 of the City Charter to provide an increase in 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).

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NOTIFICATION

Not applicable.

ATTACHMENTS

- Ordinance

CONTACT

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