



## Council Agenda Report

From: Ryan Cornell, Administrative Services Director

Subject: Consideration of City Council Compensation and Travel Allowance Increases

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: March 19, 2024

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### Facts

1. The City Council dedicates a significant amount of time serving the community in matters of City policy and general governance. In recognition of this, the Mayor and City Councilmembers currently receive monthly compensation of \$1,400 and \$1,050, respectively.
2. The City Council also receives health and welfare benefits such as medical, dental, and vision insurances, generally consistent with the other labor groups in the City as well as a vehicle/mileage allowance.
3. The City Council last increase in compensation occurred in November 2022; previously it had been since 2006 since City Council had received a compensation increase.
4. Government Code Section 36516(c) provides that the City Council salaries may increase by up to five percent each calendar year from the operative date of the last adjustment of the salary in effect.
5. However, an ordinance changing City Council compensation does not apply to a Councilmember during their term in office. Therefore, if the Council approves and adopts an ordinance changing to City Council compensation, the change in salary could take effect for all Councilmembers in November 2024, following the next municipal election.
6. Alternatively, City Council can submit to the electorate for majority approval a ballot measure for a: 1) councilmember salary increase; 2) mayoral salary increase; or 3) both. This approach is not limited to compensation increases by five percent per calendar year as Government Code Section 36516(c) requires.
7. On August 8, 2022, City Council approved Resolution 22-107, amending the City's Purchasing and Payment Procedures Manual. A component of that update included Councilmember travel and training expenses up to \$5,000 per year, otherwise City Council approval is also required.
8. It is important that the City continue to be proactive with periodic adjustments every couple of years and update policies from time to time because outdated or ignored policies can expose the City to unnecessary risk.

### Options

1. Take no action;
2. Adopt ordinance increasing the salary of the Mayor and City Councilmembers to \$1,540 and \$1,155, respectively, and approve a resolution setting City Council travel allowance to \$6,000 per year, with a 5% escalation each year thereafter;
3. Provide alternative direction to staff.

## **Analysis and Conclusions**

In 2022, City Council adopted Ordinance 1117, increasing the City Council compensation to be more competitive and encourage—or at least not discourage—community members to be part of public service. Before 2022, the City Council had not received a compensation increase since 2006. The City continues to be responsive and recommends Council authorize maximum compensation increases that would go into effect in November 2024.

Council can pass an ordinance or resolution increasing Councilmember compensation, provided that compensation is not increased by more than 5 percent per year (opining that the 5 percent increase allowed per year is calculated as 5 percent times the number of years since last salary adjustment and applied to the current salary but is not compounded). The City Council had an increase in salary in 2022 when the salary was set at \$1,050 for the Council; \$1,400 for the Mayor. If the Council were to approve the maximum amount, the new salaries can be increased by up to 10% and would result in \$1,155 per month for Councilmembers, an increase of \$105 per month, and \$1,540 per month for the Mayor, an increase of \$140 per month. Both would go into effective at the next election on November 5, 2024.

It has been two years since the last increase in salary for the Mayor and Council. The time commitments required by the Council have continued to increase over the past few years. In addition, as a result of increased inflation, the cost of living has increased during this period. As a result of these continually increasing obligations and increased cost of living it is appropriate to increase the salary of the Mayor and Council.

The City's Travel Policy and Procedures includes provisions that allow Councilmembers to incur charges related to travel and training while on City business. Since 2022, any travel expenditures in excess of \$5,000 requires the preapproval from the full City Council at the next regularly scheduled meeting. Since this protocol has been established, it has come to staff's attention that increasing the amount to \$6,000 per year is more aligned with actual travel needs based on the number of events in a given year. Staff also recommends adding an automatic escalation of 5% per year so that updates to the travel policy do not need to be made each year. A 5% escalation is modest and would result in an increase of \$300 in the second year, and \$315 the year after, and so on.

## **Fiscal Impact**

The total cost to increase City Council compensation would be \$5,180 per year. The total cost to increase the travel authorization will not exceed \$5,000 in the first year (increasing the allowance from \$5,000 to \$6,000), and approximately \$1,500 increase per year thereafter, from the automatic 5% escalation factor. These costs can be absorbed within General Fund activity without additional budget appropriations needed.

## **CEQA**

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

## **Recommendation (Option x)**

Adopt draft ordinance, increasing the Mayor and City Councilmember salary to \$1,540 and \$1,155, respectively, and approve Resolution 24-XXX, increasing the preauthorized travel and training limit for City Councilmembers to \$6,000 per year, with a 5% escalation thereafter.

**Attachments**

1. Ordinance XXXX
2. Resolution 24-XXX
3. Travel Policy and Procedures