

May 1, 2024

ITEM TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AMENDING CHAPTER 2.11 OF THE IMPERIAL BEACH MUNICIPAL CODE TO INCREASE CITY COUNCIL COMPENSATION IN ACCORDANCE WITH NEWLY ENACTED STATE LAW. (0520-95)

ORIGINATING DEPARTMENT:

City Manager

EXECUTIVE SUMMARY:

There was a recent change to the state law that governs the amount of salary that Council members can receive while in office. Additionally, the Imperial Beach Municipal Code includes a process for the City Council to review the amount of compensation in the Spring of each year. The City Council has not raised its salary since 2018. This agenda item allows the City Council to consider adopting an ordinance based in conformance with the recent change in state law to increase the compensation that members of the Imperial Beach City Council receive effective after the November 2024 election as provided by law.

RECOMMENDATION:

Consider introduction of ordinance by title only, waiving full reading, and set for adoption at the next regularly scheduled Council meeting.

OPTIONS:

- Introduce ordinance as is.
- Introduce ordinance with changes.
- Do not adopt ordinance and provide further direction to Staff.

BACKGROUND/ANALYSIS:

State law regulates maximum compensation for Council members and when those adjustments can become effective. The compensation schedule for general law cities has not been adjusted since 1984, meaning that City Council compensation has not kept pace with inflation. On June 29, 2023, the Governor approved Senate Bill No. 329 (Dodd) ("SB 329") that increases the maximum amount of salary, based upon the population of the city, which can be approved by an ordinance passed by a city council. SB 329 amends Section 36516 of the Government code to read:

36516. (a)(1) A city council may enact an ordinance providing that each member of the city council shall receive a salary based on the population of the city as set forth in

paragraph (2).

(2) The salaries approved by ordinance under paragraph (1) shall be as follows:

- (A) In cities up to and including 35,000 in population, up to and including nine hundred fifty dollars (\$950) per month.
- (B) In cities over 35,000 up to and including 50,000 in population, up to and including one thousand two hundred seventy-five dollars (\$1,275) per month.
- (C) In cities over 50,000 up to and including 75,000 in population, up to and including one thousand six hundred dollars (\$1,600) per month.
- (D) In cities over 75,000 up to and including 150,000 in population, up to and including one thousand nine hundred dollars (\$1,900) per month.
- (E) In cities over 150,000 up to and including 250,000 in population, up to and including two thousand five hundred fifty dollars (\$2,550) per month.
- (F) In cities over 250,000 population, up to and including three thousand two hundred dollars (\$3,200) per month.

(3) For the purposes of this subdivision, the population of a city shall be determined by the last preceding federal census, or a subsequent census, or estimate validated by the Department of Finance.

(4) The salary of council members may be increased beyond the amount provided in this subdivision by an ordinance or by an amendment to an ordinance, but the amount of the increase shall not exceed the greater of either of the following:

- (A) An amount equal to 5 percent for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted.
- (B) An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent for each calendar year.

(5) No ordinance shall be enacted or amended to provide automatic future increases in salary.

(b) Notwithstanding subdivision (a), at any municipal election, the question of whether city council members shall receive a salary for services, and the amount of that salary, may be submitted to the electors. If a majority of the electors voting at the election favor it, all of the council members shall receive the salary specified in the election call. The salary of council members may be increased beyond the amount provided in this section or decreased below the amount in the same manner.

(c) Unless specifically authorized by another statute, a city council may not enact an ordinance providing for compensation to city council members in excess of that authorized by the procedures described in subdivisions (a) and (b). For the purposes of this section, compensation includes payment for service by a city council member on a

commission, committee, board, authority, or similar body on which the city council member serves. If the other statute that authorizes the compensation does not specify the amount of compensation, the maximum amount shall be one hundred fifty dollars (\$150) per month for each commission, committee, board, authority, or similar body.

(d) Any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section, provided that the same benefits are available and paid by the city for its employees.

(e) Any amounts paid by a city to reimburse a council member for actual and necessary expenses pursuant to Section 36514.5 shall not be included for purposes of determining salary pursuant to this section.

(f) A city council member may waive any or all of the compensation permitted by this section.

(g) (1) For the purposes of this section, a city council shall consider the adoption of an ordinance to increase compensation in open session during at least two regular meetings of the city council.

(2) At the first meeting, the city council shall present the proposed ordinance, which shall include findings demonstrating the need for the increased compensation. The ordinance shall not be adopted at the first meeting.

(3) At least seven days after the first meeting, the city council shall hold a second meeting to consider whether to adopt the ordinance.

Currently, Council compensation is \$641 per month, an amount approved in 2017 and effective December 2018 by Ordinance 2017-1168. Per the Imperial Beach Municipal Code Chapter 2.08.020, the Mayor receives compensation of \$800 per month during the term of office as Mayor. Changes to the Mayor's compensation must be approved during an election by a vote of a majority of qualified city of Imperial Beach voters. Proposed Ordinance 2024-1244 applies to all councilmembers including the Mayor as a member of the City Council. SB 329 is recently enacted law and authorizes a city council to pass an ordinance to provide each member of the city council a salary based upon the population of the city, as specified above. According to the last preceding federal census in 2020 and the California Department of Finance, the City of Imperial Beach has an estimated population of 26,137. The maximum amount based on the population for Imperial Beach is \$950 per month. The Council could also choose to increase the salary of Council members to an amount that is lower.

According to Senator Dodd's statement as the author of SB 329 in the April 24, 2023 Assembly Floor Analysis, "[t]he Legislature has not raised the base pay amounts for City Councilmembers since 1984," and the increases authorized by SB 329 are designed to address recent inflationary increases and economic realities to "enable city councilmembers to balance their careers and personal obligations with the calling to serve their community," and "also make it easier for members of marginalized communities to serve."

There are several reasons that support higher salaries for City Council members in Imperial Beach. Higher pay can help remove financial barriers that may prevent individuals from running

for office. This can make Council positions more accessible to a wider range of people, including those from lower-income backgrounds, promoting greater socioeconomic diversity among elected representatives. Offering higher pay can also attract more qualified individuals to run for City Council positions. This can potentially increase the talent pool and diversity of candidates, leading to better decision-making governance. A higher salary can incentivize Council members to dedicate more time and effort to their roles. This can enable them to devote additional hours to understanding complex issues, researching policies, and engaging with constituents, thereby enhancing the quality of their work. A higher salary can also help retain experienced Council members who might otherwise leave for higher-paying opportunities elsewhere. Continuity and intuitional knowledge can benefit the City by enabling Council members to build expertise, establish relationships, and effectively address long-term challenges. Increasing compensation recognizes and compensates City Council members for their substantial workload. Serving on the City Council requires significant time and effort. Council members are responsible for attending meetings, conducting research, engaging with constituents, and making important decisions that directly impact the community. In Imperial Beach, the City Council's last compensation increase went into effect at the end of 2018, so it would be appropriate to increase compensation due to inflation and cost of living increases that have occurred over the last five years.

An Ordinance has been prepared for introduction that establishes an increase in Councilmember compensation to \$950 per month to be effective after the November 2024 City Council election. This represents an increase of \$309 per month over the current monthly Council compensation of \$641 per month. The compensation increase would only take effect when at least one member of the City Council commences a new term of office. (Gov. Code, § 36516.5; see also 54 Cal. Ops. Atty. Gen. 112 (1971).) Therefore, the new salary for each City Council member would go into effect beginning on the date on which a City Council member is sworn into office after the general municipal election held in November 2024.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The annual cost of increasing Council Compensation from \$641 per month to \$950 per month will increase the salary cost by \$18,540. Since the effective date of the compensation increase would only take effect when at least one member of the City Council commences a new term of office after the November 2024 City Council election, the increase will be reflected as part of the FY25 budget for Mayor and City Council.

ATTACHMENTS:

1. Ordinance No. 2024-1244