

Date of Hearing: June 7, 2023

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

SB 329 (Dodd) – As Amended April 24, 2023

SENATE VOTE: 34-0

SUBJECT: Cities: city council members: compensation.

SUMMARY: Makes changes to the amount of compensation certain city council members may receive. Specifically, **this bill:**

- 1) Increases the compensation city council members can generally receive to the following amounts:
 - a) In cities up to and including 35,000 in population, up to and including \$950, instead of \$300, per month.
 - b) In cities over 35,000 up to an including 50,000 in population, up to and including \$1,275, instead of \$400, per month.
 - c) In cities over 50,000 up to and including 75,000 in population, up to and including \$1,600, instead of \$500, per month.
 - d) In cities over 75,000 up to 150,000 in population, up to and including \$1,900, instead of \$600, per month.
 - e) In cities over 150,000 up to and including 250,000 in population, up to and including \$2,550, instead of \$800, per month.
 - f) In cities over 250,000 population, up to and including \$3,200, instead of \$1,000, per month.
- 2) Specifies that the salary of council members may be increased beyond the above amounts 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% 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% for each calendar year.
- 3) Requires a city council to consider the adoption of an ordinance to increase compensation in open session during at least two regular meetings of the city council.
- 4) Specifies that 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.

- 5) Provides that, at least seven days after the first meeting, the city council shall hold a second meeting to consider whether to adopt the ordinance to increase compensation.
- 6) Contains findings and declarations to support its purposes.

EXISTING LAW:

- 1) Specifies the amount of compensation that city council members may receive. [Government Code (GC) § 36516]
- 2) Provides that the salary of council members may be increased beyond the specified amounts by an ordinance or by an amendment to an ordinance, but the amount of the increase shall not exceed 5% for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted. No ordinance shall be enacted or amended to provide automatic future increases in salary. (GC § 36516)
- 3) Provides that 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 if the same benefits are available and paid by the city for its employees. (GC § 36516)
- 4) Provides that any amounts paid by a city to reimburse a council member for actual and necessary expenses, as specified, are not included for purposes of determining salary amounts. (GC § 36516)
- 5) Allows a city council member to waive any or all of the compensation. (GC § 36516)

FISCAL EFFECT: None.

COMMENTS:

- 1) **Bill Summary and Author's Statement.** This bill increases the general amount of compensation that city council members may receive, as specified. This bill also requires a city council to consider the adoption of an ordinance to increase compensation during at least two regular meetings of the city council. This bill is sponsored by the League of California Cities.

According to the author, "City Councilmembers have one of the hardest jobs in California government. They deal with a wide range of issues, from street maintenance to emergency response duties. And all too often, they do this job with very little financial compensation. No one runs for City Council in order to make money. But the low levels of pay make it much harder for them to balance their careers and personal obligations with the calling to serve their community. The Legislature has not raised the base pay amounts for City Councilmembers since 1984. It's time those amounts caught up to the present economic reality, especially with the rapid increase in inflation we've seen recently. Raising the pay will also make it easier for members of marginalized communities to serve. City Councils should be reflective of the communities they represent and I believe raising their compensation is an important step to achieving that equitable outcome."

- 2) **Background.** California cities fall into one of two types: general law or charter cities. The California Constitution allows cities that adopt charters to control their own “municipal affairs.” In all other matters, charter cities must follow the general, statewide laws. City charters specify the governance structure of the city, including the number of officers and their compensation. Unlike charter cities, general law cities must follow all general, statewide laws, including the compensation of their officers. State law allows city councils to enact an ordinance to provide their city council members with a salary and salaries are limited based on the city’s population.

The Legislature last adjusted these amounts and populations in 1984 [AB 2281 (Hauser), Chapter 100, Statutes of 1984]. The city can enact an ordinance to increase city council salaries beyond these amounts, but the increase cannot exceed 5% for each calendar year from the last salary adjustment, and no ordinance can provide for automatic future increases. The city can also increase or decrease these salaries in any amount by submitting a measure to the voters.

- 3) **Previous Legislation.** AB 701 (De La Torre) would have increased the maximum amount of salary a city council member may receive per month, as specified. This bill was vetoed by Governor Schwarznegger saying, “This bill allows for various methods for the doubling of the compensation paid to city council members. One of these methods is the simple passage of an ordinance by the very council members who will receive the higher compensation. Our city councils are one of our society’s most direct links between citizens and their government. Therefore, the citizens must be given the opportunity to decide through a vote of the people whether their city council members should be compensated at a higher rate. Under this bill, the compensation can be increased one-hundred percent without such a vote. Current law already provides reasonable flexibility for cities to increase the compensation if its citizens see fit.”
- 4) **Arguments in Support.** According to the League of California Cities, “Existing law sets a pay schedule that must be approved by the City Council through an ordinance or by the voters as a ballot measure. These amounts are determined by the population size of a city and set by state law. The lowest tier is cities up to 35,000 in population, with compensation up to three hundred dollars (\$300) per month. The highest tier is cities over 250,000 population, up to one thousand dollars (\$1,000) per month. However, these amounts have not been adjusted since 1984 despite significant increases in the cost of living.

“Lengthy time commitments and limited pay discourage many, especially low-income residents, single parents, people of color, and young people, from running for public office. For many, being a council member is a full-time commitment with part-time pay.

“Cal Cities is proud to sponsor this important legislation that lessens barriers for those interested in governing at the local level. This overdue reform is another tool communities can choose to use that can help ensure our city councils are reflective of the residents who live, work, and play in their communities.”

- 5) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

League of California Cities [SPONSOR]
California Hawaii State Conference of the NAACP
CivicWell
Marin County Council of Mayors and Councilmembers

Opposition

None on file

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