



Staff Report

TO: City Council
FROM: Kari Mendoza, Administrative Services Director
DATE: October 3, 2023
SUBJECT: Discussion Regarding Amending Sections 2.08.100 and 2.08.150 of the Beaumont Municipal Code Pertaining to Compensation of the City Council, City Treasurer and City Clerk Following the Adoption of Senate Bill 329

Description Give staff direction regarding potential changes to the salaries of members of the City Council, the City Treasurer and the City Clerk through an ordinance aligning with Senate Bill 329 and applicable law.

Background and Analysis:

On August 16, 2011, City Council adopted Ordinance No. 999 which set the salary for members of the Council. As set forth in Beaumont Municipal Code section 2.08.100, members of the Council shall receive a salary of \$400.00 per month. Further, the salary of Council members may be increased by ordinance or by an amendment in an amount up to 5% for each calendar year from the operative date of the last salary adjustment in effect. Council compensation was last adjusted on September 16, 2011, and the current monthly salary is \$400.

On June 29, 2023, California Governor Gavin Newsom signed Senate Bill 329 ("SB 329"). SB 329 allows cities an opportunity to adjust City Council salaries to take into account inflation, the work performed and the time dedicated by local government officials, and the need to ensure that people are not discouraged from seeking city office due to the low pay and high demands of that office.

On August 21, 2018, the City Council adopted Ordinance No. 1102 which set the salary for the City Treasurer and City Clerk. As set forth in Beaumont Municipal Code section 2.08.150, the City Treasurer and City Clerk shall receive a salary of \$140.00 per month.

Government Code section 36516(a), as adopted in 1984, set certain defined salary limits for City Council members in general law cities depending on the size of a city's residential population. Government Code section 36516(c) allows for increases in Council compensation to be authorized by an ordinance or an amendment to an ordinance, but the amount of increase could not exceed an amount equal to five percent

(5%) for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment was enacted, no matter the amount of that prior adjustment.

State Senator Bill Dodd, the author of SB 329, stated (Attachment "B"):

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.

Before the adoption of SB 329, Government Code section 36516 set the monthly salaries for Council members of cities having populations between 35,000 and 50,000 in an amount up to \$400. The City of Beaumont adopted the \$400 monthly salary based on the local population in 2011. According to the U.S. Census Bureau, the estimated population of Beaumont as of July 1, 2022, was 56,349. Now, under SB 329, the new base pay amount for members of Council in Beaumont and all other cities having populations between 50,000 and 75,000 may be in an amount up to \$1,600 per month. In addition, SB 329 provides that the salary may be adjusted in 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. Instead of using the CPI, the salary may be adjusted in an amount equal to 5% for each calendar year from the operative date of the last adjustment of the salary (this amends current language in the Government Code).

SB 329 requires that an ordinance to increase Council member compensation (1) be considered in an open session, (2) be considered during at least two regular meetings. In addition, there must be at least 7 days between the introduction and adoption of the ordinance.

The effective date of SB 329 is January 1, 2024. However, please note that pursuant to Government Code section 36516.5, any Council salary increase may take effect only when at least one member of the Council commences a new term.

Application to the Salaries of the City Treasurer and City Clerk:

In 2001, the California Attorney General reviewed salaries of elected City Treasurers which analysis would arguably be applicable to elected City Clerks. (84 Ops. Cal. Atty. Gen. 13; Attachment “C”.) In particular, the Attorney General considered if the amount of compensation for an elected city treasurer of a general law city could be set at the same amount received by members of the city council as prescribed by law. The Attorney General concluded that the amount of compensation for an elected city treasurer of a general law city could be set at the same amount received by members of the city council. The Attorney General stated, “A city council is not authorized to set the salary for a city office at so low a figure that no competent person would accept the office. Such a minimal amount would, in effect, abolish the office contrary to intent of the Legislature.” (*Mitchell v. Walker*, 140 Cal.App.2d 239, 243.)

Based on the duties of the City Treasurer and City Clerk as set forth in Beaumont Municipal Code sections 2.08.120 and 2.08.160, respectively, and the work performed and time dedicated by these elected officials, it is proper for City Council to consider a monthly salary up to the amount considered/set for Council members.

An ordinance adopted by Council should state that a Council member, City Treasurer or City Clerk may waive any or all of the compensation and would be effective after the City’s General Municipal Election in 2024.

In light of changes in State law (i.e., SB 329), this matter is being brought to the City Council for discussion and direction.

The City Council’s action to direct staff regarding the potential for a change to City Council, City Treasurer and City Clerk salaries is consistent with principles of fairness, among other things. According to Carolyn Coleman, CEO of the League of California Cities, “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.”

Fiscal Impact:

Future budgets would reflect any increase in City Council, City Treasurer and City Clerk salaries.

<u>Classification</u>	<u>Current Monthly Salary</u>	<u>Proposed Monthly Salary</u>
City Council	\$ 400.00	\$ 1,600.00
City Treasurer	\$ 140.00	\$ 560.00
City Clerk	\$ 140.00	\$ 560.00

Recommended Action:

Increase City Council salaries to \$1,600.00 per month in accordance with SB 329.

Increase City Treasurer and City Clerk salaries proportionately to \$560.00 per month.

Attachments:

- A. Senate Bill 329 Text
- B. Senate Bill 329 Floor Analysis
- C. California Attorney General Opinion, 84 Ops. Cal. Atty. Gen. 13, January 24, 2001