



CITY OF SIGNAL HILL

2175 Cherry Avenue • Signal
Hill, California 90755-3799

STAFF REPORT

4/9/2024

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: CARLO TOMAINO
CITY MANAGER**

SUBJECT: CITY COUNCIL, CITY CLERK, AND CITY TREASURER COMPENSATION

Summary:

The City Council will review compensation levels for members of the City Council, City Clerk, and City Treasurer and provide staff with direction.

Strategic Plan Goal(s):

Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment, retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendation:

Discuss City Council, City Clerk, and City Treasurer compensation and provide direction to staff.

Fiscal Impact:

There is no fiscal impact for the fiscal year 2023-2024. If approved, the cost of proposed compensation increase for the fiscal years 2024-2026 would increase by \$5,385. This increase would specifically cover the timeframe of December 2024 through November 2025.

Background:

At the City Council meeting of March 12, 2024, the City Council requested staff place this item on the agenda for the meeting of March 26, 2024, for a full discussion. The City Charter provides that City Council, City Clerk, and City Treasurer compensation may be periodically adjusted by Ordinance. California State law provides that charter cities are not limited in the compensation that may be paid

to members of the City Council. However, the City of Signal Hill City Council has voluntarily followed State compensation levels for General Law cities.

Government Code Section 36516(c) establishes compensation levels for city councils based on the population of the city and allows for annual increases equivalent to a five percent adjustment in salary for each calendar year from the operative date of the last salary adjustment. The adjustment is a straight percentage-based calculation, and the five percent increments cannot be compounded. The Government Code provides that a salary adjustment may only become effective upon the beginning of a new term of office of one or more of the members of the City Council.

In 2019, the City Council approved a compensation adjustment from \$667.44 to \$694.14 per month effective December 8, 2020, following the General Municipal Election on November 3, 2020. In 2021, the City Council approved a compensation adjustment from \$694.14 to \$722.18 per month effective December 13, 2022, following the General Municipal Election on November 8, 2022. As a result, the total increase over since 2019 equals \$54.74 per month (Attachment A).

Government Code Section 36517 authorizes the City Council to increase the salary of the City Clerk and City Treasurer by ordinance. The compensation levels for City Clerk and City Treasurer were last adjusted in 2021. In 2021, the City Council approved a compensation adjustment from \$421.20 to \$438.22 per month for these two elected positions, following the General Municipal Election on November 8, 2022 (Attachment B).

Analysis:

As noted, the Government Code allows for compensation levels to be increased in five percent annual increments and cannot be compounded. Since the last increase was on December 13, 2022, the City Council, City Clerk and City Treasurer salaries can be increased by a total of ten percent (i.e. 5% per year x 2 years = 10%). Based on this calculation the maximum adjustment would equate to an increase of \$72.22 for a new monthly compensation level of \$794.40 per month. The City Clerk and City Treasurer salaries may be increased by \$43.82 per month. This potential increase would bring the monthly salary to \$482.04 per month as follows:

Compensation	Current Amount	10 % Increase	New Amount
City Council	\$ 722.18	\$72.22	\$794.40
City Clerk	\$ 438.22	\$43.82	\$482.04
City Treasurer	\$ 438.22	\$43.82	\$482.04

On June 29, 2023, Governor Newsom signed into law Senate Bill 329 (SB329) which increases the maximum amount of salary that council members may receive. SB 329 amends Government Code section 36516 to increase the maximum amount of salaries with a maximum limited based on the population of the City. For example, for cities up to and including 35,000 in population, are authorized for increases beyond the specified maximum referenced above, to either five percent for each operative date of the last adjustment or an amount equal to inflation since January 1, 2024. The increase is aligned with the California Consumer Price Index, not to exceed 10% per calendar year.

The Government Code stipulates that a salary adjustment may only become effective upon the beginning of a new term of office for one or more of the council members. The next term would commence after the November 2024 General Municipal Election results are certified, and as a result, the increase would be effective December 6, 2024.

Adjusting the City Council compensation in a timely manner increases the efficiency of municipal operations and ensures a fair compensation that reflects the dedication and service required for effective governance. Furthermore, the City Council asked about the possibility of considering future salary increases annually alongside the budget adoption process to ensure a regular and transparent process. To accomplish this goal, staff proposes to add the City Council, City Clerk, and City Treasurer annual salary increase review to the citywide City Council Planning Agenda Guide schedule.

The City Council may review the City Council, City Clerk, and City Treasurer compensation on a regular basis. In previous years, staff proposed similar annual reviews to coincide during the annual Budget Workshop, March/April of each year. This proposed timeline provides for the most efficient process. If approved, the next City Council Compensation Review would take place during the Fiscal Year 2025-26 Budget Workshop.

Next Steps:

Staff recommends the City Council provide direction to staff to draft respective Ordinances summarizing desired increases for the City Council, City Clerk and City Treasurer compensation. If approved, the draft Ordinance would be properly noticed and agendized for the April 23, 2024, City Council meeting.

Reviewed for Fiscal Impact:

Sharon del Rosario

Attachment(s):

- A. Ordinance No. 2021-06-1521
- B. Ordinance No. 2021-06-1522