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REPORT TO THE MAYOR AND CITY COUNCIL

TWO PROPOSED MEASURES FOR SETTING THE SALARIES OF THE MAYOR AND CITY COUNCILMEMBERS

INTRODUCTION

The City Council has addressed a number of proposed changes to the current City Charter process for setting the salaries of elected officials since issuance of the Final Report of the 2007 San Diego Charter Review Committee [CRC Report] on October 7, 2007. The City Attorney has provided reports to the Rules Committee and to the City Council reviewing the law and analyzing several proposed changes. City Att’y Report Nos. RC 2007-17 (Nov. 2, 2007) [Separate Vote Rule]; RC 2008-1 (Jan. 14, 2008) [CRC Report re Charter Amendments]; RC-2008-3 (Jan. 29, 2008) [Supplemental Report re CRC Report Measures]; RC 2008-6 (Feb. 22, 2008) [Additional Salary Setting Options]; and RC 2008-13 (May 22, 2008) [Methods to Set Salaries for Mayor and Councilmembers].

On May 28, 2008, the Rules Committee considered four proposed measures referred to it by the Council on February 25, 2008. The Committee forwarded two measures to the Council for further discussion, without a recommendation on either. Attached is our May 22, 2008 report to the Rules Committee as further background. *See* Attachment A, RC 2008-13 (May 22, 2008). This report summarizes the measures forwarded to the Council by the Committee.

DISCUSSION

The discussion at the Rules Committee meeting of May 28, 2008 centered on two measures. One measure (O-2008-120 COR.COPY) was sponsored by Council President Pro Tem Madaffer and Councilmember Young. The second measure (O-2008-171) was sponsored by Councilmember Frye. Without recommending either, the Committee forwarded both measures to the City Council for further discussion and possible action. Both measures are attached to this report for your review.

Both measures would repeal San Diego Charter section 41.1 (Salary Setting Commission), and amend sections §§ 12.1 (Councilmanic Salaries) and 24.1 (Mayor’s Salary). These are the Charter provisions that establish the City’s seven-member Salary Setting Commission, permit it to review the Mayor and Councilmembers salaries every two years, and to recommend any adjustment to those salaries. The Council may set the salaries lower, but not

higher than the Commission's recommendation, and the ordinance the Council must pass setting those salaries is made subject to referendum.

In general, both new measures replace the current system by fixing the salaries of the Mayor and Councilmembers according to a formula, and then adjusting them annually according to an external equation set by state law for state superior court judges.

**Council President Pro Tem Madaffer's and Councilmember Young's Measure:
(O-2008-120 COR.COPY).**

Before the Council is a corrected version of the measure this Office presented to the City Council (O-2008-120) for the February 25, 2008 meeting. This measure would establish the Mayor's salary at 100% and the Councilmembers' salary at 75% of the salary of a judge of the Superior Court of the state of California as set and adjusted annually by state law. It would be effective July 1, 2009 and would raise the existing salaries to the designated percentage of whatever a Superior Court judge's salary is as of that date. Effective July 1, 2007, the salary of a judge of the Superior Court for the State of California was \$171,648.00.

Provided for the Council's discussion in this measure are two options. One option would cap any annual adjustment increase to Mayor or Councilmember salaries at no more than five percent of their existing salaries, even if the state law increases for judges exceeded five percent. A second option adds an "escape clause," allowing the Council flexibility in the event of a City fiscal emergency, by permitting it to suspend operation of the new charter sections for one fiscal year.

This Office deleted a proposed amendment to Charter section 290 from the earlier draft, incorporating a new sentence within amended sections 12.1 and 24.1 which says: "The budgeted salary shall not be subject to modification by the City Council." It also replaced the earlier reference to the City Auditor and Comptroller with "Chief Financial Officer," to be consistent with recently amended Charter section 39.

Councilmember Frye's Measure: (O-2008-171).

After the Committee meeting May 28, 2008, Councilmember Frye approved the version of the measure provided in Ordinance No. O-2008-171.¹

The measure would establish the salaries of the Mayor and City Councilmembers at their current dollar amount. It would increase those established salaries by either three or five percent (to be selected by the Council) each year for two consecutive years. Effective July 1, 2011 and each July 1 thereafter, the salaries would be adjusted upward with any upward adjustments made

¹ The measure discussed at the meeting May 28, 2008 would have affected all elected officials and included options of fixed raises of two or three percent.

REPORT TO THE
MAYOR AND CITY
COUNCIL

-3-

July 1, 2008

by state law to the salary of judges of the Superior Court of the State of California. Increases to City officials' salaries would be capped at no greater than 5 percent per year regardless what state increases may occur.

CONCLUSION

This Office will provide assistance to the Council whenever this matter is discussed.

Respectfully submitted,

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RC-2008-15
Attachment
cc: Independent Budget Analyst