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RESOLUTION NUMBER R- 305616  
DATE OF FINAL PASSAGE MAR 02 2010

WHEREAS, section 41.1 of the Charter of the City of San Diego established the Salary Setting Commission and set forth therein the requirement that said Commission shall recommend to the Council the enactment of an ordinance establishing salaries for the Mayor and Council as provided by the Charter; and

WHEREAS, section 12.1 pertaining to Council member salaries and section 24.1 pertaining to the Mayor's salary require that said Commission's recommendation be presented on or before February 15 of every even year, said salaries to be effective the following July 1 for a two-year period; and

WHEREAS, during Fiscal Year 2010, the Commission conducted extensive research and held a series of public hearings to determine and ascertain facts sufficient to establish salary levels for recommendation to the Mayor and Council for adoption by ordinance as required by the Charter; and

WHEREAS, the Commission, pursuant to the mandate of the Charter, presented its recommendations in a letter dated February 1, 2010, (attached hereto as Attachment A) to the Mayor and Council; and

WHEREAS, the Commission recommended increases in annual compensation for the Mayor and City Council members as follows:

<u>EFFECTIVE DATE</u>	<u>CITY COUNCIL</u>	<u>MAYOR</u>
Current	\$ 75,386	\$100,464
7-1-10 (No Increase)	\$ 75,386	\$100,464
7-1-11 (15% Increase)	\$ 86,694	\$115,534

NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the City Attorney is and he is hereby directed, pursuant to section 41.1 of the Charter, to incorporate the following amounts in the annual salary ordinances for Fiscal Years 2011 and 2012 to be effective July 1, 2010, and July 1, 2011, having rejected the Commission's recommendations for any salary increase for Fiscal Year 2011 and Fiscal Year 2012:

Mayor	<u>\$100,464</u> ✓
Councilmember	<u>\$ 75,386</u> ✓

BE IT FURTHER RESOLVED, that the Salary Setting Commission is requested to include in their next report to Council on compensation for City-elected officials a report which includes net compensation not just salary.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Stuart H. Swett  
Stuart H. Swett  
Senior Deputy City Attorney

SHS:jab  
02/10/2010  
02/22/2010 REV.  
Or.Dept:Pers.  
R-2010-562

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I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of ~~FEB 22 2010~~.

ELIZABETH S. MALAND  
City Clerk

By *Mon Zuma*  
Deputy City Clerk

Approved: 3-2-10  
(date)

*JSL*  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor



Attachment A

THE CITY OF SAN DIEGO

February 1, 2010

Subject: 2010 Salary Setting Commission's Recommendation

Honorable Mayor and City Council Members:

By this letter, The Salary Setting Commission hereby submits its salary recommendations for Fiscal Years 2011 and 2012. What follows is the Commission's official proposal for salaries to be incorporated into the Salary Ordinances for Fiscal Years 2010-11 and 2011-12, pursuant to the requirements of Sections 12.1, 24.1, and 41.1 of the City Charter.

THE COMMISSION'S PROCESS

The Commission met on five occasions between early November 2009 and early February 2010. We reviewed comprehensive data compiled by the City of San Diego's Personnel Department staff. With the assistance of staff, the Commission wrote to boards and commissions, community planning groups, members of the media, chambers of commerce, employee labor organizations and members of the public, informing them the salary evaluation process was once again underway, and inviting participation and comment. Several meetings were held at the Civic Center Plaza Building and one meeting was held in the Metropolitan Operations Complex auditorium. Members of the public were welcome to attend and express their opinions. For those who could not attend in person, written correspondence was also encouraged.

The Commission first studied the facts, figures, comparisons and trends in some depth, and then explored a very broad range of approaches and rationales. The goal was to develop appropriate salary recommendations for the Mayor and Councilmember positions. This included, but was not limited to:

- Adequacy of current salary, in view of San Diego's cost of living
- The importance of establishing salaries high enough to attract qualified candidates
- The existing benefits package accompanying the positions
- Comparable data, including the Consumer Price Index and rates of inflation
- Comparable data, including Mayor and Councilmember salaries in various/comparable California, Western, and other cities
- Comparable data, including salaries for non-profit and private sector firms
- The current salaries of other City management personnel, including but not limited to the Police Chief, the Fire Chief, and the Mayor's own Chief Operating Officer, among others
- The current salaries of other City non-management personnel
- Historical salary data for the Mayor and Councilmembers, including the number of Salary Setting Commission recommendations which have been rejected, and
- The heavy responsibilities and extreme importance of the positions

During the review process, each Commissioner evaluated the data independently. The information was then discussed together, as a group. At the January 25, 2010 meeting, the Commission held two votes with respect to paragraphs 4 and 5 of their Findings. A motion was passed 5 to 1 with the lone dissenting vote based on the targeted salaries being too low. All four of the Commission's Recommendations were passed unanimously 6 to 0.



Salary Setting Commission  
1200 Third Avenue, Suite 300 • San Diego, CA 92101  
Tel (619) 236-6400

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## FINDINGS

1. As mandated by the San Diego City Charter, the positions of San Diego Mayor and San Diego City Councilmember are full-time positions. Any other outside profession, trade, or occupation that would interfere with the performance of those full-time jobs is specifically prohibited.
2. We find that San Diego Mayor and City Council salary levels are far below the level of compensation for equivalent positions in the private sector and far below the level that are needed to attract well-qualified and experienced candidates. In addition, current salary levels place the Mayor and City Council far below a large percentage of City workers, most of whom have far less obligations and responsibilities. For calendar year 2009, 3431 City employees had earnings that exceeded all members of the City Council. At current salary levels, all well qualified candidates must either have independent sources of income, or be willing to live on an income far below what their skills and experience would likely command in the market place. The citizens of San Diego are not well served by perpetuating such a constrained pool of candidates for the legislative and executive leadership roles in city government.
3. The Council and Mayor have not had a salary increase since July 1, 2003. Over that time, the cost of living in San Diego has increased 21.3%. Further, the Council and Mayor had previously received a car allowance without having to account for mileage, with this compensation treated, by law, as earned income. The car allowance was \$9,600 per year. Adjusting Council salaries for these two factors would require an immediate salary increase of approximately \$27,000 (over 35%) to make salaries equivalent to where they were in 2003. The failure to increase salaries since 2003 has effectively resulted in a substantial decrease in the compensation to the Council and Mayor, during a time when compensation to every other City employee increased.
4. The Salary Setting Commission's review of relevant data suggests that the City Councilmember salary for FY 2011 should be \$175,000 per year. Equity would suggest that this amount should be authorized for FY 2012.
5. The Salary Setting Commission's review of relevant data suggests that the Mayor's salary for FY 2011 should be set at \$235,000 per year. Equity would suggest that this amount should be authorized for FY 2012.

## RECOMMENDATIONS

1. Notwithstanding all of the foregoing findings, due to unique circumstances in the overall economy, and the resulting impacts of reduced city revenues and service levels, the Salary Setting Commission recommends no change to Mayor or Council salaries for FY 2011. The salary for Mayor should remain designated at \$100,464 and Council salaries should remain designated at \$75,386.
2. In FY 2012, the Salary Setting Commission recommends that the current Mayor and Council salaries be increased by 15% each as an initial step toward closing the substantial gap that has materialized between the market value of these important positions, and the actual compensation levels. The Salary Setting Commission, therefore, recommends an increase in salaries in FY 2012 to \$115,534 for the Mayor and \$86,694 for Councilmembers. While this would be only a token

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movement, this Salary Setting Commission recommends that it be the first of annual increases designed to reach the salary levels targeted above, with the targeted salary levels to change over time consistent with changes in the consumer price index.

3. The Salary Setting Commission recognizes that there is tremendous negative political perception attached to the Mayor and City Council taking direct actions to increase their own salaries. However, Council consideration and passage of any salary increases is mandated by the Charter and, without modification to the Charter, the Council will be forced to carry out that responsibility. The Salary Setting Commission believes that the impact of this political reality either already has or will soon produce unintended negative results for the citizens of San Diego (See Findings #2). To address this issue, the Salary Setting Commission recommends that at the earliest opportunity the City Council take action necessary to ask the electorate to revise the City Charter to change the process for determining Mayor and Council salaries.
4. The Salary Setting Commission recommends that the proposed Charter amendment create a mechanism for both of the following: (1) establishing Mayor and Council salaries at a level competitive with comparable private, non-profit, and government sector salaries, sufficient to attract the largest potential pool of highly competent individuals to the campaigns for Council and Mayor, and (2) to allow for the increase of those salaries over time tied to indices of salary levels for either (a) private, non-profit, and government sector positions of comparable complexity and responsibility; or (b) salary levels of one or more state office holder or judicial positions that involve comparable responsibility, complexity, and whose actions have comparable consequences for the community.

SUMMARY

<u>EFFECTIVE DATE</u>	<u>CITY COUNCIL</u>	<u>MAYOR</u>
Current	\$ 75,386	\$100,464
7-1-2010 (no increase)	\$ 75,386	\$100,464
7-1-2011 (15% increase)	\$ 86,694	\$115,534

On behalf of the Commission, I wish to be heard on these recommendations and would be happy to respond to any questions the Council may have at that time.

Respectfully submitted,



Mark McMahon, President  
Salary Setting Commission

MM/mam

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