

**CITY OF SAN DIEGO
OFFICE OF THE CITY CLERK
MEMORANDUM
(619) 533-4000**

DATE: May 29, 2014

TO: Maureen Kantner, Economic Development and Intergovernmental Relations Committee Consultant

FROM: Elizabeth Maland, City Clerk

SUBJECT: Ballot Proposal for Rules Committee Review

Attached is a ballot proposal pertaining to Salary Setting, filed with my office on May 29 for placement on an upcoming Economic Development and Intergovernmental Relations Committee meeting agenda pursuant to Council Policy (CP) 000-21. The proponent is Robert P. Otilie, Chair, San Diego Salary Setting Commission. This updated Salary Setting proposal should replace the proposal that was forwarded to you on May 12, 2014.

Through CP 000-21, a proposal receives Committee review and comment, and may be forwarded to the Council for consideration and possible placement on the ballot.

The Clerk's Office has established June 3, 2014 as the deadline for submitting such ballot proposals for the November 4, 2014 ballot, and anticipates that the Committee will review the proposals at its June 11, 2014 meeting. Ballot proposals which are referred to the full City Council will be listed under Public Notice on the Council Docket of June 16, 2014, and docketed for consideration by Council June 23, 2014. My office will keep a copy of the ballot proposal and re-submit it to you after the June 3, 2014.


Elizabeth Maland
City Clerk

Attachment

cc: Diana JuradoSalnz, Legislative Coordinator

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CITY CLERK'S OFFICE

MEMORANDUM

14 MAY 29 AM 10:38

SAN DIEGO, CALIF.

TO: Economic Development and Intergovernmental Relations Committee

FROM: Robert P. Otilie, President
San Diego Salary Setting Commission

DATE: May 29, 2014

RE: Proposed Ballot Language for Charter Amendment Re Council/Mayor Salaries

Background

On March 10, 2014, the San Diego Salary Setting Commission ("Commission") made its biannual report to the San Diego City Council with respect to recommendations for Council and Mayor pay. For the first time in over 40 years, the Commission recommended no pay increase for either Council members or the Mayor.

Prior to this recommendation, it had been over ten years since the City Council had adopted any recommended increases in the pay for Council members and the Mayor. During that same decade, the City Council had rejected every other recommendation from the Commission designed to correct an obviously dysfunctional system.

The last pay raise was over 10 years ago. Since then, with the increase in the cost of living and the loss of the car allowance (refused by most), Council members have lost 30% of the purchasing power of their salary.

Commencing in 2008, for four consecutive cycles, the Commission had proposed that the City Council place on the ballot proposed amendments to those sections of the Charter affecting Council and Mayor pay. The recommendations have been to create an alternative mechanism for setting pay, taking all responsibility away from the City Council. In 2008, an independent Charter Review Commission also recommended change.

This decade of inaction by the City Council on Commission recommendations is not without precedent. From 1957 through 1973, the City Council took no action at all on salaries. This prompted a citizens' revolt of sorts, with Proposition E passing in the 1973 ballot with 58% of the vote.

In 1973's Proposition E, voters approved a measure that was intended to *take away from* the City Council responsibility for salaries for Council members and the Mayor. The goal was to create a citizen's commission (the Salary Setting Commission) to make recommendations that would presumably be adopted by the Council. However, our experience in the last decade mirrors our experience in the late 50s to early 1970s.

The Council, *by its failure to act on Commission recommendations*, had eviscerated the people's Charter amendment of 1973.

This was the context of the Commission's 2014 recommendation.

City Council Action on March 10th

The City Council is required, by law, to act on the recommendations of the Commission. This year, on a 5 to 3 vote, the City Council adopted a motion proposed by Councilmember Emerald, seconded by Councilmember Alvarez, to accept the Commission's pay recommendations (no increase for Council members and Mayor for two years), and refer back to the Commission a request to draft language for a ballot measure that would change those Charter sections that affect Council and Mayor pay.

The Commission met over several weeks subsequent to the Council request and has prepared a Charter Amendment that could be placed on the ballot for the November 2014 election. That language is submitted herewith.

The Proposed Charter Amendment

After discussion, the Commission's view is that any proposed ballot measure should be designed to minimize an opportunity for the City Council, or other constituencies, to politicize this process.

If the City Council is eliminated from the process of setting Council and Mayor pay, there are two ways to set pay. First, another body can evaluate, and set, the appropriate pay for these positions. That could be the existing Commission or some newly created entity. Alternatively, Council and Mayor pay could be tied to a benchmark with a built-in mechanism for increases over time. The Commission has chosen the latter approach.

In the Commission's proposal, Council salaries would be tied to the salaries of California Superior Court Judges. State law links judicial salaries to pay increases for other state workers and requires judicial salaries to increase by the average salary increase for state employees, negotiated through labor contracts. Like Council members and the Mayor, applicants to become judges are leaving the private, non-profit or government sectors.

This benchmark was chosen principally because a similar benchmark is utilized by the County of San Diego in setting pay for County Supervisors and numerous other jurisdictions. By ordinance, the County has tied Supervisor pay to judicial pay for 39 years. To the Commission's knowledge, there has never been a single complaint, no requests to revert to the former system, and no biannual controversies over appropriate pay for these public servants. It is a tried and true system.

The Commission recommendation is that Council members be paid the same as California Superior Court judges, and that the Mayor be paid 25% more than Council members. Entirely coincidentally, current judicial pay is consistent with the recommendations made by the Commission for Council pay in 2012. The detailed analysis and evaluations made by successive Commissions, is consistent with what the Legislature is *already doing* for judges.

Implementation Date

The Commission understood that the City Council would prefer that any Charter Amendment affecting salaries be implemented in a way that would not impact existing City Council members. However, with redistricting, it could conceivably be 2022 before all current City Council members are off the City Council.

In the attached proposal, the Charter amendment would not take effect until January 2017. By that time, all current Council members would have stood for reelection, and everyone on the Council would be serving in a new term. Thus, any change in pay, if the voters support the amendment, would not take effect during the current term of any Council members. In your evaluation of this matter, you may want to push the date back even further. In our view, it should take effect immediately. The January 2017 date is a compromise intended to meet your objectives of not benefitting during your term, and our objective of moving this initiative forward as soon as possible.

This is a Commission, Not City Council, Recommendation to Voters

The Commission strongly recommends that this matter be forwarded with approval to the full City Council and that the City Council put this matter in the November 2014 ballot.

The Commission recommends that this matter go to the ballot with a clear expression to the public that this is a recommendation of the San Diego Salary Setting Commission, not the City Council. It should be clear the City Council is merely advancing *the Commission's recommendation* to the voters.

The San Diego Salary Setting Commission is uniquely a citizens' Commission. It is not appointed by the Mayor. It is not appointed by the City Council. San Diego Salary Setting Commission members are appointed by the San Diego Civil Service Commission. Members of that Commission are volunteers from the community with expertise in human resources. We strongly urge the Council not to substitute its judgment for the judgment of the Commission. This is what happened from 1957-1973 (prompting Proposition E) and during the last 10 years, with disastrous results.

Efforts to change this recommended benchmark will open up this issue for a multitude of competing proposals from Council members or the public. Tying Council and Mayor salaries to judicial salaries is a tested system that has worked well elsewhere.

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DRAFT CHARTER AMENDMENTS - SALARY SETTING COMMISSION

14 MAY 29 AM 10:38

SAN DIEGO, CALIF.

Section 12.1: ~~Councilmanic Salaries~~ Councilmember Salary

~~On or before February 15 of every even year, the Salary Setting Commission shall recommend to the Council the enactment of an ordinance establishing the salary of members of the Council for the period commencing July 1 of that even year and ending two years thereafter. The Council may adopt the salaries by ordinance as recommended by the Commission, or in some lesser amount, but in no event may it increase the amount. The ordinance shall be subject to the referendum provisions of this Charter and upon the filing of a sufficient petition, the ordinance shall not become effective and shall be repealed by the Council or shall forthwith be submitted to a vote of the people at the next general statewide election.~~

Members of the City Council shall be paid an annual salary equal to that prescribed and adjusted by state law for judges of the Superior Court of the State of California. The Chief Financial Officer shall be responsible for ascertaining the salary of Superior Court judges and for setting and adjusting the salaries of Councilmembers in accordance with this section. Such salaries shall be effective on July 1, 2017, and adjusted on July 1 of each year thereafter, and included in the annual Salary Ordinance in accordance with Charter section 290.

Section 24.1: Mayor Salary

On or before February 15 of every even year, the Salary Setting Commission shall recommend to the Council the enactment of an ordinance establishing the Mayor's salary for the period commencing July 1 of that even year and ending two years thereafter. The Council shall adopt the salary by ordinance, as recommended by the Commission, or in some lesser amount, but in no event may it increase the amount. The ordinance shall be subject to the referendum provisions of this Charter and upon the filing of a sufficient petition, the ordinance shall not become effective and shall be repealed by the Council or shall forthwith be submitted to a vote of the people at the next general statewide election.

The Mayor shall be paid a salary that is twenty-five percent (25%) more than Councilmembers. Such salary shall be effective on July 1, 2017, and adjusted on July 1 of each year thereafter, and included in the annual Salary Ordinance in accordance with Charter section 290.

Section 41.1: Salary Setting Commission

There is hereby created a Salary Setting Commission consisting of seven members who shall be appointed by the Civil Service Commission for a term of four years. The first members shall be appointed for a term commencing January 1, 1974. Initially, the Commissioners shall be appointed in a manner so that three are appointed for two-year terms and four are appointed for four-year terms. The Salary Setting Commission shall recommend to the Council the enactment of an ordinance establishing salaries for the Mayor and Council as provided by this Charter. The Council shall provide the funds necessary to enable the Commission to perform its duties. The Civil Service Commission in its appointments shall take into consideration sex, race and

geographical area so that the membership of such Commission shall reflect the entire community.

Section 290: Council Consideration of Salary Ordinance and Budget; Special Veto Power

(a) No later than April 15 of each year, the Council shall introduce a Salary Ordinance fixing the salaries of all officers and employees of the City in accordance with Charter section 70. The Salary Ordinance shall be proposed by the Mayor for Council introduction in a form consistent with any existing Memorandum of Understandings with recognized labor organizations, or otherwise in conformance with procedures governed by the Meyers-Millias-Brown Act or any other legal requirements governing labor relations that are binding upon the City. The Salary Ordinance shall include the salaries of the Mayor and Councilmembers as established by sections 12.1 and 24.1. Upon introduction, the Salary Ordinance shall be transmitted to the Mayor.

(1) The Mayor shall, within five business days of receipt of the Salary Ordinance introduced by Council, either approve the ordinance as introduced or veto all or any specific provision within the ordinance. The salaries of the Mayor and Councilmembers established by sections 12.1 and 24.1 shall not be subject to veto.

(2) The Salary Ordinance shall be returned to the Council within the five business day period either approved by the Mayor or accompanied by a statement explaining any reasons for the veto. The Council shall thereafter have ten business days within which to override the veto and pass the Salary Ordinance as introduced or otherwise accept the changes proposed by the Mayor in the veto statement and pass the ordinance at second reading with the changes proposed by the Mayor.

(3) The Salary Ordinance passed by Council shall become a controlling document for preparation of the Annual Appropriation Ordinance for the ensuing fiscal year.

(b) through (d) [No change in text.]

DRAFT