



STAFF REPORT

Date: August 13, 2014
To: Mayor and Members of City Council
From: William R. Galstan, Special Counsel *William R. Galstan*
Cc: Bryan H. Montgomery, City Manager; Derek P. Cole, City Attorney;
Paul Abelson, Finance Director
Subject: City Council Stipend Adjustment

FOR CONSIDERATION AT THE CITY COUNCIL MEETING ON SEPTEMBER 9, 2014

Summary and Recommendation

Introduce and waive reading of an ordinance amending Oakley Municipal Code Section 2.1.006(c)(1), adjusting the City Council stipend from \$435.00 to \$456.75 per month.

Analysis

This matter was discussed at the Council meeting of August 12, 2014. Attached is a copy of the staff report from that meeting.

In order for all economic groups to be able to serve the community by being elected or appointed to the City Council, it was deemed appropriate to implement a modest stipend increase, as authorized by state law. We noted in the previous staff report that Oakley City Councilmembers have eliminated themselves from PERS retirement benefits and paid health benefits and car allowances, unlike elected officials in many other California cities.

There was some discussion at the August 12 meeting about expenses. In this regard, note that the existing ordinance, Sec. 2.1.006(f) authorizes the reimbursement of actual expenses, as authorized by Government Code Sec. 36514.5. Such expenses must be actually incurred, be necessary in the performance of duties and not exceed budget allocations.

As explained in the earlier report, and pursuant to State law, the stipend increases will not become effective until after the November 2014 municipal election.

Fiscal Impact

General fund cost of \$1,305.00 per year for stipend increase for all five Council members.

Attachments

- a) Ordinance amending Sec. 2.1.006(c)(1);
- b) Staff report dated July 31, 2014.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OAKLEY AMENDING
PARAGRAPH (c)(1) OF SECTION 2.1.006 OF THE OAKLEY MUNICIPAL CODE,
DEALING WITH CITY COUNCIL COMPENSATION**

Section 1. Paragraph (c)(1) of Section 2.1.006 of the Oakley Municipal Code is hereby amended to read as follows:

(c) Salary

1) Amount. Under the authority of Government Code Sections 36515 and 36516.5, each member of the City Council shall receive compensation in the amount of \$456.75 per month, payable at the same time and in the same manner as the salary paid to officers and employees of the City. This section shall become effective upon the assumption of office of members of the City Council elected at the November 2014 municipal election.

Section 2. Effective Date and Publication.

This ordinance shall take effect and be in force thirty (30) days from and after the date of its passage. The City Clerk shall cause the ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation, or by publishing a summary of the proposed ordinance, posting a certified copy of the proposed ordinance in the City Clerk's Office at least five (5) days prior to the City Council meeting at which the ordinance is to be adopted, and within fifteen (15) days after its adoption, publishing a summary of the ordinance with the names of the Council Members voting for and against the ordinance.

The foregoing ordinance was adopted with the reading waived at a regular meeting of the Oakley City Council on _____, 2014 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

Randy Pope, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



STAFF REPORT

Date: July 31, 2014
To: Mayor and Members of City Council
From: William R. Galstan, Special Counsel *William R. Galstan*
Cc: Bryan H. Montgomery, City Manager; Derek P. Cole, City Attorney;
Paul Abelson, Finance Director
Subject: Discuss Potential for City Council Member Salary Increase

FOR CONSIDERATION AT THE CITY COUNCIL MEETING ON AUGUST 12, 2014

Summary and Recommendation

Discuss and provide direction to staff as to whether an ordinance should be prepared to increase Council salaries, to be effective following the November 2014 general municipal election.

Analysis

I believe it is my duty to bring this matter to City Council's attention. Should you wish action taken on this matter, please provide direction to staff.

The method of providing and adjusting City Council salaries is set in state law, with formulas provided. Government Code Sec. 36516.5 states that Council salaries are set by adoption of a local ordinance accomplished prior to a general municipal election, with the salary increase only becoming effective after the election. In this way, Council members are not necessarily voting on their own salary adjustments, as they may determine not to run in the election or may not be successful at the election. (Obviously the members not standing for election would be in a different situation, but State law provides that the increase is effective as to all members following the election.)

The Council member salary is set at \$435.00 per month and was last established in 2010, becoming effective in January 2011 following the 2010 general municipal election. State law allows a five (5%) percent increase at each adjustment. Thus if the Council is interested in pursuing this matter, the salary could increase \$21.75 per month to a new total for each member of \$456.75.



Frankly, this modest increase seems like it probably doesn't even cover Council member gasoline expenses. I would point out that the City Council did eliminate the PERS retirement benefit for Council members beginning with those elected after July 13, 2012. This action has saved, and is saving, the City's general fund substantial monies over the years. Also, the Oakley City Council does not have a health insurance benefit (Council members may pay the full cost of such benefit if they wish—none currently do) nor do they take any other benefits. City Council members in other Contra Costa cities do have retirement and health coverage benefits, so the Oakley City Council is quite modest in the salary and fringe benefit department.

If the City Council wishes to consider a salary adjustment as outlined above, please direct our office to prepare the necessary ordinance. This would have to be done soon, as the ordinance must be adopted and go into effect (30 days after adoption) prior to the November general election.

Fiscal Impact

If the City Council determines to increase the salary rate, there would be a General Fund total cost of \$1,305.00 per year.

Attachments

None.