

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Allan L. Roeder
From: Maria Stipe
Dept.: Interim City Manager
Dept.: City Manager
Subject: INFORMATION REGARDING MAYOR AND
CITY COUNCIL MEMBER COMPENSATION
Date: July 28, 2015

OBJECTIVE

The purpose of this report is to provide information to the City Council regarding Mayor and City Council Member compensation.

BACKGROUND

At the July 14, 2015, City Council Meeting, Council Member Phan noted that compensation for the Mayor and City Council has not been adjusted in approximately 40 years. As a result, Council Member Phan requested that staff look into the current monetary value of the City Council's compensation as compared to its value at the time it was set. It was also requested that a survey be conducted with other Orange County cities to determine how Garden Grove's compensation compares with its counterparts.

DISCUSSION

Compensation for City Council Members and the Mayor was last adjusted in August 1974 and became effective in March 1976. At that time, the Mayor's salary was set at \$600.00 per month and the City Council's salary was set at \$486.05 per month. There have been no adjustments since that time. According to the United States Bureau of Labor Statistics, Consumer Price Index Inflation Calculator, \$486.05 in 1976 has the same buying power as \$2,038.49 today and \$600.00 in 1976 has the same buying power as \$2,516.39 in 2015.

Staff has completed a survey of surrounding Orange County cities, which shows mayor and city council member salaries are notably higher in a majority of surrounding cities, ranging from a high of \$1,500 per month to a low of \$0 per month (see Attachment 1). During the recession the city of Orange eliminated all compensation received by city council members elected in or after November 2012. Likewise, the city of Huntington Beach also reduced mayor and city council member compensation during the recession. Neither city has taken action to restore compensation to pre-recession levels. In Santa Ana, the mayor and city council members receive a \$500 per month automobile allowance in addition their monthly salary. Anaheim, Buena Park, and Irvine also provide a monthly automobile allowance in addition to their monthly salary.

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If the City Council wishes to consider making an adjustment to its current compensation, Government Code Section 36516(a)(1) allows a city council to enact an ordinance providing city council compensation based on the population of the City. Section 36516(a)(2)(e) provides that compensation in the form of salary for members of the city council of a general law city, which has a population of over 150,000 up to and including 250,000 may not exceed an amount of eight hundred dollars per month, exclusive of any benefits paid by the City for health or retirement.

Government Code Section 36516(a)(4) also provides that the compensation of council members may be increased beyond the amount provided in the Government Code by an ordinance or by an amendment to an ordinance, but the amount of the increase may not exceed an amount equal to 5 percent for each calendar year from the operative date of the last adjustment of salary in effect when the ordinance or amendment is enacted. Moreover, Government Code Section 36516.1 authorizes additional compensation to a mayor of a general law city elected by the voters, pursuant to an ordinance adopted by the City Council. Based on these rules, the maximum percentage increase authorized under the Government Code would be 180% for a salary of \$1,360.94 per month for City Council and \$1,474.89 per month for Mayor.

FINANCIAL IMPACT

A change in compensation does not apply to a council member during his term of office. Any potential adjustments in compensation would become effective upon commencement of the terms of new councilmembers elected and/or councilmembers re-elected in the general municipal election in November 2016.

RECOMMENDATION

It is recommended that the City Council:

- Provide direction to staff as appropriate.



MARIA STIPE
Deputy City Manager

Attachment: City Council/Mayor Pay Rate Comparison

Approved for Agenda listing



Allan L. Roeder
Interim City Manager

City Council/Mayor Pay Rate

Agency	Mayor's Salary	Council Member Salary	Implementation Date
ANAHEIM	\$1,500 / Month \$18,000 / Year	\$1,500 / Month \$18,000 / Year	6/17/2014
BUENA PARK	\$1,141 / Month \$13,692 / Year	\$1,141 / Month \$13,692 / Year	10/22/2013
COSTA MESA	\$904.40 / Month \$10,853 / Year	\$904.40 / Month \$10,853 / Year	7/1/2013
CYPRESS	\$832 / Month \$9,984 / Year	\$832 / Month \$9,984 / Year	1/1/2013
FOUNTAIN VALLEY	\$500 / Month \$6,000 / Year	\$500 / Month \$6,000 / Year	11/20/2012
FULLERTON	\$750 / Month \$9,000 / Year	\$750 / Month \$9,000 / Year	1/1/2014
HUNTINGTON BEACH	\$181 / Month \$2,182 / Year	\$181 / Month \$2,182 / Year	1/1/2012
IRVINE	\$880 / Month \$10,560 / Year	\$880 / Month \$10,560 / Year	4/14/2012
NEWPORT BEACH	\$1,236 / Month \$14,872 / Year	\$1,236 / Month \$14,872 / Year	7/1/14
ORANGE	\$0	\$0	11/12/2011
SANTA ANA	\$200 / Month \$2,400 / Year	\$125 / Month \$1,500 / Year	1/1/2013
WESTMINSTER	\$955.50 / Month \$11,466 / Year	\$850.50 / Month \$10,206 / Year	1/16/2008
GARDEN GROVE	\$600 / Month \$7,200 / Year	\$486.50 / Month \$5,832.53 / Year	4/15/2014

*The City of Orange on November 12, 2011, adopted Ordinance No. 17-11 which eliminated all compensation received by City Council members elected in or after November, 2012. Therefore, members of the City Council elected before November 2012 are eligible to receive a stipend that is established by Orange Municipal Code and California Government Code at \$690 per month plus receive health benefits that are consistent with the City's Executive Managers. Following the November 2012 election and due to a member waiving eligible benefits, there are four City Council members that do not receive any compensation.