

RESOLUTION NO. 23-1

**A RESOLUTION OF THE SALARY SETTING COMMISSION OF
THE CITY OF SANTA CLARA, CALIFORNIA SETTING THE
SALARIES OF THE POSITIONS OF MAYOR AND CITY
COUNCIL MEMBER FOR THE PERIOD OF JULY 1, 2023, TO
JUNE 30, 2025, INCLUSIVE, PURSUANT TO CITY CHARTER
SECTION 702**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, in accordance with City Charter Section 702, a Salary Setting Commission consisting of three qualified electors of the City was appointed by the Civil Service Commission, and commenced performance of its duties in February 2023;

WHEREAS, pursuant to the City Charter, the Salary Setting Commission is charged with establishing the compensation of the Mayor and Council Members for the period commencing on July 1, 2023, and ending on June 30, 2025;

WHEREAS, the Salary Setting Commission met on three occasions in February and March of 2023, during which the compensation levels for the positions of Mayor and Council Member were discussed in detail;

WHEREAS, the Salary Setting Commission was presented with, and took into consideration, various data points including, but not limited to, the history of compensation received by Mayor and Council, comparator agency salary levels, and City's current fiscal outlook; and

WHEREAS, the final decision of the Salary Setting Commission as to the compensation for the positions of Mayor and Council Member, as set forth in this Resolution, is based upon the following:

1. The Commission finds that the pertinent history of the positions of the Mayor and Council Member compensation is as follows:
 - a. In the 2000 special election, the voters passed Measure J amending Charter Section 702 to set the salary of the Council Members at \$600 per month and salary of the Mayor at \$1,000 per month, and allowed for an automatic annual

salary increase in the amount of the local Consumer Price Index.

- b. By the time of the 2016 general election, as a result of the automatic CPI increases, the salary of the Council Members was \$855.27 per month and the salary of the Mayor was \$1,425.47 per month.
- c. In the 2016 general election, the voters passed Measure O, which again amended Charter Section 702 to set the salary of the Council Members at \$2,000 per month and salary of the Mayor at \$2,500 per month. These salary increases more than doubled the Council Members' salaries and increased the Mayor's salary by approximately 75%.
- d. In 2019 and in 2021, the Salary Setting Commission resolved to keep unchanged the compensation for the positions of the Mayor and Council Member for the period of July 1, 2019 through June 30, 2023.

- 2. The Mayor and Council Members are not "regular" employees of the City, subject to internal performance review. Rather, the Mayor and Council Members are elected by the voters of the City of Santa Clara; it is, therefore, solely within the purview of the voters to determine the quality of performance by the current office holders. Accordingly, the role of the Salary Setting Commission is to set the salary for the positions of Mayor and Council Members, irrespective of the identities of the current office holders.
- 3. The positions of Mayor and Council Member are service-oriented, executive-level, positions paid a monthly stipend. There are no formal requirements for number of hours worked in City service per week, and the office holders may hold separate full-time employment in addition to service in their elected position.
- 4. The salary levels for the positions of Mayor (\$2,500 per month) and Council Member (\$2,000) currently exceed the total compensation levels for these positions in some of the comparator agencies reviewed by the Salary Setting Commission.

5. The Salary Setting Commission reviewed and considered the short- and long-term budget projections provided by staff; the Commission strives to arrive at a prudent and fiscally responsible decision.
 - a. The Covid-19 pandemic has, among other things, drastically reduced available revenue sources, resulting in a present budget deficit in excess of \$27 million, with the expectation of ongoing (albeit significantly smaller) budget deficits over the next several fiscal years.
 - b. To address these fiscal challenges, the City has taken measures such as instituting a hiring freeze, eliminating as-needed staff positions, limiting expenditures, and renegotiating collective bargaining agreements.
 - c. The City has reached agreements with the City's bargaining units whereby the employees represented by said units agreed to status quo compensation for a period of two years, in order to reduce ongoing general fund budget deficits; effectively, employees represented by some of these bargaining units were subject to a salary freeze for a period of two years.
6. The Commission discussed the possibility of a reduction in compensation for the positions of Mayor and Council Member – which was, by no means, intended to be a commentary on performance – in light of the City's ongoing fiscal challenges. Upon consideration of various factors, including those described below, the Commission ultimately decided not to reduce the compensation.
 - a. The voters, in passing Charter Section 702, stated clearly that the compensation for Mayor and Councilmember should be \$2,500 and \$2,000 respectively.
 - b. The voters included a limitation on the Commission's ability to increase compensation but did not include any language addressing or permitting a reduction in compensation.
 - c. State law, extended to the City of Santa Clara, does not allow for reduction of the

salary of an elected official during that official's current term of office. Any reduction of salary should be prospective in nature, applying only to the following term of the elected official.

- d. The Commission did not wish to make a compensation decision that would be applicable to some, but not all, of the councilmembers equally. Therefore, there was no action taken that would be applicable only to those councilmembers elected in the 2024 election.
- e. The current Salary Setting Commission will not take an action to set salaries in a manner that results in impairing the decision-making ability of future Salary Setting Commissions. Therefore, there was no action taken that would be applicable to Mayor and Councilmember positions beginning after the 2026 election (at which time all council districts would have been subject to an election for a new representative).
- f. Given the scope of the projected budget deficit as compared with the total amount of annual compensation for these elected positions, a reduction in compensation would not make a meaningful impact on the City's fiscal outlook.
- g. The Commission observed that an amendment to the Charter language to clearly address the issue of a potential decrease in compensation would likely be helpful to future Commissions in the discharge of their duties.

**NOW THEREFORE, BE IT FURTHER RESOLVED BY THE SALARY SETTING
COMMISSION OF THE CITY OF SANTA CLARA AS FOLLOWS:**

- 1. That the salary of the position of Mayor shall remain at its current level (\$2,500 per month) for the period July 1, 2023, to June 30, 2025.
- 2. That the salary of the position of Council Member shall remain at its current level (\$2,000 per month) for the period July 1, 2023, to June 30, 2025.
- 3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED
AND ADOPTED BY THE SALARY SETTING COMMISSION, AT A SPECIAL MEETING
THEREOF HELD ON THE 13th DAY OF MARCH, 2023, BY THE FOLLOWING VOTE:

AYES: 3 COUNCILORS: Kumar, Sontag, and Lawson

NOES: 0 COUNCILORS:

ABSENT: 0 COUNCILORS:

ABSTAINED: 0 COUNCILORS:

ATTEST:



MV KUMAR
CHAIR