



Agenda Report

August 8, 2001

TO: Vice Mayor Little & Councilmembers
FROM: Mayor Bill Bogaard
SUBJECT: Council Compensation

BACKGROUND:

The City Attorney has reminded me that Section 405 of the City charter sets forth a procedure whereby compensation paid to members of the City Council may be reviewed and adjusted from time to time based upon recommendations submitted by a Committee on City Councilmembers' compensation. Such recommendations must be submitted no later than October 1 of the year such Committee is appointed. A copy of Section 405 of the City charter is attached for your convenience in considering this matter, along with a copy of the City Attorney's impartial analysis of the charter change.

The purpose of this report is to place this matter before the Council in order to preserve its opportunity to form such a Committee this year if it wishes to do so.

In reading Section 405, you will note that the Council is permitted to form such a Committee no more often than every two years. This is the first year that the Council is permitted to consider such action, since the current level of compensation for the Mayor and Councilmembers was established in May, 1999. Moreover, this provision of the City charter contains the following sentence:

"Once compensation has been initially established as provided in this section, no increase in the annual compensation shall be greater than five percent for each calendar year following the operative date of the most recent change for the compensation."

It thus appears (subject to City Attorney confirmation) that the maximum increase permitted under Section 405 is 10% based on the two years that have followed the initial establishment of Council compensation in 1999. This would allow a maximum increase in compensation of the Mayor from its current level to \$1,650 per month, and for Councilmembers from its current level to \$1,100 per month.

If the Council is inclined to form a Committee under Section 405, in light of the October 1 deadline for any recommendations from the Committee, the ordinance authorizing formation of a Committee should be introduced at our meeting on August 13. This would appear to allow such a Committee, if formed at our first meeting in September, adequate time to consider and submit any recommendation before October 1.

I look forward to a discussion on this matter when it comes before the Council at our meeting.

Respectfully submitted,

A handwritten signature in black ink that reads "Bill Bogaard". The signature is written in a cursive, slightly slanted style.

BILL BOGAARD
Mayor

BB:jls

attachment

CITY OF PASADENA CHARTER

Section 405. COMPENSATION. Pursuant to an ordinance adopted by the City Council authorizing the formation of a Committee on City Councilmembers' Compensation ("the Committee"), each member of the City Council shall nominate one person to the Committee, subject to the approval of the City Council. The duties of the Committee shall be to study, take public input, and make recommendations regarding the compensation paid to members of the City Council and benefits to which the members of the City Council are entitled including, but not limited to, insurance, expense allowances and reimbursement.

Each member of the Committee shall be an elector of the City. In making their nominations, City Councilmembers shall consider persons recommended by representatives of the fields of higher education, labor, business, and organizations reflecting the diversity of the City. No person shall be eligible for membership on the Committee who is, or within five years prior to his or her appointment was, an officer or employee of the City; or who has, within five years prior to his or her appointment, had any personal or business-related contractual relation with the City.

The nominee of the Mayor shall act as temporary chair of the Committee, with the power to fix the time and place of the Committee's first meeting. At such meeting, the Committee shall elect a Chair and a Vice-Chair, and shall adopt such rules as it deems necessary to conduct its business. The provisions of the Ralph M. Brown Act shall govern the conduct of meetings of the Committee. Records of the Committee shall be maintained as public records as provided by State law. The Committee shall gather such information as it deems necessary to complete its duties, and prior to making its recommendation, shall hold at least one duly-noticed public hearing for the purpose of seeking public input. The City Manager shall provide office space, staff assistance and supplies for the work of the Committee. Committee members shall serve without compensation, other than reimbursement for reasonable expenses pursuant to City ordinance.

Not later than October 1 of the year the Committee is appointed, the Committee shall submit to the City Council a report adopted by a majority of the members of the Committee recommending either that no change be made in the compensation paid to members of the City Council, or that change, either an increase or a decrease, be made and the amount thereof. If such report is not timely submitted, or is not adopted by a majority of the members of the Committee, the Committee's recommendation shall be deemed to be a recommendation for no change. The Committee shall cease to exist thirty (30) days after its report is submitted to the City Council.

The City Council may take no action on the recommendation, or it may, by ordinance, adjust the compensation paid to members of the City Council by an amount not to exceed the recommendations of the Committee. No action which increases the compensation of City Council in excess of the level recommended by the Committee may be taken without a vote of the people. Any ordinance adopted pursuant to a recommendation of the Committee shall be adopted by a 2/3 majority vote and shall be subject to referendum as provided in this Charter. Once compensation has been initially established as provided in this section, no increase in the annual compensation shall be greater than five percent for each calendar year following the operative date of the most recent change for the compensation. No more than one ordinance establishing the compensation of City Council members may be adopted in any two calendar year period. Any compensation and benefits fixed as a result of this Section shall constitute full compensation for the services of the City Council member and the maximum benefits provided to the City Council member by the City.

Until such time as the City Council adopts an ordinance as provided herein, Councilmembers shall continue to receive the compensation in effect as of the effective date of the Section. (Sec. 405 amended by vote of the people 11-3-1998; Sec. 405 amended by vote of the people 3-9-1993; Sec. 405 amended by vote of the people 11-4-1980, effective May 4, 1981.)

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE O

Since 1968, the City Charter has provided that City Councilmembers are paid \$50 for each City Council meeting attended up to \$250 per month. This amendment would authorize the City Council by ordinance to form a Committee on City Councilmembers' Compensation ("Committee") which would render a report to City Council recommending whether and by how much the compensation and benefits of City Councilmembers should be changed. Each Councilmember would appoint one nominee to the Committee. The City Council may reject the Committee's recommendations or may, by a 2/3 vote, adjust its compensation by an amount not to exceed the recommendation of the Committee. Under this amendment, no more than one ordinance changing the City Council's compensation could be approved in any two year period, and increases after the initial setting of compensation under this amendment would be limited to no more than 5% annually. No compensation in excess of the Committee's recommendation could be enacted without a vote of the people.

If the Committee is unable to adopt a recommendation by majority vote, then the Committee will be deemed to have recommended no change in compensation. Any compensation enacted under this amendment would constitute the maximum level of compensation payable by the City or any City-funded agency to a City Councilmember.

FISCAL IMPACT: Cannot be calculated at this time.



Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: August 13, 2001

FROM: CITY ATTORNEY

TITLE OF PROPOSED ORDINANCE: "AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA ESTABLISHING THE COMMITTEE ON CITY COUNCILMEMBERS' COMPENSATION"

PURPOSE OF ORDINANCE: Proposition O, enacted into the City Charter as an amended Section 405 of that document, requires that any Committee on City Councilmembers' Compensation empowered to recommend the level of compensation of members of the City Council be established by ordinance. City Charter, Section 405 indicates that, "[n]o more than one ordinance establishing the compensation of City Council members may be adopted in any two calendar year period." The only such ordinance, Ordinance Number 6783, was adopted on March 29, 1999, over two calendar years ago. Therefore, the City Council may revisit the compensation issue to the extent authorized by the Charter by establishing a Compensation Committee within the framework of the Charter. There is an October 1, 2001 deadline for the work of a Compensation Committee, so the process would need to be commenced almost immediately or delayed until after the first of the year.

REASONS WHY LEGISLATION IS NEEDED: As noted above, any Committee on City Councilmembers' Compensation must be appointed by City Council pursuant to ordinance. The attached ordinance would initiate the formation of the Committee and would provide authority for the City Council to establish procedures governing the appointment of members to the Committee and the functioning of the Committee consistent with the City Charter.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED: Staff support would be provided by personnel from the offices of the City Clerk, City Manager and City Attorney.

61921.1

MEETING OF 08/13/2001 ---

AGENDA ITEM NO. 7.A.(5)

FISCAL IMPLICATIONS: This ordinance would grant authority for the appropriation of funds to provide staff, consultant and other support and research services for the Committee. The Charter also requires the Committee to conduct at least one public hearing prior to delivering its report, which will entail additional costs. The amount of costs involved depends on the length of the Committee's deliberations, the number of public meetings which are held and the amount of outside research services required.

POLICY CHANGES: This ordinance implements the policies enacted by the voters in Proposition O with respect to revisiting the compensation of members of the City Council.

Respectfully submitted,



For _____
MICHELE BEAL BAGNERIS
City Attorney

Introduced by Councilmember _____

ORDINANCE NO. _____

**AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA
ESTABLISHING THE COMMITTEE ON CITY
COUNCILMEMBERS' COMPENSATION**

WHEREAS, a majority of the electorate of the City of Pasadena approved Ballot Measure O on November 3, 1998; and

WHEREAS, the results of said election have been duly certified by the Secretary of State of the State of California; and

WHEREAS, Section 405 of the City Charter, as amended by Measure O, provides that a majority of the City Council may, by ordinance, authorize the establishment of a Committee on City Councilmembers' Compensation to consider the compensation of members of the City Council. City Charter, Section 405 indicates that, "[n]o more than one ordinance establishing the compensation of City Council members may be adopted in any two calendar year period." The only such ordinance, Ordinance Number 6783, was adopted on March 29, 1999, over two calendar years ago.

NOW, THEREFORE, the People of the City of Pasadena ordain as follows:

Section 1. A Committee on City Councilmembers' Compensation (hereafter "Committee") is hereby established as provided in Section 405 of the Pasadena City Charter, as amended, for a term dating from the date of publication of this ordinance until thirty (30) days after its final report is submitted to the City Council. Said Committee shall have all the powers and duties set forth in section 405 of the Pasadena City Charter as amended.

Section 2. Each member of the City Council of the City of Pasadena is hereby directed to nominate one elector of the City of Pasadena, qualified as provided in Section 405 of the Pasadena City Charter, to serve as a member of the Committee. The City Council may, by resolution or motion, establish the date by which nominations shall be presented to the City Council. Each nominee shall thereafter be voted upon by the City Council, and any nominee receiving the affirmative votes of a majority of the members of the City Council shall be seated on the Committee. Should any nominee fail to receive the necessary number of affirmative votes, the Councilmember proposing said nominee shall propose a new nominee within a period of time established by the City Council by motion or resolution.

Section 3. Once all the members of the Committee have been seated, the Committee shall establish such procedures and rules of order as may, in the opinion of a majority of the Committee, provide for a fair and expeditious discharge of its duties and responsibilities as set forth in the City Charter. Recommendations with respect to councilmember's compensation

adopted by a majority of the Committee shall be presented in a report to the City Council for consideration as provided by the City Charter. The Committee may recommend any date within the term of the Committee as the effective date for the implementation of any recommended adjustment in councilmembers' compensation should such adjustment be enacted by the City Council. The Committee established under this ordinance shall present its report to the City Council not later than October 1, 2001.

Section 4. The City Manager, City Clerk and City Attorney are directed to provide such assistance and support to the Committee as may reasonably facilitate its work. The City Council may appropriate such funds as are necessary and proper to support the work of the Committee. Members of the Committee who incur expenses in conducting the work of the Committee shall be reimbursed for such reasonable expenses upon submission to the City Clerk of the expense reimbursement form then used by City employees for such purpose. The Chair of the Committee, or the Vice-Chair when reimbursement is requested by the Chair, shall approve such reimbursement requests with the consent of the Committee.

Section 5. This ordinance shall take effect upon its publication.

SIGNED AND APPROVED this _____ day of August, 2001.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its regular meeting held August ____, 2001, by the following vote:

AYES:

NOES:

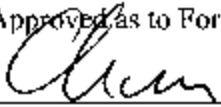
ABSENT:

ABSTAIN:

Published:

Jane L. Rodriguez, CMC
City Clerk

Approved as to Form:



Nicholas George Rodriguez
Assistant City Attorney