



OFFICE OF THE CITY MANAGER

TO: Honorable Mayor and City Council

FROM: Alex Souto, Deputy City Manager
Mark Jomsky, City Clerk

DATE: October 27, 2025

RE: **CONSIDERATION OF FINAL REPORT AND RECOMMENDATIONS FROM THE COMMITTEE ON CITY COUNCILMEMBERS' COMPENSATION REGARDING COMPENSATION, ALLOWANCES, AND BENEFITS FOR THE MAYOR AND MEMBERS OF THE CITY COUNCIL**

Recommendation: It is recommended by the Committee on City Councilmembers' Compensation that the City Council:

- (1) Find that the recommended actions in the agenda report are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), the "Common Sense" exemption that CEQA only applies to projects that may have an effect on the environment;
- (2) Consider Final Report and Recommendations of the Committee on City Councilmembers' Compensation, regarding the following increases to City Council compensation:
 - (a) Establish an annual Family Care Reimbursable Allowance in the amount of \$18,000 for each Councilmember and the Mayor;
 - (b) Establish a per term Office Setup, Operations and Security Reimbursable Allowance in the amount of \$20,000 for each Councilmember and the Mayor;
 - (c) Increase the annual General Expense Reimbursable Allowance for Councilmember from \$3,600 to \$6,000, and for the Mayor from \$6,000 to \$11,000, without restricting use for another category of expense; and
 - (d) Increase the annual stipend for each Councilmember from \$23,292 to \$36,000 and for the Mayor from \$34,932 to \$54,000; and
- (3) Direct the City Attorney to prepare an ordinance within 60 days to incorporate adjustments to the compensation paid to each Councilmember and the Mayor by amounts not-to-exceed the recommendations of the Committee, subject to approval by not less than 2/3 majority vote of the City Council.

October 27, 2025

Consideration of Final Report and Recommendations from the Committee on City Councilmembers' Compensation

On September 29, 2025, the Committee on City Councilmembers' Compensation submitted its final report and recommendations to the City Council for its consideration. At the meeting, the City Council unanimously approved Recommendations 1 and 2, officially receiving the Committee's report, but deferred consideration and substantive discussion on the details of the Committee's recommendation to a future City Council meeting due to the lateness of the hour.

The Old Business item before the City Council is to consider the recommendations of the Committee in full, and provide direction to City staff on how to proceed in regard to recommended increases to compensation of the Mayor and City Councilmembers.

The City Council may either take no action on the recommendations, or it may direct staff to prepare an ordinance within 60 days to incorporate adjustments to the compensation paid to each Councilmember and the Mayor by amounts not-to-exceed the recommendations of the Committee. Any ordinance adopted pursuant to a recommendation of the Committee is subject to approval by not less than 2/3 majority vote of the City Council.

Further, no action which increases the compensation of the City Council in excess of the level recommended by the Committee may be taken without a vote of the people.

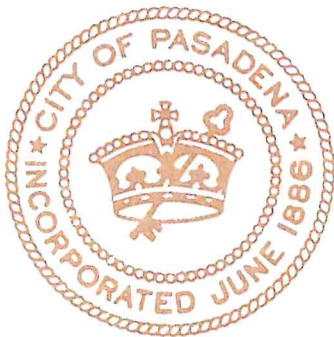
Respectfully submitted,



ALEX SOUTO
Deputy City Manager



MARK JOMSKY
City Clerk



Agenda Report

September 29, 2025

TO: Honorable Mayor and City Council

FROM: Committee on City Councilmembers' Compensation

SUBJECT: **RECEIVE FINAL REPORT AND RECOMMENDATIONS FROM THE COMMITTEE ON CITY COUNCILMEMBERS' COMPENSATION REGARDING COMPENSATION, ALLOWANCES, AND BENEFITS FOR THE MAYOR AND MEMBERS OF THE CITY COUNCIL**

RECOMMENDATION:

It is recommended by the Committee on City Councilmembers' Compensation that the City Council:

- (1) Find that the recommended actions are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), the "Common Sense" exemption that CEQA only applies to projects that may have an effect on the environment;
- (2) Pursuant to City Charter Section 405 (COMPENSATION), receive the Final Report and Recommendations of the Committee on City Councilmembers' Compensation, with the City Council to consider the following increases to City Council compensation:
 - a) Establish an annual Family Care Reimbursable Allowance in the amount of \$18,000 for each Councilmember and the Mayor;
 - b) Establish a per term Office Setup, Operations and Security Reimbursable Allowance in the amount of \$20,000 for each Councilmember and the Mayor;
 - c) Increase the annual General Expense Reimbursable Allowance for each Councilmember from \$3,600 to \$6,000, and for the Mayor from \$6,000 to \$11,000, without restricting use for another category of expense; and
 - d) Increase the annual stipend for each Councilmember from \$23,292 to \$36,000, and for the Mayor from \$34,932 to \$54,000; and
- (3) Direct the City Attorney to prepare an ordinance within 60 days to incorporate adjustments to the compensation paid to each Councilmember and the Mayor by amounts not to exceed the recommendations of the Committee, subject to approval by not less than 2/3 majority vote of the City Council.

EXECUTIVE SUMMARY:

This report presents the findings and recommendations of the Committee on City Councilmembers' Compensation. The Committee was charged with reviewing and recommending updates to the compensation, allowances, and benefits provided to the Mayor and City Councilmembers, with the goal of broadening access to public service and ensuring fair and equitable support for members of the City Council. In accordance with the City Charter, the Committee's deadline for completing its work and submitting this report and recommendations is October 1, 2025.

The Committee's recommendations are grounded in the following principles:

- **Equity:** Reducing financial barriers to public service on City Council.
- **Safety:** Recognizing the need for personal security in a polarized political climate.
- **Support for Volunteer Governance:** Maintaining the City's tradition of volunteer part-time, citizen-led governance while acknowledging the significant time and effort required of Councilmembers.

The Committee presents the following recommendations:

1. Stipend Increases

- Councilmember: Increase from \$1,941 to \$3,000 per month
- Mayor: Increase from \$2,911 to \$4,500 per month

2. New Allowances

- Family Care Reimbursable Allowance: \$18,000 annually for each Councilmember and the Mayor to support child and family care needs.
- Office Setup, Operations, and Security Allowance: \$20,000 per term for each Councilmember and the Mayor to cover home office equipment, telecommunications, monthly office expenses, and home security systems, replacing allowances for computer equipment, monthly telecommunications, and cell phone stipend.

3. General Expense Allowance

- Councilmembers: Increase from \$3,600 to \$6,000 annually.
- Mayor: Increase from \$6,000 to \$11,000 annually.

Fiscal Impact:

- Total Maximum Annual Cost (FY 2026): \$314,000
 - Stipend increases: \$135,000
 - Allowance increases: \$179,000 (maximum)
- Actual costs may be lower depending on utilization rates.

Conclusion:

The Committee unanimously agreed that enhanced support for the Mayor and members of the City Council is essential to ensuring a diverse, representative, and effective City Council responsive to the needs of the entire community. The Committee's recommendations balance the need for fair compensation and support for members of the City Council, while preserving Pasadena's proud history of volunteerism and public service.

BACKGROUND:

City Charter Section 405 sets forth the process and requirements to study and make changes to City Council compensation. In November 1998, Pasadena voters approved Measure O, which modified Section 405 of the City Charter to authorize the City Council to establish a Committee on City Councilmembers' Compensation by ordinance. The charge of the Committee is to study, take public input, and make recommendations to the City Council regarding the compensation and benefits to which members of the City Council are entitled. In December 1998, the City Council established the first Committee on City Councilmembers' Compensation. This Committee's deliberations were based on the premises that: 1) the City operates under a City Council/City Manager form of municipal government; and 2) that Councilmembers should continue to serve as elected part-time citizen volunteers.

The first Committee's work culminated in a number of recommendations adopted by the City Council that form the current framework for City Council compensation to this day. This framework consists of Councilmember and Mayoral stipends supplemented by modest allowances for general expenses, computer equipment, cellular phones, and internet connectivity. Annual increases to the stipend are tied to growth in the Consumer Price Index up to a maximum of 5%, with adjustments occurring July 1 of each calendar year.

In August 2001, the City Council created the second Committee on Councilmember's Compensation. This Committee again devoted considerable discussion to the concept of the City Council as a body of citizen volunteers. Four members of this Committee felt that the stipend and benefits provided to the City Council "were more than adequate, if not generous" given Pasadena's City Manager form of municipal government and its tradition of elective office as service rather than as a livelihood or the basis for a political career. The other four members favored increasing the stipend in order to reduce the financial burden of serving in office and to increase the pool of candidates. Ultimately, the 2001 Committee did not recommend an increase to City Council stipends or benefits.

Over the past 26 years, the Consumer Price Index (CPI) calculation and methodology established by the 1999 Committee has been the sole driver of increases to the monthly stipend for Councilmembers and the Mayor. During this period, the City Council stipend has increased from \$1,000 to \$1,941 for Councilmembers, and from \$1,500 to \$2,911 for the Mayor. The general expense allowance, telecommunications stipend, and computer allowance have not been adjusted since 1999.

The City Council's current compensation and allowance package is listed as follows:

Compensation / Allowance Category	Councilmember	Mayor
Stipend (Monthly Annual)	\$1,941 \$23,292	\$2,911 \$34,932
Health Benefits (Annual Max)	\$27,321	\$27,321
General Expense (Annual Max)	\$3,600	\$6,000
Telecommunications (Annual Max)	\$1,800	\$3,600
Cellular (Per Term Max)	\$300	\$300
Computer (Per Term Max)	\$5,000	\$5,000

THE 2025 COMMITTEE ON COUNCILMEMBERS' COMPENSATION

In November 2024, Pasadena voters approved measure PA, which amended Section 405 of the City Charter to add a new requirement that the Compensation Committee be convened by the City Council not less than once every five years. This was done to address the issue that the City Council's compensation had not been studied for an extended number of years. On June 16, 2025, the City Council appointed the third Committee on City Councilmember's Compensation, and the first to be appointed since 2001. The members of the Committee are listed as follows:

Rita Moreno	Mayor's Appointee
Lena Louise Kennedy	District 1
Steven M. Olivas	District 2
Renee Morgan-Hampton	District 3
Donald C. Nanney	District 4
Vanessa F. Rodriguez	District 5
Ken Chawkins	District 6
Elizabeth Staggs Wilson	District 7

The Committee's charge, pursuant to the City Charter, was to study, take public input, and make recommendations regarding compensation paid to City Council, including fringe benefits, allowances, and reimbursements. The overarching objective of the Committee's work was to identify ways to broaden the pool of residents able to serve on the City Council.

The Committee held seven meetings between June 30 and September 24 (meeting minutes provided as Attachment C). During this time, the Committee discussed at length the concept of Pasadena as a City of engaged residents who volunteer their time to serve on neighborhood and community organizations, City commissions, and other civic advisory boards. The Committee discussed the City Council as a body of individuals who are moved to public service out of their passion and desire to serve their community rather than for the compensation. Members acknowledged that while Councilmembers receive a modest stipend, it does not reflect the many hours they dedicate to the role.

The Committee discussed Pasadena's City Council/City Manager form of government which is centered around the premise that a part-time City Council provides direction to a full-time professional City Manager who runs the day-to-day operations of the City.

One of the great challenges of the Committee's work was finding the right balance between compensating Councilmembers fairly and in a manner that would encourage a broad, diverse pool of residents to consider running for office, while maintaining the principle of the resident volunteer within Pasadena's City Council/City Manager form of government. In other words, how can the City value the work of office while not incentivizing people to seek office for the compensation? Chair Moreno suggested that the compensation should be sufficient to mitigate the loss of income that a member of the City Council may experience while engaging in public service. Vice Chair Kennedy shared her view that the goal of this Committee's work should be to attract a diverse body of voices to the City Council who can articulate the needs of the community.

As part of its work to inform itself on the City Council duties and responsibilities, the Committee heard from former Pasadena Councilmembers, Jacque Robinson, Steve Haderlein, Chris Holden, and Margaret McAustin, who shared their perspectives on the obligations and expectations of serving in elected office, and in relation to Councilmember compensation. The Committee also heard from two former City Managers, Cynthia Kurtz and Steve Mermell, who shared their views from a City Manager's perspective, on the obligations and expectations of office in relation to Councilmember compensation, and on the merits of Pasadena's City Council/City Manager form of government. At the suggestion of Committee Member Wilson, staff also conducted a survey of the current City Council asking current Councilmembers and the Mayor to share information from their perspectives on the time commitments of office.

Finally, the Committee received information from City staff related to the City Council's historical and current compensation, including the City Council stipend, health and retirement benefits, the categories and allowances for office expenses. This included comparative City Council compensation data from a variety of other cities across California with similar populations and budget statistics.

As the work of the Committee progressed, its values became a focused aspect of the discussion of compensation. There was unanimous agreement among the Committee that the City could broaden the pool of individuals who consider running for office by doing more to support members of the City Council with balancing life, work, and public service. Prior to engaging in discussion regarding stipend and allowance increases, the Committee decided that it would first establish consensus on allowance categories as part of a framework for City Council compensation. Once those categories had been established, the Committee would then take up deliberations on how much to allocate to each category. After extensive deliberation, the Committee agreed on the following categories: 1) Family Care, 2) Office Setup, Operations and Security, 3) the General Expense Allowance, and 4) the City Council stipend.

The Family Care allowance is a new, standalone reimbursement category specific to family care support. The Office Setup, Operations, and Security allowance is similarly a new reimbursement category that incorporates three existing allowances related to technology and broadens the qualifying expenses to include all costs related to establishing a home office. Most notably, and a point of emphasis by the Committee, a new allowable reimbursement would be added for personal home security expenses.

Committee Member Morgan-Hampton introduced the innovative idea of placing an emphasis on the personal safety and security of members of the City Council given the polarized state of the nation's political environment. As part of early Committee discussions, this new concept quickly gained the support of the Committee as a core value. The final two categories, the General Expense Allowance and the City Council stipend, were recommended to continue in their current form with increased values. A summary of the Committee's discussions, deliberations, and recommendations follows:

Family Care¹: The 2024 Charter Study Task Force recommended that a future Committee on City Councilmembers' Compensation explore the idea of providing additional support for family care, beyond just childcare. This idea was later supported by the City Council in its formation of the 2025 Committee. The Committee spent a considerable amount of time studying the issue of Family Care, noting the hardship of supporting dependents (either children or elder family members). Although Committee members expressed some varying opinions as to the precise nature of such an enhancement, there was broad consensus among the Committee that there is a need to do substantially more in terms of providing this type of support. Currently, members of the City Council may use their General Expense Reimbursement Allowance for childcare expenses. The Committee agreed that this Allowance, which was last adjusted in 1999, was insufficient to provide adequate support for today's family care expenses that a Councilmember may incur as they perform the duties of office. Further, the Committee agreed that this was a matter of such priority that it merited its own robust allowance category rather than the present arrangement that combines these costs with other general expenses of office.

Member Rodriguez also noted the regressive nature of the current model, and advocated for a separate, dedicated category for childcare/family care on the basis that combining this benefit with another reimbursement category will disadvantage members of the City Council who have family care needs. Due to the fact that the General Expense Reimbursement Allowance currently includes childcare expenses, a competing interest is created because utilizing the Allowance for childcare directly draws down available dollars that would otherwise be used for other expenses needed to carry out the duties of office. It therefore does not provide members of the City Council with differing family care needs the same level of support that is available to members without family care needs.

The Committee considered a variety of options for a Family Care Reimbursable Allowance, ranging from \$7,500 annually, the maximum non-taxable amount permitted by the Internal Revenue Service (beginning in 2026), and administered through a City-sponsored Flexible Spending Account, to \$24,000 annually in taxable dollars administered directly by the City, and to various combinations of these amounts and arrangements. Ultimately, the Committee passed a motion on September 2, 2025, with 5 members in favor, and 2 members opposed, to establishing a Family Care Reimbursable Allowance in the amount of \$18,000 annually, administered in a manner that provides broad flexibility to the Councilmember in its use.

¹ The California Family Rights Act defines family member as a spouse, registered domestic partner, parent, child, grandparent, grandchild, sibling, or designated person deemed to have a relationship equivalent to a family relationship.

While mindful of the potential costs of its recommendations, support for family care was a core value of the Committee. The Committee felt it was important to send a strong signal of its values in this particular recommendation. Committee members all agreed that there was a need to reduce barriers for individuals who could otherwise not consider running for elected office, and adding this category of support was one way to accomplish that. Further, the Committee made the recommendation with the understanding that while not every member of the City Council will use this benefit, and others may not use the full amount, it will be available in full for those that need it.

Office Setup, Operations, and Security Reimbursable Allowance: Members of the City Council currently receive a per term reimbursable allowance of \$5,000 for a computer system, a per term reimbursable allowance of \$300 for a cellular phone, and an annual reimbursable allowance of \$1,800 for each Councilmember and \$3,600 for the Mayor for telecommunications expenses. In reviewing these allowances, the Committee considered adjustments based on modern technology and current payment options. The objective was to reduce barriers for some individuals that may not otherwise seek office, with respect to access to technology and home office furnishings. It was understood that some individuals already have the necessary amenities at home, but the Committee did not take for granted that it may not be the case for all individuals who would consider running for office. The Committee felt that the \$300 per term cellular allowance was an outdated form of compensation and did not provide adequate support for its intended purpose. Similarly, the \$5,000 per term computer allowance needed to be adjusted downwards given the reduction in the price of computers since 1999. As to the telecommunications allowance, the Committee felt that the amount should be standardized between the Mayor and Councilmembers.

The Committee received information from staff regarding the current costs of computer hardware and peripherals based on pricing provided by the Department of Information Technology. The Committee also considered reasonable present-day costs for items such as cellular phones, unlimited data plans, and office furniture. Reiterating the core value of the Committee to reduce barriers to City Council office, members of the Committee sought to enhance support for technology and other amenities so that a Councilmember would be able to reasonably focus on the duties of office both from home and while out in the community.

As noted above, a point of emphasis and another core value of the Committee was to improve support for safety of members of the City Council. Given the polarized state of our current political environment, the Committee reasoned that some individuals would be dissuaded from running for office out of concern for their personal, home, and family safety. There was unanimous support within the Committee for recommending that the City place an emphasis on addressing this by providing financial support for Councilmembers to install and maintain a security system at their residence, including costs for hardware and installation, as well as ongoing monthly monitoring costs. The Committee reasoned that this would provide Councilmembers more security for themselves and their families while they were at home or out in the community performing the duties of office. While the costs of home security can vary significantly based on the size of the residence and the equipment selected, the Committee received information from staff regarding researched costs for system hardware and installation, and

subsequent monitoring costs. Noting the Committee's high priority of safety, there was consideration given for recommending a security allowance as its own stand-alone category. Ultimately, it was decided to include it within the larger category of Office Setup, Operations, and Security.

After a thorough discussion, at the September 2, 2025 meeting, the Committee unanimously passed a motion recommending that the City Council establish a per term reimbursable allowance of \$20,000 for each Councilmember and the Mayor to support essential expenses reasonably necessary to perform their duties effectively. Eligible expenses include, but are not limited to:

- Laptop computers, docking stations, monitors, and peripherals
- Home office furniture (e.g., desk, ergonomic chair)
- Cellular phones, data plans, and internet plans
- Home security system, hardware, installation, and monitoring

This allowance is intended to be provided in lieu of the existing computer, telecommunications, and cellular phone allowance.

Further, and a point of significant discussion, the Committee sought to make clear that this allowance should be exclusively for use by the Councilmember, and that all reasonably necessary technology and office-related expenses for City Council District Liaisons — commensurate with those provided to other City employees — be funded directly by the City and not deducted from Councilmembers' individual allowances.

General Expense Reimbursable Allowance: The General Expense Reimbursable Allowance currently provides support for a wide variety of business expenses such as district meeting refreshments, coffee with constituents, routine office expenses such as pens and printer ink, transportation costs, and childcare. Vice Chair Kennedy stated that this allowance should not be prescriptive but rather should allow for broad flexibility to support the various business-related expenses that a Councilmember may incur. The Committee agreed that it was necessary for Councilmembers to continue to have a reimbursable account for broad use towards business expenses, and ultimately approved a motion, with 7 members in favor and 1 member against, recommending that the General Expense Reimbursable Allowance increase to \$6,000 for each Councilmember and \$11,000 for the Mayor, without restricting use of this Allowance to support and augment another allowance category. For example, it was the Committee's intent that the General Expense Reimbursable Allowance be available, if necessary, for Family Care expenses if a Councilmember exhausts their Family Care Reimbursable Allowance.

Monthly Stipend: Since the time the monthly stipend for Councilmembers and the Mayor was established at \$1,000 per month and \$1,500 per month, respectively in 1999, the methodology for CPI driven increases established in Section 2.02.220 of the Pasadena Municipal Code (PMC) has caused these stipends to increase from \$1,000 to \$1,941 for each Councilmember and \$1,500 to \$2,911 for the Mayor. From 2009 through 2013, the City Council elected to forgo these annual stipend increases in recognition of the City's financial difficulties stemming from the Great Recession. The cumulative increases the City Council waived during this time equaled 5.6%. In 2022 and 2023, the increase in the

CPI exceeded 5%, due to high inflation. The cumulative increase the City Council did not receive due to the PMC limit of 5% on the annual stipend increase was 1.97%. While there was consensus amongst the Committee that the stipend should increase by some amount, there were differences of opinion as to the precise amount.

As part of the initial discussions on stipend increases, Chair Moreno and Member Olivas supported \$1,000 increases to the overall stipends for Councilmembers (from \$1,941 to \$2,941) and the Mayor (from \$2,911 to \$3,911). Member Chawkins expressed support for increasing the monthly stipends equivalent to the “full catchup” amount of the annual increases that were not taken by the City Council during the Great Recession, and the increases not realized due to the CPI limit of 5%. The full catchup would increase Councilmembers’ compensation stipends from \$1,941 per month to \$2,090 per month, and the Mayor’s compensation stipend from \$2,911 per month to \$3,135 per month. Members Chawkins and Nanney reasoned that since the Committee was recommending substantial increases for other benefit categories, a larger increase to the monthly compensation stipend may not be necessary.

Ultimately, at the September 2, 2025 meeting, the Committee unanimously approved a motion recommending that the monthly stipend be increased to \$3,000 for each Councilmember and \$4,500 for the Mayor. This represents an increase of \$1,059 to the Councilmember stipend and \$1,589 to the Mayoral stipend.

RECOMMENDATIONS:

A table reflecting the City Council’s current stipend, health benefits and allowances alongside the Committee’s recommended changes is provided below for comparative purposes.

Compensation / Allowance Category	Current		Recommended	
	CM	Mayor	CM	Mayor
Stipend (Monthly)	\$1,941	\$2,911	\$3,000	\$4,500
Health Benefits (Annual Max)	\$27,321	\$27,321	\$27,321	\$27,321
General Expense (Annual Max)	\$3,600	\$6,000	\$6,000	\$11,000
Telecommunications (Annual Max)	\$1,800	\$3,600	n/a	n/a
Cellular (Per Term Max)	\$300	\$300	n/a	n/a
Computer (Per Term Max)	\$5,000	\$5,000	n/a	n/a
Family Care (Annual Max)	n/a	n/a	\$18,000	\$18,000
Office Setup, Operations, and Security (Per Term Max)	n/a	n/a	\$20,000	\$20,000

FISCAL IMPACT:

The annualized FY 26 maximum fiscal impact of the Committee's recommendations is approximately \$314,000. The actual fiscal impact is dependent on the implementation date of any increases, as well as the sum of reimbursable expenditures utilized and submitted in the reimbursable allowance categories for Family Care, General Expense, and Office Setup, Operations, and Security.

The annualized FY 26 cost of the recommended stipend increase is approximately \$135,000 and is expected to be fully realized on a pro-rated basis. The cost of the recommended increase to the allowances is \$179,000. As noted previously, it is not anticipated that all allowances will be fully expended.

Respectfully submitted,



RITA MORENO, Chair
Committee on City Councilmembers'
Compensation



LENA LOUISE KENNEDY, Vice Chair
Committee on City Councilmembers'
Compensation

Attachments:

Attachment A – City Charter Section 405

Attachment B – Pasadena Municipal Code Section 2.05.220

Attachment C – Committee Meeting Minutes