



STAFF REPORT
2/14/2024

TO: Honorable Mayor and City Council Members

FROM: Dr. Gabriel Martin, City Manager

SUBJECT: Ordinance No. 1207 Increasing City Council Compensation Pursuant to Senate Bill 329 (Second Reading)

STAFF RECOMMENDATION:

It is recommended that the City Council conduct the second reading, by title only, of Ordinance No. 1207 increasing City Council compensation pursuant to Senate Bill 329.

BACKGROUND:

In June 2023, Governor Gavin Newsom signed Senate Bill 329 (“SB 329”) into law, which amends California Government Code Section 36516 regarding city council compensation.

SB 329 increases base compensation for city council members in general law cities. Existing law authorizes a city council to enact an ordinance to set city council salaries based on the population of the city. The former compensation schedule was set in 1984 and has not been adjusted in almost 40 years.

The purpose of SB 329 is to allow cities to adjust council member compensation to account for inflation and to support diversity in city councils because increased compensation can help individuals from across different income levels receive sufficient income for their service.

Under existing law, city councils can enact ordinances to provide salaries to council members based on the population of the city. SB 329 increases the maximum salaries that can be approved by city ordinance, based on the population of the city. The new salary limits are as follows:

- Up to \$950 per month for cities up to and including 35,000 in population.
- Up to \$1,275 per month for cities over 35,000 up to and including 50,000 in population.
- Up to \$1,600 per month for cities over 50,000 up to and including 75,000 in population.
- Up to \$1,900 per month for cities over 75,000 up to and including 150,000 in population.
- Up to \$2,550 per month for cities over 150,000 up to and including 250,000 in population.
- Up to \$3,200 per month for cities over 250,000 in population

In 2018, pursuant to Ordinance No. 1127, the City Council set the monthly salary for each Councilmember at \$711.05.

On December 13, 2023, the City Council conducted the first reading for Ordinance No. 1207 to increase the City Council compensation pursuant to Senate Bill 329.

DISCUSSION/ANALYSIS:

The City Council Salary Based on Government Code Section 36516 as Amended by SB 329

Coachella Municipal Code Section 2.04.010 (B) sets the Coachella City Council salary for each member at \$711.05 per month. This salary was established by Ordinance No. 1127 in 2018 and there has not been an increase or adjustment in the last five years.

California Government Code Section 36516 provides a method by which salaries for members of a city council of a city are established and increased. Pursuant to Section 36516, city councilmember compensation is initially based on a city's population, as determined by the census data or from estimates for the Department of Finance.

As noted above, SB 329 increases the city council compensation based on a city's population. For example for cities with populations between 35,000 and 50,000—which would include Coachella—the previous salary was \$400. As a result of SB 329, the updated city council salary for this population range is now \$1,275.

According to data from the 2020 census and the California Department of Finance, Coachella has an approximate population of 42,462. Therefore, the City Council salary could be raised up to \$1,275 under the new law.

The proposed Ordinance would amend two Coachella Municipal Code sections – Section 2.04.010 entitled “Compensation of city council members” and Section 2.04.020 entitled “Increase or decrease in council member’s salary.” Section 2.04.010 would be revised to include the most recent Coachella population from the 2020 census and California Department of Finance. In addition, it would state that following the November 2024 election, city council salary will be set at \$1,275 per month. Section 2.04.020 would be amended to clean up language and reference Government Code 36516 for the process for making future increases based on cost-of-living adjustment and inflation.

An elected mayor may be provided with compensation in addition to that which he or she receives as a council member. That additional compensation may be provided by an ordinance adopted by the city council or by a majority vote of the electors voting on the proposition at a municipal election. (Gov. Code, § 36516.1.) The Coachella Municipal Code currently does not provide additional salary for the mayor.

Findings in Support of City Council Salary Increase under SB 329

There are several reasons that support higher salaries for city councilmembers in Coachella.

Higher pay can help remove financial barriers that may prevent individuals from running for office. This can make council positions more accessible to a wider range of people, including those from lower-income backgrounds, promoting greater socioeconomic diversity among elected representatives.

Offering higher pay can also attract more qualified individuals to run for city council positions. This can potentially increase the talent pool and diversity of candidates, leading to better decision-making governance.

A higher salary can incentivize councilmembers to dedicate more time and effort to their roles. This can enable them to devote additional hours to understanding complex issues, researching policies, and engaging with constituents, thereby enhancing the quality of their work.

A higher salary can also help retain experienced councilmembers who might otherwise leave for higher-paying opportunities elsewhere. Continuity and intuitional knowledge can benefit the city by enabling councilmembers to build expertise, establish relationships, and effectively address long-term challenges.

Increasing compensation recognizes and compensates city councilmembers for their substantial workload. Serving on the city council requires significant time and effort. Councilmembers are responsible for attending meetings, conducting research, engaging with constituents, and making important decisions that directly impact the community.

In Coachella, the City Council’s last compensation increase went into effect at the end of 2018, so it would be appropriate to increase compensation due to inflation and cost of living increases that have occurred over the last five years.

Increasing the City Council salary would make salaries more commensurate with salaries in other Coachella Valley cities. Coachella and Indio are the only general law cities in the Coachella Valley. The other seven cities are charter cities, and therefore not bound by the city council salary caps in the Government Code. SB 329 allows Coachella to adopt city council compensation that is commensurate with what the other Coachella Valley cities pay—general law and charter, alike.

The following table compares city council salaries throughout the Coachella Valley.

City Council Salaries in the Coachella Valley	
City	City Council Salary per month
Palm Springs	\$3,467
Cathedral City	\$1,330
Desert Hot Springs	\$1,111.62 councilmembers; \$1,559.18 mayor
Rancho Mirage	\$2,917 councilmembers; \$3,208 mayor
Palm Desert	\$1,875

Indian Wells	\$1039.45 councilmembers; \$1,299.31 mayor pro tem; \$1,559.18 mayor
La Quinta	\$2,300; mayor additional \$500/month
Indio*	\$1,339.47
Coachella*	\$711.05

* Indio and Coachella are the only general law cities in the Coachella Valley.

In addition, the increase would make the City Council salaries more commensurate with the average salaries of general law cities with similar populations.

For example, the following table shows other similar-sized California general law cities' salary information:

City Council Salaries in General Law Cities with Approximately 45,000 Population		
City	Population	City Council Salary per month
Poway	48,483	\$1,723 councilmembers; \$2,417 mayor
La Mirada	47,899	\$1,259
Lompoc	43,736	\$1,200 councilmembers; \$1,400 mayor
Danville	42,732	\$1,261
Campbell	42,286	\$877

The above cities could also adopt salary adjustments pursuant to SB 329.

Compensation Increase Would Occur After the 2024 Election

The compensation increase would only take effect when at least one member of the City Council commences a new term of office. (Gov. Code, § 36516.5; see also 54 Cal. Ops. Atty. Gen. 112 (1971).)

Therefore, the new salary for each City Council member would go into effect beginning on the date on which a City Council member is sworn into office after the general municipal election held in November 2024.

Future Salary Increases

SB 329 also updated city council options for future salary increases. Future increases can rise to the greater of either:

1. Five percent (5%) for each calendar year from the operative date of the last adjustment of the salary in effect when the ordinance or amendment is enacted; or

2. An amount equal to inflation since January 1, 2024, based upon the California Consumer Price Index, which shall not exceed 10 percent for each calendar year.

This second option, which is tied to inflation, was added by SB 329 to allow for greater increases when inflation is high.

ALTERNATIVES:

1. Set an alternative salary amount.
2. Decline to act on this item.
3. Continue this item and provide staff with direction.

FISCAL IMPACT:

City Councilmember compensation would be increased under this Ordinance from \$711.05 to \$1,275 per month. This increase represents an additional \$563.95 per Councilmember per month, totaling an additional general fund expense of \$33,837 per year for salary increases for all City Councilmembers.

ATTACHMENT(S):

1. Ordinance No. 1207
2. Redline of Coachella Municipal Code Sections 2.04.010 and 2.04.020.
3. Redline of Government Code Section 36516 showing the amendments as per SB 329