



STAFF REPORT – CITY COUNCIL MEETING

February 15, 2023

TO: Honorable Mayor and City Council Members

FROM: Danette Demello, Assistant City Manager

PREPARER: Danette Demello, Assistant City Manager

DATE: February 06, 2023

TITLE: **1) Consider a Salary Adjustment for Councilmembers as Provided Under State Law; 2) If a Salary Adjustment is Made, Identify the Amount of the Salary Increase in Ordinance No. 1564, and Introduce Ordinance No. 1564 Amending the Arcata Municipal Code Title II (Administration), Chapter 1 (Council), Section 2010 (Salaries of the City Council Members).**

RECOMMENDATION:

It is recommended that the Council:

- 1) Consider a salary adjustment for Councilmembers as provided under state law; and
- 2) If a salary adjustment is made, identify the amount of the salary increase in Ordinance No. 1564, and Introduce Ordinance No. 1564, An Ordinance of the City Council of the City of Arcata Amending the Arcata Municipal Code to Adjust Councilmember Salary, Title II (Administration), Chapter 1 (Council), Section 2010 (Salaries of the City Council Members); waive reading of the ordinance text and consent to read by title only.

INTRODUCTION:

Ordinance No. 1564 proposes an adjustment to Councilmember salaries as permitted by state law. Options of the amount of the Council salary adjustment, if any, are provided in the staff report for the Council's consideration. Council salary is currently eligible for adjustment as a result of one or more members beginning a new term following the November 2022 election.

BACKGROUND:

Salary for City Councilmembers is set by state law (Gov. Code § 36516) and the Arcata Municipal Code (§ 2010). The Council may, by ordinance, increase its current salary by five percent (5%) each year from the operative date of the prior adjustment following an election when at least one Council Member begins a new term (Gov. Code §§ 36516(a)(4), 36516.5.). Section 36516.5(a)(4) states the following:

“The salary of council members may be increased beyond the amount provided in this subdivision by an ordinance or by an amendment to an ordinance, but the amount of the increase shall not exceed an amount equal to 5 percent for each calendar year from the operative date of the last

adjustment of the salary in effect when the ordinance or amendment is enacted. No ordinance shall be enacted or amended to provide automatic future increases in salary.”

DISCUSSION:

Council made its last salary adjustment effective March 7, 2021, (covering complete calendar year 2020) to \$772.28 per month. Applying the statutory per year limit of five percent (5%) for the prior complete calendar years (2021 and 2022) since the last “operative date of the prior adjustment” would allow a maximum monthly salary of \$849.51 ($[\$772.28 \times 5\% \times 2] + \772.28), or up to an additional \$77.23/mo. adjustment.

The following table shows sample salary adjustment options up to the five percent (5%) maximum for the calendar years since the Council’s last adjustment. If the Council desires to increase its salary, prior to introducing the ordinance, it will need to identify the specific amount of the increase it wishes to recover since the last ability to adjust. The Council may elect any percentage adjustment between 0%–5%. The following table represents the increases in whole percentages for the maximum two-year adjustment allowed:

	<u>Current</u>	<u>1% increase</u>	<u>2% increase</u>	<u>3% increase</u>	<u>4% increase</u>	<u>5% increase</u>
<u>2 YEAR ADJUSTMENT</u>						
Monthly Amount	\$772.28	\$787.73	\$ 803.18	\$818.62	\$834.06	\$849.51
Monthly increase from last adjustment ($\$772.28 \times [\%] \times 2 \text{ years}$)		\$15.45	\$30.89	\$46.34	\$61.78	\$77.23

BUDGET/FISCAL IMPACT:

The calendar year(s) available for salary adjustment is (are): 2021 and 2022.
 If salary is adjusted, the additional cost for all Councilmembers will be up to \$4,633.80 annually, depending on the percentage applied. Additional salary costs will be reprioritized within the various department budgets, if needed.

ATTACHMENTS:

Ordinance No. 1564 (PDF)