



Council Agenda Report

Item 7b

Department: Administration
Cost Center: 1021
For Agenda of: 5/20/2025
Placement: Business
Estimated Time: 60 Minutes

FROM: Greg Hermann, Deputy City Manager
Prepared By: Teresa Purrington, City Clerk

SUBJECT: CONSIDER CREATING A COMMITTEE TO REVIEW THE CITY'S ELECTION CAMPAIGN REGULATIONS AND/OR COUNCIL AND ADVISORY BODY COMPENSATION

RECOMMENDATION

Discuss and provide direction on the following:

1. Election Campaign Regulations:
 - a) Form an Election Campaign Regulations Committee to review whether the maximum allowable contribution should be increased to \$500 to align with Senate Bill 1243 (Dodd);
 - b) Or direct staff to return in April 2026 with an Ordinance amending Section 2.40.040 of the Municipal Code to increase the maximum allowable contribution from \$250 to \$500;
 - c) Or defer the appointment of an Election Campaign Regulations Committee and leave the maximum allowable contribution unchanged.
2. Council and Advisory Body Compensation:
 - a) Form a Council Compensation Committee to review the full Council compensation package and compensation for Planning Commission and Architectural Review Commission members, and make recommendations to the City Council no later than May 1, 2026;
 - b) Or direct staff to return in April 2026 with an increase to Council compensation consistent with the Council Policies and Procedures (CP&P 2.1.1) authorization to provide Consumer Price Index (CPI) increases to Council, Planning Commission, and Architectural Review Commission salaries without appointing a Council Compensation Committee.
 - c) Or defer the appointment of a Council Compensation Committee and leave the compensation package unchanged.

Policy Context

Elections Regulations: Municipal Code Chapter 2.40 outlines Elections Campaign Regulations and [Section 2.40.040A](#) establishes the current total contribution limit per person at \$250. [Section 2.40.140](#) provides that the Council may appoint a committee of at least five citizens to study the efficacy of this Chapter.

Council Compensation: [Charter Section 410](#) provides that compensation for the Mayor and Council shall be reviewed biennially in even years and Resolution No. 9189 (2001 Series) provides that Planning Commission and Architectural Review Commission compensation will be reviewed with the biennial review of the Council compensation. If the Council decides to form a Committee to review compensation, a seven-member review committee shall be appointed and a proposed recommendation in resolution form shall be presented to the City Council no later than the first City Council meeting in May. The committee membership shall have as broad a representation as possible, including but not limited to, one previously elected official, one Personnel Board member, and one citizen at large.

Council's Policies and Procedures Section 2.1.1 approved in 2021 indicates that if City Council determines that a full review of City Council, Planning Commission and Architectural Review Commission is not necessary they can instead approve a Consumer Price Index (CPI) increase.

2.1.1 CONSUMER PRICE INDEX INCREASES

In lieu of forming a Council Compensation Committee, Council may approve biennial Consumer Price Index (CPI) for All Urban Consumers in the Los Angeles, Long Beach and Anaheim metropolitan area increases applied to Council, Planning Commission, and Architectural Review Commission salaries, effective the first full pay period in January (Resolution No. 11318).

DISCUSSION

Elections Campaign Regulations and SB 1243 and SB 1181

Approved by the Governor in September 2024 and effective January 1, 2025, Senate Bill 1181 (Attachment A) and Senate Bill 1243 (Attachment B) amended Section 84308 of the Political Reform Act. SB 1181 and SB 1243 make four significant changes to the Levine Act (Government Code Section 84308):

- Raises the threshold of a potentially disqualifying campaign contribution from \$250 to \$500 or more within the twelve (12) months before an item is "pending" before the elected official;
- Extends the period of time that a potentially disqualifying campaign contribution can be "cured" through the return of the contribution from 14 to 30 days;
- Exempts City Attorneys and County Counsels from the law, where the attorney is not the final decisionmaker; and
- Clarifies when a government decision is "pending" such that the campaign contribution restrictions are triggered.

Dollar Amounts

The legislative changes referenced above raise the threshold for a conflicted contribution from the previous limit of \$250 to \$500 (in the aggregate per candidate). Aggregated contributions of \$500 and below will not trigger the Act's recusal requirements. Further, the restrictions on campaign contributions made in the 12 months after an agency's decision now only applies to aggregated contributions of more than \$500.

Safe Harbor/Cure Timing

The changes extend the time period for a local official to return a potentially conflicting contribution from 14 to 30 days after the official makes the covered decision or knows, or should have known, about the contribution and relevant proceeding (whichever is later). It is anticipated that the Fair Political Practices Commission (FPPC) will institute a new rulemaking proceeding to align FPPC regulations with this new legislation.

Contributions by Agents

The changes prohibit contributions by "agents" to local officials during the entire time that the agent's party or participant has a proceeding "pending" before the local official, board, or agency. This prohibition is broader than the ban on lobbyist contributions imposed by some jurisdictions and covers all "agents."

SB 1243 specifies that contributions from agents are not aggregated with those of the parties with business pending before local government boards or agencies. SB 1243 also makes clear that persons providing technical assistance, such as architects, engineers, or similar professionals, are not agents for purposes of the Levine Act when communicating with officials purely related to their technical submissions and not otherwise attempting to influence a proceeding.

Exclusion of Local Government Counsel

SB 1243 and SB 1181 explicitly exclude County Counsel and City Attorneys from the application of the Levine Act when providing legal advice on a matter where the attorney "does not have the authority to make a final decision in the proceeding."

City Elections Campaign Regulations

The City of San Luis Obispo's Elections Campaign Regulations are codified in the Municipal Code Section Chapter 2.40. Campaign contributions were last amended in July 2024. At that time the total per-person contribution limit was reduced to \$250 from \$300 to comply with SB 1439 (also known as the Levine Act), which became effective January 1, 2024. Municipal Code Section 2.40.140, states that the Council *may* appoint a committee, which gives Council discretion on whether to appoint the Committee or not to review and make recommended changes to the City's campaign regulations. In other words, the Council could raise the per-person contribution amount without appointing a committee by directing staff to return with the appropriate ordinance amendment.

Council Compensation

Charter Section 410 provides that compensation for the Mayor and Council shall be reviewed biennially in even-numbered years. Recommended adjustments would then become effective the following January for the next two-year period. The Council Policies and Procedures (CP&P) Chapter 2 (Attachment C) outlines the implementation of the review of compensation. In April 2022, Council adopted [Resolution No. 11318 \(2022 Series\)](#), which amended the CP&P to allow for Consumer Price Index (CPI) increases in lieu of forming a Council Compensation Committee. On April 2, 2024 City Council approved a CPI increase of 8.3% for the City Council, Planning Commission and Architectural Review Commission.

Committee Formation

If the Council decides to establish both the Elections Campaign Regulations Committee and the Council Compensation Committee, staff recommends combining them into a single committee to most efficiently use time and resources. If formed this would be a Brown Act committee with all meetings noticed and open to the public.

When a committee has been convened, past practice has been that Council Members nominate individuals to serve on the committee by submitting names to the City Clerk. The City Clerk recruits individuals using the following criteria: 1) by first calling those qualified to serve and who received more than one nomination; and 2) by contacting one nominee from each Council Member who had submitted recommendations. In the past, Council has also appointed alternates if a member was unable to attend a meeting. Committee Members who have served in the last 10 years are listed in Attachment D.

If the Council opts to proceed with the committee review, staff recommends that the City Clerk receive names of individuals from councilmembers by June 15, 2025, that the City Clerk confirm interest with individuals suggested, and that the names of all interested individuals be presented to Council and the public for discussion at the July 13, 2025 City Council meeting.

Previous Council or Advisory Body Action

On January 7, 2020, the Council Compensation Committee recommended increasing the monthly compensation for the Mayor to \$2,508 and City Council to \$1,990, and to defer review of Planning Commission and Architectural Review Commission's compensation.

On April 19, 2022, [Resolution No. 11318 \(2022 Series\)](#) was adopted, providing a biennial CPI increase to the Council, Planning Commission, and Architectural Review Commissions' compensation in lieu of appointing a Council Compensation Committee.

On [April 2, 2024](#), Council approved a CPI increase to the Council, Planning Commission and Architectural Review Committee's monthly compensation and also lowered the

maximum allowable campaign contribution from \$300 to \$250 due to changes to Section 84308 of the Political Reform Act based on the Levine Act.

Public Engagement

No public engagement has been done for this item; however, the public will have an opportunity to comment on this item at or before the meeting. Furthermore, should the Council appoint a committee, these meetings will be open to the public and any recommendations will be presented at a publicly noticed meeting.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2025-26

Funding Identified: N/A

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$ N/A	\$	\$	\$
State				
Total	\$N/A	\$	\$	\$

The cost to staff a committee is anticipated every two years when the budget is approved for the City Administration and IT Department. Any increases to compensation would be included in the development of the 2026-27 Supplemental Budget.

ALTERNATIVES

1. *Election Campaign Contributions:*

- a. *Forego the creation of the Elections Campaign Regulations Review Committee and direct staff to return at a future meeting to present an ordinance amendment*, which would increase the per-person contribution limit from \$250 to \$500.
- b. *Forego the creation of the Elections Campaign Regulations Review Committee* and do not direct staff to return at a future meeting to present an

ordinance amendment, which would leave the per-person contribution limit at \$250.

- c. ***Appoint a separate Elections Campaign Regulations Committee.*** Direct Staff to begin the process to convene a 7-member Elections Campaign Regulations Committee to consider increasing the per-person contribution limit from \$250 to \$500, in alignment with Senate Bill 1243.
- 2. ***Council and Advisory Body Compensation***
 - a. ***Council could decide to forego the creation of a Council Compensation Committee.*** As Council is not required to create said Committee, they could opt to approve just the biennial CPI increases to Council, Planning Commission, and Architectural Review Commission salaries, as authorized by Resolution No. 11318 (2022 Series).
 - b. ***Appoint a separate Council and Advisory Body Compensation Committee.*** Direct staff to begin the process to convene a 7-member Council Compensation Committee to review the entire compensation package for Council, Planning Commission, and Architectural Review Commission.

ATTACHMENTS

- A - Senate Bill 1181
- B - Senate Bill 1243
- C - Council Policies & Procedures Chapter 2 (Council Compensation)
- D - Previously Appointed Elections Campaign Regulations Committee and Council Compensation Committee Members