



Council Agenda Report

Item 5f

Department: Administration
Cost Center: 1021
For Agenda of: 4/19/2022
Placement: Consent
Estimated Time: N/A

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SUBJECT: CONSIDER AMENDMENTS TO THE COUNCIL POLICIES AND PROCEDURES TO ALLOW FOR BIENNIAL CONSUMER PRICE INDEX INCREASES TO COUNCIL, PLANNING COMMISSION, AND ARCHITECTURAL REVIEW COMMISSION SALARIES

RECOMMENDATION

1. Consider amending the Council Policies and Procedures to allow biennial Consumer Price Index increases for Council, Planning Commission, and Architectural Review Commission salaries without appointing a Council Compensation Committee; and
2. Adopt a Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, amending its Council Policies and Procedure Manual"; and
3. Adopt a Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, setting new salaries for the Mayor, Council Members, Planning Commissioners, and Architectural Review Commissioners."

DISCUSSION

City of San Luis Obispo Charter Section 410 (Compensation) 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 Section 2.6 specifies that a seven-member citizen committee be appointed by January 31st of even numbered years and, further, that committee recommendations be forwarded to the Council no later than May 1st. Additionally, in 2001 Council adopted Resolution No. 9189, directing a review of compensation for Architectural Review Commissioners and Planning Commissioners in conjunction with its periodic review of Council compensation.

During the biennial review period, should Council choose *not* to initiate a comprehensive review of their compensation package via the formation of a Council Compensation Committee, they may direct staff to increase Council, Planning Commission, and Architectural Review Commission salaries based on the Consumer Price Index. The Consumer Price Index (CPI) is updated monthly by the U.S. Bureau of Labor Statistics and measures the average change in prices over time in a fixed market basket of goods and services. Historically, the city utilizes the CPI for All Urban Consumers in the Los Angeles, Long Beach and Anaheim metropolitan area.

If Council pursues this approach, any change greater than the CPI amount, or to the totality of the compensation package, would require Council to appoint a Council Compensation Committee to review the changes and make recommendations to the Council.

Based on feedback received from Council at the December 7, 2021 meeting, staff is recommending the Council Policies and Procedures Manual (Attachment A) be amended, by Resolution (Attachment B), to add the following subsection to Section 2.1 SALARIES FOR MAYOR AND COUNCIL MEMBERS:

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.

If Council approves the CPI increase option, the Council may also adopt a Resolution to set the new salaries for the Mayor, Council Members, Planning Commissioners, and Architectural Review Commissioners (Attachment C). Based on the year-end totals for January 2021 (0.9%) and January 2022 (7.5%), the CPI increased 7.5% over the course of one year. The following sections break down the proposed salary increases for each body:

- City Council

The monthly salaries of the Mayor and Council Members would be increased from \$2,508 to \$2,696 and \$1,990 to \$2,139 per month, respectively. The compensation package for expenses, benefits, and professional development would remain unchanged. This increase to salaries will increase Council's annual budget for the remainder of the 2021-23 Financial Plan by \$1,128 and \$3,604 respectively.

- Planning Commission Salary

The salaries of the Planning Commissioners would be increased from \$75 to \$80 per meeting, and the maximum amount not to be exceeded per month would increase from \$300 to \$320. This increase to salaries will increase Community Development's annual budget for the remainder of the 2021-23 Financial Plan by \$140.

- Architectural Review Commission Salary

The salaries of the Architectural Review Commissioners would be increased from \$75 to \$80 per meeting, and the maximum amount not to be exceeded per month would increase from \$300 to \$320. This increase to salaries will increase Community Development's annual budget for the remainder of the 2021-23 Financial Plan by \$140.

Previous Council Action

On December 7, 2021, Council directed staff to defer the appointment of a Council Compensation Committee and directed staff to return to Council with a Resolution amending the Council Policies and Procedures to allow biennial Consumer Price Index¹ increases to Council, Planning Commission, and Architectural Review Commission salaries without appointing a Council Compensation Committee ([Staff Report](#), [Minutes](#)).

Policy Context

The City Council has adopted "Council Policies and Procedure" to define and ensure the proper conduct of the City's business by the City Council and in compliance with State law and the City's Charter and Ordinances. The Council periodically revises its Council Policies and Procedures Manual to ensure clarity and to reflect changes in the law or practice.

Public Engagement

No public engagement has been done for this item however the public will have an opportunity to comment on this at the 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: No

Budget Year: 2022-23

Funding Identified: No

¹ The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. [The Bureau of Labor Statistics](#) publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total U.S. population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 29 percent of the total U.S. population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments-department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund				
State				
Federal				
Fees				
Other:				
Total				

There is no fiscal impact from this recommendation until FY 2022-23. Staff are in the process of developing the 2022-23 Supplemental Budget and will include the proposed CPI increase of \$4,890 (six months) in the staffing budget. All subsequent budgets will include the CPI increase for the full fiscal year.

ALTERNATIVES

Council could decide not to amend the Council Policies and Procedures to allow for biennial CPI increases to Council, Planning Commission, and Architectural Review Commission salaries.

ATTACHMENTS

- A - Amendments to the Council Policies and Procedures Manual (Redline)
- B - Draft Resolution approving biennial CPI increases to Council, Planning Commission, and Architectural Review Commission salaries
- C - Draft Resolution setting new salaries for the Mayor, Council Members, Planning Commissioners, and Architectural Review Commissioners