



## THE CITY OF SAN DIEGO

February 2, 2018

Subject: 2018 Salary Setting Commission's Recommendations

Honorable Mayor and City Councilmembers:

By this letter, the Salary Setting Commission hereby submits its salary recommendations for Fiscal Years 2019 and 2020. What follows is the Commission's official proposal for salaries to be incorporated into the Salary Ordinances for 2018-2019 and 2019-2020, pursuant to the requirements of Sections 12.1, 24.1, and 41.1 of the City Charter.

### THE COMMISSION'S PROCESS

The Salary Setting Commission met on five occasions between November 2017 and February 2018. We reviewed comprehensive data compiled by the City of San Diego's Personnel Department staff. With the assistance of staff, the Commission notified boards and commissions, community planning groups, members of the media, chambers of commerce, employee labor organizations and members of the public, informing them that the salary evaluation process was once again underway, and inviting participation and comment. The meetings were held at the Civic Center Plaza Building in Downtown San Diego. For those who could not attend in person, written correspondence was also encouraged.

The Commission first studied the facts, figures, comparisons and trends, and then explored a broad range of approaches and rationales. The goal was to develop appropriate salary recommendations for the Mayor and Councilmember positions. The research data considered by the Commission relating to compensation and benefits in the government sector will be submitted and become a part of your record. The discussion topics and research data included, but were not limited to:

- The purview of the Commission as it relates to certain political activities
- Adequacy of current salary, in view of San Diego's cost of living
- The importance of establishing salaries high enough to increase the candidate pool and broaden the breadth of experience
- The existing benefits package accompanying the positions
- Comparable data, including the Consumer Price Index and rates of inflation
- Comparable data, including Mayor and Councilmember salaries in various/comparable California, Western, and other cities
- The current salaries of other City management personnel, including Council staff
- Future salary increases for City employees
- Historical salary data for the Mayor and Councilmembers, including the number of Salary Setting Commission recommendations which have been rejected
- The heavy responsibilities and extreme importance of the positions
- The Strong Mayor form of government
- Term expiration dates of current Councilmembers

### **Salary Setting Commission**

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## FINDINGS

1. We find that the Mayor and Councilmember salaries are below the level of compensation of many City employees. As of November 17, 2017, 26 members of Council staff make more than Councilmembers and eight make more than the Mayor, with the highest paid Council staff member making \$121,742. In addition, as of November 17, 2017, 466 unclassified employees make more than the Mayor, making between \$100,500 to \$255,000, and 598 unclassified employees make more than the Councilmembers, making between \$76,000 to \$255,000.
2. The salaries of the Mayor and Councilmembers have not changed in 15 years. The Mayor and Councilmembers have not had a salary increase since July 1, 2003 while City employees have not had a salary increase since December 27, 2008. Over that time, the cost of living in San Diego has increased 33%. According to the San Diego Housing Commission, the median household income for a family of four in San Diego is \$79,300.
3. The majority of City employees will receive a 3.3% general salary increase effective July 1, 2018 and another 3.3% general salary increase effective July 1, 2019.
4. Other cities in California such as the City of San Jose and the City of Fresno, which have smaller budgets and population sizes and whose Councilmembers vote for their own salaries, have higher salaries for their Mayor and Councilmembers than the City of San Diego.
5. The Council has rejected well thought-out and meaningful proposals from previous Salary Setting Commissions to increase the salaries for the Mayor and Councilmembers. The Council has, in fact, rejected recommendations made by the Commission for a salary increase in 2004, 2006, 2008, 2010, and 2012. This included recommendations in 2010, 2012, 2014, and 2016 that voters be given the opportunity to enact a new method of setting salaries which would preclude Councilmembers from voting on their own pay.

## RECOMMENDATIONS

1. Notwithstanding the foregoing findings, the Salary Setting Commission recommends no change to Mayor and Councilmember salaries for fiscal year 2019. The salary for the Mayor should remain at \$100,464 and the salary for Councilmembers should remain at \$75,386. This will help alleviate the perceived conflict of interest of Councilmembers voting for their own salaries and give outgoing Councilmembers an opportunity to vote for a raise that would benefit future Councilmembers instead of themselves. For fiscal year 2020, the Salary Setting Commission recommends that the current Mayor and Councilmember salaries be increased by 6.6% effective July 1, 2019. The Salary Setting Commission, therefore, recommends an increase in salaries for fiscal year 2020 to \$107,095 for the Mayor and \$80,361 for the Councilmembers. This is in line with the total general salary increases that the majority of City employees are scheduled to receive effective July 1, 2018 and July 1, 2019.

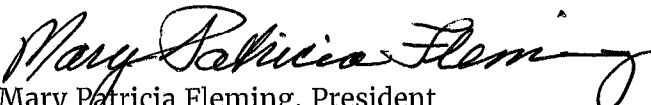
2. The Salary Setting Commission supports a Charter Amendment to remove the Councilmembers' perceived conflict of interest that could arise by Councilmembers voting on their own salaries. The Charter Amendment could adjust the Mayor and Councilmember salaries based on other comparable government sector positions of comparable complexity and responsibility.

The Commission recommends the following pay for the Mayor and Council in Fiscal Year 2019 and Fiscal Year 2020:

<u>EFFECTIVE DATE</u>	<u>CITY COUNCIL</u>	<u>MAYOR</u>
Current	\$75,386	\$100,464
7-1-2018	\$75,386	\$100,464
7-1-2019	\$80,361	\$107,095

On behalf of the Commission, I wish to be heard on these recommendations and would be happy to respond to any questions the Council may have at that time.

Respectfully submitted,

  
Mary Patricia Fleming, President  
Salary Setting Commission

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