



# CITY OF COSTA MESA

77 Fair Drive  
Costa Mesa, CA 92626

## Agenda Report

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**File #:** 24-337

**Meeting Date:** 9/17/2024

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**TITLE:**

**CITY COUNCIL SECOND READING AND ADOPTION OF ORDINANCE TO INCREASE CITY COUNCIL COMPENSATION**

**DEPARTMENT:** CITY MANAGER'S OFFICE- HUMAN RESOURCES DIVISION

**PRESENTED BY:** KASAMA LEE, HUMAN RESOURCES MANAGER

**CONTACT INFORMATION:** KASAMA LEE, HUMAN RESOURCES MANAGER (714) 754-5169

**RECOMMENDATION:**

Staff recommends the City Council give second reading to and adopt, Ordinance No. 2024-XX increasing the City Council compensation effective after the general election, with the new City Council in December 2024.

**BACKGROUND:**

The City Council's current salary rate of \$904.40 per month was last set by Ordinance No. 09-5 in May 2009. The City Council approved a reduction in its salary by 5% in 2009 due to the impacts of the State budget on local government and economic conditions at the time.

California Government Code section 36516 was recently amended to allow city councils to enact an ordinance providing that each member of the city council receive a salary based on the population of the city. In cities with over 75,000 up to and including 150,000 in population, the city council salary may be set at up to \$1,900 per month. Prior to the amendment, this amount was set at \$600 per month. California Government Code section 36516(a)(4) previously allowed for up to a 5% increase per year from the date of the last adjustment. The code was recently amended to state:

*"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 the greater of either of the following:*

- (A) *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.*
- (B) *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."*

The code also states that *"No ordinance shall be enacted or amended to provide automatic future increases in salary."*

At the September 3, 2024 City Council meeting, the City Council gave first reading to and introduced the City Council Ordinance increasing the City Council compensation.

The September 3, 2024 City Council report is linked below:

[CITY OF COSTA MESA - File #: 24-323 \(legistar.com\) <](https://costamesa.legistar.com/LegislationDetail.aspx?ID=6845951&GUID=0C904651-383A-45AC-92D2-B71A36EC755C&Options=&Search=>)

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### **ANALYSIS:**

Staff has prepared the necessary documents for City Council consideration of an increase to its compensation to \$1,492.26 per month. The Ordinance is being presented for second reading and final adoption.

California Government Code section 36156.5 states that: *“A change in compensation does not apply to a council member during the council member’s term of office. This prohibition shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of the city council becomes eligible for a salary increase by virtue of the council member beginning a new term of office.”*

City Council compensation adjustments can only be made effective following the next general election. If approved, the new City Council salary would go into effect when the new City Council terms begin after the next general election in 2024.

### **ALTERNATIVES:**

The City Council may give second reading and adopt the ordinance as proposed, modify the Ordinance, or not adopt the Ordinance. If the City Council chooses to make substantive modifications to the Ordinance, the modified Ordinance would need to be brought back at a future meeting for second reading and adoption.

### **FISCAL REVIEW:**

The proposed increase is estimated to be effective in December 2024, after the next general election in 2024. The pro-rated fiscal impact in FY 2024-25 is \$3,527.16 for six months per member. There are sufficient salary savings citywide to cover the increase.

### **LEGAL REVIEW:**

The City Attorney’s Office has reviewed the ordinance and the report and approved them as to form.

### **CITY COUNCIL GOALS AND PRIORITIES:**

This item supports City Council Goal:

- Recruit and Retain High Quality Staff

**CONCLUSION:**

Staff recommends the City Council give second reading to and adopt Ordinance No. 2024-XX increasing the City Council Compensation effective after the general election, with the new City Council in December 2024.