



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Shibani Nag,
Director of Employee Experience
and Culture

City Manager Approval: _____

TOPIC: 5% COMPENSATION REDUCTION FOR MAYOR/CITY COUNCILMEMBERS

SUBJECT: RESOLUTION DIRECTING THE CITY MANAGER AND FINANCE DIRECTOR TO WITHHOLD FIVE PERCENT (5%) OF THE MONTHLY COMPENSATION OF THE MAYOR AND COUNCILMEMBERS DURING FISCAL YEAR 2020-21 AND TO DONATE THOSE FUNDS TO THE CITY'S GENERAL FUND

RECOMMENDATION:

Adopt a resolution directing the City Manager and Finance Director to withhold five percent (5%) of the monthly stipend of the Mayor and City Councilmembers during Fiscal Year 2020-21 and donate those funds to the City's General Fund.

BACKGROUND / ANALYSIS:

Given the City's economic hardship resulting from the COVID-19 pandemic, and associated revenue losses, the City is not moving forward with previously scheduled wage increases for this next fiscal year for those bargaining groups without closed contracts or for any management groups. Additionally, all non-public safety bargaining groups and non-public safety unrepresented management employees are participating in the City's mandatory furlough program that calls for up to 5% wage reductions. In solidarity with the workforce, the City Council would like to participate in the budget reductions by reducing their monthly stipends by 5% as well for Fiscal Year 2020-21.

The Mayor and Councilmembers have not received a compensation increase since City Ordinance No. 1589 on April 16, 1990. The City Councilmembers each receive a stipend in the amount of \$468 per month (unless waived by the Councilmember) and \$702 per month for the Mayor. Since these compensation amounts are set by Ordinance and can only be changed by Ordinance, the Council could accomplish the reduction in their compensation by agreeing to donate 5% of their monthly stipends to the City's General Fund for the next fiscal year.

The attached resolution directs staff to implement this voluntary donation during Fiscal Year 2020-21. Unless later extended by the City Council, the compensation rates will return in Fiscal Year 2021-22 to the rates set by Ordinance No. 1589.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

FISCAL IMPACT:

The total City Council compensation paid per Ordinance No. 1589 equates to \$25,272 annually. A 5% reduction in the monthly stipends will result in an annual savings of \$1,264, bringing the Council's total annual stipend wages to \$24,008.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt the resolution approving staff recommendation.
2. Adopt the resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTIONS:

Adopt resolution.

ATTACHMENTS:

1. Resolution reducing the Mayor and City Council stipends by 5% for Fiscal Year 2020-21.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DIRECTING THE CITY MANAGER AND FINANCE DIRECTOR TO WITHHOLD FIVE PERCENT (5%) OF THE MONTHLY COMPENSATION OF THE MAYOR AND COUNCILMEMBERS DURING FISCAL YEAR 2020-21 AND TO DONATE THOSE FUNDS TO THE CITY'S GENERAL FUND

WHEREAS, the compensation for the Mayor and City Councilmembers has not increased since April 16, 1990; and

WHEREAS, on April 16, 1990, the Council adopted Ordinance No. 1589 which set their compensation, as of January 1, 1990, at \$702 per month for the Mayor and \$468 per month for Councilmembers; and

WHEREAS, the City is facing a significant budget deficit arising from the revenue losses caused by the COVID-19 pandemic and related State and County shelter-in-place orders; and

WHEREAS, the City Council has taken numerous actions to reduce the deficit and will continue to take necessary actions; and

WHEREAS, the City Council has approved use of a furlough program for those non-public safety bargaining units with furlough language in their contracts, which would result in a maximum 5% pay reduction for fiscal year 2021-2021; and

WHEREAS, the City Council is approving use of a furlough program for unrepresented non-public safety employees that will reduce their compensation for fiscal year 2020-21 by 5%; and

WHEREAS, the elected City Attorney and the elected City Clerk have also chosen to reduce their compensation by 5% for fiscal year 2020-21; and

WHEREAS, the Mayor and Councilmembers recognize the serious financial difficulties that the City faces and they desire to acknowledge, recognize, and participate with fellow employees and officers of the City in the pay reduction; and

WHEREAS, while the Mayor and City Council understand that their salaries are set by Ordinance and can only be changed by Ordinance; they agree to voluntarily donate 5% of their monthly stipend to the City's General Fund for the next fiscal year and direct staff to implement this donation;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS

1. The City Manager and Finance Director, or other responsible staff members, are directed to withhold a total of five percent (5%) from the monthly

stipend of the Mayor and City Councilmembers for the entire Fiscal Year 2020-21 and to donate those monies to the City's General Fund for general operating expenses.

2. After the 2020-21 Fiscal Year, if such donation is not extended by the City Council for a subsequent fiscal year or years, then the compensation of the Mayor and City Council will automatically revert to their rates set in 1990 of \$702 per month for the Mayor and \$468 per month for City Councilmembers.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 1st day of June 2020, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

LINDSAY LARA, City Clerk