



# Agenda Item

## City Council

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**Item #:** 9.1.

9/8/2020

**File #:** 20-126

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**TO:** Honorable Mayor and Members of the City Council

**THRU:** Rick Otto, City Manager

**FROM:** Gary A. Sheatz, City Attorney

### 1. SUBJECT

Introduction and first reading of an Ordinance of the City Council of the City of Orange Amending Title 2, Chapter 2.08 of the Orange Municipal Code Relating to City Council Compensation. Ordinance No. 14-20. (Continued from June 9, 2020)

### 2. SUMMARY

The subject ordinance updates Title 2 of the Orange Municipal Code. If adopted the ordinance provides for City Council member salary compensation of \$600 per month, as determined by state law.

### 3. RECOMMENDED ACTION

Introduce and approve Ordinance No. 14-20 for First Reading.

### 4. FISCAL IMPACT

The total expenditure for Ordinance No. 14-20 is \$50,400 the first year, potentially increasing by 5% per year thereafter, if amended by ordinance, and will be funded through General Fund (100).

### 5. STRATEGIC PLAN GOALS

This action does not correlate to any of the adopted strategic plan goals; however, updates or amendments to the Orange Municipal Code reflecting current or future policies or practices are often required.

### 6. DISCUSSION AND BACKGROUND

In November, 2011, the City Council eliminated salary, health and retirement benefits for the Mayor and City Council members. Most citizens are likely unaware that their elected officials serve without any form of compensation whatsoever. In Orange County, only elected officials in the cities of Orange, Tustin and Villa Park serve without compensation.

As part of the transition from an at-large electoral system to a by-district electoral system, questions arose regarding City Council compensation. When citizens were informed that no compensation was provided to the Mayor or City Council members, several members of the public indicated that, given the time commitment required of a Council representative, the lack of compensation could be a significant financial barrier to serving as an elected official.

Ordinance No. 14-20 was originally introduced on June 9, 2020, to re-establish City Council monthly compensation. The City Council deliberated extensively on the item, however, unanimously voted to continue consideration of the matter to the September City Council meeting.

This ordinance is re-introduced, as directed by City Council, and has not been substantively changed since it was originally presented for consideration in June.

The proposed ordinance amendment is summarized as follows:

**Delete Orange Municipal Code Chapter 2.08. in its entirety and adopt new Chapter 2.08.**

The proposed ordinance would re-establish salary compensation for the Mayor and City Council members. City Council salary compensation is determined by the Government Code. In cities with a population between 75,000 and 150,000, like Orange, salary is set by statute at \$600 per month. This amount may increase by 5% each year, however, an ordinance amendment reflecting the new salary amount must be adopted by City Council. If approved, salary compensation would be offered to the Mayor and City Council members following the November 3, 2020 general municipal election. It should be noted that a council member may waive any or all compensation permitted or allowed by this ordinance.

At this time no other compensation is proposed. However, in surveying other cities in Orange County, most provide health benefits to the City Council equal to those received by top management employees in the city. In addition, many cities provide a car allowance in recognition of the amount of local travel the City Council position requires.

Pursuant to Government Code Section 36936, the adoption of this ordinance requires a majority vote of the total membership of the City Council.

## **7. ATTACHMENTS**

- Ordinance No. 14-20