Are they making all the these two combined because if you go down [the September 19, City Council Staff Report Agenda Item 6 surrounding cities compensation table] to West Covina, it's, ah, \$760 a month and the stipend is zero. So basically, it's \$9,000 for everything.

> ---Tony Wu, Councilmember & Former Mayor City Council Meeting, September 19, 2023 Agenda Item 6. Council Compensation and Benefits

# Redefining the City Council Stipend to Increase Council Compensation: More Slight of Hand

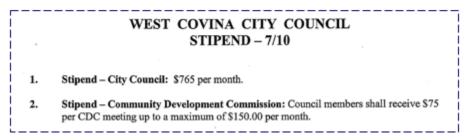
As the quote above states, Councilmember Tony Wu claims West Covina city council does not have a stipend. *Simply stated, he is wrong*. He is redefining the council stipend as salary to increase council compensation in

other categories. A review of "then and now" is needed. Specific compensation items will be discussed in a future paper.

Learn more at westcovinaneighbors.com

> City council members have city-related expenses which the city budgets for both directly and indirectly. Historically, West Covina

CITY OF WEST COVINA WEBSITE SALARY SCHEDULES & BENEFITS Accessed December 1, 2023



council and staff used a very clear line-item budget process to fund council member expenses. Each council member received a stipend—a fixed dollar amount paid each month—along with a separate allowance that functioned as an expense account for city-related expenses. The 2015-16 Adopted Budget shows <u>each</u> councilmember's allowance was budgeted at \$4,700.

In addition to the stipend and allowance, the City often pays for tables at local events such as West

#### INCREASING CITY COUNCIL COMPENSATION

West Covina used the term "stipend" for council "salary" for decades. The City now considers "stipend" an "Other Pay" funding category, a separate item from annual salary and available for additional funding.

| City             | Population | Annual<br>Salary | Other Pay<br>allowances,<br>stipends,<br>etc.) | Defined<br>Benefit Plan<br>Contribution |     | Deferred<br>Compensation<br>Plan | Health<br>Dental<br>Vision |
|------------------|------------|------------------|--|---|-----|----------------------------------|----------------------------|
| Azusa            | 49,704     | 12,176           | 8,141  | 1,230                                   | 21  | 0                                | 7,877                      |
| Baldwin<br>Park  | 70,855     | 6,133            | 21,417   | 440                                     | 0   | 6,917                            | 896                        |
| Burbank          | 105,451    | 50,841           | 11,438   | 4,148                                   | 0   | 600                              | 6,203                      |
| Covina           | 50,449     | 4,114            | 1,429  | 235                                     | 0   | 0                                | (                          |
| Downey           | 112,584    | 0                | 450  | 0                                       | 0   | 0                                | (                          |
| El Monte         | 107,706    | 8,334            | 4,543  | 767                                     | 88  | 8,003                            | 5,540                      |
| La<br>Puente     | 37,587     | 6,432            | 6,908  | 590                                     | 151 | 0                                | 17,656                     |
| Monterey<br>Park | 60,207     | 6,000            | 0  | 778                                     | 0   | 0                                | 8,328                      |
| Ontario          | 179,516    | 25,493           | 8,899  | 1,440                                   | 414 | 13,843                           | 4,535                      |
| Pasadena         | 138,310    | 21,161           | 325  | 1,838                                   | 0   | 4,814                            | 11,297                     |
| Pomona           | 149,766    | 11,232           | 327  | 771                                     | 0   | 0                                | 4,518                      |
| West<br>Covina   | 108,243    | 9,180            |  | 174                                     | 0   | 0                                |                            |
| Whittier         | 87,931     | 9,863            |  | - ·                                     | 0   | 0                                | 12                         |

Source: September 19, 2023 Staff Report, Agenda Item 6 Consideration of Council and Commissioner Compensation Benefits

Graphic prints as page 3.

Covina Beautiful, Lions Night on the Town, etc. that councilmembers use without touching their individual accounts. Councilmembers also attend city sponsored events at no charge. These expenses were budgeted separately from the council stipend and allowance.

Due to budget constraints, a previous city council reduced some and eliminated other council benefits but it <u>did not</u>, according to February 2, 2016 City Council Meeting Minutes, reduce the council stipend. The council stipend was then, and until recently, was \$765 per month regardless of attendance at council meetings.

Today, the stipend is being redefined to increase council compensation as the accompanying table shows.

### **Our Concern**

City council members are <u>not</u> employees. They are, as former City of Walnut Mayor Drexel Smith recently wrote in a group email discussion thread, elected "to serve as a 'Board of Director', with the number one responsibility to hire a professional manager to run the city, leaving the council to focus on their role of providing the vision, manager oversight and final decision-maker on many mandated issues such as planning, budgeting and in some cases policy . . . The stipend paid is intended to cover expenses, not be a salary as a job."

The September 19<sup>th</sup> and November 7th staff reports and council discussion contrasted West Covina's council compensation in a cherry-picked effort to compare West Covina's council compensation with <u>Burbank, Pasadena, and Ontario</u>. The December 5, 2023 Staff Report drops that comparison in favor of a new reason: advancing the author of Senate Bill 329 view that "city council members have one of the hardest jobs in California government . . . that low levels of [compensation] make it much harder for council members to balance their careers and personal obligations with the calling to serve their community . . . that raising the [compensation] will make it easier for members of marginalized communities to serve . . ." Criteria such as that is subjective and political. It creates unrealistic expectations on what each city can afford and completely skews the point of public service.

West Covina's City Council increased their newly defined 'stipend' from \$765 a month to \$2,027 for each councilmember, a huge increase in just <u>one</u> aspect of council compensation. The stipend had not been increased since 1989 so our Council took the allowable 5% per year to get as much as they can. Their annual compensation rises to \$24,327, far exceeding the annual compensation of neighboring Covina (\$4,114); El Monte (\$8,334); La Puente (\$6,432). West Covina's annual council stipend is now aligned to farther away cities with an airport and stadium: Ontario (\$25,493); Pasadena (\$21,161).

It is appropriate to periodically increase City Council compensation but it must be done in a genuine and objective manner that recognizes <u>elected officials are not employees</u>. Redefining the stipend as an 'other pay' item is an opaque and sly way of increasing council compensation. It is not transparent. It is disingenuous. *Taxpayers expect their elected officials to be responsible with budgeting and spending—including their own compensation increases. Council compensation increases must be based on an objective financial analysis, not an ever changing rationalizing of why the council wants a huge council compensation increase that takes up more of our taxpayer dollars.* 

## **Changes We Would Like to See**

We would like to see the West Covina City Council function as governing board with five 'board of directors' providing vision and oversight to a professional city manager hired to run the city, and making decisions on planning, budget, and policy.

We would like to see voters exercise extreme caution whenever they vote for their District's councilmember. This 165% council compensation increase can very easily become an incentive for councilmembers to use as an enticement to get individuals they want to run for city council. Council compensation is not a reason to run for city council. Council service is not a job. It is public service. West Covina will improve when we voters break the cycle of having a council majority control the city.

### **Additional Information**

City of West Covina. (September 19, 2023) City Council Meeting. Agenda Item 6. Consideration of Council and Commissioner Compensation and Benefits. YouTube. Approximate Timestamp: 2:13:53 https://youtu.be/an1giIEdNws?si=LTHyzGgWX9xOG3pP&t=8033

City of West Covina. (December 5, 2023) City Council Meeting. Agenda Item 7. Consideration of Council and Commissioner Compensation and Benefits. YouTube. Approximate Time Stamp: 2:24:28 https://youtu.be/MBJJpXdtWdE?si=c7V6qw2DRdefVMrb&t=8668

## REDEFINING COUNCIL COMPENSATION

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| Whittier         | 87,931     | 9,803            |  | 0                                       | 0   | 0                                | 12                         |

Source: September 19, 2023 Staff Report, Agenda Item 6 Consideration of Council and Commissioner Compensation Benefits