

## **2025 Charter Review Committee - Compensation Subcommittee Final Report**

### **TITLE: City Council Compensation including Mayor**

#### **1. Introduction**

The compensation of elected officials has long been a subject of civic debate, balancing the need to attract qualified candidates with concerns about appropriate use of public funds. In Sunnyvale, this discussion takes on particular significance given the city's unique position as a charter city operating independently across a comprehensive range of services that many neighboring communities contract out or rely on county government to provide.

The city's current compensation structure for the mayor and city council members was established through Measure B in 2011, which tied salary increases to inflation with a 5% annual cap. While this system provided predictability and transparency, it did not account for the broader economic changes that have transformed Sunnyvale over the past decade. The gap between council compensation and the economic reality faced by Sunnyvale residents has widened considerably, raising questions about whether the current structure adequately serves the community's interests.

This analysis examines the evolution of council compensation, the scope of responsibilities required of elected officials in a full-service city, and the practical implications of compensation levels on governance. The workload of Sunnyvale's elected officials extends far beyond attending public meetings, encompassing extensive preparation, intergovernmental responsibilities, and community engagement that together constitute a substantial time commitment.

Drawing on data from the American Community Survey and community input gathered through public surveys, this document presents three options for updating the compensation framework. Each option reflects different approaches to ensuring that compensation remains appropriate and aligned with the economic conditions in Sunnyvale while maintaining public trust and fiscal responsibility.

#### **2. Background**

The last time compensation language in Section 605 of the Sunnyvale city charter was modified was 2011 with Measure B. This measure tied the rate of council salary increase to official inflation measures and capped increases at 5%. The actual ballot measure states that salaries were set in 1992 and increased 5% annually. State requirements for public law city salaries were used in 1992.

Perhaps in 1992, the scope of Sunnyvale government was similar to a public law city. That is not the case in 2025. The neighboring public law city to the south is dependent on the county or

private companies for garbage services, library services, law enforcement, fire protection, and wastewater services. Meanwhile, the city of Sunnyvale is independent in all these areas and its transfer station also serves Mountain View and its waste water treatment plant also covers part of Cupertino.

**3. Current Charter Language**

The city charter currently sets monthly city council and mayoral salaries at \$2088.64 and \$2784.86 effective in 2012. Annual increases tied to inflation are automatically applied with a cap of 5%. In 2025, after automatic increases, city council and mayoral salaries are \$3113.88 and \$4151.84. The imputed rate of increase from these figures is 2.2%. Meanwhile, average full time wages in Sunnyvale during the same time period have increased roughly 4.4% annually.

**4. Committee Considerations and Analysis**

This topic has generated considerable discussion and public comment during committee meetings.

The subcommittee believes that service on city council should not be an act of charity. The city council and mayoral service is worthy of more than token compensation and the subcommittee is unanimous in preferring a data-driven determination of appropriate compensation.

Table S2001 of both the 1 and 5 year American Community Surveys include statistics for both mean and median earnings for full time workers in Sunnyvale. The subcommittee prefers the median to the mean. The mean can be skewed by a few very large or very small figures, especially very large figures. For example, the average of one person earning \$400,000 per year, a not unusual number in Sunnyvale, and four \$30,000 earners would be \$104,000 while the median would be \$30,000.

The following table shows ACS figures for both mean and median earnings for full time workers over age 16:

	2024 1 Year ACS	2023 1 Year ACS	2023 5 Year ACS
<b>Median (S2001_C01_013E)</b>	\$136,857	\$151,093	\$142,721
<b>Median Standard Error (S2001_C01_013M)</b>	\$14,434	\$11,863	\$4,259
<b>Mean (S2001_C01_14E)</b>	\$181,522	\$181,568	\$175,793
<b>Mean Standard Error (S2001_C01_14M)</b>	\$10,762	\$9,986	\$4,706

The 1 Year ACS figures, largely due to smaller sample sizes, will always have relatively large standard errors. The 5 Year ACS is generally a more stable dataset and preferable for decision making. Nonetheless, it must be acknowledged that the federal government has been inconsistent on ACS publication dates. This is especially true with federal government shutdowns.

When considering the workload of a city council member, Chair Larsson's experience as a city council member has been highly instructive. He looked at his calendars from the past and estimated that an average week entailed eight to ten meetings related to his council duties. This meeting volume is similar to a slightly heavy day for a manager in tech. However, government meetings, even unofficial ones, typically last at least three times as long as business meetings. Consequently, just the meeting time in a week for a city council member is similar to half of a work week for a tech manager.

Preparation and review time for a city council member is similarly heavy. The amount of material a city council member must review often runs over 1000 pages per council meeting. Most city council members also have intergovernmental appointments. The meetings of these organizations are less frequent, but have similar document loads to city council meetings. The subcommittee did not attempt to quantify this time. It is clear that to do a minimally competent job on city council, a member will average at least twenty hours per week. The subcommittee is compelled to point out that Sunnyvale has generally not had the problem of our council members showing up to meetings unprepared.

All that has been written about city council members also applies to the mayor, but more so. Meeting and event volume is higher. There are more intergovernmental obligations. The ceremonial and publicity requirements are much higher. These are minimal requirements. It is highly likely that most Sunnyvale voters want the mayor to do more than the minimum. It is the subcommittee's view that most Sunnyvale voters want an active mayor who is energetic in advocating for and publicising the city. For these reasons, the subcommittee has concluded that the salary premium for the mayor over city council members should increase from 33% to 50%.

The online survey conducted by the city asked a number of questions related to this issue. The subcommittee understands fully that online surveys are best used only for directional purposes. As another committee member described, it's best considered as a large collection of public comment. The sampling skew for such a survey is just too large for it to be used as a prescriptive tool.

Considering the limitations of the survey, there are still interesting data points to consider. First, there is broad support for increasing council and mayoral salaries. Next, most respondents were more comfortable with tying increases to inflation rather than another statistical figure.

Finally, 50% and 75% of median full time wages in Sunnyvale are within the wage bands that garnered significant support on the survey. These results signaled to the subcommittee that its work and conclusions are neither radical nor extreme.

## **5. Recommendation**

The subcommittee recommends that city council consider three options, perform professional polling on the issue, and place one option on the 2026 ballot. The options are as follows:

1. Reindex the compensation numbers in Section 605 to specific numbers that better reflect the economic reality of 2025 versus 2012 while maintaining current language on inflation adjustments. Wages and housing costs have increased in Sunnyvale more rapidly than the country and even surrounding areas. Were this trend to continue, the city would likely be considering another charter amendment within a decade or perhaps two. Survey results suggest that setting the city council wage near \$60,000 annually (\$5000 monthly) and the mayor wage near \$90,000 annually (\$7500 monthly) are palatable to the electorate.
2. Change the language to index council and mayoral compensation annually to 50% and 75% the median income published by the federal government that applies to Sunnyvale as specifically as possible. As part of the American Community Survey, the Census Bureau produces statistics on earnings in table S2001. The most appropriate column to use in this table would be S2001\_C01\_13E. In 2023 5 Year ACS, this statistic was \$142,721 for Sunnyvale. This would result in a council and mayoral annual wages of \$71,360.50 (\$5,946.71 monthly) and \$107,040.75 (\$8920.06 monthly.)
3. Use the American Community Survey figure to set the wage as in option 2, but keep the current language on increases tied to inflation. Explore establishing a review committee every ten years to evaluate and adjust the wage figures. This would avoid establishing an annual dependency on the Census Bureau while providing a mechanism for manual adjustments beyond inflation.

## **6. CRC Vote and Conclusion**

The CRC, by a vote of [vote to be filled in after discussion at a CRC meeting], approved the recommendation on this issue. [If desired add any concluding thoughts on your topic.]