

CITY OF OAKLAND

Public Ethics Commission

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Whitney Barazoto, Executive Director

TO: Public Ethics Commission
FROM: Whitney Barazoto, Executive Director
DATE: January 21, 2016
RE: Mandated City Council Member Salary Adjustment

Each year, the Public Ethics Commission (PEC or Commission) has been responsible for adjusting the City Councilmember salary level according to the increase in the Consumer Price Index (CPI) for the preceding year, and for making additional salary increases as deemed necessary by the Commission. In November 2014, the City Charter was amended to strengthen the Commission's authority and independence, and the salary adjustment requirement was amended so that the adjustment shall be made every two years instead of every year.

This memorandum provides background information for the Commission to do the following:

- 1) adjust Councilmember salaries per the CPI increase as mandated by law, and
- 2) determine whether to adjust Councilmember salaries beyond the required increase up to a total of 5% per year.

Background

Section 202 of the City Charter, as amended in 2014, reads as follows:

The Public Ethics Commission shall bi-annually adjust the salary for the office of Councilmember by the increase in the consumer price index over the preceding two years. The Commission may adjust salaries beyond the increase in the consumer price index up to a total of five percent. Any portion of an increase in compensation for the office of Councilmember that would result in an overall increase for that year in excess of five percent must be approved by the voters. [Oakland City Charter, Sec. 202(c)]

Payroll adjustments take effect on the first payroll period after the beginning of the new fiscal year, which will begin in July 2016.

The Commission last adjusted the salary for City Councilmembers by the CPI increase of 2.4 percent in 2014, resulting in a total authorized salary of \$81,550.11. The City Charter Amendment that passed in 2014 changed the adjustment to occur every two years, so this year marks the first bi-annual adjustment following the change in the City Charter.

The table below shows salary increases approved by the Commission since 2004.

City Council Salary Adjustments

Year	PEC-Authorized Increase (%)	Salary with Increase (\$)
June 2014	2.4 (CPI)	81,550.11
June 2013	2.4 (CPI)	79,638.78
July 2012	2.1 (CPI)	77,772.25
June 2011	2.8 (CPI)	76,172.62
June 2010	1.7 (CPI)	74,097.88
June 2009	0.8 (CPI)	72,859.28
June 2008	2.9 (CPI)	72,281.04
June 2007	5	70,243.94
July 2006	4	66,899.04
July 2005	2.1 (CPI)	64,326.08
June 2004	5	63,003.94

Below is a list of the salary amount that each Council Member currently receives:

Council Member	Salary (as of January 2016) (\$)
Brooks, Desley Anne	81,550.03
Campbell-Washington, Anne C.	81,549.00
Gallo, Noel	76,100.17
Gibson, Lynette Vania	76,100.17
Guillen, Abel	81,550.31
Kalb, Daniel Edward	75,059.65
Kaplan, Rebecca Dawn	76,100.17
Reid, Laurence E.	76,100.17

Salary Adjustment Mandated by City Charter

The Commission is required to adjust the annual salary according to change in the Consumer Price Index for the preceding two years. According to the U.S. Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose metropolitan area rose 4.6 percent from February 2014 through December 2015.¹ This increase of 4.6 percent since the last mandated salary adjustment would result in a new salary for City Councilmembers at **\$85,301.42**.

Additional Salary Increase Option

In addition to the required increase per CPI, the Commission has the discretion to increase City Councilmember salaries beyond the CPI up to maximum total of 5 percent per year for both the

¹ U.S. Bureau of Labor Statistics. San Francisco Region Consumer Price Index. April 2014 – December 2015. <http://www.bls.gov/ro9/cpisanf.htm>. Data accessed January 21, 2016.

CPI and the discretionary increase. The required CPI increase at this time is 4.6 percent; therefore, the Commission has discretion to approve an additional increase of up to 10 percent in total for the two-year period as provided by the City Charter.

Recommendation

Staff recommends that the Commission issue a resolution to adjust City Councilmember salaries by the required 4.6 percent according to the Consumer Price Index as required by law.

Commission staff further recommends that the Department of Human Resources include the Commission-approved salary adjustment in the next salary ordinance amendment to accurately reflect the total authorized salary amount available to Councilmembers. City Councilmembers may still wish to decline the current or cumulative increases as has been done in previous years. However, that determination is made by the Councilmembers themselves and is separate from the salary amount stated in the ordinance and available to Councilmembers.