

CITY OF OAKLAND
PUBLIC ETHICS COMMISSION

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TO: Sabrina Landreth, City Administrator
Stephanie Hom, Deputy City Administrator
Katano Kasaine, Finance Director
Ian Appleyard, Human Resources Director

FROM: Whitney Barazoto, Executive Director

DATE: February 23, 2018

RE: City Council Member Salary Adjustment Required by Law

Every two years, the Public Ethics Commission (PEC or Commission) is responsible for adjusting the City Councilmember salary level according to the increase in the Consumer Price Index (CPI) for the preceding two years, and for making additional salary increases as deemed necessary by the Commission.

This memorandum communicates the Commission's decision on February 5, 2018, as mandated by the City Charter, to increase the salary amount for City Councilmembers by the CPI increase for the past two years (6.6%) for a total annual salary of up to \$91,018.25.

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)]

This adjustment shall take effect on the first payroll period of the 2018-19 Fiscal Year.

The Commission last adjusted the salary for City Councilmembers by the CPI increase of 4.7 percent in 2016, resulting in a total authorized salary of \$85,382.97. That year was the first bi-annual adjustment following the City Charter Amendment that passed in 2014, including, among other changes, a provision that moved the salary adjustment from an annual requirement to a bi-annual one.

CPI Adjustment

The Commission is required to adjust the annual salary according to the 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 (CPI-U) in the San Francisco-Oakland-San Jose metropolitan area rose 6.6 percent from January 2016 through December 2017.¹ On February 5, 2018, the Commission adopted a resolution authorizing the required 6.6 percent increase, resulting in a new annual salary for City Councilmembers of up to **\$91,018.25**.

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

City Council Salary Adjustments

Year	PEC-Authorized Increase (%)	Annual Salary with Increase (\$)
January 2018	6.6 (CPI)	91,018.25
January 2016	4.7 (CPI)	85,382.97
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 annual salary amount that each Council Member receives, as of January 2018:

Council Member	Salary (as of January 2018) ² (\$)
Brooks, Desley Anne	85,383.22
Campbell-Washington, Anne C.	85,382.96
Gallo, Noel	79,677.00
Gibson, Lynette Vania	79,677.00
Guillen, Abel	85,460.96
Kalb, Daniel Edward	78,587.34
Kaplan, Rebecca Dawn	79,677.00
Reid, Laurence E.	79,677.00

¹ U.S. Bureau of Labor Statistics. San Francisco Region Consumer Price Index. January 2016 – December 2017. <http://www.bls.gov/ro9/cpisanf.htm>. See data at http://www.bls.gov/regions/west/data/consumerpriceindex_sanfrancisco_table.pdf. Data accessed January 24, 2018. Formula using raw numbers: (Current year/prior year) – 1 x 100 = ___%

² Salary data provided by Lorna Guice, Senior Human Resources Systems Analyst, Treasury Department. January 24, 2018.

Result of the PEC Increase

The Public Ethics Commission is responsible for adjusting the salary for City Councilmembers and has done so via adoption of the attached resolution.

In recent years, the City Attorney has advised that the increase is automatically applied unless City Councilmembers voluntarily and affirmatively decline the increase. That determination is made by the Councilmembers themselves and is separate from the salary amount available to Councilmembers in the salary ordinance.

Salary Ordinance

Commission staff 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.

Payroll Amounts

Commission staff notes that the list of current salaries provided by staff in the Treasury Department appear to show that two Councilmembers are receiving an annual amount that is higher than the amount authorized by the Commission in 2016. We urge the administration to make corrections to existing salaries that exceeded the Commission-approved amount and to ensure that the new adjustment is applied in a manner so as not to exceed the Commission-authorized amount for 2018-19 and 2019-20 fiscal years.

Attachment: *PEC Resolution 18-01*