CITY OF OAKLAND Public Ethics Commission

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Whitney Barazoto, Executive Director

TO:

Sabrina Landreth, City Administrator

Stephanie Hom, Deputy City Administrator

FROM:

Whitney Barazoto, Executive Director

DATE:

February 4, 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 communicates the Commission's decision on February 1, 2016, to increase the salary amount for City Councilmembers by the CPI (4.7 percent) as mandated by the City Charter.

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 2016-17 Fiscal Year.

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. In order to provide ample time for City budget staff to incorporate the PEC's salary adjustment into the

budget process, Commission staff moved the approval of the salary adjustment to February instead of June as was previously done.

CPI Adjustment

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 – All Items, in the San Francisco-Oakland-San Jose metropolitan area rose 4.7 percent from February 2014 through December 2015. On February 1, 2016, the Commission issued a resolution authorizing the required 4.7 percent increase, resulting in a total new salary for City Councilmembers of \$85,382.97 annually.

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

City Council Salary Adjustments

Month/Year	PEC-Authorized Increase (%)	Salary with Increase (\$)
February 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 salary amount that each Council Member receives as of January 2016:

Council Member	Salary (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	

¹ U.S. Bureau of Labor Statistics. San Francisco Region Consumer Price Index. February 2014 – December 2015. http://www.bls.gov/regions/west/data/consumerpriceindex_sanfrancisco_table.pdf. Data accessed January 21, 2016.

Result of the PEC Increase

Now that the Public Ethics Commission has issued a resolution adjusting the salary for City Councilmembers, the increase is automatically applied unless City Councilmembers voluntarily and affirmatively decline the increase, as has been done in previous years. However, that determination is made by the Councilmembers themselves and is separate from the salary amount available to Councilmembers.

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.

CITY OF OAKLAND Public Ethics Commission

RESOLUTION NO. 16-01 [Approved 2-1-16]



By action of the Oakland Public Ethics Commission:

WHEREAS, Oakland City Charter Section 202 requires the Public Ethics Commission (Commission) to bi-annually adjust City Councilmember salaries by the increase in the Consumer Price Index over the preceding two years and to optionally adjust salaries beyond the increase in the Consumer Price Index up to a total of five percent per year; and

WHEREAS, the Commission-authorized annual salary for Oakland City Councilmembers is \$81,550.11, effective July 2014; and

WHEREAS, some Oakland City Councilmembers have declined salary increases in recent years and are currently taking a salary of \$76,100.17 or less; and

WHEREAS, the consumer price index for the San Francisco Bay Area increased by a total of 4.7 percent between February 2014 and December 2015; and

Now, therefore be it:

RESOLVED, that the Commission does hereby authorize a salary increase of 4.7 percent for the office of City Councilmember as mandated by City Charter Section 202, for a total annual salary of \$85,382.97, effective as of the first payroll period of Fiscal Year 2016-17; and

RESOLVED, that the Commission does not authorize any additional increase beyond that required by the Oakland City Charter.

CERTIFICATION RE: APPROVAL OF RESOLUTION

The foregoing Resolution was presented for approval at a duly noticed meeting of the City of Oakland Public Ethics Commission held on February 1, 2016, where a quorum of the membership of the Commission was present. The Commission approved the resolution by a vote of 7 to 0.

I hereby certify that the foregoing is true and correct.

Whitney Barazoto, Executive Director Oakland Public Ethics Commission

2/1/16 Date