

# ATTACHMENT 6



James E.T. Jackson, Chair  
Nayeli Maxson Velázquez, Vice-Chair  
Jill M. Butler  
Michael B. MacDonald  
Janani Ramachandran  
Joe Tuman  
Jerett Yan

Whitney Barazoto, Executive Director

TO: Public Ethics Commission  
FROM: Whitney Barazoto, Executive Director  
DATE: February 18, 2020  
RE: City Council Salary Adjustment as 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 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 five percent per year.

## Background

Oakland City Charter Section 202, as amended in 2014, requires the Public Ethics Commission to “bi-annually adjust the salary for the office of Councilmember by the increase in the consumer price index over the preceding two years.” In addition, the Commission may adjust the salaries beyond the increase up to a total of five percent for each year, and any excess of five percent per year must be approved by the voters.

Payroll adjustments take effect on the first payroll period after the beginning of the new fiscal year, which will begin in July 2020. The Commission last adjusted the salary for City Councilmembers by the CPI increase of 6.6 percent in 2018, resulting in a total annual salary of \$91,018.25.

The table below shows salary increases approved by the Commission since 2004. Note that the most recent two adjustments, made in 2016 and 2018, were over the two-year period as required by changes made to the City Charter in 2014, which moved the adjustment from every year to every two years.

### City Council Salary Adjustments

Year	PEC-Authorized Increase (%)	Annual Salary with Increase (\$)
February 2018	6.6 (CPI for two years)	91,018.25
January 2016	4.7 (CPI for two years)	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

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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 currently receives:

Council Member	Salary (as of February 2020) <sup>1</sup> (\$)
Nikki Fortunato Bas	91,018.20
Gallo, Noel	91,018.20
Gibson, Lynette Vania	91,018.20
Kalb, Daniel Edward	91,018.20
Kaplan, Rebecca Dawn	91,018.20
Reid, Laurence E.	91,018.20
Loren Manuel Taylor	91,018.20
Shen Thao	91,018.20

## Salary Adjustment Mandated by City Charter

The Commission is required to adjust the annual salary according to the change in the Consumer Price Index for the preceding two years. The U.S. Bureau of Labor Statistics reports that the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-San Jose metropolitan area rose 7.1 percent from December 2017 – December 2019.<sup>2</sup> This increase of 7.1 percent since the last mandated salary adjustment would result in a new annual salary for City Councilmembers of **\$97,480.55**.

## 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 a maximum total of 5 percent per year, for a total of 10 percent for both the CPI and the discretionary increase over the two-year period. The required CPI increase at this time is 7.1 percent for the two-year period; therefore, the Commission has discretion to approve an additional increase of an additional 2.9 percent 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 7.1 percent increase in the Consumer Price Index as required by law, for a total annual salary of \$97,480.55. Following Commission approval, Commission staff will transmit the salary adjustment resolution to the City Administrator, the Department of Human Resources (to amend the salary ordinance), and the Treasury Division - Payroll (to implement the increase).

<sup>1</sup> Salary data provided by Doris Cheng, Human Resources Systems Analyst Supervisor, Treasury Department. February 4, 2020.

<sup>2</sup> U.S. Bureau of Labor Statistics. San Francisco Region Consumer Price Index. December 2017 – December 2019.

<https://data.bls.gov/timeseries/CUURS49BSA0>. Data accessed February 19, 2020. Formula using raw numbers: (Current year/prior year) – 1 x 100 = \_\_\_%