

Item 10b - 2022 Memo on Adjusting Council Salaries



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TO: Public Ethics Commission
FROM: Ana Lara-Franco, Commission Assistant
Whitney Barazoto, Executive Director
DATE: February 25, 2022
RE: City Council Salary Adjustment as Required by Law for the March 9, 2022, PEC Meeting

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 2022. The Commission last adjusted the salary for City Councilmembers by the CPI increase of 7.1 percent in 2020, resulting in a total annual salary of \$97,480.55.

The table below shows salary increases approved by the Commission since 2004. Note that since 2016, PEC-authorized increases were made bi-annually as required by City Charter amendments 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 (\$) ¹
February 2020	7.1 (CPI for two years)	97,480.55
February 2018	6.6 (CPI for two years)	91,018.25

¹ This list reflects PEC-authorized amounts; actual salary amounts received each year may differ for each Councilmember depending on whether each member accepted the increase.

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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
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

As of February 2022, every councilmember currently receives a biweekly salary of \$3,749.25 which amounts to a total of \$97,480.56 annually.²

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 6.3 percent from December 2019 – December 2021.³ This increase of 6.3 percent since the last mandated salary adjustment would result in a new authorized annual salary for City Councilmembers of **\$103,621.82**

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 6.3 percent for the two-year period; therefore, the Commission has discretion to approve an additional increase of an additional 3.7 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 6.3 percent increase in the Consumer Price Index as required by law, for a total annual salary of **\$103,621.82**. 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).

² Salary data provided by Lorna Guice, Human Resource Systems Analyst, Senior, February 14, 2022.

³ U.S. Bureau of Labor Statistics. San Francisco Region Consumer Price Index. December 2019 – December 2021.

<https://data.bls.gov/timeseries/CUURS49BSAo>. Data accessed February 11, 2022.

Formula using raw numbers: (Current year/prior year) – 1 x 100 = ___%