

CITY OF OAKLAND
Public Ethics Commission

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TO: Public Ethics Commission
FROM: Daniel Purnell
DATE: July 7, 2003

**RE: A Supplemental Staff Report And Action To Be Taken Regarding
Review And Adjustment Of City Council Salaries**

I. BACKGROUND

City Charter Section 202(c) requires the Public Ethics Commission to review and adjust the compensation for City Councilmembers in odd-numbered years. The City Charter states "the Commission shall fix City Councilmember compensation at a level not to exceed ten percent (10%) above the base salary, as adjusted." However, no increase in compensation may take effect unless such increase has been approved by a public vote.

At its meeting of May 5, 2003, the Commission considered a staff memorandum, received public comment, and directed staff to re-agendize this item for a subsequent meeting. Attachment 1. The summarized findings of the memorandum indicate that City Council salaries have lost 22 percent of their value (as measured by changes in the cost of living index) since the current baseline salary of \$60,000 per year was established in 1997. A recent survey conducted by the Office of Personnel Management demonstrates that Oakland City Council salaries are greater than the average salaries for councilmembers in the eight largest cities in California, but less than the average salaries for councilmembers in the nine cities chosen for comparison in the survey. Oakland City Councilmembers also receive a benefit package and automobile allowance.

Tonight, the Commission is asked to determine whether to adjust City Council salaries and, if so, how much of the permitted increase to provide. If the Commission decides to adjust City Council salaries, Commission staff will prepare a resolution to

memorialize the decision and to request the City Council to place the issue on the ballot in the next scheduled election. (See discussion in Attachment 1.)

II. RECENT DEVELOPMENTS

Since the May 5, 2003, Commission meeting, there have been two developments that may be relevant to the Commission's consideration of this matter:

1. Proposed City Council Resolution

On June 5, 2003, the City Council considered a proposed resolution introduced by City Council President Ignacio De La Fuente. The resolution formally requested the Public Ethics Commission not to make any adjustment to City Council salaries due to the City's budget situation. Attachment 2. The resolution failed after Oakland Mayor Jerry Brown chose not to exercise his option to break a 4 to 4 tie vote by the City Council.

2. Measure X Limited Charter Review Committee

Earlier this year, the City Council created a "Measure X Limited Charter Review Committee." The Committee is currently reviewing the provisions of Measure X and developing alternatives for future City Council and voter consideration.

As the Commission knows, one of the provisions of Measure X limits the Commission's ability to directly adjust City Council salaries. Measure X provides that any adjustment adopted by the Commission shall not take effect until the adjustment has been approved by a public vote. Since only the City Council can decide whether to place the adjustment on the ballot for public consideration, Measure X has had the effect of involving the City Council in determining its own salary again.

Measure X is scheduled to terminate ("sunset") in November, 2004, unless Oakland voters re-affirm it. The Measure X Committee is attempting to develop an alternative proposal to voters, rather than present them with a simple referendum on Measure X. One of the issues the Committee is considering is whether (or under what conditions) a public vote should be needed to ratify a Commission adjustment to City Council salaries. At the time of this writing, the Committee has not considered any specific proposal. The Commission and/or its members may choose to communicate with the Measure X Committee on the Commission's role in setting City Council salaries.

III. DISCUSSION

It is within the Commission's discretion whether to adjust City Council salaries. Factors supporting an adjustment include the 22 percent increase in the cost of living since the current salaries were established, together with the fact that Oakland salaries are significantly less than the average of other cities included in the nationwide survey. Factors opposing an adjustment include the favorable comparison between Oakland City

Council salaries and the average from California's eight largest cities, and the various benefits and allowances Oakland City Councilmembers also receive. As stated in its May 5 memorandum, Commission staff believes that an adjustment to current City Council salaries would be consistent with the underlying policies and arguments the Commission favored when it adopted the current salary level in 1997.

Respectfully submitted,

Daniel D. Purnell
Executive Director