

CITY OF OAKLAND
Public Ethics Commission

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TO: Public Ethics Commission
FROM: Daniel Purnell
DATE: June 7, 2004

RE: Required Review Of City Council Salaries

I. BACKGROUND

At its regular meeting of May 3, 2004, the Commission considered a staff report regarding the Commission's duty to review and adjust City Council salaries following the passage of Measure P in the March, 2004, election.

Under recently amended City Charter Section 202(c), the Commission is required to adjust City Council salaries by the increase in the consumer price index (CPI) over the preceding year. The Commission may adjust salaries beyond the increase in the CPI up to a total of five percent. Any increase over five percent must be approved by the voters.

At the meeting, the Commission directed staff to review and update the salary survey prepared by the City's Office of Personnel Management to determine whether any of the comparative salaries of California cities had changed. Commission staff also stated it would provide updated CPI information based on the federal Bureau of Labor Statistics' May, 2004, revise.

The Commission also directed staff to prepare alternative resolutions for adjusting City Council salaries for final consideration at the June 7, 2004, meeting. The first alternative resolution would implement a salary adjustment of five percent. **Attachment 1.** The second would implement a salary adjustment based solely on the increase in the CPI over the preceding year. **Attachment 2.** The third resolution would implement a salary adjustment in an unspecified amount no less than the change in the CPI and no more than five percent. **Attachment 3.**

II. REVISED SALARY SURVEY AND COST OF LIVING ADJUSTMENT

A. Revised Salary Survey Of California Cities

In the May 6 agenda package, Commission staff included a survey prepared by the Office of Personnel in April, 2003, of city council salaries from the eight largest municipalities in California. **Attachment 4.** The data supported a conclusion that Oakland City Councilmembers earn approximately \$873.00 per month more than the average councilmember salaries of the eight largest cities in California.

Since April, 2003, some of the information in the California survey has changed, most significantly for the cities of San Francisco and Sacramento. Both cities granted their councilmembers substantial salary increases during the past 12 months. The revised information is presented as follows:

Municipality	Monthly Salary	Status (FT/PT)	Outside Income
Fresno	3,709	FT	Permitted
Long Beach	2,182	PT	Permitted
Los Angeles	11,986	FT	Not Permitted
Sacramento	4,167	FT	Permitted
San Diego	6,282	FT	Permitted
San Francisco	7,500	FT	Permitted
San Jose	6,250	FT	Permitted
Santa Ana	125	PT	Permitted
Mean	5,275		
Median	5,209		
Oakland	5,000		

Based on the revised information, it can no longer be said that the monthly salaries of Oakland City Councilmembers are greater than the average of the eight largest cities in California. Because of the significant increases occurring in San Francisco and Sacramento, combined with minor increases in other cities, Oakland City Councilmember salaries are now \$275 dollars less than the average monthly salaries of the surveyed California cities.

B. May 14 Revise To The Consumer Price Index

As stated in the May 6 staff report, the federal Bureau of Labor Statistics calculates changes in the CPI for All Urban Consumers (CPI-U) for the San Francisco Bay Area every two months. On May 14, the Bureau calculated the annual change in the CPI-U between April, 2003, and April, 2004, inclusive. The percentage increase in the CPI for the most recent 12-month period is 0.5 percent. This represents an increase over the previously reported CPI change for the period between February, 2003, and February, 2004, inclusive, which stood at 0.2 percent.

III. Alternative Resolutions

The Commission's decision to adjust City Council salaries will be effected by adopting some version of the attached resolutions. All three resolutions contain a history of past Commission actions to establish the current City Council salaries and recite the new authority under which the Commission may take action. Staff has provided specific factual findings to support the respective salary adjustment contained in each resolution.

Attachment 1 provides for a five percent salary adjustment. The proposed resolution addresses the issue raised by Commissioner Wiener at the May 3 meeting of whether City Charter Section 202(c) could be interpreted as permitting the Commission to grant a pay raise of up to five percent *in addition to* any increase in the CPI. As directed by the Commission, the resolution interprets Section 202(c) as authorizing the Commission to adopt an annual salary increase of up to five percent *inclusive* of any increase in the CPI without voter approval.¹

Attachment 2 provides for a salary increase of 0.5 percent. This amount is based solely on the change in the CPI for the San Francisco Bay Area for the period April, 2003, through and including April, 2004. It represents the minimum amount by which the Commission is required to adjust City Councilmember salaries under City Charter Section 202(c).

Attachment 3 provides for an unspecified salary increase of no less than 0.5 percent and no more than 5.0 percent. The Commission has the discretion to consider an amount somewhere between these two figures.

IV. STAFF RECOMMENDATION

As stated in the staff memorandum of May 3, 2004, City charter Section 202(c) requires the Commission to make its adjustments "beginning with Fiscal Year 2003-2004." This fiscal year ends on June 30, 2004. Thus for the Commission to take timely action it must adopt a version of one of the proposed resolutions at its June 7, 2004, meeting or else hold an additional special meeting before the June 30 deadline.

Respectfully submitted,

Daniel D. Purnell
Executive Director

¹ **Attachment 5** contains relevant parts of the Measure X Limited Charter Review Committee's final report, dated September 11, 2003, which proposed the Commission's current authority under City Charter Section 202(c). The report indicates the Committee's desire to craft a "compromise" that permits the Commission to grant salary increases above the CPI "up to the cap of 5%."