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Whitney Barazoto, Executive Director

TO: Sabrina Landreth, City Administrator
Maraskeshia Smith, Assistant City Administrator
Adam Benson, Finance Director
Ian Appleyard, Human Resources Director

FROM: Whitney Barazoto, Executive Director, Public Ethics Commission *WB*

DATE: March 5, 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 communicates the Commission's decision on March 2, 2020, as mandated by City Charter, to increase the salary amount for City Councilmembers by the Consumer Price Increase for the past two years (7.1%) for an annual salary of \$97,480.55, effective July 2020.

Salary Adjustment Mandated by City Charter

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.

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 2019.¹ This increase of 7.1 percent since the last mandated salary adjustment results in a new annual salary for City Councilmembers of \$97,480.55.

The adjustment shall take effect on the first payroll period of the 2020-21 Fiscal Year.

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.

¹ 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: $(\text{Current year/prior year}) - 1 \times 100 = \text{___}\%$

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
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 2020, each City Council Member currently receives an annual salary of \$91,018.20.

PEC Action and Next Steps

The Public Ethics Commission discussed the required salary increase and voted to approve the adjustment and new salary amount of \$97,480.55 at its public meeting on March 2, 2020, as described in the attached Resolution. This memorandum and resolution transmits the Commission's action to the City Administrator for implementation by Budget and Payroll staff.

In recent years, the City Attorney has advised that the increase is automatically applied unless City Councilmembers voluntarily and affirmatively decline the increase. That determination is made by the Councilmembers themselves and is separate from the salary amount available to Councilmembers in the 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 Commissioners.

Attachment: PEC Resolution 20-01

CITY OF OAKLAND
Public Ethics Commission

RESOLUTION NO. 20-01
[Approved 3-2-20]



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 \$91,018.25, effective July 2018; and

WHEREAS, the consumer price index for the San Francisco Bay Area increased by a total of 7.1 percent between December 2017 and December 2019; and

Now, therefore be it:


RESOLVED, that the Commission does hereby authorize a salary increase of 7.1 percent for the office of City Councilmember as mandated by City Charter Section 202, for a total annual salary of up to \$97,480.55, effective as of the first payroll period of Fiscal Year 2020-21; 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 March 2, 2020, where a quorum of the membership of the Commission was present. The Commission approved the resolution by a vote of 6 to 0.

I hereby certify that the foregoing is true and correct.


Whitney Barazoto, Executive Director
Oakland Public Ethics Commission

3/2/20
Date