



# AGENDA REPORT

**TO:** City Council

**FROM:** Jestin D. Johnson  
City Administrator

**SUBJECT:** Charter Amendment For Changing  
The Mayoral Salary-Setting Process

**DATE:** May 16, 2024

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A**

**Resolution On The City Council's Own Motion Submitting To The Voters For The November 5, 2024, General Municipal Election A Measure That Would Amend City Charter Sections 300 And 603 To, Among Other Things:**

- (1) Transfer The Duties Of Setting The Mayor's Salary From The City Council To The Public Ethics Commission To Be Adjusted, Subject To Certain Conditions, On A Bi-Annual Basis;**
- (2) Update The Criteria For Setting The Mayor's Salary To Criteria Similar To That Applied By The Commission In Setting The City Attorney's And City Auditor's Salaries; And**

**Directing The City Clerk To Fix The Date For Submission Of Arguments And Provide For Notice And Publication, And To Take Any And All Other Actions Necessary Under Law To Prepare For And Conduct The November 5, 2024, General Municipal Election**

## **EXECUTIVE SUMMARY**

In July 2023, the City Council requested that the City Administrator bring forth a proposal to the City Council for a potential November 2024 ballot measure to transfer the duties of setting the Mayor's salary from the City Council to the Public Ethics Commission (PEC or Commission) and to that the PEC would set the criteria and process for determining the Mayor's salary. Over the course of three public meetings, the PEC considered and developed recommendations. The City Administrator is now returning with this report to the Council to request a charter amendment to change the Mayoral salary-setting process to reflect the recommendations provided by the Commission.

## **REASON FOR URGENCY**

Rules Committee  
May 30, 2024

In order to provide sufficient time for the Office of the City Clerk and City Administrator to take sufficient action for this Charter Amendment to be included as a part of the November 5, 2024, General Municipal Election, this item proposal needs to be considered at the June 4, 2024, City Council meeting, with a second City Council meeting on June 18, 2024.

## **BACKGROUND / LEGISLATIVE HISTORY**

On July 18, 2023, the City Council passed a motion directing the City Administrator to bring a proposal back to the City Council for a potential November 2024 ballot measure which would transfer the duties of setting the Mayor's salary from the City Council to the Public Ethics Commission (Commission or PEC). On August 25, 2023, October 25, 2023, and December 13, 2023, the PEC considered whether it is the appropriate body for setting the Mayor's salary and, if so, what criteria the PEC should apply for setting that salary. A recording of these meetings may be found on the PEC's website at: <https://www.oaklandca.gov/boards-commissions/public-ethics-commission/meetings>.

In its review and discussion of this topic, the Commission reached consensus on the following principles, which led to its recommendation:

- The responsibility for setting the Mayor's salary should be transferred to the PEC;
- The charter should provide politically-neutral, objective criteria for the PEC to follow in setting the Mayor's salary;
- The PEC should have the discretion to waive or reduce a salary increase if either (a) the City Council declares that the City is facing an extreme fiscal necessity or a fiscal crisis or emergency, or (b) the General Purpose Fund (GPF) revenue for the current fiscal year is projected to be lower than it was in the last fiscal year; and
- The PEC should not adjust the Mayor's salary more frequently than once every two years.

## **ANALYSIS AND POLICY ALTERNATIVES**

Under current law, the Commission sets the salary for ten of Oakland's 11 elected officials. The Commission adjusts the salaries of the eight-member City Council every two years for inflation. It adjusts the salaries of the City Attorney and City Auditor annually "to provide for competitive compensation and equitable alignment" for these officeholders. (City Charter Sections 202, 401, and 403.) In contrast, the City Council sets the salary of the Mayor every two years, "which shall be not less than 70% nor more than 90% of the average salaries of City Managers'/Chief Executive Officers of California cities within the three immediate higher and the three immediate lower cities in population to Oakland." (City Charter Section 300.) Because the requirements for adjusting the Mayor's salary are established in the City Charter, any change in this process would need to be proposed by ballot measure and would require approval of Oakland voters.

The PEC adopted the following recommendation for how the Commission should adjust the Mayor's salary at its December 13, 2023, meeting:

- Every two years, the PEC increases the Mayor's salary by changing the Bay Area Consumer Price Index (CPI) over the last two years, but capped at no more than 5% over the two-year period.

- Every four years, taking effect at the start of a new mayoral term, the PEC has the discretion to instead adjust the Mayor's salary to promote greater pay equity and competitive compensation, but by no more than the rate of inflation over the past two years plus an additional 10 percent. In making a discretionary adjustment, the PEC shall consider:
  - The salaries of the chief executives (city manager or mayor in a strong mayor system) in comparable California jurisdictions;
  - The salary of the highest-paid mayoral employee; and
  - The salary of City Department heads.
- The PEC, in its discretion, may waive or reduce a salary increase in any fiscal year in which either (a) the City Council declares that the City is facing an "extreme fiscal necessity" or "fiscal crisis or fiscal emergency," or (b) the General Purpose Fund (GPF) revenue for the current fiscal year is projected to decline.

This proposal aligns with the citywide goal of **responsive, trustworthy government**. This recommendation includes a biannual inflation adjustment for the Mayor's salary, similar to the biannual adjustment the PEC provides for the City Council, but also provides an opportunity to re-assess the salary every four years to promote pay equity and competitive compensation, similar to the process the PEC uses to adjust the City Attorney's and City Auditor's salaries. In addition, this recommendation provides the PEC with the option to waive or reduce a salary increase in years when the City is facing significant fiscal hardship, and an increase may be inappropriate or unwelcome by the Mayor. Notably, under this recommendation, four-year salary reassessments would only take effect at the start of a new mayoral term, which emphasizes that the PEC's role is to determine which salary is the best for the office, and not to subjectively evaluate the performance of a current officeholder.

#### **FISCAL IMPACT**

This item does not have any direct fiscal impact or cost.

#### **PUBLIC OUTREACH / INTEREST**

The preceding related public meetings on this item were publicly noticed and allowed input from the community.

#### **COORDINATION**

Staff consulted with the Human Resources and Management Department and the Office of the City Attorney for this report.

#### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** No direct economic opportunities have been identified.

***Environmental:*** No environmental opportunities have been identified.

**Race & Equity:** Revising the methodology to establish the Mayor's salary and the related adjustments to align with similar processes to other Elected Officials in the City creates pay equity.

**ACTION REQUESTED OF THE CITY COUNCIL**

**Staff Recommends That The City Council:**

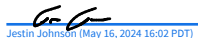
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For questions regarding this report, please contact MONICA ELISE DAVIS, DEPUTY CITY ADMINISTRATOR, at 510-283-3301.

Respectfully submitted,

  
Jestin Johnson (May 16, 2024 16:02 PDT)

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JESTIN D. JOHNSON  
City Administrator