



DATE: September 18, 2023

TO: City Council Ad Hoc Committee

FROM: Director of Human Resources

SUBJECT: Mayor and City Council Salary Recommendations

RECOMMENDATION

That the City Council Ad Hoc Committee review and consider options as outlined and commencing FY2025, allow staff to process salary adjustments, as applicable and as outlined in the Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10.

BACKGROUND

The Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10 – Compensation for Members of the City Council, states in part:

- (a) Each Council Member shall receive compensation for services rendered in an official capacity, an annual salary in the sum of twenty-five thousand dollars (\$25,000.00).*
- (b) The Council of the City of Hayward does ordain as follows: The Mayor shall receive as compensation for services rendered in an official capacity, an annual salary in the sum of forty thousand dollars (\$40,000.00).*
- (c) From and after the fiscal year beginning July 1, 2003 and for each fiscal year thereafter, the compensation for the Mayor and each Council Member shall be increased by an amount equivalent to the percent increase in the "Consumer Price Index San Francisco-Oakland Metropolitan Area - All Items", published by the Bureau of Labor Statistics, United States Department of Labor, for the twelve-month period ending June of each fiscal year.*

However, in no event shall any such increase be greater than five percent (5%).

Salaries for Mayor and Councilmember have not consistently been adjusted in accordance with the above process. From FY2004 through FY2015 the incumbent Mayor and Councilmembers voluntarily waived any applicable salary increases. Additionally, in response to the economic downturn, and to be consistent with salary reductions and concessions of other City bargaining units, the Mayor and Councilmembers authorized a onetime 5% salary

reduction in FY2009 and maintained that reduction through FY2015. Since at least FY2009, the salaries for Mayor and Councilmember have remained below the minimum thresholds outlined in the Municipal Code. The last salary increase received was in FY2024. This increase brought the salary of Mayor to \$41,958 and Councilmember to \$26,224.

Staff retained the services of Bryce Consulting to conduct a salary study of neighboring jurisdictions regarding Mayor and Councilmember compensation. The agencies selected for the survey include jurisdictions of similar size, services provided, population, geographic location, and are consistent with comparator agencies used in similar studies across the City of Hayward.

The study showed outliers in monthly compensation with the City of Oakland Councilmember and Mayor at the high end (\$8,635.16 and \$16,916.66, respectively) and the City of Alameda at the low end (\$142.00 and \$342.00). Overall, the survey data shows that the City of Hayward is not behind the market and that both the Mayor and Councilmember salaries are above the market median by at least 26%.

DISCUSSION

The City of Hayward aims to expand the accessibility of holding an elected position by providing and maintaining a livable wage for the offices of Mayor and Councilmember.

Staff analyzed several factors to achieve this goal including the compensation study and relative market standing, the annual per capita median income for Alameda County and the City of Hayward, which is \$53,815 and \$38,677 respectively, and the time requirements associated with holding the office of Mayor or Councilmember. Through this analysis, Staff has identified three options, as follows:

Option 1:

Make no changes to the current Mayor and Councilmember salaries. Adhere to provisions outlined in the Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10 moving forward and beginning in FY2025.

Option 2:

Update Mayor and Councilmember salaries to reflect salaries that would be in place had provisions outlined in the Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10 been applied consistently beginning FY2004 through FY2024. Based on CPI data through this period, the salary of Mayor would be \$69,288 and the salary of Councilmember would be \$43,305; adhere to provisions outlined in the Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10 moving forward and beginning in FY2025.

Option 3:

Update Mayor and Councilmember salaries to reflect salaries that would be in place had provisions outlined in the Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10 been applied consistently beginning FY2016 through FY2024. Based on CPI data through this period, the salary of Mayor would be \$52,782 and the salary of Councilmember would

be \$32,989; adhere to provisions outlined in the Hayward Municipal Code Chapter 2, Article 1, Section 2-1.10 moving forward and beginning in FY2025.

FISCAL IMPACT

Option 1: The proposed changes have no fiscal impact.

Option 2: The proposed changes result in a salary difference for Mayor and Councilmember of \$29,288 and \$18,305, respectively. This creates an estimated fiscal impact of approximately **\$139,118** in comparison to the approved FY2024 operating budget.

Option 3: The proposed changes result in a salary difference for Mayor and Councilmember of \$12,822 and \$8,014, respectively. This creates an estimated fiscal impact of approximately **\$60,906** in comparison to the FY2024 approved operating budget.

STRATEGIC INITIATIVES

While this agenda item does not directly support one of the enumerated projects in the Strategic Roadmap, expanding the accessibility of holding an elected position by providing and maintaining a livable wage would further the Strategic Priority of Strengthening Organizational Health by moving towards equitable access to elected offices, reducing financial barriers and expanding diversity of perspective in the representative leadership of the City of Hayward.

NEXT STEPS

Staff will move forward in the direction of the Ad Hoc Committee commensurate with the applicable option chosen. Staff will work with Finance to implement the changes.

Prepared and Recommended by:

Brittney Frye, Director of Human Resources

Approved by:



Kelly McAdoo, City Manager