



DATE: April 17, 2019

TO: Council Budget and Finance Committee

FROM: Director of Human Resources

SUBJECT: City of Hayward Elected Official Salary and Benefit Review

RECOMMENDATION

That the Council Budget and Finance Committee receives the informational report.

SUMMARY

This report provides historical and current salary and benefit rates to inform the Council Budget and Finance Committee as it considers salary and benefit adjustments for the Mayor and members of the Council.

BACKGROUND/DISCUSSION

Under Hayward Municipal Code (Code) Section 2-1.10, the Mayor and members of the Council are eligible for annual adjustments to their compensation in an amount equivalent to the percent increase in the Consumer Price Indexes (CPI) for the Bay Area, up to a maximum increase of five percent (5%). Despite being eligible to adjust its salary, the City Council has waived salary increases for many years. The Mayor and Council have repeatedly indicated that they value the partnership with the City's employee groups and recognize the concessions given by City employees. The Mayor and Council led the City's cost savings efforts by being among the first to agree to waiving increases, decreasing salary, and increasing their contribution to health and other insurance benefits.

In June 2011, consistent with a request that the City's employee groups reduce employment related expenses to help address the fiscal crisis, the Council reduced its FY 2012 salary by 0.1% and reduced the City's contribution for medical and dental benefits when it opted to pay twenty percent (20%) of medical premiums and fifty percent (50%) for dental premiums. The Council adopted a Resolution in June 2012, affirming its waiver of cost of living increases for FY 2013. Moreover, the Council also continued the salary waiver, increased contributions to medical and dental, and the salary reduction through FY 2015. In FY 2015, in addition to the continued salary waiver and reduction, the Council increased the medical contribution from twenty percent (20%) to thirty percent (30%). There have been no changes to the salary or benefit contributions since FY 2015.

The tables below summarize the current total compensation of the Mayor and Council and CPI Data since 2008 (year over year June totals). Note: Total compensation is for the position and may not be reflective of individual benefit levels.

Table 1: Current Total Compensation for Elected Officials

Compensation	Mayor	Council Members
Base Salary	\$39,960	\$24,975
Medical	\$24,267	\$24,267
Dental	\$ 1,111	\$ 1,111
Vision	\$ 344	\$ 344
Life Insurance	\$ 31	\$ 31
PERS	\$ 10,949	\$ 6,843
Total Compensation	\$71,662	\$57,571

Table 2: San Francisco-Oakland-Hayward CPI-U % Increase for June

Year	% CPI
2008	4.2%
2009	0.2%
2010	1.1%
2011	2.4%
2012	2.6%
2013	2.6%
2014	3.0%
2015	2.3%
2016	2.7%
2017	3.5%
2018	3.9%

Based on the information above, the Mayor and Council, waived 24% of salary adjustments that they were otherwise eligible for. They are currently eligible for a salary adjustment of up to 3.9%. In addition to the City's fiscal status, they also consider salary adjustments for the employee groups when deciding whether to adjust their own salaries. The following tables summarize FY 2020 approved salary adjustments and benefit contribution levels for each employee group:

Table 3: FY 2020 Approved Salary Adjustments

Group	% COLA	% Equity	Effective Date
City Manager	2%	7%	January 1, 2020
City Clerk/City Attorney	2%	0%	January 1, 2020
Executives	2%	0%*	January 1, 2020
Unrepresented	2%	0%	January 1, 2020
HAME	2%	0%	January 1, 2020
IFPTE- Local 21	1%	0%*	October 1, 2019
SEIU-Local 1021 Clerical & Maintenance	2%	0%*	July 1, 2019
HPOA/Police Management	0%	0%	N/A
Local 1909/Fire Management	0%	0%	N/A

Although the amounts are not currently available, total compensation market surveys have been approved and will be implemented as described in their respective MOU's for IFPTE-Local 21 and SEIU Local 1021 upon completion of the surveys. Police and Fire salaries are surveyed annually and adjusted pursuant to MOU terms. Moreover, regardless of contractual obligation salaries are regularly reviewed and recommendations for salary adjustments are advanced when the position is substantially below market or there is internal equity, compaction, and/or recruitment issues.

Table 4: FY 2020 Employee Contributions to Benefits

Benefit	Council	Appointed	Executives	Unrep.	HAME	IFPTE- Local 21	SEIU- Local 1021	POA/Police Management	1909/Fire Management
PERS	8%	13%	13%	11%	11%	11%	12.5%	15%	15%
Medical	30%	20%	20%	10%	10%	10%	0%	0%	0%
Dental	50%	20%	20%	20%	20%	20%	20%	0%	0%
Vision	0%	50%	50%	50%	50%	50%	50%	0%	0%

The Council also approved health and wellness reimbursements for all of the City's employee groups. This benefit is extended to employees in support of the City's healthy workplace strategy encouraging employees to pursue healthy lifestyle habits that potentially decrease absences and injuries. Appointed and Executives receive up to \$100 per month and all other groups receive up to \$50 per month to be used for eligible health and wellness expenses. The Mayor and Council do not currently receive this benefit.

Additionally, the Council approved a personal equipment stipend for the Council Appointed and Executive employees in the amount of \$450 and \$350 respectively. The stipend is to offset the costs associated with working remote, which is required for employees who are expected to routinely be responsive to the needs of the community and organization outside of normal business hours and on weekends. To support the career growth of managers and supervisors in the organization, members of HAME receive an annual reimbursement of up to \$500 for year and Local 21 members receive up to \$350 per year for professional development. This reimbursement covers costs including conference and training registration fees, memberships in professional organizations, subscriptions to trade magazines and associations, and electronic devices that assist eligible employees with accessing materials to promote professional growth. The Mayor and Council do not currently receive either of these benefits.

FISCAL IMPACT

This report is informational and there is no fiscal impact associated with it.

NEXT STEPS

The Budget and Finance Committee will make a recommendation to the Mayor and City Council on any proposed adjustments and Human Resources will work with Finance to implement the approved salary adjustments and support the City Manager's Office and City Attorney to update the Council Handbook to reflect any approved changes.

Prepared and Recommended by: Nina S. Collins, Director of Human Resources

Approved by:



Kelly McAdoo, City Manager