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Date: April 7, 2014

To: Civil Service Commission

From: Luz Morganti *Luz Morganti*
Senior Personnel Analyst

Subject: Progress Report - Salary Setting for the City and County of San Francisco Board of Supervisors for a Five (5) Year Cycle, Effective July 1, 2014 through June 30, 2019, in accordance with Charter Section 2.100

Background of Salary Setting for Member, Board of Supervisors

Historically, salary setting for the Board of Supervisors was the responsibility of the City and County of San Francisco voters. However, on November 5, 2002, the voters approved an amendment to the Charter making the position of Member, Board of Supervisors full-time and delegated salary setting to the Civil Service Commission.

The Civil Service Commission (Commission) first set the salary for the Board of Supervisors on May 19, 2003 for a one-year cycle beginning July 1, 2003 through June 30, 2004. At the Civil Service Commission meeting of May 17, 2004, the Commission set the salary for the Board of Supervisors at \$90,000 for a five (5) year cycle, effective July 1, 2004 through June 30, 2009. The Commission also acted to increase the salary for each fiscal year effective July 1, 2005 based on the CPI-U reported in January of each year and not to exceed 5%. In addition, the Commission directed that the salary will not decrease in the event the CPI-U falls below zero. (*Attachment A* is a historical chart of salary adjustments and reductions for the last ten (10) fiscal years)

Charter Section 2.100 - Composition and Salary

Charter Section 2.100 (*Attachment B*) directs the Commission to set the salary for the City and County of San Francisco Board of Supervisors. **The Charter requires that the Commission conduct and consider a salary survey of California cities and counties with full-time City Councils and County Supervisors**; transmit its salary determination to the Controller in a timely manner to ensure that funds are set aside and assure implementation; and the Commission may consider the Consumer Price Index (CPI) in its determination.

JENNIFER C. JOHNSTON
EXECUTIVE OFFICER

Salary Concessions

If the City and County of San Francisco and employee organizations agree to amend the compensation provisions of existing memoranda of understanding to reduce costs, the Commission shall review and amend the Supervisors' salary as necessary to achieve comparable costs savings in the affected fiscal year or years.

Consumer Price Index

Charter Section 2.100 also states that the Commission may consider the Consumer Price Index (CPI) in its determination. The Commission has the discretion to adjust the Board of Supervisor salary based on the CPI-U that is reported in January of each year to account for upward annual movement in the CPI-U during the prior year, setting increases up to a maximum of 5%. In addition, the Commission directed that the salary will not decrease in the event the CPI-U falls below zero.

The CPI for All Urban Consumers (CPI-U) includes wage earners and clerical worker households, groups such as professional, managerial, and technical workers, the self-employed, short term workers, the unemployed, and retirees and others not in the labor force. According to the United States Department of Labor, Bureau of Labor Statistics, the CPI-U is the most widely used measure of inflation. The index is used as a guide in making economic decisions and as a means for adjusting income payments. The Bureau also estimates that over two (2) million workers are covered by collective bargaining agreements which tie wages to the CPI.

When determining cost of living adjustments for Member, Board of Supervisors, the Commission considers the CPI-U for the San Francisco, Oakland and San Jose metropolitan area. The CPI-U change from December 2012 to December 2013 is a **2.6%** increase. (*Attachment C*)

Survey Data

California Government

California is divided into fifty eight (58) counties and contains four hundred eighty two (482) cities/municipalities. Of the fifty eight (58) counties, three (3) counties contain no incorporated cities: Alpine, Mariposa and Trinity.

Counties

There are forty nine (49) California counties that have full-time Board of Supervisors.

California counties serve a dual role to its residents in providing a vast array of municipal services and State services. The specific organizational structure of a county in California will vary from county to county. **The state constitution provides for three (3) classes of county government: general law, charter, or consolidated city and county (which must be a charter unit).** Within California, there are forty five (45) General Law counties which elect supervisors by district. The remaining twelve (12) Charter counties have the option of electing the Board of Supervisors at large or by district. Each county has five (5) Board of Supervisor members elected for four (4) year staggered terms, except for the City and County of San Francisco, which has eleven (11) Board of Supervisor Members and a Mayor.

City and County of San Francisco

In the Consolidation Act of 1856, San Francisco was established as a city and county, with coterminous boundaries, by the California State Legislature. Twelve (12) supervisory districts were created at that time. On November 5, 1996, the Charter was amended to provide for eleven (11) supervisory districts. **San Francisco is the only consolidated city-county in California. The government structure of San Francisco is that of a charter city and is constituted of two co-equal branches.** The executive branch is headed by the mayor and includes other citywide elected and appointed officials as well as the civil service. **San Francisco’s government structure is unique in that the mayor is also the county executive and the county Board of Supervisors acts as the city council. The eleven (11) member Board of Supervisors is the legislative branch and is headed by a president and is responsible for passing laws and budgets in addition to voter direct ballot initiatives to pass legislation.**

Cities

As of July 1, 2011 there were a total of four hundred eighty two (482) incorporated cities within the State of California which are governed by general law or charter. **Of the four hundred eight two (482) cities within California, only seven (7) have full-time Council Members.** Three hundred sixty one (361) cities are governed by general law. General law cities are bound by the state’s general law, regardless of whether the subject concerns a municipal affair. Government Code section 36501 authorizes general law cities to be governed by a city council of five members, a city clerk, a city treasurer, a police chief, a fire chief and any subordinate officers or employees as required by law. Whereas a charter city has supreme authority over “municipal affairs” and can provide for any form of government including the “mayor” and “city manager” forms.

Salary Survey of Member, Board of Supervisors & City Council Members

Salary information has been collected for the forty nine (49) counties and seven (7) cities within California that have full-time Member, Board of Supervisors and City Council Members. The data was obtained from County/City websites and/or by direct inquiry with County and/or City Human Resources Department staff, Clerks of the Board of Supervisors, or other county/city administrative staff.

Timeline

At the Commission Regular Meeting of May 19, 2014, a detailed staff report of the survey findings, salary analysis and recommendations to set the base salary for the City and County of San Francisco Member, Board of Supervisors will be presented.

CSC Meeting	Activity
December 16, 2013 ✓	Presentation of preliminary work plan; outline of Civil Service Commission responsibilities.
April 7, 2014	Progress report.
May 19, 2014	Presentation of salary survey findings & recommendation at the Civil Service Commission Regular Meeting; Commissioners make decision & set base salary; forward salary decision/notice of action to the Controller for inclusion in the FY 2014-15 budget.

Recommendation: Accept the Report.

Board of Supervisors History of Salary Adjustments and Reductions

Salary Adjustment & Reduction for Fiscal Year 2009-10

The Commission acted to *reduce 2.45% of the salaries* for Member, Board of Supervisors for Fiscal Year 2009-10. The 2.45% reduction was the weighted average in wage concessions made by employee organizations for FY 2009-10.

Salary Adjustment & Reduction for Fiscal Year 2010-11

Salary increase of 2.6% based on the CPI-U was processed first prior to implementation of reduction of salary. In Fiscal Year 2010-11, employee organizations and the City reached 2-year concession agreements effective July 1, 2010. For Fiscal Year 2010-11, the weighted average was 4.62%; and *salaries were reduced 4.62%*. The Commission acted to *reduce 4.62% of the salaries* for Member, Board of Supervisors for Fiscal Year 2010-11.

Salary Adjustment & Reduction for Fiscal Year 2011-12

Salary increase of 1.5% based on the CPI-U was processed first prior to implementation of reduction of salary. Fiscal Year 2011-12 was the 2nd year of agreed wage concessions. The second year weighted average was 4.16%. The Commission acted to *reduce 4.16% of the salaries* for Member, Board of Supervisors for Fiscal Year 2011-12.

Salary Adjustment for Fiscal Year 2012-13

The Commission acted to increase salaries by 2.9% based on the CPI-U.

Salary Adjustment for Fiscal Year 2013-14

The Commission acted to increase salaries by 2.2% based on the CPI-U.

Fiscal Year	CPI-U Change/Reductions	Annual Salary
July 1, 2004 - June 30, 2005	Set 5-Year Base**	\$90,000
July 1, 2005 – June 30, 2006	1.2% Increase	\$91,080
July 1, 2006 – June 30, 2007	2.0% Increase	\$92,902
July 1, 2007 – June 30, 2008	3.2% Increase	\$95,875
July 1, 2008 – June 30, 2009	3.3% Increase	\$98,660
July 1, 2009 – June 30, 2010	Set 5-Year Base** 0% Increase	<i>base - \$98,660</i>
<i>MOU concessions per Charter*</i>	2.45% Reduction	\$96,243
July 1, 2010 – June 30, 2011	2.6% Increase	<i>\$101,225</i>
<i>MOU concessions per Charter*</i>	4.62% Reduction	\$96,549
July 1, 2011 – June 30, 2012	1.5% Increase	<i>\$102,743</i>
<i>MOU concessions per Charter*</i>	4.16% Reduction	\$98,469
July 1, 2012 – June 30, 2013	2.9% Increase	\$105,723
July 1, 2013 – June 30, 2014	2.2% Increase	\$108,049

City and County of San Francisco Charter

SEC. 2.100. COMPOSITION AND SALARY

The Board of Supervisors shall consist of eleven members elected by district.

The office of Board of Supervisors member is a full time position. The Civil Service Commission shall set the Supervisors' salary once every five years. Before the Commission determines the Supervisors' salary, it shall conduct and consider a salary survey of other full time California City Councils and County Boards of Supervisors and it may consider the Consumer Price Index (CPI).

The Civil Service Commission shall timely transmit its determination of the Supervisors' salary to the Controller, so that funds can be set aside for that purpose. The Controller shall include the Civil Service Commission's determination in appropriate budget documents to insure implementation. This determination may not be changed except by the Civil Service Commission.

The Civil Service Commission shall establish dates for an appropriate five-year cycle for making the determinations required by this Section, in order to efficiently coordinate with City budget processes and related procedures. In order to institute this five-year cycle the initial determination may be for less than a five-year period, as determined by the Civil Service Commission.

If the City and employee organizations agree to amend the compensation provisions of existing memoranda of understanding to reduce costs, the Civil Service Commission shall review and amend the Supervisors' salary as necessary to achieve comparable cost savings in the affected fiscal year or years.

The provisions of this Section shall apply, notwithstanding any other provision of this Charter. (Amended November 1996; June 1998; November 2002)

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SAN FRANCISCO-OAKLAND-SAN JOSE

Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

01/15/14

YEAR	SEMIANNUAL												ANNUAL AVERAGE		
	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC		1ST HALF	2ND HALF
1994	147.5	147.4	148.2	148.0	148.3	148.1	148.9	149.4	149.4	149.4	149.8	149.4	147.9	149.4	148.7
1995	150.3	150.5	151.1	151.5	151.3	151.7	151.5	151.6	152.3	152.6	152.4	152.6	151.1	152.1	151.6
1996	152.9	153.2	152.9	153.9	155.1	155.2	155.9	155.6	156.3	156.9	156.9	156.9	153.9	156.3	155.1
1997	157.0	157.9	159.2	159.6	159.8	160.0	160.6	161.2	161.6	162.5	162.6	162.5	158.9	161.9	160.4
1998	163.2	163.2	164.6	164.6	165.5	165.5	166.6	167.2	167.2	167.2	167.4	167.4	164.2	166.9	165.5
1999	169.4	169.4	172.2	172.2	171.8	171.8	173.5	174.5	175.2	175.2	174.5	174.5	170.8	174.2	172.5
2000	176.5	176.5	178.7	178.7	179.1	179.1	181.7	183.4	183.4	183.4	184.1	184.1	177.7	182.6	180.2
2001	187.9	187.9	189.1	189.1	190.9	190.9	191.0	191.7	191.7	191.7	190.6	190.6	188.7	191.1	188.8
2002	191.3	191.3	193.0	193.0	193.2	193.2	193.6	194.3	194.3	194.3	193.2	193.2	192.3	193.7	193.0
2003	197.7	197.7	197.3	197.3	196.3	196.3	196.3	196.3	196.3	196.3	195.3	195.3	196.8	196.1	196.4
2004	198.1	198.1	198.3	198.3	199.0	199.0	198.7	198.7	198.7	198.7	199.5	199.5	198.2	199.5	198.8
2005	201.2	201.2	202.5	202.5	201.2	201.2	203.0	203.0	203.0	203.0	203.4	203.4	201.5	203.9	202.7
2006	207.1	207.1	208.9	208.9	209.1	209.1	210.7	210.7	210.7	211.0	210.4	210.4	207.9	210.6	209.2
2007	213.688	213.688	215.842	215.842	216.123	216.123	216.240	216.240	216.240	217.849	218.485	218.485	214.736	217.361	216.048
2008	219.612	219.612	222.074	222.074	225.181	225.181	225.411	225.411	225.411	225.824	218.528	218.528	221.730	223.804	222.767
2009	222.166	222.166	223.854	223.854	225.692	225.692	225.801	225.801	225.801	226.051	224.239	224.239	223.305	225.464	224.395
2010	226.145	226.145	227.697	227.697	228.110	228.110	227.854	227.854	227.854	228.107	227.658	227.658	226.994	227.944	227.469
2011	229.981	229.981	234.121	234.121	233.646	233.646	234.608	234.608	234.608	235.331	234.327	234.327	232.062	234.698	233.390
2012	236.880	236.880	238.985	238.985	239.806	239.806	241.170	241.170	241.170	242.834	239.533	239.533	238.099	241.201	239.650
2013	242.677	242.677	244.675	244.675	245.935	245.935	246.072	246.072	246.072	246.617	245.711	245.711	243.894	241.201	245.023

Table of over-the-year percent increases. An entry for Feb. 2006 indicates the percentage increase from Feb. 2005 to Feb. 2006.

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	1ST HALF	2ND HALF	ANNUAL AVERAGE
1995	1.9	2.1	2.0	2.4	2.0	2.4	1.7	1.4	1.9	2.1	1.7	1.8	2.2	1.8	2.0
1996	1.7	1.8	1.2	1.6	2.5	2.3	2.9	2.7	2.6	2.8	3.0	2.6	1.9	2.8	2.3
1997	2.7	3.1	4.1	3.7	3.0	3.1	3.0	3.6	3.4	3.6	3.6	4.2	3.2	3.6	3.4
1998	3.4	3.4	3.1	3.1	3.4	3.4	3.0	3.3	3.4	2.9	2.9	3.0	3.3	3.1	3.2
1999	3.8	3.8	4.6	4.6	3.5	3.5	4.1	4.7	4.7	4.8	4.8	4.2	4.0	4.4	4.2
2000	4.2	4.2	3.8	3.8	4.2	4.2	4.7	4.7	4.5	4.7	5.5	5.5	4.0	4.8	4.5
2001	6.5	6.5	5.8	5.8	6.6	6.6	5.1	5.1	4.5	4.5	3.5	3.5	6.2	4.7	5.4
2002	1.8	1.8	2.1	2.1	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.9	1.4	1.6
2003	3.3	3.3	2.2	2.2	1.6	1.6	1.4	1.4	1.0	1.0	1.1	1.1	2.3	1.2	1.8
2004	0.2	0.2	0.5	0.5	1.4	1.4	1.2	1.2	2.0	2.0	2.2	2.2	0.7	1.7	1.2
2005	1.6	1.6	2.1	2.1	1.1	1.1	2.2	2.2	2.8	2.8	2.0	2.0	1.7	2.2	2.0
2006	2.9	2.9	3.2	3.2	3.9	3.9	3.8	3.8	2.5	2.5	3.4	3.4	3.2	3.3	3.2
2007	3.2	3.2	3.3	3.3	3.4	3.4	2.6	2.6	3.3	3.3	3.3	3.8	3.3	3.2	3.3
2008	2.8	2.8	2.9	2.9	4.2	4.2	4.2	4.2	3.6	3.6	0.0	0.0	3.3	3.0	3.1
2009	1.2	1.2	0.8	0.8	0.2	0.2	0.2	0.2	0.1	0.1	2.6	2.6	0.7	0.6	0.7
2010	1.8	1.8	1.7	1.7	1.1	1.1	1.0	1.0	0.9	0.9	1.5	1.5	1.7	1.1	1.4
2011	1.7	1.7	2.8	2.8	2.4	2.4	2.9	2.9	3.2	3.2	2.9	2.9	2.2	3.0	2.6
2012	3.0	3.0	2.1	2.1	2.6	2.6	2.8	2.8	2.2	2.2	2.2	2.2	2.6	2.8	2.7
2013	2.4	2.4	2.0	2.0	2.6	2.6	2.0	2.0	1.6	1.6	2.6	2.6	2.4	2.8	2.2