



CITY OF
HAYWARD
HEART OF THE BAY

4B

DATE: April 21, 2009
TO: Mayor and City Council
FROM: City Manager
SUBJECT: Resolution to Immediately Implement a 5% Reduction in Compensation for the Mayor and the City Council through June 30, 2010.

RECOMMENDATION

That Council adopts the attached Resolution immediately implementing a 5% decrease in Mayor and Council compensation through June 30, 2010.

BACKGROUND

The City is in the middle of a financial emergency with a severe reduction in revenue. The City has taken several major steps to reduce costs and assure that the City operates within a balanced budget. Council directed staff to bring forward a plan to reduce Mayor and Council compensation consistent with actions being taken by all of the City's employee groups.

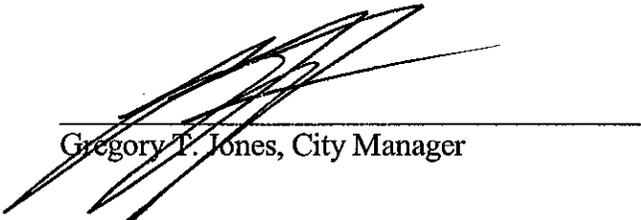
DISCUSSION

The Hayward Municipal Code (Code) Section 2 -1.10 outlines the compensation for the Mayor and Council. The Code allows for an annual increase in compensation for Mayor and Council equivalent to the Bay Area CPI as of June of each year, not to exceed 5%. In addition, Mayor and Council receive the same deferred compensation benefit as unrepresented management employees. Over the past five years, the Mayor and Council have foregone all increases in compensation otherwise allowed by the code.

Mayor and Council now want to further contribute to reducing the City's budget deficit in the same manner and to the same degree as all other City employees. Therefore, staff recommends that Mayor and Council accept a 1.6% reduction in salary and reduce their deferred compensation from 3.4% to zero through June 30, 2010, and effective immediately. This is equivalent to an overall 5% reduction in compensation and consistent with the reductions in compensation taken by other employees for the same period.

FISCAL IMPACT

The savings accumulated as a result of Mayor and Council not increasing their compensation over the last five years equals \$87,000. The value of the savings represented by the reduction plan described above is approximately \$10,000.



Gregory T. Jones, City Manager

Attachment: Draft Resolution

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward