

DATE: June 22, 2010

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Resolution to Implement a Five Percent (5%) Reduction to Salary and Benefits in FY 2011 for the Mayor and City Council Members

RECOMMENDATION

Per the previous direction of Mayor and Council, staff has prepared the attached Resolution to reduce the FY 2011 salaries and benefits of elected City officials for a total of a five percent decrease in compensation consistent with all other City employees for FY 2011. If the wording and presentation is acceptable to Mayor and Council, staff recommends adoption of the attached resolution.

DISCUSSION

The Hayward Municipal Code (Code) Section 2-1.10 outlines the compensation for members of the City Council including the Mayor. The Code allows for an increase equivalent to the Bay Area CPI as of June of each year, not to exceed five percent. The Council and Mayor also receive the same deferred compensation benefit as unrepresented employees. The Mayor and Council have foregone these increases over the past six years.

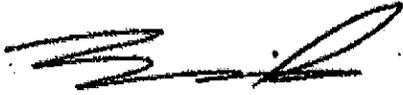
The Mayor and Council plan to contribute to cost savings for FY 2011 through a five percent reduction in salary and benefits. Similarly, if a reduction is needed in FY 2012, Mayor and Council have indicated that they would continue their leadership by participating in the needed reductions for that year as well according to the need defined during the FY 2012 budget development process.

FISCAL IMPACT

Over the past six years, the Mayor and Council have foregone all increases in compensation, as set forth in the Code. The savings accumulated over these past six years totals approximately \$98,000. The amount of savings generated for the five percent reduction for FY 2011 is approximately \$11,000.

Prepared by: Frances M. Robustelli, Director of Human Resources

Approved by:

A handwritten signature in black ink, appearing to read 'F. David', written over a horizontal line.

Fran David, City Manager

Attachment: Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AMENDING SALARIES AND BENEFITS FOR
THE MAYOR AND CITY COUNCIL THROUGH JUNE 30,
2011

WHEREAS, the City of Hayward's Mayor and City Council are compensated in accordance with Hayward Municipal Code Section 2-1.10; and

WHEREAS, as part of the City's effort to balance the budget, the Mayor and City Council wish to continue the reduction of their salaries and benefits by a total of five (5) percent.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hayward hereby reduces the salaries and benefits of the Mayor and the City Council in an amount equivalent to five percent of annual salary for FY 2011, to be implemented beginning the first pay period of the fiscal year through the pay period including June 30, 2011.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2010

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward