MEASURE O
CITY OF RICHMOND

Shall the ordinance to amend the Richmond Municipal Code requiring the City Manager to publicize compensation paid to exempt City service officials and employees, obligating the City Council to set annual compensation for City exempt service officials and employees and prohibiting the City Council from compensating the City Manager in excess of five times the median household income for the City be adopted?

CITY COUNSEL’S IMPARTIAL ANALYSIS OF MEASURE O

Current Law

Under the Richmond Charter, the City Council establishes the amount of compensation for City officials and employees. For most City employees (members of the “classified civil service”), the Charter requires that the City Council adopt a “comprehensive compensation plan” that sets rates of pay, with consideration given to the rates of pay provided by other area employers for the same type of work, the cost of living, and the City’s financial condition. This compensation plan is subject to collective bargaining with recognized employee organizations.

The City Council has additional discretion in setting the compensation of “exempt employees.” For example, the City Council could consider, among other factors, the employee’s experience, performance, number of years with the City, and education. The compensation paid to exempt employees is sometimes contained in an employment contract between the City and the exempt employee.

There is no explicit requirement in City law requiring that the City Council formally adopt a resolution setting the compensation of exempt employees, or that their compensation be publicized.

Measure O

Measure O has been placed on the ballot by a voter initiative petition. Measure O would make the following changes to the Richmond Municipal Code.

First, Measure O would require the City Manager to publicize compensation (including pension, health, or any other financial benefit) paid to all exempt City service officials and employees in the preceding and current calendar year.

Second, Measure O would require the City Council to periodically adopt a resolution setting the annual compensation (including pension, health, or any other financial benefit) paid to all exempt officials and employees.

Third, Measure O would prohibit the City Council from setting or agreeing to pay annual compensation (including pension, health, or any other financial benefit) to the City Manager an amount that would exceed five times the most currently reported median household income for the City, as provided by the most current U.S. Census Bureau information. Measure O also states that it is not intended to invalidate or interfere with an employment contract executed before the Measure is adopted.

FINANCIAL ANALYSIS OF MEASURE O

Because there is an existing contract with the current city manager, the measure would have no financial impact until termination or expiration of this contract. The existing contract with the current city manager expires on February 14, 2020. It is difficult to accurately project the financial impact in 2020 because it is dependent on Richmond’s median income and costs for pension, health and related benefit at that time. Based on the current (2016) median income, and current total costs of benefits, the maximum base salary for the city manager upon termination of the existing contract would be approximately $180,000, representing an approximate 35% reduction from the current base salary.

Belinda Warner
Finance Director
City of Richmond
ARGUMENT IN FAVOR OF MEASURE O

Measure O will expose the compensation paid to high-level officials in the City of Richmond and impose a sensible limit on the compensation paid to the City Manager. It will require the City to continuously publicize the compensation paid to all City exempt service officials and employees, including all officers elected by the people; all members of the several boards; the City Manager; the Clerk; the City Attorney and his legal assistants; and persons employed to render professional, scientific, technical or expert service of an occasional and exceptional character. It will require the City Council to set, by resolution, annual compensation levels for exempt officials and employees. It will prohibit the City Council from paying or agreeing to pay the City Manager more than five times the median household income for Richmond. Based on recent figures, City officials and employees earned a median salary of approximately $100,000 in 2013, almost double the median household income of Richmond residents. The City Manager receives roughly seven times more than the median household income of Richmond residents in the form of salary and benefits. This is also approximately three times the salary and benefits of the Governor of the State of California. The City Manager is paid even more than city managers in surrounding cities with larger populations, including Antioch, Concord, Walnut Creek, Berkeley, Stockton, and Sacramento. Based on public data, City officials and employees received raises as City agencies ran up debt.

A “YES” vote on Measure O means that you support more transparency in City compensation, you want to obligate the City Council to vote on employee compensation, and you want to prohibit the City Council from setting the City Manager’s salary at more than five times the median household income for Richmond residents.

Fritz Kunze, Measure O Proponent

ARGUMENT AGAINST MEASURE O

Community Leaders Agree – Vote No on O.

It’s a Developer’s Political Ploy

What do two mayors, the Richmond business community, the Contra Costa Central Labor Council and hundreds of community leaders have in common? They all oppose Measure O. The measure is a political ploy by developer Richard Poe— the very same developer pushing the Richmond Riviera scheme. He is trying to punish the City Manager for enforcing the law and making him go through the public process. Instead of going through the standard review process like everyone else, Poe created his own ballot measure to approve the Richmond Riviera project.

There are other reasons to oppose Measure O.

The current City Manager has done a good job helping the city cut the crime rate and guided the city through the Great Recession, helping Richmond dig itself out of a deep financial hole. In order to keep talented people in our city, we need to be able to keep pace with pay for comparable positions.

Another reason to vote against the measure is that it is not just about the City Manager today—it is about all City Managers in the future. The measure will limit Richmond’s ability to attract new talent for vital leadership positions. Despite the fact that Richmond has the fourth lowest median household income of any city in the Bay Area, we still have to compete with hundreds of cities to recruit individuals to fill the City Manager position.

The City Manager is responsible for overseeing every aspect of our city. This job is too important to be manipulated by a big developer—who is more interested in personal profit than the good of Richmond. Vote NO on Measure O.

Tom Butt, Mayor
Gayle McLaughlin, Councilmember and former Mayor
REBUTTAL TO THE ARGUMENT IN FAVOR OF MEASURE O

Ballot Box Management is BAD, Political Retribution is Worse – Vote No on O

Things are going in the right direction in Richmond, why would we change course now? Yes, there is a lot to do – but overall, Richmond is moving forward. The state of the city can be attributed, in large part, to the oversight of the City Manager. While we as mayors help lead the city, the City Manager is responsible for managing the day-to-day operations of the City of Richmond.

We support the City Manager and oppose attempts, like Measure O, that undercut him.

Measure O directly interferes with an existing employment contract and the right of the voters’ elected representatives – the City Council – to negotiate the terms of the contract. Further, Measure O will limit future councils in their ability to attract and retain high-quality, talented city personnel.

While ballot box management is bad, what’s worse is that Measure O is politically motivated. The City Manager forced out-of-town developer Richard Poe to follow the public process for his so called “Richmond Riviera” development scheme. He didn’t like that, so he created Measure N and Measure O.

Richmond shouldn’t get pushed around by an out-of-town developer or any other special interest that is more concerned with personal profit than public good.

Join us in voting No on O.

Tom Butt, Mayor
Irma L. Anderson, Former Councilmember and former Mayor

REBUTTAL TO THE ARGUMENT AGAINST MEASURE O

Of course City officials oppose a measure restricting compensation for City officials. They claim that “hundreds of community leaders” oppose Measure O. Who are these people, other City officials concerned about their own compensation?

Mayor Butt and Councilmember McLaughlin got a few things wrong. Richmond has not dug itself out of a deep financial hole; Richmond’s deficit is estimated to exceed $23,000,000 by 2021. A state auditor recently put Richmond on a list of municipalities most at risk for waste, fraud, abuse and mismanagement. Richmond was one of only two municipalities (out of 400!) to fail all five risk criteria. We need to do something about this problem before it’s too late. Do something: VOTE “YES” ON MEASURE O.

Claiming that a compensation of SEVEN TIMES the median income of Richmond’s citizens is necessary to attract a good City Manager is baseless. The Governor doesn’t even make that much, and plenty of people are lining up every cycle for that job! Larger cities like Antioch, Concord, and Sacramento don’t pay their City Managers as much as Richmond; they still attract talented managers and have much better finances than Richmond.

Measure O is not a political ploy. It is not funded by Richard Poe, and I am not a big developer. I am simply a Richmond resident and taxpayer who is concerned about the financial health of our city and about how our city uses our tax dollars. Stand with me for the future of Richmond. VOTE “YES” ON MEASURE O.

Fritz Kunze, Measure O Proponent