



Office of the City Manager

CONSENT CALENDAR
March 9, 2021

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Mark Numainville, City Clerk
Subject: Referral Response: Commission Low-Income Stipend Reform

RECOMMENDATION

Adopt a Resolution adjusting the qualifying annual household income to the Alameda County 50% Area Median Income (AMI) for a three-person household for stipend and reimbursement in lieu of expenses for members of certain Boards, Commissions, and Committees, increasing the stipend to \$100 per meeting with an annual Consumer Price Index (CPI) inflator, and rescinding Resolution No. 64,831-N.S.

FISCAL IMPACTS OF RECOMMENDATION

Based on responses from commission secretaries for 2019, there are currently 9 Commissioners that qualify for and claim the low-income stipend, for an annual cost of approximately \$2,480. With an increase in the qualifying annual income and an increase in per-meeting stipend from \$40 to \$100, it is anticipated that there will be an increase of eligible recipients. The total cost of increasing the stipend is estimated at \$35,000. This estimate assumes approximately 35 members of Council-appointed board, commissions, committees, task forces, and joint subcommittees qualify and apply for the proposed stipend. Stipends are paid for with funds from multiple funds.

As resources have not been appropriated for this proposed increase in FY 2021, if the attached Resolution is adopted by City Council, city staff will submit a budget request so that the new stipend can take effect as soon as July 1, 2021 upon adoption of the Fiscal Year 2022 budget. If resources are not available in the FY 2022 budget for the proposed increase in the stipend, city staff will work with the City Council to identify funding opportunities in subsequent funding cycles.

CURRENT SITUATION AND ITS EFFECTS

This report responds a referral that originally appeared on the agenda of the December 1, 2020, Council meeting and was authored by Councilmember Robinson. Councilmember Robinson recommended increasing the annual household income cap to 50% of Area Median Income (AMI) for Alameda County and adjust it based on each commissioner's household size, with an annual update. The recommendation also included increasing the stipend to \$78 per meeting and updating it annually with the Berkeley minimum wage.

Staff research found that the qualifying income rate of \$20,000 has not been adjusted since 1991 and the stipend amount was last increased to \$40 in the year 2000.

Proposed Formula

Staff’s recommendation is to use 50% of the median household income for a three-person household in Alameda County as the cap to qualify for the low-income stipend and reimbursement. Setting the qualifying amount at a single threshold for all commissioners will make the program easier to administer for both commissioners and city staff. The three-person median household income for Alameda County was used for setting the Mayor’s salary in the Charter amendment approved by voters in November 2020. The current (2020) AMI for a three-person household in Alameda County is \$117,500. Fifty percent of that figure is \$58,750 as shown in the chart below.

Persons in Household	Annual Income Extremely Low (30%)	Annual Income Very Low (50%)	Annual Low Income (80%)	Annual Income Median (100%)
3	\$35,250	\$58,750	\$94,000	\$117,500

The Councilmember’s proposed stipend amount of \$78 was based on minimum wage rates. Applying the \$40/\$20,000 ratio of .002 to the \$58,750 qualifying threshold resulted in a stipend of \$118. The Police Accountability Board and Independent Redistricting Commission both have their compensation for Commissioners set at \$100 per meeting, with an annual increase based on CPI. Staff is recommending that for consistency, the low-income stipend amount be set at \$100 per meeting, not to exceed four meetings per month.

If the Council adopts the new stipend formula resolution, there will be associated changes made to the implementing Administrative Regulation (AR 3.2), and additional updates to account for the transition from FUND\$ to ERMA.

BACKGROUND

On July 25, 1974, Council adopted Resolution No. 46,721-N.S., authorizing reimbursement in lieu of actual expense paid or incurred by members of certain boards, commissions and committees, and authorizing payment of actual expenses under certain terms and conditions. The qualifying annual household income was capped at \$12,000 per year and the meeting reimbursement set at \$7.50 per meeting with a maximum of \$15.00 per month.

On October 1, 1991, Council adopted Resolution No. 56,110-N.S., authorizing an increase to \$20,000 for the maximum annual household income and the per meeting stipend to \$20, not to exceed two meetings per month.

On April 11, 2000, Council adopted Resolution No. 60,505-N.S., increasing the per meeting stipend to \$40, not to exceed two meetings per month. Resolution No. 64,831-N.S., adopted April 20, 2010, increased the meetings per month eligible for reimbursement to four.

Each commission secretary is responsible for submitting a reimbursement request on a quarterly basis, and the reimbursements are funded through individual department budgets.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

As part of Measure JJ that was approved by Berkeley voters on November 3, 2020, the three-person Alameda County AMI was used to set the Mayor's salary. For consistency, the low-income eligibility cap to qualify for the proposed new stipend was set at 50% of AMI as well. Additionally, the per-meeting stipend is recommended at \$100 per meeting to maintain consistency with the Police Accountability Board and Independent Redistricting Commission.

ALTERNATIVE ACTIONS CONSIDERED

Council could choose to use a different size household for the area median income, a different percentage, or set the stipend at a rate lower than the comparison commissions, while still increasing the amount from its current rate. Council could also choose to take no action or defer taking action until a later date.

CONTACT PERSON

Mark Numainville, City Clerk, (510) 981-6900

Attachments:

- 1: Resolution
- 2: Original Referral Report from December 1, 2020

RESOLUTION NO. ##,###-N.S.

AUTHORIZING REIMBURSEMENT IN LIEU OF ACTUAL EXPENSES PAID OR INCURRED BY MEMBERS OF CERTAIN BOARDS, COMMISSIONS, COMMITTEES, TASK FORCES, AND JOINT SUBCOMMITTEES, AND AUTHORIZING PAYMENT OF ACTUAL EXPENSES UNDER CERTAIN TERMS AND CONDITIONS AND RESCINDING RESOLUTION NO. 64,831-N.S. AND ALL AMENDMENTS

WHEREAS, it is in the public interest to remove barriers from citizen participation on boards, commissions and committees of the City of Berkeley; and

WHEREAS, the Council of the City of Berkeley finds and determines that it is in the public interest to alleviate this hardship by reimbursing and paying certain minimum allowances for expenses incident to attending official meetings of said bodies; and

WHEREAS, such allowances are determined to be in lieu of actual expenses paid or incurred by said members, except in the case of actual expenses incurred for child care and actual expenses incurred by a member who must employ a paid attendance to provide care for a dependent elderly person while he or she attends meetings; and

WHEREAS, the Council of the City of Berkeley finds and determines that it is in the public interest to reimburse for these support costs when they create an economic hardship for disabled members of boards, commissions and committees; and

WHEREAS, Resolution No. 64,831-N.S., known as the Stipend Resolution, is being rescinded and readopted to change the qualifying household income cap to 50% of Annual Median Income (AMI) for a three-person household in Alameda County, increase the per meeting stipend to \$100 per month, and reaffirm the current policy and procedures.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley as follows:

Section 1. ELIGIBILITY OF BOARDS, COMMISSIONS, COMMITTEES, TASK FORCES AND JOINT SUBCOMMITTEES

This resolution shall apply to members of Council-appointed boards, commissions and committees, and temporary task forces and joint subcommittees established by Council (collectively "Eligible Recipients"). Payments in lieu of expenses for other than members of Council-appointed boards, commissions, committees, task forces and joint subcommittees, shall be addressed as part of the Council's budgetary process.

Section 2. ANNUAL STATEMENT OF ELIGIBILITY

Eligible recipients desiring said payments shall file annually with the secretary of the board, commission, committee, task force, or joint subcommittee ("secretary"), a statement certifying that their family income for the preceding year was below the limits specified in Section 3.

Eligible recipients listed as dependents on their family's Federal Income Tax, shall file annually with the secretary, a parental statement certifying that the family income for the preceding year was below the limits specified in Section 3.

Section 3. FINANCIAL LIMITATIONS ON ELIGIBILITY

Those eligible recipients whose family gross income as filed jointly for Federal Income Tax purposes is below the Alameda County 50% Area Median Income (AMI) for a three-person household per year shall be entitled to receive payments as set forth in section 5.

When an eligible recipient becomes aware that their annual family income has or will exceed the Alameda County 50% AMI for a three-person household, that member shall immediately notify the secretary, and request that their eligibility to receive payments be cancelled.

When an eligible recipient whose family income for the preceding year was more than the Alameda County 50% AMI for a three-person household finds that their family income for the current year will be below the Alameda County 50% AMI for a three-person household, they may file a certified declaration with the secretary describing the general circumstances which have occurred that resulted in the lower income. Such certified declaration shall make the person again eligible for payments pursuant to Section 5 of this Resolution.

Section 4. DISABLED SUPPORT

Eligible recipients who are disabled and whose incomes fall within the limitations set forth in Section 3, qualify for reimbursement for the costs of readers to help in reviewing written materials in the meeting packets, for attendants to accompany members to meetings, and other support costs that are required in order to allow such disabled members to participate fully in meeting deliberations.

Disabled eligible recipients desiring reimbursement for these costs, will file in addition to the statement of eligibility set forth in Section 2, a statement with the secretary that certifies the support services that the member requires in order to participate fully. If the member's needs change, they will immediately notify the secretary. Otherwise, the statement certifying the need for support services will continue to be in effect for the duration of the eligible recipient's term of appointment.

Section 5. REIMBURSEMENT

Eligible recipients are authorized to receive \$100 for each official meeting attended, not to exceed four meetings each month and reimbursement for actual expenses incurred upon presentation of a receipt from the person(s) providing the following services:

- a) Child care expenses incurred by a member while they attend meetings;
- b) Expenses incurred by a member who must employ a paid attendant to provide care for a dependent elderly person while they attend meetings;
- c) Expenses incurred by a disabled member who requires support services in order to participate fully on board, commission or committee meetings.

An "official meeting" is defined as a duly noticed, properly agendized, regular or special meeting of the full board, commission, or committee.

For a meeting that is cancelled, claims may only be submitted if it is for a meeting where the attendees and secretary believed that the meeting would proceed as scheduled, and for which eligible recipients and the secretary actually showed up and waited a reasonable period beyond the meeting start time for the quorum to be met before canceling.

The \$100 stipend amount shall be annually adjusted by the Bay Area Consumer Price Index.

Additionally, eligible recipients requesting reimbursement for child care expenses, a paid attendant for elderly care, or expenses incurred for support services as a disabled member, are subject to AB 1234. State law AB 1234 requires completion of an online ethics training course within one year of the first day of service, and every two years thereafter.

The ethics course is available at no cost online on the FPPC website. Upon completion of the course, a printed and signed certificate of participation must be filed with the secretary in order to be eligible for reimbursement,

Section 6. CLAIMS

Claims for reimbursement in lieu of actual expenses paid or incurred shall be filed with the secretary. Said secretary shall process the claim for payment pursuant to procedures established by City Administrative Regulation 3.2 and as amended by the City Manager.

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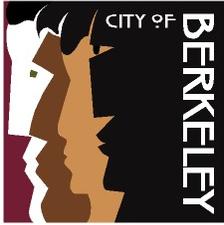
Section 7. REIMBURSEMENT NOT SUBJECT TO FINANCIAL LIMITATIONS

- A. Human Welfare and Community Action Commission. The Human Welfare and Community Action Commission provides for alternate representatives of the poor to be elected or appointed when a vacancy occurs. Alternate representatives of the poor shall be eligible for stipend payments when serving in place of the principal member.

- B. Commission on Disability. Pursuant to Berkeley Municipal Code Section 3.66.040, low income status for members of the Commission on Disability is not a prerequisite for reimbursement of attendant care expenses.

BE IT FURTHER RESOLVED that the new stipend rate and qualifying threshold shall take effect upon the date which City Council appropriates resources in the General Fund for the increase in the stipend, but no earlier than July 1, 2021.

BE IT FURTHER RESOLVED that Resolution No. 64,831-N.S. and all amending resolutions are hereby rescinded upon the date the new stipend rate and qualifying threshold take effect.



Rigel Robinson
Councilmember District 7

REVISED AGENDA MATERIAL

Meeting Date: December 1

Item Number: 28

Item Description: Referral: Commission Low-Income Stipend Reform

Submitted by: Councilmember Rigel Robinson

Non-substantive edit deleting the phrase “to correspond to compensation for 2.5 hours of work” from the recommendation language.



CONSENT CALENDAR
December 1, 2020

To: Honorable Mayor and Members of the City Council
From: Councilmember Robinson
Subject: Referral: Commission Low-Income Stipend Reform

RECOMMENDATION

Refer to the City Manager to develop and return to Council with a plan to improve equity, accessibility, and representation in City of Berkeley commissions by modernizing the low-income stipend program, and in doing so consider:

1. Increasing the annual household income cap for stipend eligibility from \$20,000 to align with the 50% Area Median Income (AMI) guidelines for Alameda County and reflect household size, and updating it annually with the latest HUD data.
2. Increasing the low-income stipend from \$40 to \$78 per meeting, and updating it annually with the City of Berkeley minimum wage.

Deleted: to correspond to compensation for 2.5 hours of work

CURRENT SITUATION

Under current policy, a City of Berkeley commissioner qualifies for the low-income stipend if their combined household income is under \$20,000. The income cap does not take household size into account. The Council last updated the stipend policy in April 2010, via Resolution No. 64,831–N.S.

An eligible commissioner is authorized to receive:

- \$40 for each official meeting attended, not to exceed four meetings each month.
- Reimbursement for actual childcare expenses incurred while they attend meetings.
- Reimbursement for actual expenses paid to an attendant to provide care for a dependent elderly person while the commissioner attends meetings.
- Reimbursement for actual expenses incurred for disabled support services necessary to participate fully in board, commission, or committee meetings.

If a commissioner is paid \$600 or more in stipend payments in one calendar year, an IRS Form 1099 will be generated by the Finance Department.

To establish eligibility, commissioners must file the Annual Declaration form, found in Appendix H of the Commissioner's Manual, with the secretary of their board, commission, or committee. Commissioners must file a new declaration form annually prior to May 31 in order to maintain eligibility. Commissioners who are minors (under 18

years old) must have eligibility declaration forms cosigned by a parent or legal guardian attesting that the combined household income is under \$20,000.

Pursuant to Berkeley Municipal Code Section 3.32.060, Police Review Commissioners receive \$3 per hour for their time and work investigating complaints, reviewing policies and practices, and attending meetings, for a maximum compensation of \$200 per month.

BACKGROUND

The City of Berkeley has over 35 boards and commissions, which reflects the high level of political participation from its residents. The work that these commissioners carry out is invaluable to the City Council and Berkeley at large, providing expertise and in-depth policy recommendations on a wide range of subjects that the Council would otherwise only be capable of giving cursory attention to.

Outside of the regularly scheduled meetings that low-income commissioners are compensated for, extended work hours are almost always necessary. A commissioner's financial situation should not act as a barrier to civic engagement in any capacity. This referral seeks to make commission roles more accessible by expanding stipend eligibility and implementing a cost of living adjustment.

Expanding Stipend Eligibility

The \$20,000 income cap for stipend eligibility has not been adjusted in recent memory, despite inflation and cost of living skyrocketing in Berkeley and the greater Bay Area.

According to 2019 data from the U.S. Department of Housing and Urban Development (HUD), the median income in Alameda County for a household of four is \$111,700. This means that a family of four making \$61,950 is classified as "very low-income" and is eligible for Section 8 housing. Even a commissioner in a one-person household making \$26,050, which HUD considers "extremely low-income" at 30% AMI, would not qualify for the low-income stipend with the current criteria.

In order to ensure that everyone who wants to serve on a City of Berkeley commission can afford to do so, the criteria for stipend eligibility must be expanded to show an accurate picture of costs of living. If a household qualifies for low-income housing at 50% AMI, they should also qualify for low-income commissioner stipends. Furthermore, household size should be taken into account when determining eligibility, as shown in the chart below.

2019 HUD Alameda County Income Guidelines

Referral: Commission Low-Income Stipend Reform

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Effective April 24, 2019

Persons in Household	Annual Income Extremely Low (30%)	Annual Very Low Income (50%)	(60%)	Annual Low Income (80%)	Annual Income Median (100%)	Annual Income Moderate (120%)
1	\$26,050	\$43,400	\$52,080	\$69,000		\$104,100
2	\$29,750	\$49,600	\$59,520	\$78,850		\$118,950
3	\$33,450	\$55,800	\$66,960	\$88,700		\$133,800
4	\$37,150	\$61,950	\$74,340	\$98,550	\$111,700	\$148,700
5	\$40,150	\$66,950	\$80,340	\$106,450		\$160,550
6	\$43,100	\$71,900	\$86,280	\$114,350		\$172,450
7	\$46,100	\$76,850	\$92,220	\$122,250		\$184,350
8	\$49,050	\$81,800	\$98,160	\$130,100		\$196,250

Implementing Cost of Living Adjustment

In 2010, when the Council approved the most recent version of the commissioner stipend resolution to amend the number of stipend-eligible meetings, the minimum wage in Berkeley was \$8 an hour. Today, in 2020, it is \$15.59 an hour plus CPI.

Commission meetings usually last around 3 to 5 hours, depending on the commission and the topics at hand. Additional work is needed on the part of the commissioner to prepare for the meeting by reading the agenda packet, attending subcommittee meetings, submitting items for discussion, and reaching out to stakeholders for input. In 2010, the \$40 stipend was equivalent to minimum wage pay for 5 hours of work. Today, it is only equivalent to approximately 2.5 hours of work. The equivalent stipend in today's dollars would be \$15.59 x 5, or \$77.95. For the purposes of this proposal, that number is rounded up to \$78.

FINANCIAL IMPLICATIONS

The financial implications depend on the number of commissioners who currently receive the low-income stipend, as well as the number of commissioners who would be newly eligible under the amended income caps. Costs can potentially be offset by reorganizing and consolidating commissions, as outlined in a separate Council proposal currently at the Agenda & Rules Committee.

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ENVIRONMENTAL SUSTAINABILITY

None.

CONTACT PERSON

Councilmember Rigel Robinson, (510) 981-7170

