



AGENDA REPORT

PROPOSED ACTION: Ordinance: Enactment of the Ordinance Necessary to Ratify and Set the Salary Increase and Salaries for Certain Port of Oakland Non-Represented Positions in Port Employee Representation Unit H (Unit H Positions) Retroactive to the First Day of the Pay Period Containing January 1, 2026; to Ratify and Set the Salary Increase and Salaries for Unit H Positions Effective on the First Day of the Pay Period Containing July 1, 2026; and, to Ratify and Set the Salary Increase and Salaries for Unit H Positions Effective on the First Day of the Pay Period Containing July 1, 2027, With All Such Salary Increases Equal to the Designated Consumer Price Index for All Urban Consumers (CPI-U) Confined by the Percentage Limitations Set Forth in the Represented Units Contracts. **(Finance & Admin)**

Submitted By: Kristi McKenney, Executive Director

Parties Involved: Non-Represented Positions in Port Employee Representation Unit H

Amount: \$322,500 to \$469,500 (Operating Expense) over three fiscal years (FY26, FY27, FY28)

EXECUTIVE SUMMARY: Cost of living pay increases commensurate with the criteria and limitations previously approved for the Port of Oakland (Port) Represented Units is recommended for Port Employee Representation Unit H (Unit H) staff to provide an equitable and fair compensation consistent with the factors outlined in Administrative Policy (AP) 432 which include Port financial stability.

BACKGROUND & ANALYSIS

Article IX, Section 2 and Article XII, Section 5e of the By-Laws of the Board of Port Commissioners and AP 432 provide the Executive Director with the authority to review and adjust the salaries and other related benefits for the positions in Unit H on an annual basis. Among the factors to be considered, the Executive Director may take into account the organization's financial sustainability, employee performance, salary adjustments provided to Port employees through the collective bargaining process, market competition, internal compaction, internal equity, and other benefits (e.g., leave; health). In addition, Article XII, Section 2 of the By-Laws provides that the Board may adjust the salaries and other related benefits of certain direct reports: in this particular matter, the Executive Director, Port Attorney and Secretary of the Board.

In an effort to provide an equitable and fair compensation plan for the Port's Unit H staff and consistent with the factors outlined in AP 432 which include Port financial stability, employee general performance, salary adjustments provided to represented Port employees through the collective bargaining process, internal compaction, and internal equity, an increase in Unit H salaries is recommended as follows: retroactive to the first pay period containing January 1, 2026, an increase of Unit H salaries equal to the December 2024 to December 2025 Consumer Price Index for All Urban Consumers (CPI-U) of no less than two percent and no more than three percent; effective the first pay

period containing July 1, 2026, an increase of Unit H salaries equal to the April 2025 to April 2026 Consumer Price Index for All Urban Consumers (CPI-U) of no less than two percent and no more than three percent; and, effective the first pay period containing July 1, 2027, an increase of Unit H salaries equal to the April 2026 to April 2027 Consumer Price Index for All Urban Consumers (CPI-U) of no less than two percent and no more than three and one-half percent. The increases are recommended for the following non-represented positions in Unit H: (1) three positions that directly report to the Board: Executive Director, Port Attorney and Secretary of the Board; (2) Directors of: Maritime, Aviation, Utilities, Engineering, Environmental Programs & Planning, Human Resources, Communications, Information Technology, and Social Responsibility* (*only for the July 1, 2026 and July 1, 2027 dates); (3) Chief Financial Officer and Chief Public Engagement Officer, and (4) the Assistant Port Attorney.

Ordinance Adoption

The salaries for the Port's Employee Representation Unit H were not fixed and were indefinite prior to and at the start of fiscal year 2025-2026 because of ongoing financial considerations, negotiations, and other factors. As the Port must ensure the continued recruitment and retention of qualified and competent employees in Unit H positions, a three percent (3%) salary increase retroactive to January 1, 2026, is recommended for the Unit H positions described herein. Further, salary increases for the first day of the pay period containing July 1, 2026 and July 1, 2027, equal to the appropriate CPI-U as referenced above, are also recommended.

In order for the Board to implement the salary adjustments for the non-represented positions as described above, the Board, by Ordinance, must specifically amend Port Ordinance No. 867 to ratify and set the salary increases. The second reading for the Ordinance amendment will be scheduled for the Board's regular meeting on May 14, 2026. The Ordinance shall become effective immediately after the second reading.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - Operating
 - Non-Operating
 - Capital

Analysis: The FY 2026 budget did not account for COLA increases. FY 2026 additional costs are expected to be approximately \$90,900, including the cost of the COLA at the maximum rate of 3%, related employer taxes and pension contributions. These unanticipated personnel costs are expected to be absorbed by cost savings from current vacancies. Future budgets will incorporate the cost of future COLAs and related employer taxes and pension contributions which are expected to range from \$114,800 to \$172,200 in FY 2027 and \$116,800 to \$172,200 in FY 2028.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

- Additional Notes:

SUSTAINABLE OPPORTUNITIES:

GENERAL PLAN (City Charter § 727):

<u>Applies?</u> No. <u>Reason:</u>	<u>Conformity Determination:</u> No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.								
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <table border="0"> <tr> <td><input type="checkbox"/> Grow Net Revenues</td> <td><input type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input type="checkbox"/> Improve Customer Service</td> <td><input checked="" type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<input type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure	<input type="checkbox"/> Improve Customer Service	<input checked="" type="checkbox"/> Pursue Employee Excellence	<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community	<input type="checkbox"/> Care for Our Environment	
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