Memorandum

DATE: November 19, 2026

TO: Honorable Members of the Rent Stabilization Board

FROM: Honorable Members of the Budget and Personnel Committee and Executive Director, DéSeana Williams

SUBJECT: Recommendation to Adopt Executive Compensation Policy

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Recommendation

Staff recommends adopting the proposed Executive Compensation Policy, which establishes a fair, transparent, and consistent framework for the review and approval of executive compensation for executive-level contracted positions within the Berkeley Rent Stabilization Board. The proposed policy provides governance guidance regarding compensation benchmarking, salary review practices, contract adjustments, and Board oversight responsibilities.

Background

The Berkeley Rent Stabilization Board employs executive-level leadership positions pursuant to Board-approved employment agreements. These positions currently include the Executive Director and General Counsel and may include future executive-level contracted positions approved by the Board.

Historically, executive compensation determinations have been addressed through individual employment agreements and Board action on a case-by-case basis. While the Board has maintained authority over executive compensation matters, the agency has not previously adopted a formal policy establishing broader governance guidance regarding executive compensation review practices.

The proposed Executive Compensation Policy is intended to establish a more consistent and transparent framework for future executive compensation discussions while preserving the Board's full authority over executive employment agreements.

The Rent Board operates as a complex public regulatory agency responsible for administering one of California's most comprehensive rent stabilization programs. The agency oversees significant public-facing operations, legal and regulatory compliance functions, housing counseling services, finance and registration operations, hearings and petition processes, and a multi-million-dollar operating budget.

The proposed policy recognizes the importance of maintaining competitive executive compensation practices to support the recruitment and retention of highly qualified leadership capable of managing the agency's operational, legal, financial, and public service responsibilities.

Need for Committee Action

A formal executive compensation policy, instead of relying solely on historical practice, serves several practical purposes:

1. Promotes consistency in decision-making: A policy establishes a structured framework that can be applied consistently across Board terms and contract negotiations.
2. Supports transparency and governance: A formal policy provides clear guidance regarding how executive compensation considerations are evaluated and reviewed.
3. Supports recruitment and retention: Competitive and market-informed compensation practices help the agency recruit and retain qualified executive leadership.
4. Clarifies Board authority and process: The policy reinforces that executive compensation decisions remain subject to formal Board approval and Brown Act requirements.

Summary of Proposed Policy

The proposed policy includes the following primary components:

- Identification of covered executive-level contracted positions
- Establishment of an executive compensation philosophy
- Guidance regarding comparator and market-based compensation review
- Procedures related to initial salary-setting considerations
- Guidance regarding annual adjustments and contract terms
- Parameters regarding mid-term compensation adjustments
- Periodic compensation review practices
- Clarification of Board authority and governance responsibilities

The proposed policy also clarifies that it is intended as a governance and administrative guidance document and does not create contractual rights or supersede the terms of any duly executed employment agreement unless formally amended through Board action.

Mid-Term Compensation Adjustments

The proposed policy discourages mid-contract compensation renegotiations except under limited and documented circumstances, including significant expansion of executive responsibilities, material organizational restructuring, demonstrated market inequities, or exceptional operational conditions materially impacting executive duties.

Any proposed mid-term compensation adjustment would require review by the Board Chair and/or Budget & Personnel Committee, documentation supporting the basis for the adjustment, and formal approval by the full Board in compliance with applicable Brown Act requirements.

Compensation Benchmarking and Review

The proposed policy provides guidance that executive compensation review may include consideration of:

- Comparable City of Berkeley department director positions
- Comparable rent stabilization, housing, or regulatory agencies
- Comparable Bay Area public agency executive positions
- Public sector salary survey data
- Independent compensation or classification studies, if commissioned

The policy also recognizes that organizational complexity, staffing responsibility, operational demands, legal and regulatory complexity, and recruitment and retention conditions may be considered when evaluating executive compensation.

Board Authority and Governance

The proposed policy reinforces that only the Board acting as a body may approve executive compensation or amendments to executive employment agreements. Individual Board members, Board officers, or committee members may not unilaterally promise, authorize, or modify executive compensation.

The policy further confirms that executive compensation deliberations remain subject to applicable Brown Act requirements, including closed-session and public reporting requirements.

Financial Impact

Adoption of the policy does not, by itself, authorize any compensation adjustments or create a direct fiscal impact. Any future compensation adjustments associated with executive employment agreements would remain subject to Board approval and consideration during the annual budget process or through separate Board action.

Contact Person

DéSeana Williams, Executive Director, Dewilliams@berkeleyca.gov

Attachments

1. Executive Compensation Policy

Berkeley Rent Stabilization Board
Executive Compensation Policy

The purpose of this Executive Compensation Policy is to establish a fair, transparent, consistent, and objective framework for the setting and review of executive compensation for executive-level contracted positions within the Berkeley Rent Stabilization Board ("Board"). This policy is intended to support recruitment and retention of highly qualified executive leadership while promoting sound governance and continuity in Board decision-making.

1. Covered Positions

This policy applies only to executive-level positions employed pursuant to individual employment agreements approved by the Board, including:

- Executive Director
- General Counsel
- Any future executive-level contracted positions approved by the Board

2. Compensation Philosophy

The Board seeks to provide executive compensation that is competitive with comparable public-sector executive positions to recruit, retain, and motivate highly qualified leadership capable of managing a complex regulatory agency serving the public interest.

In establishing executive compensation, the Board may consider:

- Agency size and complexity
- Operating budget responsibility
- Staffing responsibility and supervisory scope
- Legal and regulatory complexity
- Public-facing operational demands
- Required expertise, licensure, and experience
- Recruitment and retention considerations
- Regional labor market conditions

3. Compensation Benchmarking and Analysis

Prior to establishing compensation for a newly hired executive position, the Board or its designated committee should review objective comparators and market information. Such a review may include:

- Comparable City of Berkeley department director positions
- Comparable rent stabilization, housing, or regulatory agencies
- Comparable Bay Area public agency executive positions
- Public sector salary survey data
- Independent compensation or classification studies, if commissioned

The Board may also consider organizational complexity, independent authority, operational responsibilities, and agency-specific leadership demands when evaluating executive compensation.

4. Initial Salary Setting Process

Before approving compensation for a newly hired executive, the Board or Budget & Personnel Committee should:

- Review comparator and market data
- Consider internal equity and organizational structure
- Evaluate recruitment and retention conditions
- Document the rationale supporting the compensation determination
- Approve compensation in compliance with applicable Brown Act meeting laws

5. Annual Adjustments and Contract Terms

Executive employment agreements may include provisions related to annual compensation adjustments, cost-of-living adjustments (COLA), comparator-based formulas, or other objective compensation mechanisms approved by the Board.

Any compensation formula or methodology shall be clearly documented in the applicable executive employment agreement approved by the Board.

6. Mid-Term Compensation Adjustments

Mid-contract compensation renegotiations are discouraged and should occur only under limited and documented circumstances.

Examples of circumstances that may justify consideration of a mid-term compensation adjustment include:

- Significant expansion of executive responsibilities
- Material organizational restructuring
- Demonstrated market inequity or retention concerns
- Exceptional operational circumstances materially impacting executive duties

Any proposed mid-term compensation adjustment should include:

- Review by the Board Chair and/or Budget & Personnel Committee
- Documentation supporting the basis for the adjustment
- Approval by the full Board in compliance with applicable Brown Act meeting laws

7. Compensation Review

Executive compensation may be periodically reviewed for purposes of assessing market competitiveness, recruitment and retention considerations, organizational complexity, and internal equity.

Such reviews shall not, by themselves, authorize unilateral reductions in compensation during an active employment contract term unless otherwise expressly provided in the employment agreement.

At the time of contract renewal, the Board may consider updated market data and organizational factors in negotiating compensation terms for a subsequent agreement.

Periodic market reviews may occur at the discretion of the Board or its designated committee, but are generally recommended no more frequently than every three to five years.

8. Board Authority and Governance

Only the Board acting as a body may approve executive compensation or amendments to executive employment agreements. Individual Board members, Board officers, or

committee members may not unilaterally promise, authorize, or modify executive compensation.

The Board shall conduct executive compensation deliberations in accordance with applicable laws governing the Brown Act, closed sessions, and public reporting requirements.

9. Existing Employment Agreements

Nothing in this policy shall alter, impair, or supersede the terms of any duly executed employment agreement approved by the Board unless expressly amended by mutual agreement and formal Board action.

10. Non-Binding Nature of Policy

This policy is intended to provide governance guidance and administrative consistency. It does not create contractual rights, guarantee compensation adjustments, or limit the Board's lawful authority regarding executive employment agreements.

RESOLUTION 26-40

ADOPTING AN EXECUTIVE COMPENSATION POLICY FOR BOARD-APPOINTED EXECUTIVE-LEVEL CONTRACTED POSITIONS

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley ("Board") as follows:

WHEREAS, the Board is responsible for the appointment and oversight of executive-level contracted positions, including the Executive Director and General Counsel, pursuant to Board-approved employment agreements; and

WHEREAS, executive leadership is responsible for managing the agency's regulatory, legal, financial, operational, and public service functions, and the Board seeks to support the recruitment and retention of qualified leadership; and

WHEREAS, executive compensation has historically been considered through individual employment agreements and Board action, and the Board desires a consistent governance framework to inform future compensation decisions; and

WHEREAS, the proposed Executive Compensation Policy establishes guidance concerning compensation philosophy, market benchmarking, initial salary setting, annual adjustments, mid-term adjustments, periodic review, and Board oversight; and

WHEREAS, the proposed policy recognizes relevant factors such as comparable public-sector positions, agency complexity, budget and staffing responsibilities, regulatory demands, and recruitment and retention conditions; and

WHEREAS, the proposed policy preserves the authority of the full Board to approve executive compensation and employment agreement amendments, subject to applicable law; and

WHEREAS, adoption of the proposed policy itself does not approve any salary adjustment, modify an existing employment agreement, or create a direct fiscal impact; and

NOW, THEREFORE, BE IT RESOLVED that the Rent Stabilization Board hereby adopts the Executive Compensation Policy, attached to the accompanying recommendation memorandum, as the Board's governance framework for the consideration and review of compensation for the Executive Director, General Counsel, and any future Board-approved executive-level contracted positions; and

BE IT FURTHER RESOLVED that the Board or its designated committee may consider objective market information, comparable public-sector positions, internal equity, agency responsibilities, and recruitment and retention conditions when evaluating executive compensation, consistent with the adopted policy; and

BE IT FURTHER RESOLVED that mid-term compensation adjustments are discouraged except under limited, documented circumstances as described in the policy, and any such adjustment remains subject to formal approval by the full Board; and

BE IT FURTHER RESOLVED that only the Board acting as a body may approve executive compensation or amendments to executive employment agreements, and no individual Commissioner, Board officer, or committee may independently authorize or promise such changes; and

BE IT FURTHER RESOLVED that all compensation-related deliberations and actions shall comply with applicable open meeting, closed-session, and public reporting requirements; and

BE IT FURTHER RESOLVED that this Resolution and the adopted policy do not amend, impair, or supersede any existing Board-approved employment agreement, create contractual rights, guarantee future compensation adjustments, or limit the Board's lawful authority; and

BE IT FURTHER RESOLVED that adoption of this policy does not authorize an immediate compensation change or expenditure; any future compensation adjustment shall be considered and approved separately by the Board, with its fiscal implications addressed as appropriate; and

BE IT FURTHER RESOLVED that the Executive Director is directed to maintain the adopted policy among the Board's governance records and make it available for reference in future executive compensation matters.

Dated: November 19, 2026

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

YES:
NO:
ABSTAIN:
ABSENT:

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Soli Alpert, Chairperson
Rent Stabilization Board

Attest: _____

DeSeana Williams, Executive Director