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OFFICE OF THE CITY CLERK

INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS
MINUTES

November 3, 2015

The Independent Commission on Compensation for Elected Officials met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on November 3, 2015 at 2:05 p.m.

MEMBERS PRESENT	MEMBERS ABSENT	STAFF PRESENT
Pete Lesar	None	Alfred Smith
Gary Levine		Dee Ann Mickelsen
Anne McCawley		
Bryan Raines		
Claudia Walters		

Items on the agenda were discussed out of order, but for purpose of clarity will remain as listed on the agenda.

1. Introductions.

Commission Members provided a brief background with respect to their professional and community activities.

2. Purpose of the Commission by Staff liaison, Linda White.

Senior Human Resources Analyst Linda White welcomed the Commission Members and introduced herself as the Commission's staff liaison. She also briefly highlighted the duties and responsibilities of the Commission. **(See Attachment 1)**

3. Election of the Commission Chairperson.

Deputy City Attorney Alfred Smith invited the members of the Commission to nominate Commission Members to serve as Chairperson.

It was moved by Commission Member Raines, seconded by Commission Member Levine, that Commission Member Claudia Walters be appointed Chairperson of the Independent Commission on Compensation for Elected Officials.

Carried unanimously.

4. Election of the Commission Vice Chairperson.

Chairperson Walters nominated Commission Member Bryan Raines to serve as Vice Chairperson for the Commission.

It was moved by Chairperson Walters, seconded by Commission Member Lesar, that Commission Member Raines be appointed Vice Chairperson of the Independent Commission on Compensation for Elected Officials.

Carried unanimously.

5. Hear a presentation regarding the Arizona Open Meeting Law and Parliamentary Procedure by Deputy City Attorney Alfred Smith.

Deputy City Attorney Alfred Smith displayed a PowerPoint presentation **(See Attachment 2)** and offered an overview of the Open Meeting Law (OML) and its impact on the Commission. He cited the legal definition of the OML as follows: "All meetings of any public body shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. All legal action of public bodies shall occur during a public meeting." He noted that the purpose of the OML, which is enforced by the Arizona Attorney General, is to provide public participation and transparency. (See Pages 2 and 3 of Attachment 2)

Mr. Smith stated that per State policy, notices and agendas must be provided for meetings with information reasonably necessary to inform the public of matters to be discussed or decided. He stated that the OML not only applies to all public officials but also advisory boards, commissions and subcommittees created by the City Council. (See Pages 4 and 5 of Attachment 2)

Mr. Smith, in addition, noted that the legal definition of a meeting is as follows: "The gathering, in person or through technological devices, of a quorum of members of a public body at which they discuss, propose or take legal action, including any deliberations by a quorum with respect to such action." He also cautioned the Commission Members against group discussion by way of social media, texting or e-mailing each other relative to Commission matters outside of a legally posted and agendized meeting as it will violate the OML. He also stated that discussions should be limited to one-way communications to avoid discussing matters as a group outside the legal definition of a meeting. He added that the Commission may communicate through staff outside of a public meeting to help distribute information as needed for purposes of the Commission. (See Page 6 of Attachment 2)

Mr. Smith explained that social events where a quorum may be present should be posted. (See Page 7 of Attachment 2) He recommended that members convey information to staff for proper posting of the event identifying the time, date, location and purpose. He also remarked that three members constitute a quorum of the Commission.

Mr. Smith highlighted the various methods of communications that members of the Commission may utilize and cautioned them when exchanging information by these means, as it could constitute a quorum and violate the OML (i.e., phone call, e-mail, letters, blogs). He stated that staff is also available for assistance and guidance. (See Pages 9 and 10 of Attachment 2)

Mr. Smith further explained that the OML requires that agendas and materials be posted at least 24 hours in advance of a public meeting, excluding Sundays and legal holidays. He noted that

the agenda/backup materials must be “reasonably” related to posted agenda item(s). (See Page 11 of Attachment 2)

Mr. Smith explained that with respect to conducting meetings, the Chairperson manages the meeting, subject to motions approved by the Commission. He also remarked that the Commission, as a public body, may impose reasonable time, place and manner restrictions on speakers. (See Page 12 of Attachment 2)

Mr. Smith, in addition, stated that during a public meeting the Commission cannot discuss any item(s) that are not on the agenda. He added that any issues raised by the public could be further researched by staff or brought back for discussion at the next meeting. (See Page 15 of Attachment 2)

Mr. Smith continued with the presentation and displayed a PowerPoint presentation with respect to Parliamentary Procedure. **(See Attachment 3)** He stated that neither the Mesa City Council nor any citizen advisory board or committee has adopted Robert's Rules of Order. He stated that Mesa Code gives the Mayor/Chairperson the authority to run the meeting. (See Page 2 of Attachment 3) He added that the Chairperson’s decision regarding an issue of parliamentary procedure is final unless 2/3 members of the Commission vote to overturn the decision.

Mr. Smith commented that the agenda language must contain enough information to “reasonably inform the public” of the items to be discussed. He advised that items such as “Director’s Report” and “Chairperson Comments” be avoided as they are not used by Council or any other boards or commissions. He reiterated that agendas must be available to the public 24 hours in advance of the meeting and that the agenda language follows the format set for City Council. He further explained the voting process and how a vote is formally recorded. (See Pages 7 and 8 of Attachment 3) He stated that a motion for reconsideration must be made by a member who voted with the majority.

Chairperson Walters thanked Mr. Smith for the presentation.

6. Hear a presentation and discuss the Duties of the Commission and the Timeline for Presenting Recommendations to the City Council, and if approved, when they would become effective, by Alfred Smith.

Deputy City Attorney Alfred Smith reported that the Commission was established in August 2012 to review compensation for the Mayor and Councilmembers. He cited “Title 2, Chapter 25 of the Mesa City Code”, which describes the formation of the Commission and the guidelines to consider in determining compensation.

Mr. Smith reported that members are required to present a written report and recommendations relative to Council’s compensation no later than 90 days following its initial meeting. He pointed out that the deadline to submit the report will be February 3, 2016. He added that the Council has the option to consider the written report and recommendations in its entirety or decide to reject the report and send it back to the Commission for further consideration.

Mr. Smith reminded members that the Commission’s sole purpose is to determine compensation based on comparative analysis and not to conduct performance reviews relative to the performance of the elected officials.

In response to a question from Commission Member Lesar, Mr. Smith responded that if the Council disapproves the recommendations, the report will be returned to the Commission for further consideration.

Mr. Smith advised that with respect to the timeline, if the Commission makes a recommendation in November, the Council would take action on February 3, 2016; and that the Ordinance would go into effect in January 2017. He stated that due to Constitutional and City Charter provisions, elected officials salaries cannot be adjusted during a current term.

Chairperson Walters thanked Mr. Smith for the presentation.

7. Staff summary of 2012 and 2013 meetings and report.

Ms. White highlighted the 2012 and 2013 Commission recommendations. **(See Attachments 4 and 5)** She reported that although the Council did not approve the 2012 recommendations, the Commission's 2013 recommendations were adopted, with an effective date of January 2015.

Ms. White provided a short synopsis of the 2013 recommendations as follows:

- Mayor's salary - $73,545
- Councilmembers' salary - $36,832
- Vehicle Allowance for the Mayor - $550/month
- Vehicle Allowance for the Councilmembers - $350/month

Ms. White noted that the Commission further recommended that the Mayor and the Councilmembers be eligible for City benefits consistent with those provided to executive level City employees. She pointed out that prior to this time, the salaries for the Mayor and the Councilmembers had not been adjusted since 1998. She added that the Commission did not recommend an increase to the Mayor and the Councilmembers' communication expenses, which remain at $80/month.

Ms. White, in addition, commented that the previous Commission Members recommended that the current Commission implement a process to determine the elected officials' compensation moving forward. She cited, by way of example, that the Commission could consider possible options such as incremental pay increases every four years; that if City employees receive a 5% pay increase, the Mayor and the Councilmembers could receive a 2.5% increase; or a lump sum amount every two years. She added that the Commission could reconvene and make new recommendations based on various compensation ranking data obtained by staff.

Mr. Smith pointed out, for instance, that if the Commission recommended incremental increases every year for the Mayor and the Councilmembers, such increases would not become effective until after an election cycle and the newly elected officials were sworn into office.

In response to a question from Chairperson Walters, Mr. Smith stated that the Commission is required to meet, at a minimum, every two years.

Responding to a question from Vice Chairperson Raines, Ms. White clarified that the previous Commission recommended that the Mayor and the Councilmembers be eligible for City benefits

consistent with those provided to executive level City employees. She stated that such benefits include an executive physical, as well as car and communication allowances.

Vice Chairperson Raines inquired whether the previous Commission utilized some type of formula to determine the salary increases for the Mayor and the Councilmembers.

Commission Member Levine responded that a salary determination was based upon competitive surveys solicited from other municipalities in the state.

In response to a question from Commission Member Lesar, Mr. Smith explained that the Mayor and the Councilmembers receive a base salary as opposed to a range of pay. He noted, therefore, that any newly elected officials would make the same base salary as the current Councilmembers. Responding to a question from Chairperson Walters, Mr. Smith clarified that a Special Election would not reset the salary of an elected official.

Chairperson Walters thanked staff for the presentation.

8. Hear a presentation and discuss updated Compensation and Benefits Data Collected for Elected Officials of Similarly Situated Municipalities, by Linda White.

Ms. White displayed a chart titled "Mayor and Council Salary/Benefit Information, 11/3/2015," **(See Attachment 6)** and reported that she researched several municipalities across the country, as well as in Arizona, that had similar populations as the City of Mesa. She explained that in 2012 and 2013, staff used the same communities for comparative purposes. She stated that the information highlighted in green illustrates out-of-state cities, while the results with respect to Arizona communities are displayed in white.

Ms. White indicated that the chart includes columns that provide total compensation adjusted with a salary calculator and allowances. She indicated that the salaries were adjusted using a salary calculator that takes into consideration the cost of living in the various communities. She added that the final column includes retiree health insurance options for elected officials.

Ms. White reported that the data, which was collected in October 2015, shows that the City of Mesa ranks number eight nationally with respect to the Mayor's salary as compared to other cities of a similar size and population, and second in Arizona. She also remarked that the salary for Mesa's Councilmembers is ranked number seven nationally among cities of a similar size and population and second in the state. She added that Phoenix ranks number one in Arizona with the highest salaries paid to its Mayor and Councilmembers.

Vice Chairperson Raines commented that the City of Glendale does not offer its employees or elected officials retiree health benefits due to the fact that such benefits are managed through the Arizona State Retirement System (ASRS).

Ms. White responded that staff would be happy to follow up with the City of Glendale to confirm such information.

In response to a question from Commission Member McCawley, Ms. White clarified that Human Resources Director Gary Manning would provide the Commission Members an overview of the City's retiree benefits and eligibility requirements.

Chairperson Walters thanked Ms. White for the presentation.

9. Hear a presentation and discuss an overview of the City's retiree benefits and eligibility provisions, by Gary Manning and Human Resources Staff.

Chairperson Walters stated that because of certain items contained in the backup material and the fact that she is a former Councilmember, if staff intends to discuss various provisions that benefit former City Councilmembers, in an abundance of caution, she would prefer to declare a potential conflict of interest and refrain from discussion or consideration of this agenda item. She yielded the gavel to Vice Chairperson Raines for action on this agenda item.

Human Resources Director Gary Manning introduced Assistant Benefits Administrator Peggy Lynch, who was prepared to assist with the presentation.

Mr. Manning reported that he was asked to provide the Commission an overview of the post-retirement benefits that are offered to City employees. He explained that the manner in which the document that controls the benefits program is currently written, no elected officials would be eligible to receive post-retiree benefits sponsored through the City of Mesa. He stated that at the conclusion of his presentation, the Commission might wish to discuss the possibility of changing the eligibility requirements so that elected officials would be permitted to receive similar benefits in the future.

Mr. Manning displayed a PowerPoint presentation **(See Attachment 7)** and highlighted the three main insurance related retiree benefits, including medical, dental and vision. (See Page 2 of Attachment 7) He explained that within each program, an individual can select different plans for the specific type of coverage. He also noted that the retiree benefits are funded through the Benefit Trust Fund, which is comprised of contributions from the City, retiree premiums and subsidies from the Arizona State Retirement System (ASRS).

Mr. Manning, in addition, reviewed a series of provisions that City employees must meet in order to be eligible for City-sponsored retiree benefits. (See Page 3 of Attachment 7) He cited, by way of example, that employees hired after 2009, with 20 years of service, would be eligible to enroll in the various insurance plans, but would be required to pay the full cost, with no City contributions. He added that the current plan document defines an employee's hire date as "most recent" and stipulates that the years of service must be consecutive.

Responding to a question from Commission Member Lesar, Mr. Manning clarified that in order for an employee to receive medical benefits as a retiree, the individual must be enrolled in the medical, dental or vision plans immediately prior to his or her retirement from the City.

Mr. Manning further remarked that the retiree medical plan costs are actuarially rated separately from City employee plans; that the retiree monthly premiums are based on coverage (single or family) and the plan selected; and that the level of the City's contribution is dependent on the years of service and the specific plans. He also explained that retirees receive a monthly subsidy from ASRS that helps to offset their monthly premiums with the City's medical plan. (As opposed to enrolling in ASRS's medical plan.) He added that the subsidy amounts range between $100 and $260 per month, depending on the years of service in ASRS, the Public Safety Personnel Retirement System (PSPRS), as well as Medicare eligibility.

In response to a question from Commission Member Lesar, Ms. Lynch indicated that the retirement formula for 20 years of service, an employee would be at 100, 15 years at 75% and 50% at ten years of service.

Mr. Manning reported that current elected officials may enroll in the City's benefit plans like regular, active employees, with the premiums calculated in a similar manner. He noted, however, that under the plan's current requirements, elected officials would never be eligible for City retiree coverage since the 20 years of consecutive service could never be satisfied. He pointed out that two former elected officials have health plan retiree coverage, but said that those individuals satisfied the years-of-service requirement under the plan document provisions applicable at the time.

Discussion ensued relative to the fact that each year, a consultant conducts an analysis of the City's medical claims in an effort to determine future cost increases; that factors taken into consideration include the Affordable Care Act and a variety of healthcare regulations; that staff creates a benchmark plan to determine the 80/20 formula for the employees' premiums, of which the City pays 80%, with the remainder paid by the employee; and that the amount the City contributes to each employee is consistent, based on the anticipated costs for the coming year and dependent upon the plan in which the employee is enrolled.

Responding to comments from Vice Chairperson Raines, Mr. Manning clarified that the Elected Officials Retirement Plan (EORP), which is administered through PSPRS, closed in 2014 due to accelerating costs. He explained that elected officials who come into office today can enroll in a deferred compensation program. He noted, however, individuals who were grandfathered into the EORP are eligible to retire through the program and receive the normal retirement or early retirement based on their age and the number of years of service. He added that those individuals can also receive retirement and medical benefits through the plan.

Mr. Manning pointed out that for employees hired after 2009, who would choose to pay the full cost of the City's retiree benefits, one of the major incentives to do so is that the City administers its plans in an efficient manner. He also explained that the City has a contract with Blue Cross Blue Shield of Arizona, which significantly, through contractual obligations, reduces claims expenditures. He added that by the time the City calculates what the total cost of services will be, the premiums that those retirees would have to pay, even at full cost, are much less than what they could obtain in the external market.

Vice Chairperson Raines commented that the City currently does not offer retirement or medical benefits to its Councilmembers and stated that the issue before the Commission Members is whether they would like to change such a policy. He reiterated that under the current plan, a Councilmember could never reach the 20 consecutive years of service in order to qualify for the City-sponsored medical benefits.

Deputy City Attorney Alfred Smith confirmed Vice Chairperson Raines' statement.

In response to comments from Commission Member Levine, Mr. Manning remarked that in researching what other communities do with respect to offering medical/retirement benefits to their Mayor and Councilmembers, several variables might be considered as follows: Do they require a certain number of years to be eligible for benefits; Does "the clock begin" with the most recent hire date or would they count earlier years of service as well. He stated that unlike Mesa,

some communities might be more liberal in terms of counting the number of years they would be willing to accept in order to allow an elected official to qualify for certain benefits.

Commission Member McCawley commented that it seems like a moot point in discussing benefits if elected officials do not meet the 20 consecutive years of service requirement.

Vice Chairperson Raines stated that in his opinion, the purpose of the Commission is to ensure that the salaries for Mesa's Mayor and Councilmembers are competitive; that those individuals also receive the appropriate benefits, such as a car allowance and communication allowance, during their tenure with the City. He commented that the current issues for the Commission to consider might be whether to leave the existing compensation package the same or perhaps whether they should explore the matter of some type of medical retirement compensation benefits for the Councilmembers.

Mr. Smith remarked that what staff is bringing forward for the Commission's consideration is the entire expanse of compensation for Councilmembers: whether the existing salaries should be increased or remain the same; the issue that the Council would not qualify, per the current plan's provisions, to be eligible for City-sponsored retiree benefits; and whether the Commission might wish to make certain recommendations in that regard.

Responding to a question from Commission Member Lesar, Ms. White clarified that with respect to the document titled "Mayor and Council Salary/Benefits Information, 11/3/2015," (See Attachment 6), the last column corresponds to staff's inquiry with respect to whether the various communities that were surveyed offer their elected officials the same health insurance options that it provides to their retirees.

Commission Member Lesar inquired that if a 36 year old person, for example, served four years on the Council and then left office, would that individual qualify for some type of benefits due to his or her retirement from the Council at that time or have to wait until he was, perhaps, 55 years of age or older.

Mr. Manning responded that the Commission could determine, first of all, whether there should be some consideration given to retiree benefits in order to be competitive with other communities. He stated that if that were the case, the next step in the process would be to establish the necessary criteria in that regard. He reiterated that when regular City employees retire, not only are their years of service considered, but they also must qualify from ASRS or PSPRS in order to be eligible for City-sponsored retiree benefits.

Mr. Manning, in addition commented that the EORP contained specific requirements that the elected officials must be 65 years old with five years of service or 62 years old with ten years of service for normal retirement. He noted that the Commission Members might wish to consider adding some type of criteria (i.e., years of service, whether the person must retire from, for instance, ASRS or PSPRS) in order to enhance the benefits program. He added that the challenge is that the EORP no longer exists and said that had that still been in place, the Commission could have mirrored what City employees do, which is qualify for ASRS or PSPRS and have a certain number of years of service.

Vice Chairperson Raines commented that certain neighboring cities do not have term limits and Councilmembers could potentially serve for 20 years.

In response to a series of questions from Commission Member Levine, Mr. Manning commented that Mesa's elected officials are offered the same medical, dental and vision plans as City employees. He explained that the City pays 80% of a certain benchmark amount of the premium and said that the employee/elected official pays the remainder.

Commission Member Levine commented that providing retirement for elected officials is very complex and stated that he supports compensating by way of health insurance during terms with an eligibility for COBRA insurance six months after the term ends. He stated that providing a retirement system to elected officials would be complicated based on various circumstances (i.e., age, term limits, etc.).

In response to a question from Vice Chairperson Raines, Mr. Manning responded that there is currently no Health Savings Account (HSA) for elected officials.

Mr. Manning commented that another concept could be considering a similar plan as employees hired after 2009, which requires no City Contributions.

Responding to a question from Commission Member Levine, Mr. Manning stated that although he believes most of the current Councilmembers enroll in the City's benefits program each year, he would research the matter further and come back with a more definitive answer.

Discussion ensued among the Commission Members relative to a Health Savings Account (HSA) and the impact of pretax payroll deductions.

Vice Chairperson Raines commented that when a Councilmember is elected, those individuals are buying into the salary, the service, but future retiree healthcare is not an option. He indicated support for implementing retirement benefits for elected officials effective January 2017.

Mr. Smith clarified that if the Commission's proposal moves forward and is approved by the Council, changes would not apply to the current three Councilmembers that would retire at the end of 2016 and would only apply to newly elected officials.

Chairperson Walters indicated that she would step in and ask a question since perhaps she did not have a conflict of interest. She stated that since nothing that is done by this Commission is retroactive.

Mr. Smith responded that in the context of what is occurring at this time, if the proposal he heard is for retiree benefits moving forward, she would not have a conflict. There are other options that could be discussed in which she would, in fact, have a conflict.

Commission Member McCawley stated the opinion that based on the definition of a "retiree", elected officials do not meet retirement eligibility. She added that the City offers a compatible health insurance package, which is sufficient as well as financially responsible.

Commission Member Lesar commented that the concept of "what constitutes a retiree" complicates the Commission's task because if a recommendation is made for elected officials to have some type of benefits after completing their terms, then the Commission would need to

define “retiree”. He mentioned, for example, if an employee completes a 10 year service, the employee has concluded work service, which is different from being eligible for retirement.

Commission Member McCawley commented that when elected officials decided to run for office, they were aware of the compensation package available at the time and that once the term was over, the compensation would no longer be available.

Commission Member Levine concurred with Commission Member McCawley and stated that he would support a subsidy compensation package while elected officials are in office.

In response to a question from Commission Member Lesar, Mr. Manning clarified that there are Health Retirement Accounts and Health Savings Accounts, which are different; the HRA would stipulate age and criteria, but with the HSA, individuals would have easier access to it than the HRA. The City would need to have a high deductible plan, which would put some complexities in place.

Vice Chairperson Raines expressed concern regarding the future unfunded liability for the City of Mesa.

Commission Member Lesar concurred with Vice Chairman Raines as it relates to creating unfunded liability and noted that this was the reason for the City’s plan change in 2009, which requires newly hired employees to pay the full cost with no City contributions.

Mr. Manning reiterated that employees hired after January 1, 2009 must still meet the previously cited eligibility requirements of 20 years of service in order for them to qualify to stay on the City’s medical plan and pay full cost.

Commission Member Lesar inquired how the issue of retiree benefits for Councilmembers was first discussed with the Commission back in 2012.

Mr. Manning clarified that it was simply one of the options that was offered to the Commission Members as an item for consideration.

It was moved by Commission Member Levine, seconded by Commission Member McCawley, that the Commission not move forward in creating a retiree benefits package for Elected Officials.

Upon tabulation of votes:

AYES – Lesar-Levine-McCawley-Raines
ABSTAIN – Walters

Vice Chairperson Raines declared the motion carried unanimously by those present and voting.

Chairperson Walters thanked staff for the presentation.

10. Discuss and provide direction to City staff as to what additional information the Commission may need at a future meeting, or direction on the Commission’s recommendation to the City Council regarding the compensation and retiree benefits for Mayor and City Council.

Chairperson Walters commented that the discussion to follow will only apply to current and future elected officials.

Responding to a question from Chairperson Walters, Ms. White clarified that in 2013, the City Council reviewed the $80 per month communication allowance, but elected not to increase the amount. She stated that the City's Executive staff members receive a similar allowance.

Mr. Smith pointed out the spreadsheet titled, "Mayor and Council Salary/Benefit Information, 11/3/2015," reflects the current compensation package for Mesa's elected officials, but indicated that it was at the discretion of the Commission Members whether they wish to increase such amounts.

Chairperson Walters inquired whether the $80 per month was sufficient to cover the cost of all of the phone calls and text messages that the Mayor and Councilmembers make while serving the City and their constituents.

Mr. Smith commented that the information being presented is the current allowance but the Commission has the ability to increase the amount based on the analysis being provided.

Chairperson Walters asked if there are any new recommendations for the communication allowance based on current data plan fees.

Discussion ensued relative to the various data plans for different devices (i.e., phones, tablets) and the Commission requested that staff bring back additional information relative to the cost of those plans.

In response to a question from Vice Chairperson Raines, Ms. White clarified that in conducting her salary/benefits analysis of the other communities, she did not inquire regarding items such as whether their elected officials receive cost of living adjustments or automatic salary increases. She said that she would follow-up on those matters and provide additional data to the Commission Members for their consideration.

Chairperson Walters commented that the challenge in the past has been the variation of elected official's salaries and due to the fact that they were so low, even if employees received a raise, Council salaries will never catch up. She stated that she sees this conversation in two parts; one related to the financial compensation and determining if the salary baseline is appropriate; and two, coming up with a recommendation on how to adjust the baseline salary for elected officials in the future.

Commission Member Levine stated his opinion that elected officials should receive an automatic salary increase, whether it is a 3% or 5% increase, the same time as other City employees, with adjustments as needed.

Commission Member McCawley commented that she does not like the idea of a scheduled percentage increase without a formula being in place. She also stated that the compensation does not need to be revisited every two years.

Commission Member Lesar stated that there are two inherent issues: establishing an appropriate salary for the Mayor and Councilmembers, who contribute their time and talent to the community; and two, if there are resources available to provide salary increases to City employees, the same should be true for the Mayor and Councilmembers. He noted, however, that conversely, if City employees do not receive an increase, then neither should the Mayor or the Councilmembers.

Responding to a series of comments from Vice Chairperson Raines, Ms. White clarified that in the past three years, if employees were eligible for a step increase and not "topped out," they were awarded a 5% increase effective the beginning of the new fiscal year.

Mr. Manning, in addition, remarked that prior to that time, there were several years when pay increases were not available to employees. He added that at one point during the downturn in the economy, all City employees, as well as the Mayor and Councilmembers took a 2.5% pay cut.

In response to a question from Commission Member Levine, Mr. Manning responded that the City Manager's office and the Budget Department makes the financial determinations and provides the recommendations to City Council.

Vice Chairperson Raines indicated his support to increase compensation for elected officials alongside City employees.

Discussion ensued relative to adjusting the salary and benefits in comparison to other cities.

Chairperson Walters requested that staff bring back calculated numbers to determine cost of living adjustments from 2013 to 2017 based on the formula the City uses.

Discussion ensued relative to what the correct base salary number should be for the Mayor.

Mr. Manning remarked that when the Human Resources Department determines what it believes is a fair market wage for any given position in the City, staff always reviews the market average, the cities with which Mesa competes for resources, their maximum rates of pay and averages out the salary. He commented that it would be very difficult for Commission Members to determine what the market rate is for elected officials due to the fact that such amounts vary. **(See Attachment 6)**

Discussion ensued relative to Councilmembers compensation and some of the disparity in comparison to other municipalities.

Commission Members requested the following information be brought back at the next meeting:

- State, Local, and Federal COLA indexes and Social Security index adjustments from 2013-2015
- Executive level car allowance
- Additional information on the communication allowance based on current data plans and fees.
- Information on the City of Phoenix elected officials cost of living adjustments or automatic salary increases

Chairperson Walters thanked staff for the presentation.

11. Approval of minutes from the Commission meeting held on November 5, 2013.

It was moved by Commission Member Lesar, seconded by Commission Member Levine, that the minutes of the Independent Commission on Compensation for Elected Officials meeting held on November 5, 2013 be approved.

Carried unanimously.

12. Discuss and set dates for upcoming meetings.

Chairperson Walters noted that the next Commission meeting will be held on Tuesday, November 17, 2015 at 1:30 p.m.

13. Items from citizens present.

There were no items from citizens present.

14. Adjournment.

Without objection, the Independent Commission on Compensation for Elected Officials meeting adjourned at 4:29 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Independent Commission on Compensation for Elected Officials held on the 3rd day of November, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

_____

DEE ANN MICKELSEN, CITY CLERK

Independent Commission on Compensation for Elected Officials

Meetings as needed

Agendas & Minutes

Independent Commission on Compensation for Elected Officials ensures that Mesa's elected officials will be compensated at a level that (1) is reasonable, (2) is likely to attract competent and effective people to serve in public office, (3) makes public service possible for every eligible citizen, not just those whose financial status enables them to serve, and (4) takes into account the financial circumstances of the City.

Commission Duties:
The Commission shall determine the compensation of the Council and the Mayor based on comparative information regarding the compensation of elected officials of municipalities in the United States, as well as any special circumstances or issues that the commission deems appropriate.

Eligibility of Commission Members:
Commission members shall be residents of the city of Mesa and shall be eighteen (18) years old or older. No member of the Commission shall be, or within two (2) years prior to service on the Commission have been an employee of the City of Mesa. No member of the Commission shall be serving, or within (2) years prior to service on the Commission, have served, as an elected official for the City of Mesa.

Staff Contact:
Linda White
480-644-4598

THE OPEN MEETING LAW A.R.S. 38-431 et. seq.

THE OPEN MEETING LAW

Arizona law states:

- All meetings of any public body shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. All legal action of public bodies shall occur during a public meeting. A.R.S. §38-431. 01(A)

PURPOSE OF THE OPEN MEETING LAW

- To ensure that the public has an opportunity to observe what the government is doing, and how it is being done.

State Policy A.R.S. 38-431.09

- Meetings of public bodies shall be conducted openly
- Notices and agendas provided for meetings with information <u>reasonably necessary to inform the public of matters to be discussed or decided</u>
- Construe OML in favor of "open and public meetings"

COMMITTEES AND SUBCOMMITTEES

- Open meeting law applies to all public officials discussing or conducting public business.
- Applies to advisory boards and subcommittees.

WHAT IS A MEETING?

- Meeting: the gathering, in person or through technological devices, of a quorum of members of a public body at which they discuss, propose or take legal action, including any deliberations by a quorum with respect to such action. A.R.S. §38-431(4).

What if only social event?

- A.G. recommends that you post the event if a quorum will be present.
- Identify time, date, location, and purpose.
- State that no legal action will be taken.

FACTORS TO CONSIDER

- Quorum of the Committee/Subcommittee
  - 7 member committee: Quorum = 4 members
  - 3 member subcommittee: Quorum = 2 members

- Subject that is reasonably likely to come before the committee/subcommittee.

FACTORS CONTINUED

- Methods of communications
  - Phone call
  - E-mail
  - Letters
  - Blogs
  - Using staff to transmit information

COMMUNICATION WITH STAFF

- Council may communicate with staff.
- Staff can provide the Council with factual information outside a public meeting.
- Staff cannot be used to side step the open meeting law.

Agenda

- Must be posted 24 hours in advance (excludes Sundays and Legal Holidays).
- Back up material must be available 24 hours in advance.
- Must “reasonably” inform public of issues to be discussed.
- All discussions must be “reasonably” related to an agenda item.

Conducting Meetings

- The Chair manages the meeting, subject to motions approved by the Board.
- Public bodies may impose reasonable time, place, and manner restrictions on speakers.

Conducting Meetings, cont.

- Robert's Rules are guidance only.
- Board may require speakers on same side with no new comments to select a spokesperson.
- Open Call to the Public is permitted, but not required.

AGENDA

- Even during a public meeting:
  - Cannot discuss any item that is not on the agenda.

- Reason: People that are interested in this issue may not be present because did not know that the committee would discuss this issue.

Public Access Only

- The OML gives the public the right to attend the meeting, and listen to the deliberations.
- G/R: The OML does not give the public the right to speak at a meeting.
- Exception: for zoning ordinances, a public hearing is required at planning commission. A.R.S. 9-462.04(A).

Minutes

- Date, time, place of meeting
- Members present/absent
- Description of matters discussed
- Description of legal action proposed, discussed or taken
- Name of person who made motion
- Name of each person making comment
- Vote results

Minutes, cont.

- Must be available to public within 3 working days after the meeting.
- May be stamped “draft” until approved by public body.
- Also need to post on internet either a recording of the meeting or statement of legal actions taken (marked agenda) w/in 3 working days after the meeting.

Executive Session

- Must be properly posted and agendized.
- Majority of Council must vote to convene into executive session.
- Only members of the public body and those individuals whose presence is reasonably necessary for the public body to carry out its duty are permitted to attend the executive session.

Executive Session, cont.

- Personnel Matters
- Legal Advice
- Litigation, Contract Negotiations, and Settlement Discussions
- Purchase, Sale or Lease of Real Property

Executive Session, cont..

- Discussion ONLY.
- Can give direction in some cases.
- All legal action must be in public meeting.
- Must keep minutes of e-session.
- Minutes are confidential except in limited circumstances.

- QUESTIONS???

PARLIAMENTARY PROCEDURE

MESA CITY ATTORNEY
(480) 644-2325

Parliamentary Procedure

- Mesa has NOT adopted Robert's Rules of Parliamentary Procedure.

- Mesa Code gives Mayor/Chairperson authority to run the meeting "so as to accomplish the public's business fairly, yet efficiently." MCC1-5-8.

Authority of Chairperson

- 1. To determine the order in which persons speak
- 2. To require a group to designate a spokesperson
- 3. Establish time limits for speakers
- 4. Take other actions needed to properly conduct the meeting
- MCC 1-5-8

Authority of Chairperson

- The Chairperson's decision regarding an issue of parliamentary procedure is final unless 2/3 of Board vote to overturn the decision.

AGENDA LANGUAGE

- The agenda language must contain enough information to “reasonably inform the public” of the items to be discussed.
- Avoid agenda items such as “Director’s Report” and “Chairperson Comments”
- Agenda must be available 24 hours in advance of the meeting

AGENDA LANGUAGE

- Council uses the following language on Council agendas:
  - Hear a presentation, discuss and take action on ...
  - Hear a presentation, discuss and make a recommendation to Council regarding . . .

PROCESS TO VOTE

- Mesa has historically followed this process:
  - Read agenda item
  - Discussion by Board
  - Motion
  - Second
  - Further discussion
  - Vote

MOTION FAILS IF:

- Motion does not receive a second
- The issue fails to receive a majority of the vote.
  - In case of a tie vote, the motion fails.

Definition of Majority

- Boards may adopt bylaws stating that only a majority of the members present is needed for a motion to pass.
- If bylaws have not been adopted, must have a majority of entire board for motion to pass. Mesa City Charter Section 209(D).

Motion for Reconsideration

- Must be made by a Board member who voted with the majority.
- When motion to reconsider must be made:
  - Before the Board's recommendation is presented to the Council.

- QUESTIONS?

REPORT AND RECOMMENDATIONS TO THE MAYOR AND CITY COUNCIL CITY OF MESA, AZ

Submitted by

INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS

November 8, 2012

BACKGROUND

On August 20, 2012, the Mesa City Council created the Independent Commission on Compensation for Elected Officials. The purpose of the Commission is to establish a fair and reasonable compensation for Mesa's elected officials. The Commission is to ensure that the Mayor and City Council are "compensated for their time, and effort on behalf of the City at a level that (1) is reasonable in light of the compensation paid to elected officials in other municipalities in the United States of similar size, (2) will include the costs and expenses necessary to perform their duties, (3) is likely to attract competent and effective people to serve in public office, (4) makes public service possible for every eligible citizen, not just those whose financial status enables them to serve, (5) takes into account the financial circumstances of the City, and (6) is determined by an Independent Commission on Compensation for Elected Officials." (2-25-1).

The Ordinance states that the Commission shall determine the compensation of the Council and the Mayor by comparing the compensation provided to elected officials in similarly situated cities within the United States. (2-25-3(B))

The Commission is to provide a report and recommendation to the Council within ninety (90) days following its initial meeting. "The recommendations of the Commission must be approved or rejected as a whole by the City Council." (2-25-3(A)).

To accomplish its purpose, the Commission held several public meetings, received and reviewed compensation data from numerous comparable cities across the United States; and held a public hearing to receive input from the public.

MEMBERS OF THE COMMISSION: The following Mesa residents were appointed to serve on the Independent Commission: Kate Ali'varius (chairperson), Gary Levine (vice-chairperson), Stacy Holmstedt, Tom Rhodes, and Dan Wollam.

INFORMATION PROVIDED AND REVIEWED BY THE COMMISSION:

At the request of the Commission, staff provided the following information:

- Data from comparable cities across the United States which included: (1) the annual salaries for the elected officials; (2) benefits provided to the elected officials (e.g., vehicle allowance, communication allowance, medical/dental insurance); (3) historical salary adjustments for elected officials in Tucson and Phoenix; and (4) the structure of the Council (e.g., Mayor-Council form of government, district or at-large, number of constituents per district; and the number of Councilmembers).
- History of Mesa's City Council compensation from 1967 through 2012.
- Information from the Peoria's Council Salary Review Commission.
- Spreadsheets of Mayor and Council salaries of similarly situated cities as compared to population, compiled by Commission members Rhodes and Levine.
- Spreadsheets with compensation options for Mesa's elected officials, requested by the Chairperson.
- Chart Titled "City of Mesa Employee, Executive, and Elected Officials Benefits."

HISTORY OF MESA'S CITY COUNCIL COMPENSATION

Since adoption of the Mesa Charter in 1967, the compensation for the Mesa City Council has been adjusted twice. In 1986, the annual salaries were adjusted to $19,200 for Mayor and $9,600 for Councilmember. In 1998, the annual salaries were adjusted to $33,600 for Mayor and $16,800 for Councilmember. The salaries have not been adjusted since 1998.[1]

A review of the salaries paid to elected officials in comparable cities reveals that the salaries for Mesa's elected officials are significantly below that paid to other similarly situated elected officials. The Commission believes the salaries of Mesa's Mayor and City Council should be commensurate with other comparable cities.

Since 2001, the Mayor and Councilmembers have received a $150/month vehicle allowance and since 2005, they have received an $80/month communication allowance. These allowances have not been adjusted since their initial adoption.

SUMMARY OF COMMISSION DISCUSSIONS:

The Commission has met several times to review and discuss the materials provided by City staff. The Commission also held a public hearing on October 29, 2012, where several

[1] The Mayor and Council have received cost of living adjustments provided to all City employees.

individuals spoke about the demands and time commitment needed to serve as Mayor and Councilmember for the City of Mesa.

The following is a summary of the Commission discussions:

- In 45 years, the salaries for Mesa's elected officials have been adjusted 2 times. These adjustments occurred in 1986 and 1998.
- The annual salaries for Mesa's elected officials have not been adjusted since 1998.
- Mesa's population in 1998 was 382,479. In 2012, Mesa's population is 439,041.
- At the public hearing on October 29, 2012, several residents, including current and former Mayor and Councilmembers spoke regarding the responsibilities of the Mayor and Councilmembers, specifically as to the significant time commitment that is required of elected officials. The Mayor and Councilmembers must be well versed on all areas of City business. Mesa is the 38th largest city in the United States and is a billion dollar organization. The Mayor and Council are the Board of Directors of the organization. They are called upon to make decisions in all areas of its operations, including, but not limited to, the budget, economic development, and the capital improvement program.
- The Mayor and Councilmembers are called to participate on numerous boards and committees, including local, state and national boards. Participation on these boards is critical to the regional leadership role that Mesa holds. The Mayor and Council are expected to attend various meetings including regularly scheduled City Council and Study Sessions; various local, state, and national conferences, and seminars; and attend other city events.
- The Commission discussed the compensation provided to Mesa's elected officials and those of comparable cities. The data shows that Mesa's Mayor and Councilmembers are not adequately compensated, as compared to 15 similarly situated cities around the country. Of the 15 cities reviewed Mesa's salary for Mayor ranked No. 12. For Councilmembers, Mesa's salary ranked No. 14. (A copy of the comparison data is attached to this report.)
- Mesa is the third largest city in the State of Arizona.
- As compared to other Arizona cities, Mesa's salary for Mayor ranked No. 5 out of the six cities surveyed. For Councilmember, Mesa's salary ranked No. 6 out of the six cities.
- The Commission agreed that an adjustment to the salaries for both Mayor and Council should be considered in order to attract competent and effective people to serve in office.
- At the November 8, 2012 meeting, the Commission heard from a resident who supported a compensation adjustment for the elected officials, but felt that given the state of the economy, a tiered approach to the adjustments may be better received by the Mesa residents and the City employee organizations. The resident asked several questions of the City Manager's Office. The City Manager's Office explained how the City conducts salary surveys and that the goal of the City of Mesa is to be at or above the average compensation for similar employee positions in the Valley. The resident also asked

whether the Mayor and Councilmembers are expected to be full time employees. The City Manager's Office explained that it is left to the discretion of the individual elected official as to the time needed to fulfill his/her responsibilities.

RECOMMENDATIONS

To accomplish the goals set forth in the Ordinance, and to ensure that Mesa can attract competent and effective leaders to serve as Mayor and Council, the Commission recommends that the Mesa City Council approve the following compensation package for Mesa's elected officials.

Annual Salary:

Mayor: $70,304
Councilmembers: $35,209

The annual salary will be adjusted by a cost of living adjustment, if any, provided to Mesa City employees.

Vehicle Allowance: The elected officials use their private vehicles to travel throughout the county and should be compensated for this expense. The Commission recommends that the Mayor receive $450/month and Councilmembers receive $300/month as a vehicle allowance.

Communication Allowance: The elected officials use their private cell phones for City business and should be compensated for this expense. The Commission recommends that the Mayor and Councilmembers continue to receive $80/month as a communication allowance.

City Benefits: The Commission recommends that the Mayor and Councilmembers be eligible for City benefits consistent with those provided to executive level City employees, which may, from time-to-time be amended, as employee benefits are amended.

Future Meeting: The Commission recommends that it reconvene within the next 12 months to continue to evaluate the compensation for Mesa's elected officials.

CONCLUSION

The members of the Independent Compensation Commission feel strongly that Mesa must continue to attract effective leaders for the positions of Mayor and Councilmember. To do so, the City must reasonably compensate its elected officials to ensure that public service is available to all residents. The compensation for Mesa's elected officials should be commensurate with

elected officials in similarly situated cities. The Commission believes that these recommendations will help Mesa move toward this goal, but that additional adjustments should be considered in the future to fully satisfy this goal.

The Commission requests that the City Council adopt the recommendations of this Independent Compensation Commission.

Respectfully submitted this 8th day of November, 2012.

Kate Ali'varius
Chairperson

Gary Levine
Vice Chairperson

REPORT AND RECOMMENDATIONS TO THE MAYOR AND CITY COUNCIL CITY OF MESA, AZ

Submitted by

INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS

November 5, 2013

BACKGROUND

On August 20, 2012, the Mesa City Council created the Independent Commission on Compensation for Elected Officials. The purpose of the Commission is to establish a fair and reasonable compensation for Mesa's elected officials. The Commission is to ensure that the Mayor and City Council are "compensated for their time, and effort on behalf of the City at a level that (1) is reasonable in light of the compensation paid to elected officials in other municipalities in the United States of similar size, (2) will include the costs and expenses necessary to perform their duties, (3) is likely to attract competent and effective people to serve in public office, (4) makes public service possible for every eligible citizen, not just those whose financial status enables them to serve, (5) takes into account the financial circumstances of the City, and (6) is determined by an Independent Commission on Compensation for Elected Officials." (2-25-1).

The Ordinance states that the Commission shall determine the compensation of the Council and the Mayor by comparing the compensation provided to elected officials in similarly situated cities within the United States. (2-25-3(B))

The Commission is to provide a report and recommendation to the Council within ninety (90) days following its initial meeting. "The recommendations of the Commission must be approved or rejected as a whole by the City Council." (2-25-3(A)).

To accomplish its purpose, the Commission held several public meetings, received and reviewed compensation data from numerous comparable cities across the United States; and held a public hearing to receive input from the public.

MEMBERS OF THE COMMISSION: The following Mesa residents were appointed to serve on the Independent Commission: Kate Ali'varius (chairperson), Gary Levine, Stacy Holmstedt, Tom Rhodes, and Marty Whalen.

INFORMATION PROVIDED AND REVIEWED BY THE COMMISSION:

At the request of the Commission, staff provided the following information:

- Data from comparable cities across the United States which included: (1) the annual salaries for the elected officials; (2) benefits provided to the elected officials (e.g., vehicle allowance, communication allowance, medical/dental insurance); (3) historical salary adjustments for elected officials in Tucson and Phoenix; and (4) the structure of the Council (e.g., Mayor-Council form of government, district or at-large, number of constituents per district; and the number of Councilmembers).
- History of Mesa's City Council compensation from 1967 through 2012.
- Information from the Peoria's Council Salary Review Commission.
- Spreadsheets of Mayor and Council salaries of similarly situated cities as compared to population, compiled by Commission members Rhodes and Levine.
- Spreadsheets with compensation options for Mesa's elected officials, requested by the Chairperson.
- Chart Titled "City of Mesa Employee, Executive, and Elected Officals Benefits."

HISTORY OF MESA'S CITY COUNCIL COMPENSATION

Since adoption of the Mesa Charter in 1967, the compensation for the Mesa City Council has been adjusted twice. In 1986, the annual salaries were adjusted to $19,200 for Mayor and $9,600 for Councilmember. In 1998, the annual salaries were adjusted to $33,600 for Mayor and $16,800 for Councilmember. The salaries have not been adjusted since 1998.[1]

A review of the salaries paid to elected officials in comparable cities reveals that the salaries for Mesa's elected officials are significantly below that paid to other similarly situated elected officials. The Commission believes the salaries of Mesa's Mayor and City Council should be commensurate with other comparable cities.

Since 2001, the Mayor and Councilmembers have received a $150/month vehicle allowance and since 2005, they have received an $80/month communication allowance. These allowances have not been adjusted since their initial adoption.

SUMMARY OF COMMISSION DISCUSSIONS:

In 2012, the Commission met several times to review and discuss the materials provided by City staff. The Commission also held a public hearing on October 29, 2012, where several

[1] The Mayor and Council have received cost of living adjustments provided to all City employees per Ordinance 3445, adopted March 2, 1998.

individuals spoke about the demands and time commitment needed to serve as Mayor and Councilmember for the City of Mesa.

The following is a summary of the Commission discussions in 2012:

- In 45 years, the salaries for Mesa's elected officials have been adjusted 2 times. These adjustments occurred in 1986 and 1998.
- The annual salaries for Mesa's elected officials have not been adjusted since 1998.
- Mesa's population in 1998 was 382,479. In 2012, Mesa's population is 439,041.
- At the public hearing on October 29, 2012, several residents, including current and former Mayor and Councilmembers spoke regarding the responsibilities of the Mayor and Councilmembers, specifically as to the significant time commitment that is required of elected officials. The Mayor and Councilmembers must be well versed on all areas of City business. Mesa is the 38th largest city in the United States and is a billion dollar organization. The Mayor and Council are the Board of Directors of the organization. They are called upon to make decisions in all areas of its operations, including, but not limited to, the budget, economic development, and the capital improvement program.
- The Mayor and Councilmembers are called to participate on numerous boards and committees, including local, state and national boards. Participation on these boards is critical to the regional leadership role that Mesa holds. The Mayor and Council are expected to attend various meetings including regularly scheduled City Council and Study Sessions; various local, state, and national conferences, and seminars; and attend other city events.
- The Commission discussed the compensation provided to Mesa's elected officials and those of comparable cities. The data shows that Mesa's Mayor and Councilmembers are not adequately compensated, as compared to 15 similarly situated cities around the country. Of the 15 cities reviewed Mesa's salary for Mayor ranked No. 12. For Councilmembers, Mesa's salary ranked No. 14. (A copy of the comparison data is attached to this report.)
- Mesa is the third largest city in the State of Arizona.
- As compared to other Arizona cities, Mesa's salary for Mayor ranked No. 5 out of the six cities surveyed. For Councilmember, Mesa's salary ranked No. 6 out of the six cities.
- The Commission agreed that an adjustment to the salaries for both Mayor and Council should be considered in order to attract competent and effective people to serve in office.
- At the November 8, 2012 meeting, the Commission heard from a resident who supported a compensation adjustment for the elected officials, but felt that given the state of the economy, a tiered approach to the adjustments may be better received by the Mesa residents and the City employee organizations. The resident asked several questions of the City Manager's Office. The City Manager's Office explained how the City conducts salary surveys and that the goal of the City of Mesa is to be at or above the average compensation for similar employee positions in the Valley. The resident also asked

whether the Mayor and Councilmembers are expected to be full time employees. The City Manager's Office explained that it is left to the discretion of the individual elected official as to the time needed to fulfill his/her responsibilities.

The following is a summary of the Commission discussions in 2013:

- The Commission was updated on all information set forth above, including data regarding compensation paid to elected officials in other municipalities of similar size.
- In 2013, the population of Mesa is approximately 450,000.

RECOMMENDATIONS

To accomplish the goals set forth in the Ordinance, and to ensure that Mesa can attract competent and effective leaders to serve as Mayor and Council, the Commission recommends that the Mesa City Council approve the following compensation package for Mesa's elected officials.

Annual Salary:

Mayor: $[redacted]5 73,545
Councilmembers: $[redacted] 36,832

The annual salary will be adjusted by a cost of living adjustment, if any, provided to Mesa City employees.

Vehicle Allowance: The elected officials use their private vehicles to travel throughout the county and should be compensated for this expense. The Commission recommends that the Mayor receive $[redacted]/month and Councilmembers receive $[redacted]/month as a vehicle allowance.
550 350

Communication Allowance: The elected officials use their private cell phones for City business and should be compensated for this expense. The Commission recommends that the Mayor and Councilmembers continue to receive $80/month as a communication allowance.

City Benefits: The Commission recommends that the Mayor and Councilmembers be eligible for City benefits consistent with those provided to executive level City employees, which may, from time-to-time be amended, as employee benefits are amended.

CONCLUSION

The members of the Independent Compensation Commission feel strongly that Mesa must continue to attract effective leaders for the positions of Mayor and Councilmember. To do so, the City must reasonably compensate its elected officials to ensure that public service is available to all residents. The compensation for Mesa's elected officials should be commensurate with elected officials in similarly situated cities. The Commission believes that these recommendations will help Mesa move toward this goal, but that additional adjustments should be considered in the future to fully satisfy this goal.

The Commission requests that the City Council adopt the recommendations of this Independent Compensation Commission.

Respectfully submitted this 5th day of November, 2013.

_____
Kate Ali'varius
Chairperson

_____
Gary Levine

_____
Stacy Holmstedt

_____
Tom Rhodes

_____
Marty Whalen

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION
11/3/2015

ision date: 10/29/2015

r Key: Out of State

City	Pop.	Annual Mayor Salary	Annual Mayor Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Mayor Total Compensation Adjusted with Salary Calculator and includes vehicle, phone, expense allowance	Annual Councilmember Salary	Annual Council Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Council Total Compensation Adjusted with Salary Calculator andncludes vehicle, phone, expense allowance	Vehicle Allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Additional Phone, Communications or Expense allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Provides Retiree Health Insurance Options to elected officials?
Arlington, TX	365,438	$3,000.00	$2,970.26	$3,912.26	$2,400.00	$2,376.21	$3,318.21	No	$78.50 mos - $942 yr. Note: all but 2 council members receive phone allowances	Arlington does not provide Retiree Health Insurance to our elected officials.
Aurora, CO	332,354	$58,548.00	$55,932.87	$67,403.87	$13,451.00	$12,850.19	$26,296.19	Mayor $789.75 mos - $9,477 yr.; Council $760.50 mos/ $9,126 yr.	Exp Allowance (i.e. supplies, mileage, transportation, meals, lodging): Mayor $166 mos - $1,994 yr.; Council $360 mos - $4,320 yr.	Yes. Elected officials hired before 11/2013 must be at least 56 and have completed 6 years of service. Elected Officials hired after 11/2013 must be at least 62 and have completed 6 years of service.
Fresno, CA	500,121	$130,000.00	$120,786.95	$120,786.95	$65,000.00	$60,393.47	$60,393.47	No	No	No. Not in their retirement system.
Glendale, AZ	226,721	$48,000.00	---	$48,000.00	$34,000.00	---	$34,900.00	No	Council Members Only $75 mos - $900 yr.	Retiree Health Benefits are offered to elected officials. Cost/requirements and options are the same as those for regular employee retirees.
Kansas City, MO	459,787	$123,156.00	$126,821.92	$126,821.92	$61,569.00	$63,401.69	$63,401.69	No	City provides phone (no additional comp)	Yes. Any retiree can be part of health insurance options, they pay the full cost (employee and City costs)

City	Pop.	Annual Mayor Salary	Annual Mayor Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Mayor Total Compensation Adjusted with Salary Calculator and includes vehicle, phone, expense allowance	Annual Councilmember Salary	Annual Council Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Council Total Compensation Adjusted with Salary Calculator andncludes vehicle, phone, expense allowance	Vehicle Allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Additional Phone, Communications or Expense allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Provides Retiree Health Insurance Options to elected officials?
Long Beach, CA	472,779	$136,152.00	$118,176.29	$123,936.29	$34,044.00	$29,549.28	$35,309.28	$450 mos - $5,400 yr	$30 mos - $360 yr	Yes. Provided Open Enrollment link http://www.longbeach.gov/hr/media-library/documents/city-employees/employee-benefits/open-enrollment-benefit-guides/2015-city-of-long-beach-retiree-benefit-brochure---final/
Mesa, AZ	462,376	$73,545.00	---	$81,105.00	$36,832.00	---	$41,992.00	Mayor $550 mos - $6,600 yr. Council $350 mos - $4,200 yr.	$80 mos - $960 yr.	
Peoria, AZ	165,000	$31,337.52	---	$34,337.52	$20,891.68	---	$26,111.68	Council = $275 mos - $3,300 yr. Note: current Mayor does not receive allowance he is provided a vehicle.	Mayor $250 mos - $3,000 yr. Council $160 mos - $1,920 yr.	No
Phoenix, AZ	1,451,966	$88,000.00	---	$94,420.00	$61,600.00	---	$68,020.00	$435 mos - $5,220 yr.	$100 mos - $1,200 yr.	Handled through the State's EORP.
Sacramento, CA	485,199	$120,218.00	$104,615.96	$118,815.96	$63,272.00	$55,060.48	$63,560.48	Mayor $600 mos - $7200 yr. Council $400 mos - $4800 yr.	Tech Allowance: Mayor $166 mos - $2000 per year; Council $100 mos - $1200 per year Expense: Mayor $417mos - $5000 yr. Council $208 mos - $2500 yr.	Retiree benefits for Elected Officials are the same as the City employees (costs tiered by number of years worked).

City	Pop.	Annual Mayor Salary	Annual Mayor Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Mayor Total Compensation Adjusted with Salary Calculator and includes vehicle, phone, expense allowance	Annual Councilmember Salary	Annual Council Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Council Total Compensation Adjusted with Salary Calculator andncludes vehicle, phone, expense allowance	Vehicle Allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Additional Phone, Communications or Expense allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Provides Retiree Health Insurance Options to elected officials?
San Jose, CA NOTE: San Jose's Salary Setting Commission voted to put an initiative on a ballot to raise both Mayor and Council compensation. This is currently not scheduled to be acted upon. If approved, the new amounts would be $125,000 per year for the Mayor; $92,000 for members of Council.	967,487	$114,000.00	$89,149.55	$94,249.55	$81,000.00	$63,343.10	$68,443.10	$350 mos - $4,200 yr.	$75 mos - $900 yr.	San Jose does not offer Retiree Health Insurance to elected officials. However, if an elected official was a City employee, AND if that former employee was in Tier 1 for retirement benefits AND if they had 15 years of service, only then would they be eligible for health insurance benefits.
Tacoma, WA	204,000	$96,117.00	$92,484.93	$99,084.96	$43,576.00	$41,929.35	$41,929.35	Mayor only: $550 mos - $6,600 yr.	No	No
Tempe, AZ	161,719	$57,262.00	---	$57,262.00	$28,334.00	---	$28,334.00	No	City will pay personal cell phone, if they choose to have their phone plan through the City (Verizon) Plan.	Yes. Eligible for retiree benefits if they have 8 years of continuous service. If they were hired after 2009, they would receive an HRA like regular employees.

City	Pop.	Annual Mayor Salary	Annual Mayor Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Mayor Total Compensation Adjusted with Salary Calculator and includes vehicle, phone, expense allowance	Annual Councilmember Salary	Annual Council Base Salary Adjusted with Salary Calculator*	TOTAL COMPENSATION Annual Council Total Compensation Adjusted with Salary Calculator andncludes vehicle, phone, expense allowance	Vehicle Allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Additional Phone, Communications or Expense allowance per month/year. Allowance is the same for both Mayor and Council unless noted below	Provides Retiree Health Insurance Options to elected officials?
Tucson, AZ NOTE: Tucson's Citizens' Commission on Public Service and Compensation voted to put an initiative on the November ballot to raise both Mayor and Council compensation. If approved, the new amounts would be $48,360 per year for the Mayor and $27,456 for members of Council	524,295	$42,000.00	---	$42,000.00	$24,000.00	---	$24,000.00	No	No	Yes, if eligible for retirement under EORP/PSPRS/TSRS they would be eligible for retire insurance. Medical is only if under 65. If they are not eligible for one of the retirement pensions they wouldn't be considered retirees therefore would not be eligible.
Virginia Beach, VA	447,021	$30,000.00	$29,074.79	$29,074.79	$28,000.00	$27,136.47	$27,136.47	No	No	No

Footnotes: *The cost of living calculator used for this report is City Rating.com (http://www.cityrating.com/costofliving.asp) which is mainly based on the Consumer Price Index (CPI) (published by the U.S. Bureau of Labor Statistics):

CITY RETIREE BENEFITS

PRESENTATION TO COUNCIL COMPENSATION COMMISSION
NOVEMBER 03, 2015

Current Retiree Benefit Plan Overview

- **The City provides three main insurance related retiree benefits**
  - Medical – 3 PPO plan designs
  - Dental – 3 PPO plan designs
  - Vision – choice of 2 plan designs (fully insured)
  - Supplemental Term Life/Basic AD&D (fully paid for by retiree and can be ported)
- **Retiree Benefits funded through the Benefit Trust Fund**
  - Contributions from the City
  - Retiree premiums
  - Arizona State Retirement System (ASRS) subsidies

Current Retiree Benefit Eligibility Provisions

- **To be eligible for City sponsored retiree benefits:**
  - Must retire from ASRS or PSPRS
  - Must be enrolled in Medical, Dental and/or Vision plans
  - Must have required years of City service
    - Hire 1991 – 2000 = 10 years
    - Hire 2001 – 2005 = 15 years
    - Hire 2006 – 2008 = 20 years
    - Hire 2009 – Present = 20 years, *no City contributions* (employee pays full cost - City and retiree contributions)
- **Current Plan Document:**
  - defines hire date as “most recent”
  - Stipulates years of service must be *consecutive* (gaps in service do not count)

Medical Plan Premium Calculations

- **Retiree medical plan costs are actuarially rated separately**
- **Retiree monthly premiums based on coverage (single or family) and plan selected**
- **Other calculation factors:**
  - Level of City contribution dependent on years of service and plan
  - Retirees receive a monthly subsidy from ASRS that is applied towards monthly premiums
    - Subsidy amounts range from $100 to $260 per month depending on years of service in ASRS/PSPRS and Medicare eligibility

Elected Officials

- **Current Elected Officials may enroll in City benefits like regular, active employees (premiums calculated like regular employees)**
- **Elected Officials under current requirements would never be eligible for City retiree coverage (with or without City contribution)**
  - Could not satisfy the 20-years consecutive service requirement
- **Two former elected officials have health plan retiree coverage**
  - Both satisfied years of service requirements under the Plan Document provisions applicable at the time