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OFFICE OF THE CITY CLERK

INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS
MINUTES

November 5, 2013

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 5, 2013 at 4:30 p.m.

MEMBERS PRESENT	MEMBERS ABSENT	STAFF PRESENT
Kate Ali'varius	None	John Pombier
Stacy Holmstedt		Debbie Spinner
Gary Levine		Dee Ann Mickelsen
Tom Rhodes		Jill Kotsur
Marty Whalen		

Chairperson Ali'varius welcomed everyone to the meeting.

1. Introduction of new Commission Member Marty Whalen.

Commission Member Whalen provided brief background with respect to his professional and community activities.

Commission Member Whalen stated that he and Commission Member Rhodes are both members of the Rotary Club and often have lunch together at the meetings. He inquired, with respect to the Open Meeting Law, whether it would be necessary for the City to post a notice of the Rotary Club meetings since both he and Commission Member Rhodes serve on this Commission.

City Attorney Debbie Spinner responded that it would not be necessary to post a notice of the Rotary Club meetings. She clarified, however, that the City is required to post a meeting notice any time that a quorum of this Commission meets and are likely to discuss an item that will be presented to the members.

Commission Member Whalen stated that he had no intention of discussing any issues related to this Commission with Commission Member Rhodes at the Rotary Club meetings. He added that he simply wanted the record to disclose his association with Commission Member Rhodes as outlined above.

Chairperson Ali'varius welcomed back Commission Member Levine, who was reappointed to serve another term on the Commission.

2. Items from citizens present.

There were no items from citizens present.

3. Approval of the minutes of the Independent Commission on Compensation for Elected Officials meeting held on November 8, 2012.

It was moved by Commission Member Rhodes, seconded by Commission Member Levine, that the minutes of the Independent Commission on Compensation for Elected Officials meeting held on November 8, 2012 be approved.

Upon tabulation of votes, it showed:

AYES – Ali'varius-Holmstedt-Levine-Rhodes
ABSTAIN – Whalen

Chairperson Ali'varius declared the motion carried unanimously by those present and voting.

4. Staff summary of 2012 meetings and report.

Ms. Spinner referred to a document titled "Report and Recommendations to the Mayor and City Council, City of Mesa, Arizona, Submitted by the Independent Commission on Compensation for Elected Officials," which is dated November 8, 2012. **(See Attachment 1)** She explained that the report summarizes the work and the actions of the Commission last year. She noted that the Commission held a number of meetings; solicited input from citizens in the community; and were provided a significant amount of research from staff relative to salaries paid to elected officials in comparable cities, the history of the Mesa City Council's compensation, and certain Mesa City Charter requirements in that regard. She added that Page 4 of the document outlines the Commission's recommendations that were forwarded on to the City Council.

Ms. Spinner, in addition, commented that it is the responsibility of the Commission to provide a report and recommendations to the Council. She noted that the recommendations of the Commission must be approved or rejected as a whole by the City Council. She stated that last year, the City Council did not adopt the Commission's recommendations. She noted, however, that the Commission made a recommendation to reconvene this year in an effort to continue to evaluate the compensation for Mesa's Elected Officials.

5. Hear a presentation from staff updating the compensation data collected for Elected Officials of similarly-situated municipalities.

The Commission Members had no questions or concerns with respect to the updated compensation data. **(See Attachments 2 and 3)**

6. Take action on the Report and Recommendations to the Mayor and City Council regarding the compensation for Mesa's Elected Officials.

Chairperson Ali'varius stated that last year, the Commission made a proposal to the City Council after taking a significant amount of time and effort to conduct research, review and discuss an extensive amount of data that was provided by staff. She noted that the Mayor and

the Councilmembers did not adopt the Commission's recommendations, but pointed out that things were different a year ago than they are now. She also commented that in reviewing the minutes from last year's Commission meetings, some concerns were expressed with respect to the Mayor and the Councilmembers' pay increases being on par. She clarified that last year, the Commission proposed a 90% salary increase for the Mayor and an 85% salary increase for the Councilmembers.

Chairperson Ali'varius stated that she would propose a 90% salary increase for both the Mayor and the Councilmembers. She distributed a document to her fellow Commission Members that she prepared which illustrates certain computations in that regard. **(See Attachment 4)**

Chairperson Ali'varius explained that by taking the 90% increase that the Commission arrived at last year and breaking it down over the 15 years, which was the last time that the Mayor and the Councilmembers received a salary increase, and allowing for the fact that the proposed increase would not go into effect until 2015, would result in an estimated 4.5% increase compounded over 16 years. She further remarked that such a proposal would increase the Councilmembers' salary from $19,032 to $36,832 and from $38,002 to $73,545 for the Mayor's salary. She also highlighted the bottom of Attachment 4, which reflects constant dollars based on the actual inflation rate.

Chairperson Ali'varius, in addition, remarked that for purposes of today's discussion, she suggested that her fellow Commission Members focus on the 4.5% increase rate. She pointed out that over the last few years, City employees have received 5% salary increases, whereas the 4.5% salary increase would reflect over the last 16 years for the Mayor and the Councilmembers.

Chairperson Ali'varius further commented that she would propose to leave as is the other recommendations that the Commission made last year. She stated that perhaps the Mayor and the Councilmembers might approve the salary increase this time, since it will not go into effect until January 2015. She added that those voting may not be affected by the increase, as was the Mayor and the Councilmembers' concern last year.

Chairperson Ali'varius advised that the City of Mesa has continued to accumulate a great many successes and is allowing City employees to receive 5% salary increases. She said that based on those facts, she would propose the following:

- That the Councilmembers' salary be raised to $36,832 and the Mayor's salary be raised to $73,545.
- That the annual salaries for the Mayor and the Councilmembers 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 and the Councilmembers receive $300 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 the Councilmembers receive $80 per month as a communication allowance.

- City Benefits. The Commission recommends that the Mayor and the 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.

Commission Member Holmstedt referred to Attachments 2 and 3 and inquired if the slight compensation increases in Tempe and Phoenix were automatic increases or due to City Charter requirements.

Deputy City Manager John Pombier responded that it was his understanding that the City's Human Resources Department contacted all of the cities listed on the documents to obtain salary updates. He explained that if a comment is not included in the footnote at the bottom of the page, staff was unaware of the origin of the salary increase.

Chairperson Ali'varius referred to Page 3 of Attachment 1 and inquired if staff updated any of the bullet points related to a summary of the Commission discussions and if anything had changed. She cited, for instance, that Mesa's population increased by approximately 11,000 people and questioned whether the salary rankings for Mesa's Mayor and the Councilmembers had changed.

Mr. Pombier clarified that it appeared as though the rankings have not changed based on the updated numbers. He noted that the Councilmembers are still ranked No. 6 out of the six cities surveyed, and the Mayor's salary ranked No. 5 out of the six cities.

Commission Member Levine commented that since the cost of gasoline and vehicle maintenance continues to grow, he would suggest that the vehicle allowance be increased to $550 for the Mayor and $350 for the Councilmembers.

Responding to a question from Chairperson Ali'varius, Mr. Pombier explained that with respect to car allowances, Executive staff receive a set amount per month ($300), but do not receive reimbursement for expenses that are incurred above that amount.

In response to a comment from Commission Member Rhodes, Chairperson Ali'varius clarified that she did not make a formal motion, but simply brought forward a proposal for discussion purposes.

Commission Member Rhodes inquired if Commission Member Levine's proposal relative to increasing the vehicle allowance would be appropriate if a formal motion had not been made or seconded.

Ms. Spinner clarified that if Chairperson Ali'varius has not made a formal motion on the floor, she could incorporate Commission Member Levine's comment into her motion if she chose to do so.

Commission Member Rhodes stated that he would withdraw his inquiry.

Chairperson Ali'varius inquired if her fellow Commission Members were comfortable with the manner in which they were proceeding at today's meeting. She commented that the Commission previously took an extensive period of time to collectively come up with a proposal

and said that she is now proposing a slight amendment to that proposal. She added that Commission Member Levine is offering a further amendment, with which she is in agreement.

It was moved by Chairperson Ali'varius, that the compensation for Mesa's Elected Officials be as follows: That the Mayor's salary be increased to $73,545; that the Councilmembers' salary be increased to $36,832; that the Mayor and the Councilmembers are eligible for cost of living adjustments, if any, provided to Mesa City employees; that the Mayor and the Councilmembers would receive $550 and $350 respectively per month car allowance and an $80 per month communication allowance; and that the Mayor and the Councilmembers would be eligible for City benefits consistent with those provided to Executive-level City employees.

Commission Member Whalen seconded the motion.

Discussion ensued relative to the $80 per month communication allowance; that the Mayor and the Councilmembers use their private cell phones for City business and also utilize City-provided iPads; that when the Mayor or the Councilmembers' cell phone contracts expire, the City does not replace those devices; that Executive-level City employees receive an $80 per month communication allowance; and that as a result of the above-referenced discussion, the Commission Members were comfortable with the $80 per month communication allowance.

Chairperson Ali'varius called for the vote.

Chairperson Ali'varius declared the motion carried unanimously.

Ms. Spinner explained that the Ordinance states that the Commission will provide a report and recommendations to the City Council regarding this matter. She stated that with the Commission's permission, she has made a few revisions to last year's "Report and Recommendations to the Mayor and City Council" and has also handwritten in the changes that were discussed today. **(See Attachment 5)**

Ms. Spinner distributed copies of the document to the Commission Members and highlighted the various modifications. She stated that if the Commission Members were comfortable with the revisions, staff would simply forward on this report to the City Council and the Commission would not have to meet again this year. She added that the last page of the document includes signature lines for each of the Commission Members, but suggested that if there were no objections, it would only be necessary for the Chairperson to sign it.

In response to a question from Commission Member Whalen, Ms. Spinner clarified that the Ordinance states that the Commission will meet at least every two years.

Commission Member Whalen commented that the Ordinance provides a mechanism to ensure that the City "does not fall behind again" with respect to the Mayor and the Councilmembers' salaries.

Responding to a question from Commission Member Rhodes, Ms. Spinner explained that once the Commission has adopted the report, it will be placed on the City Council agenda at the request of the City Manager, the Mayor or three Councilmembers. She reiterated that per the Arizona Constitution, the salaries will not be adjusted until January 2015.

Chairperson Ali'varius stated that the Commission Members were comfortable with the revisions included on Attachment 5.

It was moved by Commission Member Rhodes, seconded by Commission Member Whalen, that the "Report and Recommendations to the Mayor and City Council" dated November 5, 2013 be approved.

Chairperson Ali'varius declared the motion carried unanimously.

7. Discuss dates for future meetings.

Chairperson Ali'varius inquired if the Commission Members would like to reconvene a year from now or two years from now.

Commission Member Rhodes stated that if the City Council approves the Commission's recommendations, he would see no need for the Commission to meet until two years from now. He noted, on the other hand, if the City Council does not approve the Commission's recommendations, it would be appropriate for the Commission to meet in 2014.

In response to a question from Chairperson Ali'varius, Ms. Spinner verified that as Chairperson, she could call a meeting at any time she chose to do so.

Chairperson Ali'varius thanked everyone for their attendance.

8. Adjournment.

Without objection, the Independent Commission on Compensation for Elected Officials meeting adjourned at 5:04 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 5th day of November, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

_____
DEE ANN MICKELSEN, CITY CLERK

pag
(attachments – 5)

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

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION

Ranked by Mayor Total Adjusted Compensation

Thursday, November 8, 2012

Color Key: Out of State

Rank by Mayor Total Adjusted Comp	City	Pop.	Mayor Base Salary Adjusted*	Council Base Salary Adjusted*	Vehicle Allowance per mos	Phone allowance per mos	Mayor Total Compensation Adjusted	Councilmember Total Compensation Adjusted
1	Fresno, CA	500,121	$ 128,677.96	$ 64,338.98	No	No	$ 128,677.96	$ 64,338.98
2	Kansas City, MO	459,787	$ 128,426.72	$ 64,203.98	No	City provides phone (no additional comp)	$ 128,426.72	$ 64,203.98
3	Long Beach, CA	461,564	$ 90,899.38	$ 22,724.85	$ 450.00	$ 30.00	$ 96,659.38	$ 28,484.85
4	Tacoma, WA	204,000	$ 86,948.74	$ 39,412.88	$550 per month; mayor only	No	$ 93,548.74	$ 39,412.88
5	Phoenix, AZ	1,445,632	$ 88,000.00	$ 61,600.00	$ 435.00	No	$ 93,220.00	$ 66,820.00
6	Sacramento, CA	466,488	$ 83,066.92	$ 43,308.64	$ 400.00	Tech Allowance: Mayor $2000 per year; Council $1200 per year	$ 89,866.92	$ 49,308.64
7	Aurora, CO	332,354	$ 44,142.85	$ 10,234.92	$ 760.50	Tech Allowance: Mayor $4320 per year; Council $2700 per year	$ 57,588.85	$ 22,060.92
8	Tempe, AZ	161,719	$ 55,496.00	$ 27,747.00	No	Available if they choose	$ 55,496.00	$ 27,747.00
9	Glendale, AZ	226,721	$ 48,000.00	$ 34,000.00	No	No	$ 48,000.00	$ 34,000.00
10	San Jose, CA	967,487	$ 42,917.89	$ 33,108.09	$ 350.00	No	$ 47,117.89	$ 37,308.09
11	Tucson, AZ	520,116	$ 42,000.00	$ 24,000.00	No	No	$ 42,000.00	$ 24,000.00
12	**Mesa, AZ**	**439,041**	**$ 38,601.60**	**$ 19,032.00**	**$ 150.00**	**$ 80.00**	**$ 41,361.60**	**$ 21,792.00**
13	Peoria, AZ	158,000	$ 30,277.80	$ 20,185.20	$ 275.00	Mayor $250 Council $160	$ 36,577.80	$ 25,405.20
14	Virginia Beach, VA	437,994	$ 32,368.05	$ 30,210.18	No	No	$ 32,368.05	$ 30,210.18
15	Arlington, TX	364,000	$ 2,502.71	$ 2,002.17	No	$ 75.00	$ 3,402.71	$ 2,902.17

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):

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION
Ranked by Council Total Adjusted Compensation
Thursday, November 8, 2012

Color Key: Out of State

Rank by Council Total Adjusted Comp	City	Pop.	Mayor Base Salary Adjusted*	Council Base Salary Adjusted*	Vehicle Allowance per mos	Phone allowance per mos	Mayor Total Compensation Adjusted	Councilmember Total Compensation Adjusted
1	Phoenix, AZ	1,445,632	$ 88,000.00	$ 61,600.00	$ 435.00	No	$ 93,220.00	$ 66,820.00
2	Fresno, CA	500,121	$ 128,677.96	$ 64,338.98	No	No	$ 128,677.96	$ 64,338.98
3	Kansas City, MO	459,787	$ 128,426.72	$ 64,203.98	No	City provides phone (no additional comp)	$ 128,426.72	$ 64,203.98
4	Sacramento, CA	466,488	$ 83,066.92	$ 43,308.64	$ 400.00	Tech Allowance: Mayor $2000 per year; Council $1200 per year	$ 89,866.92	$ 49,308.64
5	Tacoma, WA	204,000	$ 86,948.74	$ 39,412.88	$550 per month; mayor only	No	$ 93,548.74	$ 39,412.88
6	San Jose, CA	967,487	$ 42,917.89	$ 33,108.09	$ 350.00	No	$ 47,117.89	$ 37,308.09
7	Glendale, AZ	226,721	$ 48,000.00	$ 34,000.00	No	No	$ 48,000.00	$ 34,000.00
8	Virginia Beach, VA	437,994	$ 32,368.05	$ 30,210.18	No	No	$ 32,368.05	$ 30,210.18
9	Long Beach, CA	461,564	$ 90,899.38	$ 22,724.85	$ 450.00	$ 30.00	$ 96,659.38	$ 28,484.85
10	Tempe, AZ	161,719	$ 55,496.00	$ 27,747.00	No	Available if they choose	$ 55,496.00	$ 27,747.00
11	Peoria, AZ	158,000	$ 30,277.80	$ 20,185.20	$ 275.00	Mayor $250 Council $160	$ 36,577.80	$ 25,405.20
12	Tucson, AZ	520,116	$ 42,000.00	$ 24,000.00	No	No	$ 42,000.00	$ 24,000.00
13	Aurora, CO	332,354	$ 44,142.85	$ 10,234.92	$ 760.50	Tech Allowance: Mayor $4320 per year; Council $2700 per year	$ 57,588.85	$ 22,060.92
14	**Mesa, AZ**	**439,041**	**$ 38,601.60**	**$ 19,032.00**	**$ 150.00**	**$ 80.00**	**$ 41,361.60**	**$ 21,792.00**
15	Arlington, TX	364,000	$ 2,502.71	$ 2,002.17	No	$ 75.00	$ 3,402.71	$ 2,902.17

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):

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION
Ranked by Council Total Adjusted Compensation
Monday, November 4, 2013 (UPDATED)

Color Key: Out of State

Rank by Council Total Adjusted Comp	City	Pop.	Mayor Base Salary Adjusted*	Council Base Salary Adjusted*	Vehicle Allowance per mos	Phone allowance per mos	Mayor Total Compensation Adjusted	Councilmember Total Compensation Adjusted	
1	Phoenix, AZ	1,445,632	$ 88,000.00	$ 61,600.00	$ 435.00	$100	$ 94,420.00	$ 68,020.00	Updated
2	Fresno, CA	500,121	$ 128,677.96	$ 64,338.98	No	No	$ 128,677.96	$ 64,338.98	
3	Kansas City, MO	459,787	$ 128,426.72	$ 64,203.98	No	City provides phone (no additional comp)	$ 128,426.72	$ 64,203.98	
4	Sacramento, CA	466,488	$ 83,066.92	$ 43,308.64	$ 400.00	Tech Allowance: Mayor $2000 per year; Council $1200 per year	$ 89,866.92	$ 49,308.64	
5	Tacoma, WA	204,000	$ 89,337.17	$ 40,494.24	$550 per month; mayor only	No	$ 95,937.17	$ 40,494.24	Updated
6	San Jose, CA	967,487	$ 42,917.89	$ 33,108.09	$ 350.00	No	$ 47,117.89	$ 37,308.09	
7	Glendale, AZ	226,721	$ 48,000.00	$ 34,000.00	No	No	$ 48,000.00	$ 34,000.00	No Change
8	Virginia Beach, VA	447,021	$ 32,368.05	$ 30,210.18	No	No	$ 32,368.05	$ 30,210.18	Updated Population Only
9	Long Beach, CA	467,646	$ 92,627.03	$ 23,156.76	$ 450.00	$ 30.00	$ 98,387.03	$ 28,916.76	Updated
10	Tempe, AZ	161,719	$ 56,064.00	$ 28,032.00	No	Available if they choose	$ 56,064.00	$ 28,032.00	Updated
11	Peoria, AZ	158,000	$ 30,277.80	$ 20,185.20	$ 275.00	Mayor $250 Council $160	$ 36,577.80	$ 25,405.20	No Change
12	Tucson, AZ	524,295	$ 42,000.00	$ 24,000.00	No	No	$ 42,000.00	$ 24,000.00	Updated Population Only
13	Aurora, CO	332,354	$ 44,142.85	$ 10,234.92	$ 760.50	Tech Allowance: Mayor $4320 per year; Council $2700 per year	$ 57,588.85	$ 22,060.92	
14	**Mesa, AZ**	**439,041**	**$ 38,001.60**	**$ 19,032.00**	**$ 150.00**	**$ 80.00**	**$ 40,761.60**	**$ 21,792.00**	Revised Mayor's Salary = Typo previously
15	Arlington, TX	365,438	$ 2,502.71	$ 2,002.17	No	$ 78.50	$ 3,444.71	$ 2,944.17	Updated

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):

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION

Ranked by Mayor Total Adjusted Compensation

Monday, November 4, 2013 (UPDATED)

Color Key: Out of State

Rank by Mayor Total Adjusted Comp	City	Pop.	Mayor Base Salary Adjusted*	Council Base Salary Adjusted*	Vehicle Allowance per mos	Phone allowance per mos	Mayor Total Compensation Adjusted	Councilmember Total Compensation Adjusted	
1	Fresno, CA	500,121	$ 128,677.96	$ 64,338.98	No	No	$ 128,677.96	$ 64,338.98	
2	Kansas City, MO	459,787	$ 128,426.72	$ 64,203.98	No	City provides phone (no additional comp)	$ 128,426.72	$ 64,203.98	
3	Long Beach, CA	467,646	$ 92,627.03	$ 23,156.76	$ 450.00	$ 30.00	$ 98,387.03	$ 28,916.76	Updated
4	Tacoma, WA	204,000	$ 89,337.17	$ 40,494.24	$550 per month; mayor only	No	$ 95,937.17	$ 40,494.24	Updated
5	Phoenix, AZ	1,445,632	$ 88,000.00	$ 61,600.00	$ 435.00	$100	$ 94,420.00	$ 68,020.00	Updated
6	Sacramento, CA	466,488	$ 83,066.92	$ 43,308.64	$ 400.00	Tech Allowance: Mayor $2000 per year; Council $1200 per year	$ 89,866.92	$ 49,308.64	
7	Aurora, CO	332,354	$ 44,142.85	$ 10,234.92	$ 760.50	Tech Allowance: Mayor $4320 per year; Council $2700 per year	$ 57,588.85	$ 22,060.92	
8	Tempe, AZ	161,719	$ 56,064.00	$ 28,032.00	No	Available if they choose	$ 56,064.00	$ 28,032.00	Updated
9	Glendale, AZ	226,721	$ 48,000.00	$ 34,000.00	No	No	$ 48,000.00	$ 34,000.00	No Change
10	San Jose, CA	967,487	$ 42,917.89	$ 33,108.09	$ 350.00	No	$ 47,117.89	$ 37,308.09	
11	Tucson, AZ	524,295	$ 42,000.00	$ 24,000.00	No	No	$ 42,000.00	$ 24,000.00	Updated Population Only
12	**Mesa, AZ**	**439,041**	**$ 38,001.60**	**$ 19,032.00**	**$ 150.00**	**$ 80.00**	**$ 40,761.60**	**$ 21,792.00**	Revised Mayor's Salary = Typo previously
13	Peoria, AZ	158,000	$ 30,277.80	$ 20,185.20	$ 275.00	Mayor $ 250 Council $160	$ 36,577.80	$ 25,405.20	No Change
14	Virginia Beach, VA	447,021	$ 32,368.05	$ 30,210.18	No	No	$ 32,368.05	$ 30,210.18	Updated Population Only
15	Arlington, TX	365,438	$ 2,502.71	$ 2,002.17	No	$ 78.50	$ 3,444.71	$ 2,944.17	Updated

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):

		constant rate @4.5%	Council	Mayor
1998	0	0.045	19,032.00	38,002.00
1999	1		19,888.44	39,712.09
2000	2		20,783.42	41,499.13
2001	3		21,718.67	43,366.60
2002	4		22,696.01	45,318.09
2003	5		23,717.33	47,357.41
2004	6		24,784.61	49,488.49
2005	7		25,899.92	51,715.47
2006	8		27,065.42	54,042.67
2007	9		28,283.36	56,474.59
2008	10		29,556.11	59,015.94
2009	11		30,886.14	61,671.66
2010	12		32,276.02	64,446.89
2011	13		33,728.44	67,347.00
2012	14		35,246.22	70,377.61
2013	16		36,832.30	73,544.60

In constant dollars based on actual inflation rate

		inflation rate		
1998	0		19,032.00	38,002.00
1999	1	0.0157	19,330.80	38,598.63
2000	2	0.0167	19,653.63	39,243.23
2001	3	0.0274	20,192.14	40,318.49
2002	4	0.0373	20,945.30	41,822.37
2003	5	0.0114	21,184.08	42,299.15
2004	6	0.026	21,734.87	43,398.93
2005	7	0.0193	22,154.35	44,236.52
2006	8	0.0297	22,812.33	45,550.35
2007	9	0.0399	23,722.54	47,367.81
2008	10	0.0208	24,215.97	48,353.06
2009	11	0.0428	25,252.42	50,422.57
2010	12	0.03	26,009.99	51,935.25
2011	13	0.0263	26,694.05	53,301.14
2012	14	0.0163	27,129.17	54,169.95
2013	15	0.0293	27,924.05	55,757.13
2014	16	0.0159	28,368.04	56,643.67

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.

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Kate Ali'varius
Chairperson

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Gary Levine

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Stacy Holmstedt

_____
Tom Rhodes

_____
Marty Whalen