



**INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS
AGENDA**

**Lower Level Council Chambers – 57 East First Street
Monday, January 11, 2016 – 11:00 A.M.**

Compensation Commission:

Claudia Walters – Chair	Gary Levine
Bryan Raines – Vice Chair	Anne McCawley
Pete Lesar	

Citizen Participation

All citizens are permitted and encouraged to speak on agenda items. If you wish to speak to the Commission on any item on the agenda, please fill out a "Notice" slip with your name and the item number about which you wish to speak. Hand this to a staff person or take it to the front table. The Chairperson will call upon you in turn.

1. Approval of the minutes of the Independent Commission on Compensation for Elected Officials meeting held on November 17, 2015.
2. Discuss and consider authorizing Chairman Walters to review and approve the minutes from today's meeting and forward to the City Council for acknowledgement.
3. Discuss and take action on the Report and Recommendations to the Mayor and City Council regarding the compensation for Mesa's elected officials.
4. Items from citizens present.

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Agenda Item 1

INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS MINUTES

November 17, 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 17, 2015 at 1:30 p.m.

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

Chairperson Walters stated that if there were any citizens in the audience who wished to address the Commission, she would encourage them to fill out a speaker card and hand it to a staff member, who will forward it on to her.

1. Approval of the minutes of the Independent Commission on Compensation for Elected Officials meeting held on November 3, 2015.

It was moved by Commission Member Lesar, seconded by Commission Member Levine, that the minutes from the November 3, 2015 meeting be approved.

Carried unanimously.

2. Hear a presentation and discuss updated compensation data collected for elected officials of similarly situated municipalities, by City staff.

Senior Human Resources Analyst Linda White stated that at the Commission's November 3, 2015 meeting, she was asked to compile additional information in an effort to assist the Commission Members in their decision-making process. She noted that she has completed such research and was prepared to present her findings at this time.

Ms. White referenced a document titled "Mayor and Council Salary/Benefits Information." (**See Attachment 1**) She pointed out that one of the items she compiled is a listing of the "Total City Budget Amount" for various municipalities that are similar in size to Mesa.

Ms. White also highlighted a document, which was previously distributed to the Commission Members, and now contains two additional columns as follows: "Process/Factor used to

increase Mayor and Council Salary” and “Expected Salary Increase prior to 2017.” **(See Attachment 2)** She explained that such information identifies the processes and factors that are taken into consideration by the respective communities as it relates to salary increases for their elected officials. She pointed out that several cities use a multi-pronged approach to determine salaries, such as Consumer Price Index (CPI) data, and whether employees have received pay raises and/or cost of living adjustments (COLAs).

Chairperson Walters expressed appreciation to Ms. White for her efforts and hard work in compiling the additional information requested by the Commission Members.

Ms. White further reviewed a chart detailing the car allowance and phone allowance for the City’s executive staff; the City-issued iPad and Data Plan; and the Mayor/Council’s estimated personal phone costs. **(See Attachment 3)** She reported that she recently became aware of the fact that the City issues iPads to the Mayor and Councilmembers, for which they receive an additional \$40/month for the associated 4G Data Plan.

Ms. White, in addition, remarked that in conducting her research, she learned that none of the cities she contacted use a specific formula to establish a phone allowance for their respective elected officials, but merely select an arbitrary amount that seems reasonable. She noted that staff inquired of the Mayor and Councilmembers regarding their estimated personal cell phone costs. She said that with respect to the Councilmembers, it was determined that such costs average \$94.36/month (\$1,132.33 annually). She added that staff was unable to obtain data as it relates to the Mayor’s expenses prior to today’s meeting.

In response to a question from Commission Member Lesar, Assistant City Manager John Pombier clarified that for those City employees who do not receive a monthly car allowance, but use their personal vehicles for City business, they receive a .59/mile reimbursement, which is the rate set by the Internal Revenue Service (IRS).

Chairperson Walters commented that even if a Councilmember receives a monthly car allowance, once he or she travels more than 100 miles to attend a City-related meeting, the person would receive a mileage reimbursement. She explained that the car allowance anticipates use within the region, but not for extended distances.

Responding to a question from Commission Member Lesar, Mr. Pombier indicated that the phone allowance for all of the Council-appointed positions is negotiated as a term of their respective contracts with the City Council. He stated that throughout the City, executive level staff receive a car allowance of \$80/month, while front line and other staff members receive between \$40 and \$50/month, depending upon usage.

Ms. White continued with her presentation and provided a short synopsis of a document containing CPI information, as well as a historical overview of the Social Security Administration’s COLAs. **(See Attachment 4)**

In response to a question from Commission Member Levine, Ms. White clarified that the \$40/month Data Plan allowance that the Councilmembers receive is in addition to the \$80/month communications allowance.

Chairperson Walters thanked staff for the presentation.

3. Discuss and provide direction to City staff on the Commission's recommendation to the City Council regarding compensation for Mesa's elected officials and the process for finalizing the report for Council consideration.

Chairperson Walters stated that in anticipation of today's meeting, she has drafted some concepts that she would like to share with her fellow Commission Members that might assist in their decision-making process. **(See Attachment 5)** She commented that she wanted to make it very clear for the record that she has not spoken to Mayor Giles or any of the Councilmembers as it relates to the Commission's recommendation concerning the matter of compensation for elected officials.

Chairperson Walters remarked that it was important for the Commission Members to be cognizant of the fact that the Mayor and Councilmembers "live in a political world." She stated that although the Commission Members can discuss "what is right and fair for all of the work" Mesa's elected officials perform, it does not reflect the political reality of where they live and what they have to vote on. She added that ultimately, it will be necessary for the Mayor and the Councilmembers to vote on the Commission's recommendation.

Responding to a question from Commission Member Levine, Deputy City Attorney Alfred Smith clarified that if the Commission recommends any changes to the elected officials' compensation, such changes would not go into effect until January 2017 when the newly-elected Councilmembers begin their terms in office.

Chairperson Walters noted that her concepts are "a framework for discussion" and include a philosophy that she would like her fellow Commission Members to consider. She suggested that it might be appropriate to move the Councilmembers' ratio of the Mayor's salary toward 60% instead of 50%, which could be accomplished gradually over five years. She stated the opinion that such a ratio would reflect the fact that Councilmembers are more than "half time employees."

Chairperson Walters indicated that it was her understanding that when the City Council was first established, the original concept was that the Councilmembers would work approximately ten hours a week, while the Mayor would work an estimated 20 hours per week. She also said that currently, the Councilmembers "work full time and more" and the Mayor "works double full time and more."

Chairperson Walters, in addition, briefly reviewed additional philosophical concepts for the Commission's consideration as follows: ensure that vehicle and communications allowances are appropriate to cover costs; and have a compensation package that reflects local sensibilities, while expanding the potential pool of individuals who can afford the economic sacrifices involved in public service.

Chairperson Walters further commented that in reviewing all of the data provided by staff, filtering out information from other states, and focusing on what Arizona elected officials are earning, in her opinion, the Mayor's compensation is "probably fairly close to where it should be right now." She added that none of the Arizona municipalities surveyed anticipate salary increases for their Mayors.

Chairperson Walters stated that she would propose increasing the base salary for Councilmembers by \$3,750 per year as a step toward moving the Mayor/Council ratio toward 60%. She suggested, in addition, increasing the Councilmembers' communications allowance for cell phones from \$80/month to \$100/month to more accurately reflect the actual costs that are incurred.

Chairperson Walters asked that her fellow Commission Members provide their feedback and input with respect to her proposal.

Vice Chairperson Raines remarked that the proposal does not include any adjustments to the Mayor's compensation.

Chairperson Walters confirmed Vice Chairperson Raines' statement and explained that her proposal reflects political sensibilities.

Responding to a question from Commission Member McCawley, Chairperson Walters offered clarification with respect to a prior statement she made as follows: she would propose that by 2017, the Councilmembers' salary would be increased by \$3,750; and she would further recommend that in 2019, such salary would once again be increased in order to reach the Mayor/Council ratio of 60%. She explained that her rationale behind the proposal was that it would be easier for the Councilmembers to vote on such a recommendation if it were accomplished in a two-step process.

In response to a question from Vice Chairperson Raines, Mr. Pombier advised that per the ordinance, the Independent Commission on Compensation for Elected Officials is required to meet every two years, at a minimum.

Vice Chairperson Raines indicated that in 2017, the Commission would meet again, at which time the members could address the additional increase, per Chairperson Walters' recommendation, that would take effect in 2019.

Commission Member Lesar stated the opinion that the Mayor serves the community in a capacity that is "more than a full time job."

Chairperson Walters clarified that the point she was trying to make was not that the Mayor's salary is adequate for the job that it entails, but rather that there was a political expediency for the City Council. She noted that per the ordinance, the City Council does not have the ability to decrease the proposed recommendation, but merely to approve it or deny it.

Chairperson Walters reiterated that it was important for the Commission Members to take into consideration the political issues that the City Council must address. She stated that in 2013, the previous City Council made a courageous decision to move the Mayor and Councilmembers' compensation "into the 21st century" in relation to every other city in the Valley.

Responding to a question from Commission Member Lesar, Chairperson Walters provided a brief historical overview of the manner in which previous City Councils were reimbursed for car mileage associated with City business, which eventually resulted in the current car allowance. She suggested that a possible alternative to the proposed car allowance might be that the

Councilmembers could submit their miles for reimbursement. She added that in her opinion, the current car allowance for the Councilmembers "is in the ballpark."

Discussion ensued relative to the process by which City employees receive pay raises.

Chairperson Walters noted that her proposal to increase the Councilmembers' annual base salary by \$3,750, which would total approximately \$40,500, does not take into account the vehicle allowance and cell phone allowance.

Commission Member Levine stated that he would recommend that the proposed salary increase to move the Mayor/Council ratio to 60% occur sooner rather than later. He suggested that it should not take five years in order to achieve that goal. He added that he would prefer to implement the full 60% increase in 2017 or 2018, at the latest.

Chairperson Walters clarified that although her recommendation reflects five years, functionally, the 60% ratio would be reached three years from January 2016.

Commission Member Levine also expressed support for increasing the Councilmembers' cell phone allowance from \$80/month to \$100/month.

Commission Member Lesar remarked that the full 60% ratio would equate to approximately \$7,295.00

Chairperson Walters commented that she was not opposed to the Councilmembers receiving the full 60% increase. She pointed out, however, that from a philosophical point of view, if the Commission made a recommendation to implement the full salary increase at one time, as opposed to incrementally, some of the Councilmembers might be placed in a position where they would feel compelled to vote against such a recommendation.

Additional discussion ensued relative to Commission Member Levine's preference to recommend the full 60% salary increase in 2017 (i.e., \$7,295) and not wait until 2019; that it was the opinion of Chairperson Walters that the City Council could possibly reject such a proposal; that Commission Member Levine subsequently agreed to support Chairperson Walter's proposal for an incremental salary increase in an effort to alleviate her concerns; and that the Commission could only make a recommendation for a salary increase that goes into effect in January 2017, but not beyond that period of time.

Commission Member Lesar agreed with Chairperson Walters' concept of a philosophical position and concurred that the Councilmembers' job is "more than half a job." He stated that in the future, the ratio could possibly fluctuate between 60% and 80% of the Mayor's salary.

Commission Member Lesar further remarked that if the Commission's recommendation was to increase the Councilmembers' annual base salary by \$3,750, it might be appropriate to include language in the recommendation reflecting that in the next review of the elected officials' compensation, the Commission Members consider moving the Councilmembers' salary closer to 60% of the Mayor's salary.

Chairperson Walters indicated that if there were a philosophical agreement contained in the Commission's recommendation, whoever serves on future Commissions will be apprised of

today's philosophical discussion and what the current Commission Members' thoughts were in that regard.

Vice Chairperson Raines expressed support for increasing the annual base salary for the Councilmembers by \$3,750; and also increasing the communications allowance for cell phones to \$100 in order to reimburse the Councilmembers for the actual costs incurred for such service. He noted that he was comfortable with the Mayor's compensation remaining at its current level.

Responding to a question from Chairperson Walters, Commission Members Lesar, Levine, McCawley and Raines all spoke in support of the Councilmembers' car allowance remaining at \$350/month.

It was moved by Commission Member McCawley, to approve Chairperson Walters' recommendation for certain changes to the Councilmembers' compensation package as follows: increase the communications allowance for cell phones from \$80/month to \$100/month; increase the annual base salary for the Councilmembers by \$3,750; and that such changes would go into effect in January, 2017.

Chairperson Walters clarified that the communications allowance was for the purpose of cell phones only and does not reflect the \$40/month allowance provided to the Councilmembers for their City-issued iPad/4G Data Plan.

Vice Chairperson Raines seconded the motion.

Carried unanimously.

Chairperson Walters stated that it was her understanding of the process that City Manager Christopher Brady will review the Commission's recommendation; staff prepares a report, which is brought back to the Commission Members for their approval; after which time, the report is forwarded on to the City Council. She suggested that due to the upcoming holiday season, it might be appropriate for the Commission to meet again in mid-January, 2016.

Commission Member McCawley requested that staff advise the Commission Members as soon as possible of the meeting date in January to ensure that they can include it on their calendars.

4. Discuss and provide direction to City staff as to what additional information the Commission may need at a future meeting.

Chairperson Walters stated that the Commission did not require any additional information from staff.

5. Discuss and set dates for upcoming meetings.

Chairperson Walters noted that staff will inform the Commission Members of the upcoming meeting date in January, 2016.

6. Items from citizens present.

There were no items from citizens present.

7. Adjournment.

Without objection, the Independent Commission on Compensation for Elected Officials meeting adjourned at 2:10 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 17th 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

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(attachments – 5)

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION
Additional Research Info Requested at 11/3/15 Meeting

Last revision date: 11/10/2015

City	Total City Budget Amount	Process/Factor used to increase Mayor and Council Salary	Expected Salary Increase prior to 2017
Arlington, TX	\$427,290,097	Salaries are set by Charter and increases are done through election. No change in salary since 10/1/1980. No specific data info to report.	No increases proposed at this time
Aurora, CO	\$700,000,000	The Charter provides for the possibility of annual Council and Mayor salary increases. Their raises are based on the amount equal to the cost of living increase or decrease occurring during the previous calendar year as determined by the US Department of Labor Consumer Price Index for the region which includes the Denver metropolitan area of the average increase or decrease given to all city employees, whichever is less.	Not providing raises on 1/1/2016 for the calendar year.
Fresno, CA	\$1,251,867,100	Waiting on Info	Waiting on Info
Glendale, AZ	\$632,000,000	Most current salary was set by Council Salary Review Commission in 4/11/06. Waiting on more detailed research info.	No
Kansas City, MO	\$1,474,941,054	Council votes on salaries for next 4 year term, combination of factors are used, CPI, consideration of what other employee groups received, salary survey data.	No

City	Total City Budget Amount	Process/Factor used to increase Mayor and Council Salary	Expected Salary Increase prior to 2017
Long Beach, CA	\$2,672,371,463	Charter set Mayor's base salary at \$67,500 in 1988; it is adjusted annually on July 1 by CPI. Charter sets Council Member pay at 25% of Mayor's.	Next increase maybe on July 1, 2016
Mesa, AZ	\$1,610,000,000	Current salary set by Independent Compensation Commission for Elected Officials in 11/2013; effective 01/2015	Would not be effective until 2017
Peoria, AZ	\$511,000,000	Citizens Commission on Salaries for Elected City Officials. They meet every other year. Unknown what the increase was based on.	Unknown at this time.
Phoenix, AZ	\$3,702,298,000	Citizens' Commission on Salaries for Elected City Officials meets every two years. Various data is used - including rates of pay of other Mayor and Councils, increases given to city employees, and the review of Consumer Price Index - All Urban Consumers (CPI-U). It is up to the commission members to decide what they would like to review.	Salary has not changed since 2005. 2007 recommendation voted down on ballot. Commission meeting this year.
Sacramento, CA	\$951,600,000	Per our City Charter Section 29, an Independent Compensation Commission reviews benchmarked City's annually and a new resolution is adopted. Commission reviews benchmark cities, employee salary adjustments, current compensation levels of public members of City Boards and Commissions.	Won't know if there will be any changes until a new resolution for the increase in 2016 is voted on and adopted

City	Total City Budget Amount	Process/Factor used to increase Mayor and Council Salary	Expected Salary Increase prior to 2017
San Jose, CA	\$3,190,000,000	The Council Salary Setting Commission makes recommendations to Council for salary adjustments every two years. Waiting on more detailed research info.	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.
Tacoma, WA	\$3,076,902,560	Citizens Commission on Elected Salaries added to City Charter 7/15/14. Commission will begin meeting in 2015.	Effective January 1, 2018 Mayor \$76,000 Council Member \$38,000 Also effective January 1, 2018, the Commission decided to eliminate the annual 2.75% salary increase for all future years.
Tempe, AZ	\$607,500,000	Tempe uses the Employment Cost Index to determine any increases. It is generally done annually at the beginning of the fiscal year.	It is possible that they may receive another increase in July 2016.
Tucson, AZ	1,367,000,000	Citizens' Commission on Public Service and Compensation determines whether to make a request of the voters every other year (on the odd year) whether Mayor and/or Council should get a pay raise. An inflation factor was discussed in the meetings. However it is not a mandatory discussion nor is Mayor and Council pay rates tied to an inflation rate.	The Commission met 4 times in 2015 and did put an initiative on the ballot. It failed this year by a margin of 60% to 40% (approximately). This was the first attempt for a pay increase since 2007. In the three prior occasions, the Committee voted not to put an initiative on the ballot
Virginia Beach, VA	Waiting on Info	Waiting on Info	Waiting on Info

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION

Revised 11/17/2015

Last revision date: 11/10/2015

Color Key: **NEW INFORMATION**
11/17/2015

NEW INFORMATION
11/17/2015

NEW INFORMATION
11/17/2015

Independent Commission
November 17, 2015
Attachment 2
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City	Total City Budget Amount	Out of State	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 and includes 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?	Process/Factor used to increase Mayor and Council Salary	Expected Salary Increase prior to 2017
Arlington, TX	\$427,290,097	365,438	\$3,000,000	\$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.	Salaries are set by Charter and increases are done through election change in salary since 10/1/1980.	No increases proposed at this time
Aurora, CO	\$700,000,000	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.	The Charter provides for the possibility of annual Council and Mayor salary increases. Their raises are based on the amount equal to the cost of living increase or decrease occurring during the previous calendar year as determined by the US Department of Labor Consumer Price Index for the metropolitan area of the Denver region which includes the Denver metropolitan area of the average increase or decrease given to all city employees, whichever is less.	Not providing raises on 11/1/2016 for the calendar year.
Fresno, CA	\$1,251,867,100	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.	Waiting on Info	Waiting on Info
Glendale, AZ	\$632,000,000	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.	Most current salary was set by Council Salary Review Commission in 4/11/06. Waiting on copy of report from Glendale	No
Kansas City, MO	\$1,474,941,054	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)	Council votes on salaries for next 4 year term, combination of factors are used, CPI, consideration of what other employee groups received, salary survey data.	No
Long Beach, CA	\$2,672,371,463	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/	Charter set Mayor's base salary at \$67,500 in 1988; it is adjusted annually on July 1 by CPI. Charter sets Council Member pay at 25% of Mayor's.	Next increase maybe on July 1, 2016

City	Total City Budget Amount	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 and includes 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?	Process/Factor used to increase Mayor and Council Salary	Expected Salary Increase prior to 2017
Mesa, AZ	\$1,610,000,000	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.	Revised 11/14/15 Cell phone \$80 mos - \$960 yr. City issued IPAD and \$40 mos - \$480 year for data for IPAD		Current salary set by Independent Compensation Commission for Elected Officials in 11/2013, effective 01/2015	Would not be effective until 2017
Peoria, AZ	\$511,000,000	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	Citizens Commission on Salaries for Elected City Officials. They meet every other year. Unknown what the increase was based on.	Unknown at this time.
Phoenix, AZ	\$3,702,298,000	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.		Citizens' Commission on Salaries for Elected City Officials meets every two years. Various data is used - including rates of pay of other Mayor and Councils, increases given to city employees, and the review of Consumer Price Index - All Urban Consumers (CPI-U) may also be included it is up to the commission members to decide what they would like to review.	Salary has not changed since 2005. 2007 recommendation voted down on ballot. Commission meeting this year.
Sacramento, CA	\$851,600,000	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 \$417 mos - \$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).	Per our City Charter Section 29, an Independent Compensation Commission reviews benchmarked City's annually and a new resolution is adopted. Commission reviews benchmark cities, employee salary adjustments, current compensation levels of public members of City Boards and Commissions.	Won't know if there will be any changes until a new resolution for the increase in 2016 is voted on and adopted
San Jose, CA	\$3,190,000,000	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.	The Council Salary Setting Commission makes recommendations to Council for salary adjustments every two years.	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.

City	Total City Budget Amount	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 and includes 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?	Process/Factor used to increase Mayor and Council Salary	Expected Salary Increase prior to 2017
Tacoma, WA	\$3,076,902,560	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	Citizens Commission on Elected Salaries added to City Charter 7/15/14. Commission will begin meeting in 2015.	Effective January 1, 2018 Mayor \$76,000 Council Member \$38,000 Also effective January 1, 2018, the Commission decided to eliminate the annual 2.75% salary increase for all future years.
Tempe, AZ	\$607,500,000	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.	Tempe uses the Employment Cost Index to determine any increases. It is generally done annually at the beginning of the fiscal year.	It is possible that they may receive another increase in July 2016.
Tucson, AZ	1,367,000,000	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.	Citizens' Commission on Public Service and Compensation determines whether to make a request of the voters every other year (on the odd year) whether Mayor and/or Council should get a pay raise. An inflation factor was discussed in the meetings. However it is not a mandatory discussion nor is Mayor and Council pay rates tied to an inflation rate.	The Commission met 4 times in 2015 and did not put an initiative on the ballot. It failed this year by a margin of 60% to 40% (approximately). This was the first attempt for a pay increase since 2007. In the three prior occasions, the Committee voted not to put an initiative on the ballot
Virginia Beach, VA	Waiting on Info	447,021	\$30,000.00	\$29,074.79	\$29,074.79	\$28,000.00	\$27,136.47	\$27,136.47	No	No	No	Waiting on Info	Waiting on Info
AVERAGE			\$76,755.70	\$82,223.72	\$76,080.74	\$39,864.65	\$39,560.03	\$40,876.39					

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):

Executive Car and Phone Allowance Listing 11-4-15

Title	Allowance	Allowance Amount	Allowance	Allowance Amount
City Manager	CAR	\$ 600.00	PHONE	\$ 110.00
Mayor	CAR	\$ 550.00	PHONE	\$ 80.00
Deputy City Manager (1)	CAR	\$ 450.00	PHONE	\$ 80.00
City Attorney	CAR	\$ 400.00	PHONE	\$ 80.00
City Auditor	CAR	\$ 400.00	PHONE	\$ 80.00
Councilmember	CAR	\$ 350.00	PHONE	\$ 80.00
Assistant City Managers, Deputy City Manager (1), Dept Directors	CAR	\$ 300.00	PHONE	\$40 /\$50/\$80 depending on usage

City Issued IPAD and Data Allowance

Mayor	IPAD/4g Data plan	\$ 40.00
Councilmember	IPAD/4g Data plan	\$ 40.00

Mayor/Council Estimated Personal Phone Costs*

Yearly Average	\$ 1,132.33
Monthly Average	\$ 94.36

*Note: Does not include the Mayor's expenses they were unavailable at printing 11/10/15 @ 2:02pm

Consumer Price Index Information

The Office of Management and Budget uses the "United States-Western Region Consumer Price Index for all Urban Consumers: All items, Revised: 2010=100" when forecasting other services and commodities. This information is provided by the U of A Forecasting Project group with information from Global Insight, Inc.

The Consumer Price Index (CPI) is a way to measure the changes in the price of a group of goods and services commonly purchased by households from year to year. This group of goods and services is also known as a market basket.

There are different "market basket" CPI indices calculated for the different regions in the United States, because of the difference of goods purchased in those regions. We use the CPI Urban West Index. The west region covers Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Below is a link for the basket that makes up CPI to the Bureau of Labor Statistics:

http://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm#tablea

Mesa uses the percent change from 3rd quarter of the previous year to the 3rd quarter index number of the current year. The percent inflation factors for the period of FY12/13 through FY23/24 are:

FY12/13	2.01%
FY13/14	1.59%
FY14/15	2.16%
FY15/16	1.06%
FY16/17	1.85%
FY17/18	2.34%
FY18/19	2.54%
FY19/20	2.41%
FY20/21	1.91%
FY21/22	2.18%
FY22/23	2.64%
FY23/24	2.74%

The Office of Management and Budget reviews and updates these numbers each year as economic conditions change.

Information provided by the Office of Budget and Management

Social Security Administration - History of Automatic Cost-Of-Living Adjustments

(<https://www.socialsecurity.gov/news/cola/automatic-cola.htm>)

Automatic benefit increases, also known as cost-of-living adjustments or COLAs, have been in effect since 1975. The 1975-82 COLAs were effective with Social Security benefits payable for June (received by beneficiaries in July) in each of those years. After 1982, COLAs have been effective with benefits payable for December (received by beneficiaries in January).

Automatic Cost-Of-Living Adjustments

July 1975 -- 8.0%	January 1997 -- 2.9%
July 1976 -- 6.4%	January 1998 -- 2.1%
July 1977 -- 5.9%	January 1999 -- 1.3%
July 1978 -- 6.5%	January 2000 -- 2.5%(1)
July 1979 -- 9.9%	January 2001 -- 3.5%
July 1980 -- 14.3%	January 2002 -- 2.6%
July 1981 -- 11.2%	January 2003 -- 1.4%
July 1982 -- 7.4%	January 2004 -- 2.1%
January 1984 -- 3.5%	January 2005 -- 2.7%
January 1985 -- 3.5%	January 2006 -- 4.1%
January 1986 -- 3.1%	January 2007 -- 3.3%
January 1987 -- 1.3%	January 2008 -- 2.3%
January 1988 -- 4.2%	January 2009 -- 5.8%
January 1989 -- 4.0%	January 2010 -- 0.0%
January 1990 -- 4.7%	January 2011 -- 0.0%
January 1991 -- 5.4%	January 2012 -- 3.6%
January 1992 -- 3.7%	January 2013 -- 1.7%
January 1993 -- 3.0%	January 2014 -- 1.5%
January 1994 -- 2.6%	January 2015 -- 1.7%
January 1995 -- 2.8%	January 2016 -- 0.0%
January 1996 -- 2.6%	

(1) The COLA for December 1999 was originally determined as 2.4 percent based on CPIs

Other information:

[Cost-of-Living Adjustments \(Fact sheet\)](#)

[Prior Cost-Of-Living Adjustments](#)

[History of Automatic Cost-Of-Living Adjustments](#)

Philosophy:

1. Move Mayor/Council ratio toward 60% instead of 50% over the next five years.
2. Ensure that vehicle and communications allowances are appropriate to cover costs
3. Have compensation package that reflects local sensibilities, while expanding the potential pool of individuals who can afford the economic sacrifices involved in public service

Proposal for changes that will go into effect in January, 2017

1. Increase monthly communications allowance for cell phones from \$80 to \$100 to reflect more closely the actual costs
2. Increase annual base salary for Councilmembers by \$3,750 as a step toward the goal of having Councilmember salaries at 60% of Mayor's salary

Agenda Item 3

**REPORT AND RECOMMENDATIONS
TO THE MAYOR AND CITY COUNCIL
CITY OF MESA, AZ
Submitted by
INDEPENDENT COMMISSION ON COMPENSATION
FOR ELECTED OFFICIALS**

January 11, 2016

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 and benefits data from numerous comparable cities across the United States, with particular focus on the State of Arizona.

MEMBERS OF THE COMMISSION: The following Mesa residents were appointed to serve on the Independent Commission: Claudia Walters (chairperson), Bryan Raines (vice-chairperson) Gary Levine (reappointment), Pete Lesar, Anne McCawley.

INFORMATION PROVIDED AND REVIEWED BY THE COMMISSION:

Based on the request of the past Commission members and additional information as requested by the current Commission, staff provided the following information:

- Summary of the 2012 and 2013 Commission's report and recommendations to the City Council.
- Data from comparable cities across the United States that 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) retiree health insurance options to elected officials; (4) population; (5) total municipality budget; (6) process/factor used to adjust elected officials' salaries; (7) any expected salary increases prior to 2017.
- Post-retirement benefits offered to City employees.
- Current executive City employees' vehicle and phone allowance.
- Current Mayor and Councilmember iPad and data allowance.
- Current Mayor and Councilmember personal cell phone costs.
- Consumer Price Index and Social Security Cost of Living Adjustments.

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 three times. 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.¹ In 2015, the annual salaries were adjusted to \$73,545 for Mayor and \$36,832 for Councilmember.

The Commission believes that salaries of Mesa's Mayor and Councilmembers should be commensurate with that of comparable cities, especially those in the State of Arizona.

In 2001, the Mayor and Councilmembers began receiving a \$150/month vehicle allowance. In 2015, the vehicle allowance was adjusted to \$550/month for Mayor and \$350/month for Councilmember.

Since 2005, the Mayor and Councilmembers have received an \$80/month communication allowance, which has not been adjusted since initial adoption.

SUMMARY OF COMMISSION DISCUSSIONS:

In November 2015, and January 2016, the Commission met on three occasions to review and discuss the materials provided by City staff and to finalize their recommendations.

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

The following is a summary of the Commission discussions:

- The eligibility of elected officials for City retirement health care benefits was discussed. The Commission considered a wide range of options, but ultimately concluded that, based on the City Charter regarding term limits, and a variety of other factors, Mesa's elected officials are unable to meet the necessary eligibility requirements for a City employee retiree benefits package.
*Note: At the onset of this discussion, Chairperson Walters declared a potential conflict of interest and refrained from discussion or voting on the eligibility of elected officials for retiree benefits.
- The Commission discussed the compensation provided to Mesa's elected officials and those of comparable cities. The data shows that of the Mayors in Arizona, Mesa's Mayor currently receives an appropriate base salary, second only to Phoenix. After a discussion and analysis of the data, the Commission agreed that the Mayor's current base salary is appropriate and does not warrant adjustment at this time.
- Taking into account the Councilmember base salary, the data indicates that Mesa is also ranked second to Phoenix in the state. The Commission also discussed the current 50 percent ratio between the Mayor base salary and the Councilmember base salary. The Commission agreed that the ratio should be 60 percent to better reflect the amount of time worked is more than that of a "half-time" employee. The philosophy of the Commission is to incrementally increase the Councilmember base salary to ultimately reach a 60 percent ratio.
- The vehicle allowance for Mayor and Council was considered, and after a review of the vehicle allowances given to the executive staff of the City, the Commission agreed that the current vehicle allowances for Mayor and Council are adequate and do not warrant adjustment at this time.
- The Commission discussed the communication allowance for Mayor and Council. They considered the current average cell phone bill of each Councilmember and agreed that to adequately cover the total cost of the monthly cellular phone service, the allowance should be increased.

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: \$73,545 – (No change)

Councilmembers: \$40,582 – (Increase of \$3,750) It is the current Commission's stated philosophy to incrementally increase the Councilmember base salary to reach a 60 percent ratio of the Mayor base salary.

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 continue to receive \$550/month and Councilmembers continue to receive \$350/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 receive \$100/month (a \$20/month increase) as a communication allowance.

City Benefits: The Commission recommends that the Mayor and Councilmembers continue to 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.

Retiree Benefits: After much consideration, the Commission recommends that a City retiree benefits package not be created for 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 11th day of January, 2016.

Claudia Walters
Chairperson