

ORDINANCE NO. 5196

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, ACKNOWLEDGING RECEIPT OF THE REPORT AND RECOMMENDATIONS OF THE INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS AND INCREASING THE COMPENSATION FOR THE OFFICES OF MAYOR AND CITY COUNCIL.

WHEREAS, Title 2, Chapter 25 of the Mesa City Code Established an Independent Commission on Compensation for Elected Officials (“Independent Compensation Commission”);

WHEREAS, the purpose of the Independent Compensation 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).

WHEREAS, the Independent Compensation Commission is to provide a report and recommendations 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)).

WHEREAS, after reviewing compensation data from numerous comparable cities across the United States, and holding a public hearing, the Independent Compensation Commission has submitted its Report and Recommendations.

WHEREAS, the City Council acknowledges the Report and Recommendations of the Independent Compensation Commission.

WHEREAS, Section 202 of the Mesa City Charter requires that any change to the compensation for the Offices of Mayor and City Council be adopted by ordinance.

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NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

Section 1: The City Council acknowledges receipt of the Report and Recommendations submitted by the Independent Commission on Compensation for Elected Officials dated November 5, 2013.

Section 2: The compensation for the Offices of Mayor and Councilmember will be as follows:

1. **Annual Salary:** In January 2015, the salary for the Offices of Mayor and Councilmember will be as follows:

Office of Mayor: \$73,545
Office of Councilmember: \$36,832

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

2. **Vehicle Allowance:**

Office of Mayor: \$550 per month
Office of Councilmember: \$350 per month

3. **Communication Allowance:**

Office of Mayor: \$80 per month
Office of Councilmember: \$80 per month

4. **City Benefits:**

The Mayor and Councilmembers are 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.

Section 3: EFFECTIVE DATE. The effective date of this Ordinance shall be thirty (30) days following adoption by the Mesa City Council.

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PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MESA,
MARICOPA COUNTY, ARIZONA, this 9th day of December, 2013.

APPROVED:



Mayor

ATTEST:



City Clerk



**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 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:

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: \$73,545

Councilmembers: \$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 \$550/month and Councilmembers 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 continue to receive \$80/month as a communication allowance.

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

CONCLUSION

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

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

Respectfully submitted this 5th day of November, 2013.



Kate Ali'varius
Chairperson