



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

**Lower Level Council Chambers – 57 East First Street
Wednesday, November 14, 2018 – 4:30 P.M.**

Compensation Commission:

Claudia Walters – Chair	Jo Wilson
Bryan Raines – Vice Chair	Rich Adams
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. Introductions of new Commission members, Jo Wilson and Rich Adams.
2. Items from citizens present.
3. Hear a presentation and discuss the duties of the Commission and the timeline for presenting recommendations to the City Council, and if approved, when they would become effective, by Alfred Smith.
4. Hear a presentation and discuss the 2016 Commission report, by City staff.
5. Hear a presentation and discuss updated compensation data collected for elected officials of Arizona municipalities, by City staff.
6. Discuss and provide direction regarding the Commission's recommendation to the City Council regarding the compensation for Mesa's elected officials.
7. Take action on the Report and Recommendations to the Mayor and City Council regarding the compensation for Mesa's elected officials.
8. Discuss and provide direction to City staff as to what additional information the Commission may need at a future meeting.
9. Discuss and set dates for upcoming meetings.
10. Discuss and consider authorizing Chairman Walters to review and approve the minutes from today's meeting and forward to the City Council for acknowledgement.

The City of Mesa is committed to making its public meetings accessible to persons with disabilities. For special accommodations, please contact the City Manager's Office at (480) 644-3333 or AZRelay 7-1-1 at least 48 hours in advance of the meeting. Si necesita asistencia o traducción en español, favor de llamar al menos 48 horas antes de la reunión al 480-644-2767.

Agenda Item 3

CHAPTER 25

INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS (5109, 5365)

SECTION:

2-25-1: POLICY ON ELECTED OFFICIALS' COMPENSATION (5109, 5365)

2-25-2: ESTABLISHMENT OF AN INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS; MEMBERSHIP; AND MEETINGS (5109)

2-25-3: DUTIES (5109)

2-25-1: POLICY ON ELECTED OFFICIALS' COMPENSATION (5109, 5365)

It shall be the policy of the City of Mesa that the Mayor and City Council shall be 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 state of Arizona of similar size, or other municipalities in the United States of similar size, upon request of the Independent Commission on Compensation for Elected Officials, (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. (5109, 5365)

2-25-2: ESTABLISHMENT OF AN INDEPENDENT COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS; MEMBERSHIP; AND MEETINGS (5109, 5365)

- (A) The Independent Commission on Compensation for Elected Officials (the "Commission") shall be appointed by the City Council. The Commission shall consist of five (5) members and shall include (1) a representative of Mesa's business community, (2) a representative from Mesa's educational community, (3) a representative from Mesa's non-profit business community, and (4) two (2) members at large. The Chairperson shall be elected by the members of the Commission. Members of the Commission shall serve staggered three (3) year terms. At the time of the original appointment, the Mayor shall designate the length of the term of all members to provide for staggered terms, which in no event shall be more than three (3) years. (5109)
- (B) Eligibility of Commission Members: Commission members shall be residents of the City of Mesa and shall be eighteen (18) years old or older. No member of the Commission shall be, or within two (2) years prior to service on the Commission have been an employee of the City of Mesa. No member of the Commission shall be serving or, within two (2) years prior to service on the Commission, have served, as an elected official for the City of Mesa. (5109)
- (C) Timing of Meetings. The Commission shall hold its initial meeting no later than sixty (60) days after the effective date of this provision. Thereafter, the Commission may meet at the discretion of its Chairman or a majority of its members, but shall meet not less frequently than every three (3) years. Any recommendation to be made by the Commission must be approved by a majority of the members of the Commission. (5109, 5365)

2-25-3: DUTIES (5109, 5365)

- (A) Report and Recommendations. The Commission shall render a written report and recommendations with respect to the compensation for elected officials of the City of Mesa to the City Manager no later one hundred twenty (120) days following its initial meeting in any year. Within ninety (90) days of receiving the written report and recommendations of the Commission, the City Council shall consider and vote on the Commission's recommendations. The recommendations of the Commission must be approved or rejected as a whole by the City Council. (5109, 5365)
- (B) Comparative Analysis by the Commission. The Commission shall determine the compensation of the Council and the Mayor based on comparative information regarding the compensation of elected officials of municipalities in the state of Arizona of similar size, or other municipalities in the United States of similar size, upon request of the Independent Commission on Compensation for Elected Officials, as well as any special circumstances or issues that the Commission deems appropriate; provided, however, that such review shall not constitute performance review with respect to such elected officials, but shall relate solely to the compensation for elected officials in the City of Mesa compared to that of similarly situated officials in similar municipalities. (5109, 5365)

Agenda Item 4

**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

Agenda Item 5

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION

Revised 10/29/2018

Last revision date: 11/8/2018

City	Total City Budget Amount	Pop.	Annual Mayor Salary	TOTAL COMPENSATION	Annual Councilmember Salary	TOTAL COMPENSATION	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	Expected Salary Increase prior to 2019
				Annual Mayor Total Compensation includes vehicle, phone, expense allowance		Annual Council Total Compensation includes vehicle, phone, expense allowance			
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.	No
Mesa, AZ	\$1,820,000,000	496,401	\$73,545.16	\$81,345.16	\$40,582.10	\$45,982.10	Mayor \$550 mos - \$6,600 yr. Council \$350 mos - \$4,200 yr.	Cell phone \$100 mos - \$1200 yr.	Unknown at this time.
Tempe, AZ	\$665,767,172	175,826	\$60,544.00	\$60,544.00	\$30,272.00	\$30,372.00	No	City will pay personal cell phone, if they choose to have their phone plan through the City (Verizon) Plan.	No
Chandler, AZ	\$934,500,000	258,000	\$56,336.00	\$56,336.00	\$32,989.00	\$32,989.00	No	No	Unknown at this time
Glendale, AZ	\$689,000,000	246,709	\$48,000.00	\$48,000.00	\$34,000.00	\$35,200.00	No	Council Members Only \$100 mos - \$1200 yr.	No
Gilbert, AZ	\$966,501,770	250,000	\$43,631.00	\$48,683.00	\$24,239.49	\$27,365.49	Mayor is \$3,852; varies depending on Council member up to \$1,926 yr.	Mayor is \$1,200; varies depending on Council member up to \$1,200 yr.	Mayor's annual salary remains at \$43,631, Council will receive a decrease to \$12,012
Tucson, AZ	\$1,502,819,240	535,677	\$42,000.00	\$47,200.00	\$24,000.00	\$29,200.00	\$200 bi-weekly - \$5,200 yr.	No	Last initiative for pay increases for Council was on ballot in November 2017 & failed. It will most likely be attempted again in 2019.
Scottsdale, AZ	\$1,366,800,000	246,600	\$36,000.00	\$44,340.00	\$18,000.00	\$24,540.00	Mayor is \$7,200; Council is \$5,400 yr.	\$1,140 per year but only the Mayor & 3 Council members have elected to have this.	To be determined
Peoria, AZ	\$660,000,000	171,751	\$32,904.39	\$35,904.39	\$21,936.26	\$27,156.26	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. Updates occurring in January 2019. Information available in February 2019.
AVERAGE			\$53,440.06	\$57,419.17	\$31,957.65	\$35,647.21			

Base Salary – Council to Mayor Ratio Comparison

CITY	POPULATION	ANNUAL MAYOR SALARY	ANNUAL COUNCILMEMBER SALARY (CURRENT)	ANNUAL COUNCILMEMBER SALARY (PROPOSED FOR 2019)	COUNCIL PERCENTAGE OF MAYOR SALARY (CURRENT)	COUNCIL PERCENTAGE OF MAYOR SALARY (PROPOSED FOR 2019)
PHOENIX	1,451,966	\$88,000	\$61,600	\$61,600	70%	70%
MESA	496,401	\$73,545	\$40,582	\$44,127	55%	60%
TEMPE	175,826	\$60,544	\$30,272	\$30,272	50%	50%
CHANDLER	258,000	\$56,336	\$32,989	\$32,989	58%	58%
GLENDALE	246,709	\$48,000	\$34,000	\$34,000	71%	71%
GILBERT	250,000	\$43,631	\$24,239	\$12,012	55%	27%
TUCSON	535,677	\$42,000	\$24,000	\$24,000	57%	57%
SCOTTSDALE	246,600	\$36,000	\$18,000	\$18,000	50%	50%
PEORIA	171,751	\$32,904	\$21,936	\$21,936	67%	67%