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

**Lower Council Chambers – 57 East 1st Street
Thursday, June 10, 2021 – 2:00 P.M.**

Compensation Commission:

Claudia Walters – Chair
Bryan Raines – Vice Chair
Rich Adams
Jo Wilson
Vacant

1. Hear a presentation and discuss an overview of the 2018 Commission report, by City staff.
2. Hear a presentation and discuss the timeline for presenting recommendations to the City Council, and if approved, when they would become effective, by City staff.
3. Hear a presentation and discuss updated compensation data collected for elected officials of Arizona municipalities, by City staff.
4. Discuss compensation adjustment options and provide direction on the Commission's recommendations to be included in a report that will be presented to the City Council regarding the compensation for Mesa's elected officials.
5. Discuss and consider authorizing Chairman Walters to review and approve the Commission's report and recommendations, and approve the minutes from today's meeting, both of which will be forwarded to the City Council for consideration.
6. Adjournment.

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Si necesita asistencia o traducción en español, favor de llamar al menos 48 horas antes de la reunión al 480-644-2767.

Agenda Item 1

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

November 19, 2018

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 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" (2-25-1).

The Ordinance states that 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. (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 a public meeting, received and reviewed compensation and benefits data from numerous comparable cities within the state of Arizona.

MEMBERS OF THE COMMISSION: The following Mesa residents were appointed to serve on the Independent Commission: Claudia Walters (chairperson – reappointment), Bryan Raines (vice-chairperson - reappointment) Pete Lesar (reappointment), Jo Wilson, and Rich Adams.

INFORMATION PROVIDED AND REVIEWED BY THE COMMISSION:

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

- The 2016 Commission's report and recommendations to the City Council.
- Data from nine cities in the state of Arizona (including Mesa): (1) the annual salaries for the elected officials; (2) benefits provided to the elected officials (e.g., vehicle allowance, communication allowance; (3) population; (4) total municipality budget; (6) any expected salary increases in 2019.

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. In 2017, the annual salary was not adjusted for Mayor, remaining at \$73,545, and the annual salary for Councilmember was adjusted to \$40,582.

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. In 2017 there were no adjustments to the vehicle allowance; Mayor remained at \$550/month and Councilmember at \$350/month.

In 2005, the Mayor and Councilmembers began receiving an \$80/month communication allowance. In 2017, the communication allowance was adjusted to \$100/month for Mayor and Councilmember.

SUMMARY OF COMMISSION DISCUSSIONS:

On November 14, the Commission met to review and discuss the materials provided by City staff and finalized their recommendations.

The following is a summary of the Commission discussions:

- The philosophy and intent of the 2016 Commission was discussed relating to the ratio of Councilmember salary to Mayor salary.

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

- The Commission discussed the compensation that is provided to Mesa’s elected officials and those of other Arizona cities. It was discussed that it was difficult to compare compensation data from cities outside of Arizona because the salaries were much higher than salaries in Arizona. For the nine Arizona cities, the data shows that the current compensation of Mesa’s Mayor is 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 ranked second to Phoenix in the state. The Commission also discussed the current 55 percent ratio between the Mayor base salary and the Councilmember base salary, and compared it to the Mayor/Council salary ratio of the other eight Arizona cities. The data indicates that at 55 percent, Mesa’s ratio is ranked 6th. After data analysis and discussion, the Commission agreed that the salary ratio between Mayor and Councilmember should be increased to 60 percent (a 5% salary increase) for the following reasons: the city’s population growth; the city’s economic growth; increased community participation; new social media expectations/requirements; Mesa is the 36th largest city in the United States and 3rd largest city in Arizona, and has the 2nd largest budget in the State; a higher salary allows for a larger Councilmember candidate pool; overall Council expectations have increased to that of a full-time position; and because it has been two years since the last salary increase.
- The Commission also discussed that in the future, the salary ratio of the Councilmember to the Mayor should continue to be re-evaluated from what is being recommended, to a higher ratio.
- The vehicle allowance for Mayor and Council was considered and the Commission agreed that the current vehicle allowances for Mayor and Council are adequate and do not warrant adjustment at this time.
- The communication allowance for Mayor and Council was considered and the Commission agreed that the current communication allowance for Mayor and Council are adequate and do not warrant adjustment at this time.

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: \$73,545.16 – (No change)

Councilmembers: \$44,127.10 – (Increase of \$3,545)

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 continue to receive \$100/month as a communication allowance.

City Benefits: The Commission recommends no change to the City benefits for the Mayor and Councilmembers. The Mayor and Councilmembers will 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: The Commission recommends no change to retiree benefits. There is not a City retiree benefits package for the Mayor or Councilmembers.

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 Arizona cities of similar size. The Commission believes that these recommendations will help Mesa move toward this goal, but that additional adjustments may need to 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 19th day of November, 2018.



Bryan Raines, Vice-Chairperson

Agenda Item 3

MAYOR AND COUNCIL SALARY/BENEFITS INFORMATION
5/24/2021

Last revision date: 5/24/2021

City	Total City Budget Amount	Pop.	Annual Mayor Salary	TOTAL COMPENSATION Annual Mayor Total Compensation includes vehicle, phone, expense allowance	Annual Councilmember Salary	TOTAL COMPENSATION Annual Council Total Compensation 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	Expected Salary increase prior to 2022	Data Collected
Chandler, AZ	\$1,025,074,338	268,313	\$56,758.14	\$56,758.14	\$33,236.75	\$33,236.75	No	No	No	May-21
Gilbert, AZ	\$988,252,510	268,600	\$43,631.00	\$48,683.00	\$21,012.00	\$24,138.00	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.	No	May-21
Glendale, AZ	\$689,000,000	246,709	\$48,000.00	\$49,200.00	\$34,000.00	\$35,200.00	No	\$100 mth/\$1,200 yr.	No	May-21
Mesa, AZ	\$2,100,000,000	518,000	\$73,545.16	\$81,345.16	\$40,582.10	\$45,982.10	Mayor \$550 mos - \$6,600 yr. Council \$350 mos - \$4,200 yr.	\$100 mth/\$1,200 yr.	Unknown at this time	May-21
Peoria, AZ	\$665,000,000	171,751	\$32,904.39	\$39,204.39	\$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	May-21
Phoenix, AZ	\$5,020,460,000	1,633,000	\$87,999.00	\$94,659.00	\$61,599.00	\$68,259.00	\$435 mos - \$5,220 yr.	\$1,440 yr.	No	May-21

City	Total City Budget Amount	Pop.	Annual Mayor Salary	<u>TOTAL COMPENSATION</u> Annual Mayor Total Compensation includes vehicle, phone, expense allowance	Annual Councilmember Salary	<u>TOTAL COMPENSATION</u> Annual Council Total Compensation 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	Expected Salary Increase prior to 2022	Data Collected
Scottsdale, AZ	\$1,775,727,653	258,069	\$51,000.00	\$59,340.00	(1) \$18,000 (2) \$31,020*	(1) \$24,540 (2) \$37,560	Mayor is \$7,200; Council is \$5,400 yr.	\$1,140 yr.	To be determined	May-21
Tempe, AZ	\$777,584,620	192,364	\$63,390.00	\$63,390.00	\$31,696.00	\$31,696.00	No	City will pay personal cell phone, if they choose to have their phone plan through the City (Verizon) Plan.	Unknown at this time	May-21
Tucson, AZ	\$1,729,000,000	548,073	\$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 2019 & failed.	May-21
AVERAGE			\$55,469.74	\$59,975.52	\$31,717.21	\$35,705.81				

* Scottsdale has two different salaries listed for Council members. They indicated that the former Mayor and Council voted on salary increases but because it would have been a conflict of interest to vote on their own salary, they voted for the future Mayor and new Council members. As a result, they have longstanding Council members earning \$18,000 a year and the new Council members earning \$31,020 a year.

Agenda Item 4

Mayor and Council 3% Salary Increase Scenario

Mayor				Council				Allowances	
Annual Salary - Current	3% Increase	Annual Salary with 3% Adjustment	<u>TOTAL COMPENSATION</u> annual salary, vehicle, phone, and 3% adjustment	Annual Salary - Current	3% Increase	Annual Salary with 3% Adjustment	<u>TOTAL COMPENSATION</u> Annual salary, vehicle, phone, and 3% adjustment	Vehicle Allowance per month/year	Phone Allowance per month/year
\$73,545.16	\$2,206.35	\$75,751.51	\$83,551.51	\$40,582.10	\$1,217.46	\$41,799.56	\$47,199.56	Mayor \$550 mth/\$6,600 yr. Council \$350 mth/\$4,200 yr.	\$100 mth/\$1,200 yr.