

MEMORANDUM

To: Jacqueline Beaudry, City Clerk
From: Mary Joan Fales, Senior Assistant City Attorney
Date: December 7, 2007
Subject: 2007 Local Officers Compensation Commission
Determination

Attached for filing is the Determination of the 2007 Local Officers Compensation Commission.

The LOCC convenes in odd years to make statutorily required determinations of salaries for elected local officials. State law requires the Determination of the LOCC be filed with the City Clerk.

The Determination approved new salaries for the following offices: Mayor, Mayor Pro Tem, and Council member. The Determination is based on the specific offices and each salary determination will automatically take effect thirty (30) days from the filing of the Determination with the Clerk unless City Council rejects, by a two-thirds vote of the members, either all of the salary determinations or the specific determination for a specific position.

Attachment

cc: Mayor and City Council
Roger Hewitt, LOCC Chair
Roger Fraser, City Administrator
Tom Crawford, CFO
Stephen Postema, City Attorney

ANN ARBOR

**2007 Determination of the Local Officers Compensation Commission
for the City of Ann Arbor**

07DEC 7 P 1 : 01

Introduction

The Local Officers Compensation Commission (LOCC) was created to determine the salaries of the Mayor and City Council. The LOCC authority by statute is limited to the establishment of the salary amount for these positions. Salary as defined by State statute does not include fringe benefits. Local charter and/or ordinance provisions control the payment of fringe benefits to elected officials. In Ann Arbor, Section 12 of the Ann Arbor City Charter prohibits the payment of fringe benefits to elected officials.

The LOCC consists of seven members who are appointed by the City Council for staggered seven-year terms. The 2007 LOCC members are: Eunice Burns, Martha Darling, Roger Hewitt, Williams Lockwood, Fred McDonald, and Michael Schippani. Currently there is one vacancy on the Commission. LOCC members do not receive compensation for their service.

The LOCC is required to meet every two years, in odd-numbered years for no more than 15 sessions. The LOCC must render a determination on salaries within forty-five days of its first session. Four members of the LOCC constitute a quorum for conducting business. The LOCC may not take action or make any determinations without concurrence of a majority of the members appointed and serving.

A chairperson is elected by the members of the LOCC from among its own members and an Assistant City Attorney acts as the staff to the LOCC. The 2007 LOCC Chair is Roger Hewitt and Mary Joan Fales, Senior Assistant City Attorney, serves as staff.

LOCC Determination Process

Several criteria are used by the LOCC when considering appropriate salary levels. The following provides an example of criteria, which may be used:

- Public Service
- Consideration of Responsibility level for the position
- Sufficient compensation to attract persons of different socio-economic backgrounds who possess the necessary qualifications
- Compensation and benefits comparisons with similar positions within the State of Michigan
- Financial condition of the City of Ann Arbor
- Cost of Living
- Community expectations

After the LOCC makes its decisions on salaries, the determination must be filed with the City Clerk. Copies of the determination are provided to the Mayor and members of Council and made available to the public on request.

LOCC determinations become effective thirty (30) days after filing with the City Clerk unless the City Council rejects all of the determinations or a specific determination for a specific position. The City Council may reject determinations by concurrent resolution—if the resolution is adopted by a two-thirds vote of the members. In the event that determination(s) are rejected, the existing salary or salaries remain in effect.

The determination of the 2005 LOCC was rejected by City Council by unanimous vote. (Resolution No. R-46-2-06)

2007 LOCC Meeting

The Commission convened its first meeting on October 24, 2007, reconvened on November 15, 2007, and then recessed to December 5, 2007. The 2007 session of the Commission was closed on December 5, 2007. This section details deliberation that took place at these meetings.

The following were general factors considered when deliberations took place:

- History of salary increases for Mayor and City Council members
- Existing salary information for Washtenaw County Commission members
- Salaries state-wide for municipal officials with similar levels of responsibility as reported by the Michigan Municipal League
- Historical written comments from past and current members of the City Council on the nature of their public responsibilities and the extensive number of hours per week devoted to City government activities and responding to the public
- Financial sacrifices incurred by elected officers
- Expanded expectations of the local community
- Increasing role of Ann Arbor and its government leaders in regional and state economic issues

The LOCC recognizes that on-going local budget constraints have resulted in recent staffing and services restructuring in an effort to provide cost effective services with a decreased workforce. It should be noted that City staffing in 2007 is at the lowest level in over twenty years. Additionally, City Administration, in preparing recent fiscal year budgets, has worked to reduce wherever possible budgetary expenses, including labor costs.

The salary determinations for the local elected offices reflect increases based on the present economic climate and are not reflective of the time, energy and leadership in a growing regional and state economy in which the City of Ann Arbor plays a vital role. This is especially true of the office of the Mayor and the continuing role of urban Mayors generally in regional cooperative affiliations in light of declining state revenues. The LOCC urges future LOCCs to consider redressing the present under-compensated elected office with increases commensurate with the respective office responsibilities, which the current LOCC reluctantly could not do in the present budgetary climate.

The salary designated by the LOCC for the Mayor, Mayor Pro Tem and members of Council are stated below together with specific factors considered when salary deliberations took place.

Office of the Mayor

The salary of the Mayor will be \$41,200 in 2008 and \$42,436 in 2009. This salary increase represents a three percent (3%) increase in each year. When deliberating in connection with the establishment of the salary for the Mayor, the Commission observed that what may have initially begun as a part-time position with significant ceremonial duties has over the years expanded to incorporate opportunities for substantive leadership on a variety of complex issues affecting the city's quality of life in local, state and national forums. In reviewing the position's salary relationship to other government leaders it is clear that the existing compensation for the duties of the position is dramatically below what it should be. However, in recognition of the current economic conditions of the city and the region, the Commission has limited its salary increase for the position to an approximate cost of living increase.

Office of the Mayor Pro Tem

The salary for the Mayor Pro Tem will be \$15,900 in 2008 and \$16,377 in 2009. This salary increase represents a six percent (6%) increase in 2008 and a three percent (3%) increase in 2009. The LOCC in reviewing the duties of the Mayor Pro Tem recognized the additional time and responsibilities of holding this office. The LOCC also acknowledged that Washtenaw County has historically recognized the increased duties associated with holding chair, vice chair and standing committee chairs offices with an increase in salary.

Office of Councilmember

The salary for members of City Council will be \$15,450 in 2008 and \$15,913.50 in 2009. This salary increase represents a three percent (3%) increase in each year. The LOCC noted that the compensation level for City Council should be sufficient to attract candidates from diverse backgrounds to public service without having members incur financial hardships by service. Ann Arbor City Council members are under-valued and under-paid compared to their counterparts in municipal communities around the state based on the recent state-wide salary report by the Michigan Municipal League. However, in recognition of the current economic conditions of the City and the region, the Commission has limited its salary increase for the position to an approximate cost of living increase.

The following table shows salaries for each of the above offices. It also notes the percentage increase from the present salary, where applicable.

2007 LOCC Determination Summary

	Current	2008 Council Individual Total	\$ Increase	2009 Council Individual Total	\$ Increase
Mayor	\$40,000	\$41,200	\$1,200	\$42,436	\$1,236
Mayor Pro Tem		\$15,900	\$900	\$16,377	\$477
*City Council	\$15,000/\$150,000	\$15,450/\$139,050	\$450	\$15,913.50/\$143,221.50	\$463.50
Total	\$190,000	\$196,150	\$2,550	\$202,034.50	\$2,176.50

Salary increases will be effective thirty days from the date of the filing of this Determination with the City Clerk unless rejected, in whole or by specific office, by Resolution of City Council.

*Current City Council positions multiplier is 10 for purposes of total amount paid to members of Council (no additional/supplemental salary is currently paid the Mayor Pro Tem); 2008 & 2009 City Council positions multiplier is 9 for purposes of total amount paid to members of Council.