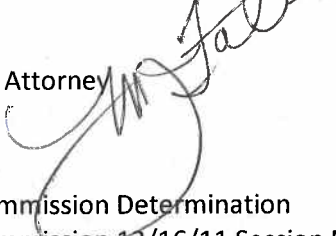


CITY OF ANN ARBOR
CITY CLERK
REC'D

2011 DEC 28 PM 3:20

MEMORANDUM

TO: Jacqueline Beaudry, City Clerk

FROM: Mary Joan Fales, Senior Assistant City Attorney 

Date: December 28, 2011

Subject: 2011 Local Officers Compensation Commission Determination
2011 Local Officers Compensation Commission 12/16/11 Session Minutes

Attached for filing are the minutes of 12/16/11 Session (first and only session) and the Determination of the 2011 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 no increase in the salaries for the Mayor or Council members. The Mayor Pro Tem was not separately reviewed and is part of the Council member salary determination.

Under Michigan law the salary determination will automatically take effect thirty (30) days from the filing of the Determination with the City Clerk unless City Council rejects, by a two-thirds vote of the member, either all of the salary determinations or the specific determination for a specific position. If rejected the prior salary determination remains in effect. A rejection of the 2011 Determination, since no change in salary was authorized, would have no effect on the current salary of any of the office holders.

Attachment

cc: Mayor and City Council
LOCC Commissioners
Steven D. Powers, City Administrator
Stephen K. Postema, City Attorney
Tom Crawford, CFO

2011 Determination of the Local Officers Compensation Commission for the City of Ann Arbor

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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. Three vacancies exist on the Commission. The members appointed and serving on the 2011 LOCC members are: Eunice Burns, Martha Darling, Roger Hewitt, and William Lockwood. 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 2011 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 qualification
- Compensation and benefits comparisons with similar position within the State of Michigan
- Financial condition of the City
- 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 LOCC has determined that no increase (e.g. salary freeze) is appropriate for the mayor and members of the city council. The salary determination for local elected officials is responsive to the present economic climate and is not reflective of the time, energy and leadership roles that the mayor and members of city council have and continue to participate in on regional and state levels.

The salaries established in the 2007 Determination of the LOCC for 2009 are currently in effect.

Effective 2012, salaries for the offices of Mayor and City Council member are to remain unchanged.

Effective 2013, salaries for the offices of Mayor and City Council member are to remain unchanged.

The salary designated by the LOCC for the Mayor Pro Tem is the same as the members of Council.

2011 LOCC Meeting

The Commission convened on December 16, 2011. This section details deliberation that took place at these meetings.

The LOCC deliberations placed strong emphasis on the current economic conditions in Michigan and Washtenaw County and the expectation of the community. It was recognized that on-going local budget constraints have resulted in continuous staffing and services restructuring for the City in an effort to provide cost effective services with a decreasing work force since the LOCC last met. It was noted that no cost of living increases were received by any City employee. It was also noted that actual impact of the LOCC's decision that the salaries of Ann Arbor Mayor and Council members remain unchanged in the present economy when inflation, which has been relatively low during this period, is taken into account had the net effect of reducing salaries when left flat.

The LOCC emphasized that the salary determination as adopted was in no way reflective of the important work that the Mayor and Council continue to do within current budget constraints/current economy for Ann Arbor; specifically noted was the Rapid Transit and rail corridor projects. It was stated that any increase in salaries could not be responsibly considered without a broader economic recovery.

The LOCC took note that Ann Arbor has been fortunate that individuals of high quality have been willing to serve on Council and that service should be commended.

2011 LOCC Determination Summary

	Current Individual/Total	2012 Salary	2013 Salary
Mayor	\$42,436.00	no change	no change
Mayor Pro Tem		no change	no change
City Council	\$15,913.50/\$159,135.00	no change	no change
Total	\$201,571.00	no change	no change

*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)

The LOCC has concluded its sessions for 2011. This Determination Report provides notice of the LOCC's determinations, as required by Public Act No. 8 of 1972 and Chapter 22 of the Ann Arbor City Code.

Local Officers Compensation Commission
Minutes of the Meeting of December 16, 2011

Returning Chair Roger Hewitt called to order at 9:34 a.m.

Members Present: Burns, Darling, Hewitt and Lockwood
Members Absent: None

Others Present: Mary Joan Fales, Senior Assistant City Attorney
Dave Askins, Ann Arbor Chronicle

The agenda as presented was approved unanimously.

Motion was made by Commissioner Burns, and seconded by Commissioner Darling, nominating Commissioner Hewitt as Chair for the 2011 Session of the Commission. Commissioner Hewitt encouraged others to consider taking the office which was met with comments of support for his prior service as Chair of the 2009 Session. Question called. Motion approved unanimously.

Additional meeting schedule (if needed) discussed. 2nd session (if needed) confirmed for Monday, December 19, 2011 at 8:30 a.m., room location to be determined.

Ms. Fales briefed the Commission on the current salary and community information provided to provide comparative information on the salary levels of comparable Michigan cities and other Washtenaw County boards as well as community profiles of the included cities. Comparable cities selected (based on Act 312 comparable) were Lansing, Livonia, Southfield, Sterling Heights, Westland Taylor and Dearborn. Commissioner Lockwood expressed the Commission's appreciation for the work involved in obtaining the data from the various regional and local sources to assist them in their decision-making process.

Having no scheduled speakers or individual interested parties present requesting time on the agenda, the Commission's discussion of a salary determination for 2012 and 2013 was started by Commissioner Lockwood who indicated in the current economic climate it was highly unlikely that any increase could be considered, that the real issue was whether salaries should be held at current rates or decreased. The point was made that no change in the salary amount was in fact, even with little inflation, translates into a pay cut.

Commissioner Darling noted the trend not to increase employees salaries and that if any adjustments were occurring it was in employee benefit shifts. It was noted that in previous years the Commission had inquired as to whether benefits were possible for Council as an alternative to salary increases. The Chair pointed out that benefits were not within the legal authority of the Commission, which is authorized to make salary determinations only.

The Chair inquired if any non-union or union employees had received a COLA in the last year. Ms. Fales indicates no as to non-union employees and left the room to confirm that there was no COLA provision in any union contract and that none had been received by union employees. Contractually bargained step increases had occurred if included in respective union contracts.

Discussion continued between the Commissioners. It was noted that salary history for Council noted that Mayor and some Council members had voluntarily given back 3% of their salaries in 2010. Chair Hewitt suggested that was a political discussion for Council and a nominal cost-of-

living increase or no change in salary was appropriate rather than any consideration of a potential increase. Commissioner Lockwood repeated his earlier comment that inflation, though relatively low in the recent past, had the effect of reducing wages if the LOCC left salaries flat.

To any inquiry from the Chair, Ms. Fales confirmed that the LOCC could approve a decrease in salary for the affected offices.

Commissioner Lockwood moved that no change to the current salary amount for the Mayor of \$42,436 (2009 salary originally established by the 2007 Determination) and the currently salary amount for the Council members of \$15,913.50 (2009 salary originally established by the 2007 Determination) be approved. Commissioner Darling seconded the motion.

The Chair called for discussion on the motion. After concluding there was no support for addressing the position of Mayor Pro Tem separately based on prior Council response to the LOCC's earlier determination, Commissioner Burns referred to the text of the 2009 Determination as reflective of her position:

"...no increase (e.g. salary freeze) is appropriate for the mayor and members of the city council. The salary determination for local elected officials is responsive to the present economic climate and is not reflective of the time, energy and leadership roles that the mayor and members of city council have and continue to participate in on regional and state levels."

Commissioner Darling noted it should be emphasized that the salary determination if adopted was in no way reflective of the important work that the Mayor and Council continue to do within current budget constraints/current economy for Ann Arbor; specifically noted was the Rapid Transit and rail corridor projects. It was stated that any increase in salaries would not be possible without/until economic recovery.

The recent article in "The Ann" magazine by Joan Lowenstein was referenced as a point of discussion; as well as the community' response to it.

Commissioner Burns noted an informal inquiry at a recent gathering she attended as to salary increases for public officials was responded to with a definite "no."

Hope that a better economic picture would be part of the 2013 LOCC session discussion was raised by Commissioner Lockwood. Commissioner Darling noted that individuals do not run for office for the money and the Ann Arbor has been fortunate that people of high quality have been willing to take on the offices.

Chair called for a vote. Motion passed unanimously.

No members of the Public were present.. Chair Hewitt took the time to comment on the presence of the press (Mr. Askins from the Ann Arbor Chronicle) and note he appreciated his attendance. It was noted that Mr. Askins was the 1st person to attend a session of the LOCC who was not a scheduled speaker in several years.

There being no further business before the LOCC, Commissioner Burns moved to adjourn. Seconded by Commissioner Darling.

Meeting adjourned at 10:15 a.m.
2011 session of the LOCC closed.