



TO: Rolland Sizemore, Jr.
Chair, Ways & Means Committee

FROM: Conan Smith
Chair, Board of Commissioners

DATE: November 7, 2012

SUBJECT: 2013 Commissioner Compensation

BOARD ACTION REQUESTED

It is requested that the Board of Commissioners adopt a new compensation schedule for members of the Board of Commissioners elected to serve beginning January 1, 2013.

BACKGROUND

PA 156 of 1851 provides the County Board of Commissioners the authority to fix the salaries and compensation of employees of the county, including County elected officials. However, any resolution changing the compensation of the members of the Board of Commissioners does not take effect until the beginning of the following term of office.

County resolution 99-0134 (June 9, 1999) established a base salary for commissioners of one-half (½) the median salary of all County employees at \$15,500 and authorized a per diem rate of \$25 for meetings as defined in the rules and regulations of the Board of Commissioners.

DISCUSSION

Since 2008 several factors have prompted reconsideration of the compensation schedule. The 2011-12 County budget included significant compensation reductions for county staff that were retained in the subsequent two-year budget. Criticism of the county commissioner's per diem system arose prior to the 2010 election, and an independent review found numerous inconsistencies in reporting and payment. In May 2011 the County Apportionment Commission adopted a "9 District Plan" reducing the number of county commissioners from 11 to 9 and expanding the population basis for each district by approximately 10,000 residents. Also in 2011 the state Legislature instituted a policy requiring that public employees pay 20 percent of their health and medical benefits (unless otherwise exempted by the Board of Commissioners).

Commissioner compensation in Washtenaw has included salary, per diem, retirement and health care. In addition to maintaining the status quo, a non-exhaustive set of options are presented below for each category.

Salary

Salary makes up the largest portion of the compensation package, and it has not been adjusted in at least 12 years. Current county policy sets the base salary for a commissioner at \$15,500, the equivalent of one-half the median salary of all county employees in 1999. Within Washtenaw County, the current median salary for all full-time employees is \$54,368.72, one half of which is \$27,184.36.

Compensation for commissioners in southeast Michigan counties ranges widely from \$10,508 in Jackson to \$68,676 in Wayne. County populations and district sizes also vary widely, however, resulting in a base salary per constituent ranging from \$0.47 in Macomb to \$0.84 in Monroe. Wayne, Oakland and Macomb are all County Executive forms of government while Livingston, Jackson and Monroe use a County Administrator.

County	Population	Board Size	Average District Population	Base Salary	Base Salary per Resident	Regional Average: \$0.59
Wayne	1,820,584	15	121,372	\$68,676	\$0.57	<i>Average Large County: \$0.58</i>
Oakland	1,202,362	25	48,094	\$32,093	\$0.67	
Macomb	842,145	13	64,780	\$30,746	\$0.47	
Washtenaw	347,962	11	31,633	\$15,500	\$0.49	
Livingston	181,722	9	20,191	\$15,326	\$0.76	<i>Average Small County: \$0.79</i>
Jackson	159,748	12	13,312	\$10,508	\$0.79	
Monroe	151,560	9	16,840	\$14,110	\$0.84	

In all seven counties, board leadership receives additional compensation ranging from the modest stipends in Washtenaw to the full-time salary for the chair of the Macomb board of \$66,595. In Washtenaw the chair of the board receives an additional \$3,000; the chair of Way & Means receives an additional \$1,000; and the chair of working session and vice chair of the board receive an additional \$500.

Options for Discussion

Accept or Change the Anchor

By anchoring board salaries to the median compensation of all employees, the 1999 resolution provided a reasonable and understandable basis for determining compensation. The Board of Commissioner could choose to maintain that policy or root a salary figure in another anchor. It has been suggested that one-half of the median step of the lowest grade salaried employee might be appropriate. Step 4 of Grade 12 (AFSCME Local 2733) is \$31,507.75, half of which is \$15,753.88.

Reduce Salaries Commensurate with Staff

Most employees have accepted furlough days reducing their take-home compensation by approximately five percent. A commensurate reduction would result in a base salary of \$14,725.

Increase Salaries Commensurate with Inflation or District Changes

Since January 2000 to September 2012, according to the Bureau of Labor Statistics, inflation accounted for a 37 percent increase in prices. Commission salaries from 2010 adjusted for inflation would be \$21,235. Redistricting from eleven to nine commissioners results in districts approximately 22 percent larger; a commensurate increase in salary would result in \$18,910.

Per Diem

Commissioners currently receive a \$25 per diem for attending at least one-half or one hour of a meeting of a board, committee or commission to which they are appointed. The per diem is deducted from the commissioner's annual Flex Account. Per diems help ensure that residents who wish to extend their service as a county commissioner are not penalized if they have to take off work to attend committee meetings, especially hourly employees.

Boards, committees and commissions account for approximately 1,040 total hours of additional meetings for commissioners each year and generate approximately \$15,275 in budgeted per diems. In Washtenaw the chair is appointed by statute or policy to eleven boards, committees or commissions. The per diem value of this work is approximately \$2,100. Not every commissioner who attends a meeting claims a per diem. The chair of the board is the statutory appointee to eleven of these entities.

It has been suggested that the current management of per diems is burdensome on the commissioners, administration and the Clerk's office because it requires extensive paperwork, research and accounting for a comparatively small expense.

Options for Discussion

Eliminate Per Diems

The management challenge could be eliminated entirely by getting rid of the per diem policy. A modest increase in salary of \$1,500 - \$1,700 could be considered to offset the impact.

Adopt a Stipend Policy for Boards, Committees and Commissions

Rather than being paid on a per-meeting basis, the Board of Commissioners could establish an annual compensation schedule for each meeting (e.g. \$100 for a committee that meets quarterly, \$300 for one that meets monthly, etc.) the proceeds of which would be incorporated into the commissioners' biweekly pay.

Retirement

Currently commissioners receive a defined contribution of 7.5 percent of their salary to a retirement investment account. Most of the County staff are in a defined benefit program. It has been suggested that a straight and limited contribution to retirement does not provide the appropriate incentive to encourage long-term savings by employees, especially those

who, like commissioners, do not enjoy the relative security provided by a long-term contract or predictable salary.

Options for Discussion

Require Matching

To support a culture of retirement planning the Commission might consider requiring a 1:1 match for the retirement program.

Eliminate Defined Contribution

By eliminating the defined contribution plan and setting up an entirely voluntary system, the Commission would allow for contributions greater or less than the fixed 7.5 percent.

Health Care

In recent years, public employee health care plans have come under increasing scrutiny as they drive larger percentages of personnel costs and health care generally accounts for a larger portion of the nation's gross domestic product. Through labor negotiations the County has passed some of these costs on to users, for example via increased co-pays and premium-sharing. Recent state legislation now requires that local government employees pay 20 percent of their health care unless a super-majority of the governing body opt out of the requirement. At this point, only one bargaining unit is held to the 80/20 rule, but the County has adopted the policy, so it is likely that future contracts will have to substantively comply with the legislation.

Commissioners may take advantage of the health care plan that covers the non-union employees (currently BCBSM PP07), but, as half-time employees, they must pay out of pocket for half of the benefit.

Options for Discussion

Increase the Percentage of Coverage Paid by Commissioners

In addition to the half commissioners already pay, the Board could consider also requiring that commissioners pay for 20% of the county's portion.

ATTACHMENTS:

Resolution

Schedule of Stipends for Compensatory Service

A RESOLUTION ESTABLISHING THE COMPENSATION AND PER DIEM FOR THE
WASHTENAW COUNTY BOARD OF COMMISSIONERS EFFECTIVE JANUARY 1, 2013

WASHTENAW COUNTY BOARD OF COMMISSIONERS

November 7, 2012

WHEREAS, it is the authority of the Washtenaw County Board of Commissioners to review the compensation and per diem of its Board; and

WHEREAS, the Washtenaw County Board of Commissioners has not adjusted its salary or per diem compensation in 13 years despite changes to the cost of living; and

WHEREAS, the current compensation structure was designed for eleven commissioners working on behalf of the entire county; and

WHEREAS, the County Reapportionment Commission has reduced the size of the Board of Commissioners to nine members beginning January 1, 2013 although the County increased in population; and

WHEREAS, the current per diem policy sufficiently compensates commissioners for additional work in committees, boards and commissions but is administratively burdensome;

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby establishes a base salary at \$15,750 effective January 1, 2013.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners recommends that Commissioner compensation be indexed at one-half ($\frac{1}{2}$) the median step of the lowest grade salary among County employees and that future boards adjust the salary accordingly; and

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners establishes the Schedule of Stipends for Compensatory Service on various boards, committees and commissions as defined in the Annual Rules & Regulations of the Board of Commissioners effective January 1, 2013.

BE IT FURTHER RESOLVED that the Board of Commissioner directs that the officers of the Board shall receive additional salary as follows:

Chair of the Board -- \$2,000
Chair of Ways & Means -- \$1,000
Chair(s) of Working Session -- \$1,000

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners rescinds County resolution 99-0134.



WASHTENAW COUNTY POLICY

Title:
Schedule of Stipends for
Compensatory Service

Enabling Resolution: Supersedes:

Effective
Date:
01/06/10

Schedule of Stipends for Compensatory Service

- I. Application
This policy shall govern compensatory service for Commissioners appointed by the Chair to serve on an eligible board, committee or commission as identified in the Board of Commissioners Rules and Regulations adopted at the first meeting of Board of Commissioners each calendar year.

- II. Intent
It is the intent of the Board of Commissioners that individuals be compensated for their service as appointees to various County boards, committees and commissions and for their service representing the County on various external boards, committees and commissions.

- III. General Policies
 - a. The Board of Commissioners shall identify the boards, committees and commissions eligible for compensatory service in its Rules and Regulations.
 - i. The Board of Commissioners may include on the list of eligible bodies any committee, subcommittee meeting or Working Session of the Board, provided that its meetings have been noticed in accordance with the Open Meeting Act, Public Act 267 of 1976.
 - ii. The Board of Commissioners may include on the list of eligible bodies any non-Board committee, subcommittee, commission, or board, where a member has been appointed as a representative of Washtenaw County when the member of the Board serves by appointment of by the Board of Commissioners or the Chair of the Board.

- b. The Board of Commissioners in identifying eligible bodies shall also indicate the number of times per year the body, inclusive of official subcommittees, is expected to meet.
- c. Appointees to these bodies shall be eligible for a stipend prorated annually using the following schedule:

Number of Meetings Per Year	Stipend
1 or 2	\$ 50
3 or 4	\$ 100
5 or 6	\$ 150
7, 8, 9 or 10	\$ 250
11 or 12	\$ 300
13 through 24	\$ 500
More than 24	\$1,000

- d. The Board of Commissioners may amend the schedule in III(c) at any time but those amendments shall not take effect until the beginning of the following term of office.
- e. Any member of the Board of Commissioners may waive his/her meeting stipend by giving written notice to the County Clerk.
- f. The value of stipends shall be prorated and aggregated and paid out biweekly as part of the payroll process.