

MEMORANDUM

To: Winifred Northcross, City Clerk
From: Thomas J. Blessing, Chief Assistant City Attorney
Subject: Local Officers Compensation Commission Decision
Date: December 7, 1999

Enclosed for filing is an amended approved minutes of the Local Officers Compensation Commission meeting held on December 3, 1999. An error in the word processing was noted after the original filing which required correction. The Commissioners voted to approve new salaries for Mayor and Council Members. The new annual salary for the Mayor is \$18,300. The new annual salary for a Council Member is \$9,800. Please transmit this to the Mayor and City Council and inform them that the changes in salary take effect in 30 days unless rejected by a 2/3 vote of the Council.

Attachment

copy Mayor and City Council
Neal G. Berlin, City Administrator
Abigail Elias, City Attorney
Alan D. Moore, Director of Finance

DEC 20 1999

1-1 203

**Amended Local Officers Compensation Commission
Minutes of the Meeting of December 3, 1999**

The meeting was called to order at 11:00 a.m.

Member present: Beal, Dobson, Edwards, Eldersveld and Tiedtke.

Others present: Thomas Blessing, Chief Assistant City Attorney.

It was moved by Edwards, seconded by Tiedtke that Dobson serve as chairperson and that he be permitted to sign minutes on behalf of the Commission. The motion passed unanimously.

The chairperson asked if there was anyone present who wished to provide any public comment. There were no persons present other than the Commissioners and the City staff member.

Commissioners began discussion of their views on the appropriate salary for the positions of mayor and council member.

McDonald entered the meeting at 11:07 a.m. Each Commissioner then spoke to the issue of the appropriate salary for the positions.

Moved by Dobson, seconded by McDonald that the salary for the position of Mayor and council member be increased 6%, rounded upwards to the nearest \$50, resulting in a salary of \$18,300 per year for Mayor and a salary of \$9,800 for council members. Those voting in favor: Beal, Dobson, Eldersveld, McDonald and Tiedtke. Those voting against: Edwards. Motion carried.

Commissioners requested that the head of each local political party appearing on the ballot be invited to address the Commission at its next meeting in two years. Commissioners requested that the salary information for the Ann Arbor School Board and the County Board of Commissioners be sent out prior to the next meeting in two years. Commissioners requested that expense reimbursement data for Mayor and Council be provided prior to the next meeting in two years.

There being no further business, the meeting was adjourned at 12:03 p.m.

Respectfully submitted,



Stephen B. Dobson, Chair

Dated: December 7, 1999

Prepared by: Thomas J. Blessing, Chief Assistant City Attorney

1-1 204

MEMORANDUM

To: Winifred Northcross, City Clerk
From: Thomas J. Blessing, Chief Assistant City Attorney
Subject: Local Officers Compensation Commission Decision
Date: December 7, 1999



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Attachment

copy Mayor and City Council
Neal G. Berlin, City Administrator
Abigail Elias, City Attorney
Alan D. Moore, Director of Finance

**Local Officers Compensation Commission
Minutes of the Meeting of December 3, 1999**

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Member present: Beal, Dobson, Edwards, Eldersveld and Tiedtke.

Others present: Thomas Blessing, Chief Assistant City Attorney.

It was moved by Edwards, seconded by Tiedtke that Dobson serve as chairperson and that he be permitted to sign minutes on behalf of the Commission. The motion passed unanimously.

The chairperson asked if there was anyone present who wished to provide any public comment. There were no persons present other than the Commissioners and the City staff member.

Commissioners began discussion of their views on the appropriate salary for the positions of mayor and council member.

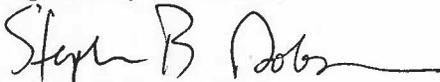
McDonald entered the meeting at 11:07 a.m. Each Commissioner then spoke to the issue of the appropriate salary for the positions.

Moved by Dobson, seconded by McDonald that the salary for the position of council member be increased 6% per year, rounded upwards to the nearest \$50, resulting in a salary of \$18,300 per year for Mayor and a salary of \$9,800 for council members. Those voting in favor: Beal, Dobson, Eldersveld, McDonald and Tiedtke. Those voting against: Edwards. Motion carried.

Commissioners requested that the head of each local political party appearing on the ballot be invited to address the Commission at its next meeting in two years. Commissioners requested that the salary information for the Ann Arbor School Board and the County Board of Commissioners be sent out prior to the next meeting in two years. Commissioners requested that expense reimbursement data for Mayor and Council be provided prior to the next meeting in two years.

There being no further business, the meeting was adjourned at 12:03 p.m.

Respectfully submitted,

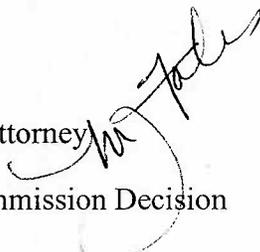


Stephen Dobson, Chair

Prepared by: Thomas J. Blessing, Chief Assistant City Attorney

MEMORANDUM

TO: Yvonne Carl, Interim City Clerk

FROM: Mary Joan Fales, Assistant City Attorney 

RE: Local Officers Compensation Commission Decision

DATE: December 27, 2001

Enclosed for filing is minutes of the Local Officers Compensation Commission meeting held on December 27, 2001. The Commissioners voted to approve new salaries for Mayor and Council Members. The new annual salary for the Mayor is \$22,300. The new annual salary for a Council Member is \$11,950. Please transmit this to the Mayor and City Council and inform them that the changes in salary take effect in thirty (30) days unless rejected by a 2/3 vote of the Council.

Attachment.

copy: Mayor and City Council
Ronald Olson, Interim City Administrator
Abigail Elias, City Attorney
Brenda Smith, Finance Director

Local Officers Compensation Commission
Minutes of the Meeting of December 27, 2001

Meeting was called to order by Chairperson Dobson at 2:08 p.m.

Members Present: Dobson, Eldersveld, Koen, McDonald
Members Absent: Beal, Edwards

Others Present: Mary Fales, Assistant City Attorney
Christie Nowak, Co-Chair,
Huron Valley Greens, Green Party of Michigan
Mayor John Hieftje
Christopher S. Easthope
Marcia C. Higgins

It was moved by Koen, seconded by Eldersveld that the minutes of December 18, 2001 session of the Commission be approved as presented. Motion passed unanimously.

It was noted that written comment had been received, based on the Commission's request for information on the role compensation played in recruiting and/or running for local political office, from the following and distributed to the Commission:

Susan J. Greenberg, Democratic Party Chair
Marlene A. Chockley, Republican Party Chair, Washtenaw Co.
Jean Carlberg
Wendy Woods
Heidi Herrell
Marcia C. Higgins
Stephen Hartwell

Written comment was also received from:
Honorable Christopher Kolb
Pat Dixon

Chairperson Dobson asked if there was anyone present who wished to provide any public comment. The following individuals spoke, in the order below, on the role compensation played in recruiting and/or running for local political office:

Christie Nowak, Co-Chair,
Huron Valley Greens, Green Party of Michigan
Marcia C. Higgins
Mayor John Hieftje
Christopher Easthope

The Chairperson thanked each of the speakers for their comments and requested that the record of the session also reflect the Commissioners appreciation to those individuals who provided written comment. All of the public comment speakers then left the session.

The Chairperson then proposed that a motion be made on the question of compensation for Mayor and City Council Members to allow for discussion. The format of the 1999 decision was recommended.

Moved by Koen, second by McDonald that the salary for the position of Mayor and Council Member be increased 6%, rounded upwards to the nearest \$50, being respectively \$19,400 per year for the Mayor and \$10,400 for a Council Member.

A lengthy discussion followed in which each of the Commissioners stating their respective view of the appropriate salary and/or method for determining the appropriate salary for the positions of Mayor and City Council Member. Discussion focused the use of the previous method of calculation, CPI Index-based, versus the use of an established living wage multiplied by a weekly average of hours of service. To further discussion, the living wage method was calculated using an average of 25 hrs of service which resulted in a proposed increase in salaries for the Council Members of \$13,500 and \$25,200 for the Mayor.

During the discussion, Mayor Hieftje was asked to rejoin the meeting and posed a question concerning current labor negotiations with City employees, to which he responded and then left the session.

It was suggested by Commissioner MacDonald that a friendly amendment to the motion on the table be made which would preserve the relative pay differential between Council Member and Mayoral salaries, and incrementally address the difference between the proposed salaries using 6% rounded increase as stated in the motion and the living wage standard based on the comments received that on average a Council Member devotes 25 hrs per week to performance of his/her duties of office. The salary increases using this method would be \$11,950 for a Council member and \$22,300 for the Mayor.

Moved by Koen, seconded by McDonald that the salary for the position of Mayor and Council member be increased to the following: \$22,300 per year for Mayor; \$11,950 per year for Council member. Members voting in favor: Koen, McDonald and Eldersveld. Members voting against: Dobson. Motion passed

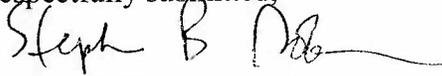
Moved by Eldersveld, seconded by McDonald the Commission recommend to City Council the establishment of a blue ribbon committee to study the role of compensation on good governance and other relevant questions. Motion passed unanimously.

Ms. Fales inquired of the Commission members as what information provided for 2001 sessions had been of particular assistance and redistributed for the 2003 sessions or if there was alternative/additional information that the Commissioners thought would be of assistance performance of their duties. Commissioner Eldersveld indicated he would like to have comments and/or presentation from the MML on public officials' compensation as part of the 2003 sessions. It was also noted that the MML Salary and Wage information which had been distributed for this and prior year sessions would be more useful if cities with similar population and forms of government (Council/Manager) were highlighted.

Chairperson Dobson recommended that the 2003 session be convened the first week in November 2003.

There being no further business, the meeting was adjourned at 4:56 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen B. Dobson", with a long horizontal flourish extending to the right.

Stephen B. Dobson, Chair

Dated: December 31, 2001

Prepared by: Mary Joan Fales, Assistant City Attorney

Local Officers Compensation Commission
Minutes of the Meeting of December 18, 2001

Interim City Clerk Yvonne Carl administered the oath of office to Dobson, Eldersveld, Koen, and McDonald

The meeting was called to order at 2:10 p.m.

Members Present: Dobson, Eldersveld, Koen, McDonald
Members Absent: Beal, Edwards

Others Present: Mary Fales, Assistant City Attorney

It was noted that no persons were present other than the Commissioners and City staff. Commissioner Koen inquired as to notice procedures for the meeting. Ms. Fales indicated notice was prepared in the form prescribed by statute and provided to the City Clerks office for posting on December 12, 2001. The Clerk's Office posted notice the same day in accordance with City procedures. Personal notice of the meeting was provided to the Mayor's Office. Ms. Fales further indicated that she had not received any inquiry questions. The Mayor's Office had received one, concerning date and time of the meeting, and had responded to it directly.

After independent perusal of the salary information compiled for their use by City staff, the Commissioners began discussion of their views on what additional information they would like to have available for review prior to making a decision. Commissioner Dobson restated his interest, previously recorded in the minutes of the Commission on December 3, 1999, to requesting that the head of each local political party appearing on the ballot be invited to address the Commission. Commissioner Dobson explained his interest in hearing from the political party leadership whether compensation played a quantitative or qualitative role in the decision-making process for potential candidates and/or soliciting individuals to run for office. Commissioner McDonald indicated he was also interested in hearing a response to the question from the Mayor and City Council as well. Each Commissioner present spoke on the benefit of having this information. Ms. Fales was asked to contact the respective parties and ask them to attend the next meeting and/or provide their comments to the Commission

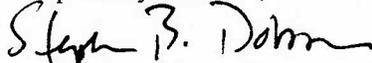
Commissioner Koen indicated to the Commission that he was interested in obtaining information from the current City Council on how much time per week they commit respectively to the performance of their offices (Council sessions, work sessions, board/committee meeting, citizen inquiries, etc.) Commissioner Koen also indicated that he would like the Commission to have the current poverty level and living wage rates for the City of Ann Arbor. Ms. Fales was asked to obtain the information.

By unanimous consent of the Commissioners present, Commissioner Dobson was elected to serve as Chairperson with all established responsibilities of the office.

The next meeting of the Commission was set Thursday, December 27, 2001 at 2:00 p.m. in the 3rd floor Conference Rm of City Hall. Notice to be prepared and posted accordingly.

There being no further business, the meeting was adjourned.

Respectfully submitted,

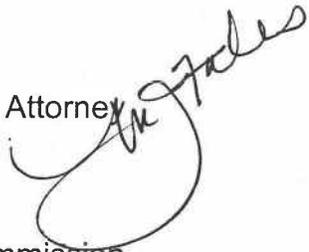

Stephen B. Dobson, Chair

Dated: December 18, 2001

Prepared by: Mary Joan Fales, Assistant City Attorney

MEMORANDUM

To: Kathleen M. Root, City Clerk
From: Mary Joan Fales, Senior Assistant City Attorney
Date: January 5, 2004
Re: 2003 Local Officers Compensation Commission
Decision and Minutes



Enclosed for filing is the decision of the 2003 Local Officers Compensation Commission approved at its December 23, 2003 session.

The LOCC voted to approve new salaries for the following elected officials: Mayor, Mayor Pro Tem, and Council members. The Determinations of the LOCC are based on the specific positions and take effect concurrently.

Also enclosed are the minutes of the 2003 Local Officers Compensation Commission's sessions on December 18, 2003 and December 23, 2003.

Please transmit this to the Mayor and City Council and inform them that the determination for each of the specific positions will take effect in thirty (30) days unless City Council rejects all of the determinations or specific determinations for specific positions by a two-thirds vote of the members.

Attachments

Cc: Mayor and City Council
Michael Koen, LOCC Chair
Roger W. Fraser, City Administrator
Stephen K. Postema, City Attorney
Brenda Smith, Finance Director

2003 Determination of the Local Officers Compensation Commission **JAN 5 2004**
for the City of Ann Arbor

TIME: _____

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 LOCC members of the 2003 LOCC are: Michael Koen, Roger Hewitt, Michael Schippani, Rachel Tiedke, David Devarti, Fred MacDonald and Eunice Burns. 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 2003 LOCC Chair is Michael Koen and Mary Joan Fales, Sr. 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 and outside of 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.

LOCC determinations become effective thirty (30) days after filing with the City Clerk unless the City Council rejects all of the determinations or specific determinations for specific positions. 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 determinations are rejected, the existing salaries remain in effect.

The determinations of the 2001 LOCC were rejected by City Council. The last determination implemented was in 1999, four years ago.

2003 LOCC Meeting

The most recent meetings of the Commission were on December 18, 2003 and December 23, 2003. This section details deliberation that took place at these most recent meetings.

The following were general factors considered when deliberations took place:

- Nature of Public Service
- History of salary increases for Mayor and City Council members
- Existing salary information for Washtenaw County Commission members
- Average salaries for persons in the State of Michigan serving in similar positions with the same form of government
- Financial sacrifices incurred by elected officials
- Public comment and historical written comments from past and current members of the City Council on nature of their duties and the extensive number of hours per week devoted to City government
- Community expectations

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.

Mayor

The Mayor's salary will be \$28,000 in 2004 and \$40,000 in 2005. When deliberating in connection with the establishment of the salary for the Mayor, the extensive nature of the responsibilities of the office was considered by the LOCC. Particular attention was paid to the growing need for the Mayor to participate in regional cooperative affiliations with other Mayors and communities locally and regionally and the extensive hours involved in active and effective participation on behalf of the City; the responsibilities of the Mayor in connection with Emergency and Disaster Preparedness; and the position's salary relationship to other mayors.

Mayor Pro Tem

The Mayor Pro Tem's salary will be \$14,000 in 2004 and \$18,000 in 2005. The LOCC in reviewing the duties of the Mayor recognized the addition time and responsibilities of holding this office. LOCC also acknowledged that Washtenaw County also recognizes the increased duties associated with this office with an increased in salary.

Council

The salary for members of City Council will be \$12,000 in 2004 and \$15,000 in 2005. The LOCC concluded that given the duties and number of hours of public service provided in a variety of areas by the members of Council, that the position is under-valued when compared to similar positions and duties in the County, around the State. 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.

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

2003 LOCC Determination Summary

	Current	2004 Council Individual/Total	\$ Increase	2005 Council Individual/Total	\$ Increase
Mayor	\$18,300	\$28,000	\$9,700	\$40,000	\$12,000
Mayor Pro Tem		\$14,000		\$18,000	
City Council *	\$9,800 (indiv) \$98,000(total)	\$12,000 (indiv) \$108,000 (total)	\$2,200	\$15,000 (indiv) \$135,000 (total)	\$3,000
Total	\$116,300	\$150,000		\$193,000	

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 position.

*Current City Council positions multiplier is 10 for purposes of total amount paid to members of Council (no additional/supplemental salary is paid the Mayor Pro Tem)

2004/2005 City Council position multiplier is 9 for purposes of total amount paid to members of Council

Fiscal Impact of 2003 LOCC Determinations

The total cost in increased salary payments will be \$150,000 in year 2004 and \$193,000 in year 2005. The 2003 LOCC determinations represent .001 of the Ann Arbor City approximate \$235,000,000 budget for FY 2003-2004. It will be necessary to appropriate funding for the salary increases.

The total salary paid to elected officials of Ann Arbor costs each resident approximately \$1.32 in year 2004 and \$1.69 in year 2005 per resident per year.

Fiscal Impact of 2003 LOCC Determinations

Year	Total Salary Payment	City Population*	Cost Per Resident/ Per Year
2004	\$150,000	114,024	\$1.32
2005	\$193,000	114,024	\$1.69

*Population as reported in MML *Directory of Michigan Municipal Officials*, January 2003

Local Officers Compensation Commission
Minutes of the Meeting of December 23, 2003

The meeting was called to order at 10:40 a.m.

Members present: Burns, Hewitt, Koen, McDonald, Schippani, and Tiedke

Members absent: Devarti

Others present: Mary Fales, Assistant City Attorney

Ms. Fales reviewed the agenda packet with the Commission. It was noted that Council member Leigh Greden, 3rd Ward, had provided written comments to the Commission in lieu of speaking during public comment.

The Agenda was agreed to as presented.

By unanimous consent of the Commissioners present, the minutes of December 18, 2003 were approved and Ms. Fales was requested to file them with the City Clerk.

No persons being present and requesting to be heard during Public Comment, the Commission proceeded directly to discussion of the establishment of salaries for the Mayor and Council. Chairperson Koen noted that he and Commissioner Devarti would be summarizing the Commission's Determination for an op ed piece. The Commission discussed other means of making their Determination available to the public. Ms. Fales was asked to contact the City IT Department to have the Determination and the op ed piece available through the City internet site. Chairperson Koen indicated he would forward the piece when completed to Ms. Fales, who in turn could distribute it to the Commission and City officials/IT.

Lengthy discussion followed concerning the need for an increase in salaries. It was proposed that the position of Mayor Pro Tem receive supplemental salary for the added duties of the office. It was noted that Washtenaw County Commission provided supplemental salary to its Vice Chair and the Chairpersons of its Standing Committees. Ms. Fales reported to the Commission on the question of whether the Commission could make salary determination for specific positions and whether City Council had the ability to reject based on specific positions. Ms. Fales indicated that the statute, past practice of the SOCC, historical AG opinions supported the ability of Council to reject concurrently or separately based on specific positions. Ms. Fales also notes that her research on actions taken by other City Councils, such as Traverse City, indicated other communities also used the method of rejection based on specific positions.

It was moved by Commissioner MacDonald, seconded by Commissioner Burns that the salary for the Mayor be established as follows: 2004 Salary: \$28,000; 2005 Salary \$40,000. On voice vote, the motion was unanimously approved.

It was moved by Commissioner MacDonald, seconded by Commissioner Burns that the salary of the Mayor Pro Tem be established as follows: 2004 Salary: \$14,000; 2005 Salary: \$18,000. On voice vote, the motion was unanimously approved.

It was moved by Commissioner Burns, seconded by Commissioner Schippani that the salary of the members of City Council, excluding the Mayor and Mayor Pro Tem, be established as follows: 2004 Salary: \$12,000; 2005 Salary: \$15,000. On voice vote, the motion was unanimously approved.

Ms. Fales was requested to prepare the minutes, distribute them to the Commission for comment/correction (if any) and file same with the City Clerk together with the 2003 Determination of the Commission.

There being no further business before the Commission the 2003 LOCC Commission was adjourned at 12:04 p.m.

Respectfully submitted,

Michael Koen, Chair

Prepared by: Mary Joan Fales, Assistant City Attorney

Local Officers Compensation Commission
Minutes of the Meeting of December 18, 2003

City Clerk Kathleen M. Root administered the oath of office to Schippani, Hewitt and Devarti.

The meeting was called to order at 11:10 a.m.

Members present: Koen, Hewitt, Schippani, Tiedke Devarti and McDonald (arrived at 11:45 a.m.)
Members absent: Burns

Others present: Mary Fales, Assistant City Attorney

Ms. Fales reviewed the proposed agenda and distribution materials with the Commission. Commissioner Hewitt indicated his interest in obtaining information from outside of Michigan on salaries paid to Mayor/Council positions in Madison, Wisconsin; Chapel Hill, North Carolina; and Boulder, Colorado with the following information: salaries, form of government (Council/Manager; Mayor/Council), population and annual budget. Ms Fales excused herself to have an intern make inquiries.

The Agenda was agreed to as presented.

By unanimous consent of the Commissioners present, Commissioner Koen was elected to serve as Chairperson with all established responsibilities of the office.

Chairperson Koen opened the floor to Public Comment. The following individuals spoke, in the order below:

Christopher Easthope, Mayor Pro Tem, indicated that he wished to share information on the salary and duties of the Mayor with the Commission. A table of Michigan community salaries for Mayors was provided to the Commission. Mr. Easthope stressed the public perception of the Mayor as being available full time and responsible for City government regardless of the actual Charter division of roles between the Mayor, Council and the City Administrator. Mr. Easthope also indicated that Council views the Mayor's office and the role of the Mayor as the clearinghouse for Council members on administrative activities in progress ("what's going on with...") It was suggested by Mr. Easthope that a more realistic salary (\$35,000.00) commensurate with the duties of the job is appropriate for the Mayor. The Commission asked if Mr. Easthope had any recommendations for salaries for Council members. Mr. Easthope indicated that the Council members put in an average of 22-30 hrs per week and a salary amount in parity with the County Commissioners would be appropriate. The Commission also inquired as to why Mr. Easthope believed the decision on the 2001 Commission was rejected. Mr. Easthope indicated the political climate at the time was decisive in Council's decision. He also indicated that he felt the same climate did not currently exist.

Frances Todoro, City employee/Mayor's Assistant, wished to bring to the Commission's attention the expanding need for broad participation by the Mayor in local and regional governmental meetings, associations (such as the Urban Core Mayors Group) and the limitations on participation by the Mayor because of his existing calendar. She also stressed the public perception of the Mayor and Council as their "elected" voice in resolving problems and concerns and gave examples. Ms. Todoro noted that her salary was higher than the Mayor's.

Chairperson Koen thanked the speakers for their comments. The public comment speakers then left the session.

Discussion followed on the need for education of the public on the hours spent and the duties involved in providing public service in Ann Arbor. Various members of the Commission discussed methods to better educate the public and potential salary proposals. Ms. Fales was asked about the process for submitting the Commission's recommendation and the format for the recommendation. Ms. Fales noted the statute

indicated there was nothing in the statute that precluded presenting separate decisions for the Mayor and Council. Ms. Fales agreed to provide the Commission with follow-up research at its next meeting.

Commissioner Devarti, for the purpose of discussion, made a several salary proposals that were discussed by the Commission as a whole. No formal motion for action was placed on the table.

It was agreed that the Commission would reconvene on Tuesday, December 23, 2003 at 10:30 a.m. to continue discussion.

Ms. Fales indicated to the Commission that she would post the meeting and have Commissioner's Devarti's address corrected.

There being no further business, the meeting was adjourned.

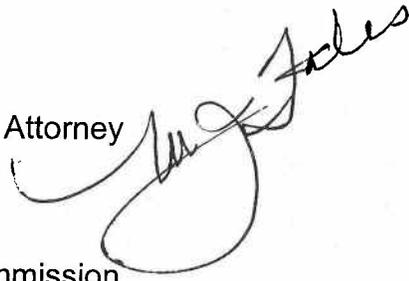
Respectfully submitted,

Michael Koen, Chair
December , 2003

Prepared by: Mary Joan Fales, Assistant City Attorney

MEMORANDUM

TO: Jacqueline Beaudry, City Clerk
FROM: Mary Joan Fales, Senior Assistant City Attorney
DATE: February 2, 2006
SUBJECT: 2005 Local Officers Compensation Commission
Decision and Minutes



Enclosed for filing is the decision of the 2005 Local Officers Compensation Commission approved at its January 25, 2006 session. The LOCC convenes in odd years to make statutorily required determinations of salaries for elected local officials.

The LOCC voted to approve new salaries for the following offices: Mayor, Mayor Pro Tem, and Council members. The Determinations of the LOCC are based on the specific offices and take effect concurrently.

Also enclosed are the minutes of the 2005 Local Officers Compensation Commission's sessions on December 20, 2005 and January 4/recessed to January 18, 2006, and January 25, 2006.

Please transmit this to the Mayor and City Council and inform them that the determination for each of the specific positions will take effect in thirty (30) days unless City Council rejects all of the determinations or specific determinations for specific positions by a two-thirds vote of the members.

Attachments

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

**2005 Determination of the Local Officers Compensation Commission
for the City of Ann Arbor**

FEB 03 2006

11:37am

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 2005 LOCC members are: Eunice Burns, Martha Darling, Roger Hewitt, William Lockwood, Fred McDonald, Michael Schippani, and Rachel Tiedke. 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 2005 LOCC Chair is Roger Hewitt and Mary Joan Fales, Sr. 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 determination of the 2003 LOCC for the offices of Mayor and Council member were implemented. The determination of the 2003 LOCC for the office of Mayor Pro Tem was rejected by City Council.

2005 LOCC Meeting

The Commission convened its first meeting on December 20, 2005. The second session of the Commission was convened on January 4, 2006, recessed and reconvened on January 18, 2006. The Commission's final session was January 25, 2006. 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
- Average salaries for State of Michigan elective public officials and average salaries state-wide for municipal officials with similar levels of responsibility.
- Average Median Income (AMI) for the City of Ann Arbor
- Consumer Price Indexing information (CPI-U) for the Ann Arbor area
- Salary and expense information for State public offices
- 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
- Expanding 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 2005 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 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 redress the present under-compensated elected offices, which the current LOCC reluctantly could not do in the present budgetary climate, with increases commensurate with the respective office responsibilities.

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 2006 and \$42,436 in 2007. When deliberating in connection with the establishment of the salary for the Mayor, the extensive nature of the responsibilities of the office was considered by the LOCC. Additionally, there was discussion by the Commission of the responsibilities of the office of Mayor and the position's salary relationship to other mayors and how the salary compared to other income data for the community.

Office of the Mayor Pro Tem

The Mayor Pro Tem's salary will be \$15,913.50 in 2006 and \$16,390.90 in 2007. The LOCC in reviewing the duties of the Mayor Pro Tem recognized the addition time and responsibilities of holding this office. 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 increased in salary.

Office of Councilmember

The salary for members of City Council will be \$15,450 in 2006 and \$15,913.50 in 2007. The LOCC concluded that given the duties and number of hours of public service provided in a variety of areas by the members of Council, that the position is under-valued when compared to similar positions and duties in the County, around the State. 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.

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

2005 LOCC Determination Summary

	Current	2006 Council Individual/Total	\$ Increase	2007 Council Individual/Total	\$ Increase
Mayor	\$40,000	\$41,200.00	\$1,200.00	\$42,436.00	\$1,236.00
Mayor Pro Tem		\$15,913.50		\$16,390.90	
*City Council	\$15,000/ \$150,000	\$15,450.00/ \$139,050.00	\$450.00/ \$4,050.00	\$15,913.50/ \$143,221.50	\$463.50/ \$4,171.50
Total	\$190,000	\$196,163.50		\$202,048.40	

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.

*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)
2006/2007 City Council position multiplier is 9 for purposes of total amount paid to members of Council

Fiscal Impact of 2005 LOCC Determinations

The total cost in increased salary payments will be \$196,163.50 in year 2006 and \$202,048.40 in year 2007. The 2005 LOCC determination for 2006 represent .0006 of the Ann Arbor City approximate \$313,000,000 approved expenditure budget for FY 2005-2006. It will be necessary to appropriate funding for the salary increases.

The total salary paid to all elected officials of City of Ann Arbor if the 2005 LOCC Determination is effective will cost each resident approximately \$1.72 in year 2006 and \$1.77 in year 2007 per resident per year.

Fiscal Impact of 2005 LOCC Determinations

Year	Total Salary Payment	City Population*	Cost Per Resident/ Per Year
2006	\$196,163.50	114,024	\$1.72
2007	\$202,048.40	114,024	\$1.77

*Population as reported in MML *Directory of Michigan Municipal Officials*, July 2005.

Local Officers Compensation Commission
Minutes of the Meeting of December 20, 2005

City Clerk Jacqueline Beaudry administered the oath of office to Commissioners Darling and Tiedke

The meeting was called to order at 1:05 p.m.

Members Present: Burns, Darling, Hewitt and Tiedke
Members Absent: Lockwood, McDonald and Schippani

Others Present: Mary Joan Fales, Senior Assistant City Attorney

It was noted that no persons were present other than the Commissioners and City staff. Notice procedures for the meeting were reviewed by Ms. Fales; specifically that notice was prepared in the form prescribed by statute and provided to the City Clerks office and posted. Personal notice of the meeting was provided to the Mayor and City Council. Ms. Fales further indicated that she had not received any inquiry questions.

The agenda as presented was approved unanimously.

Motion was made by Commissioner Burns and Seconded by Commission Darling that Commission Hewitt nominating Commissioner Hewitt as Chair for the 2005 Session of the Commission. Passed unanimously.

Ms. Fales briefly updated the Commission on the salary information provided in their packet. After independent perusal of the salary information compiled for their use by City staff, the Commissioners began discussion of their views on what additional information they would like to have available for review prior to making a decision and how the additional information could be used in their decision-making process. Ms. Fales was asked to obtain salary information on the State Officials, Municipal Officials including benefits, if available, the AMI used for the area, and national and local CPI information.

It was further discussed that the Offices of Mayor Pro Tem and Council member be treated the same for purposes of salary discussion.

The next meeting of the Commission was to be scheduled for a time mutually convenient to the Commission during the week of January 1, 2006. Notice to be prepared and posted accordingly.

There being no further business, the meeting was adjourned.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Local Officers Compensation Commission
Minutes of the Meeting of January 4, 2006
Recessed to January 18, 2006

Quorum being present, the meeting was called to order at 2:30 p.m.

Members Present: Burns, Hewitt, Lockwood, McDonald and Tiedke

Members Absent: Darling and Schippani

Others Present: Mary Joan Fales, Senior Assistant City Attorney

Approval of the Agenda moved by Commissioner McDonald, seconded by Commissioner Burns. No changes requested. Agenda as presented was approved unanimously.

Approval of the Minutes of December 20, 2005 moved by Commissioner Burns, seconded by Commissioner Tiedke. Apologies for absences were offered by Commissioners Lockwood and McDonald and acknowledged by the Chair. Minutes as presented were approved unanimously.

Ms. Fales briefly summarized the contents of the informational documents prepared for the Commission's discussion. Ms. Fales was asked to obtain more specific population information for Ann Arbor.

Discussion by the Commission followed on the appropriate method for establishing salaries for the respective offices of Mayor, Mayor Pro Tem and Council member.

The increased demand for participation on a regional level by the Mayor was noted as well as the public's expectation of availability for elected officials. Hours of public service, both Council meetings, committee meeting and other obligations, impact on employment options was noted, especially related to the time demand on the office of Mayor.

Commissioner McDonald moved that a tiered salary increase for the office of Mayor be adopted as follows:

2006	12 1/2% increase of current (2005) salary (= \$45,000)
2007	12 1/2% increase of 2006 salary (= \$50,625)

seconded by Commissioner Lockwood.

Discussion followed on Ann Arbor as the economic driver in the state and the pivotal role the office of Mayor plays now and is expected to in the future in this economic climate. Chairman Hewitt suggested that office salary should be higher than the 12 1/2% proposed and drew the Commission's attention to the median income in Ann Arbor and current salary for the position. Commissioner McDonald cautioned that the decision was based on the office not the individual in the office, regardless of the unquestionable merit of the current office holder.

At this point in the discussion, Commissioner Burns moved that the motion be postponed to allow it be considered after discussion on the salaries of the other offices had occurred. Seconded by Commissioner Tiedke. No discussion on motion. Approved unanimously.

Commissioner Tiedke requested that the office of Mayor Pro Tem be considered again as a separate office for purposes of the Commission's Determination. Although, the 2003 Commission Determination for this office was rejected by City Council, Commissioner Tiedke felt strongly that the precedent of separating the office from the office of Council member needed to be continued. It was noted no formal action was taken by the Commission at its December 20, 2005 session and discussion on this office continued.

Commissioner Tiedke moved that the office of Mayor Pro Tem salary be established at 3% above the established salary for a member of Council (i.e., 3% above base; or 103% of member of Council salary)

seconded by Commissioner Lockwood. Discussion followed. The question was called. Approved unanimously.

Discussion on salary for the office of Council member followed. Various incremental amounts were discussed. Relationship of current Council member salary to the current base salary of a County Commissioner was noted.

Commissioner Lockwood moved that a tiered salary increase for the office of Council member be adopted as follows:

2006	5% increase of current (2005) salary (= \$15,750)
2007	5% increase of 2006 salary (=\$16,537.50)

seconded by Commissioner McDonald

At this point in the discussion, Commissioner Burns moved that the motion be postponed to allow it be considered after discussion on the salaries of the other offices had occurred. Seconded by Commissioner Tiedke. No discussion on motion. Approved unanimously.

Commissioner Lockwood moved that the meeting be recessed until 2:00 p.m., Wednesday, January 18, 2006, seconded by Commissioner Burns. Approved unanimously.

Meeting recessed at 3:45 p.m., January 4, 2006

Chairperson Hewitt reconvened the Meeting at 2:04 p.m., January 18, 2006

Members Present: Burns, Darling, Hewitt, Lockwood, Schippani and Tiedke
Members Absent: McDonald

Others Present: Mary Joan Fales, Senior Assistant City Attorney

Commissioner Lockwood moved to take from the table the motion to approve a tiered salary increase for the office of Council member be adopted as follows:

2006	5% increase of current (2005) salary (= \$15,750)
2007	5% increase of 2006 salary (=\$16,537.50)

seconded by Commissioner Burns. No discussion on the motion. Approved unanimously. The motion was again before the Commission for discussion.

A motion was made by Commissioner Darling to amend the motion to approve a tiered salary increase for the office of Council member reducing the % increase to 3% or

2006	3% increase of current (2005) salary (=\$15,450)
2007	3% increase of 2006 salary (\$15,913.50)

seconded by Commissioner Burns.

Discussion followed. Commissioner Lockwood noted that this level of increase was consistent with the increase awarded by City Council to the City Administrator this year and reflects the range of collectively bargained increases with the City unions presented for approval to Council to-date.

Question was called. Motion, as amended was approved unanimously.

Commissioner Burns moved to take from the table the motion to approve a tiered salary increase for the office of Mayor be adopted as follows:

2006 121/2% increase of current (2005) salary (= \$45,000)
2007 121/2% increase of 2006 salary (=\$50,625)

seconded by Commissioner Darling. No discussion on the motion. Approved unanimously. The motion was again before the Commission discussion.

A motion was made by Commissioner Lockwood to amend the motion to approve a tiered salary increase for the office of Mayor to reduce the % to 3% or

2006 3% increase of current (2005) salary (=\$41,200)
2007 3% increase of 2006 salary (=\$42,436)

seconded by Commissioner Tiedke.

Discussion followed. It was noted that the office of Mayor provided value as direction and leadership not only for the City but the region. Ann Arbor is viewed as an economic engine for growth and development in the State. Conversely it was noted that a realistic salary for the office must recognize the economic and political pressure to limit salary increases for elected offices under the present municipal government structure.

Commissioner Darling shared with the Commission her analysis of recent state salaries for selected elected offices (Governor, Lt. Governor, Secretary of State, Attorney-General and Legislator) and proposed the % increases for City elective office should be weighted against state offices.

The nature of the office and the number of hours of public service provided was again discussed.

Question was called. A roll call vote was requested by the Chair. 3 votes in affirmative/3 in the negative. Motion failed.

A motion was made by Commissioner Tiedke to amend the motion to approved a tiered salary increase for the office of Mayor to reduce the % to 6% or

2006 6% increase of current (2005) salary (=\$42,400)
2007 6% increase of 2006 salary (=\$44,944)

seconded by Commissioner Burns.

Discussion followed.

Question was called. A roll call vote was requested by the Chair. 3 votes in affirmative/3 in the negative. Motion failed.

The chair then called for a vote on the original motion. Failed unanimously.

A motion was made by Commissioner Darling to approve a tiered salary increase for the office of Mayor as follows:

2006 3% increase of current (2005) salary (=\$41,200)
2007 3% increase of 2006 salary (=\$42,436)

seconded by Commissioner Tiedke. Motion passed unanimously.

Discussion on the Determination Report by the Commission followed.

It was moved by Commissioner Lockwood, seconded by Commissioner Darling, to authorize the Chair to accept the draft Determination and forwarded it to Council after evaluation by the Commission at its next meeting.

Motion to Adjourn made by Commissioner Burns, seconded by Commissioner Lockwood. Approved unanimously.

Meeting was adjourned at 3:25 p.m.

Next meeting, Wednesday, January 25, 2006 at 2:00 p.m.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Local Officers Compensation Commission
Minutes of the Meeting of January 25, 2006

Quorum being present, the meeting was called to order at 2:12 p.m.

Members Present: Burns, Darling, Hewitt, and Tiedke
Members Absent: Lockwood, McDonald and Schippani

Others Present: Mary Joan Fales, Senior Assistant City Attorney

Approval of the Agenda moved by Commissioner Burns, seconded by Commissioner Tiedke. No changes requested. Agenda as presented was approved unanimously.

Approval of the Minutes of January 4, 2006 meeting which was recessed and reconvened January 18, 2006 moved by Commissioner Burns, seconded by Commissioner Darling. Minutes as presented were approved unanimously.

Ms. Fales distributed copies of the draft Determination Report of the Commission which notations from the next meeting of the Commission.

Discussion by the Commission followed on the appropriate edits/additions to the text of the Determination.

- Add reference to January 25, 2006 meeting
- Add bullet to general factors noting the increasing importance of Ann Arbor in the regional and state economy
- Rephrase community expectations bullet to read expanding expectations of the community
- Add a new paragraph noting the Commission's position that salaries for City offices remain inadequate even with the increases proposed and that the proposed salaries reflect an acknowledgement by the Commission that the overall economy of the State of Michigan at the present time can not support larger increases. It will be the duty of future LOCCs to redress this issue. Commissioner Darling agreed to work with Ms. Fales to finalize the language of this paragraph
- Revise the deliberation paragraph for the Office of Mayor
- Clarify the *footnote to the first table in the Determination Summary

It was noted that at the last meeting of the Commission the Chair was authorized to forward to Council the Determination when prepared based on the modifications to the Determination made in response to the discussion at this meeting. It was noted that the Determination would be reviewed by Chairperson Hewitt with Ms. Fales on Monday, January 30, 2006 and submitted to the City Clerk that date for inclusion in the information items for the February 6, 2006 regular session of City Council.

Motion to Adjourn made by Commissioner Burns, seconded by Commissioner Darling. Approved unanimously.

Meeting was adjourned at 2:44 p.m.

No further meeting of the Commission being necessary to complete its charge, the 2005 Local Officers Compensation Commission session is adjourned.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

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

CITY OF ANN ARBOR
07DEC 7 P1:01

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

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.

Local Officers Compensation Commission
Minutes of the Meeting of November 15, 2007
Recessed to December 5, 2007

Quorum being present, the meeting was called to order at 1:50 p.m.

Members Present: Burns, Darling, Hewitt, Lockwood, and Schippani
Absent: McDonald

Others Present: Mary Joan Fales, Senior Assistant City Attorney

Approval of the Agenda moved by Commissioner Lockwood, seconded by Commissioner Schippani. No changes requested. Agenda as presented was approved unanimously.

Approval of the Minutes moved by Commissioner Burns, seconded by Commissioner Lockwood. A typographical error was pointed out in the text for correction by Commissioner Darling. Minutes as amended were approved unanimously.

Commissioner Lockwood moved, seconded by Commissioner Burns that the same salary recommendations adopted by the Commission in 2005 for the respective offices of Mayor, Mayor Pro Tem and Council member be adopted.

Brief discussion followed requesting restatement of the recommendation, which was, for the year 2008 – 3% increases for the Mayor and City Council members and separate consideration of the Mayor Pro Tem, establishing the salary for the office for the year 2008 at 6% above the current (2007) salary for a City Council member; for the year 2009 – a flat 3% increase for all offices.

On a voice vote, the motion passed unanimously.

Discussion by the Commission followed on appropriate forum for public education piece on the role of the LOCC and as a mechanism for stimulating community discussion. Blogs, dedicated email addresses and voicemail boxes were discussed. Ms. Fales explained potential and actual OMA compliance issues related to blogs, on-line chat rooms and group emails.

Commissioners Lockwood and Darling agreed to work on public education piece for review and discussion by the Commission.

Additional salary information on local administrators was requested (City Administrator, Township Supervisor) which Ms. Fales will obtain and provide the Commission.

Commissioner Lockwood moved that the meeting be recessed until 3:00 p.m., Wednesday, December 5, 2007, seconded by Commissioner Schippani. Approved unanimously.

Meeting recessed at 3:00p.m., November 15, 2007

Chairperson Hewitt reconvened the Meeting at 3:08 p.m., December 5, 2007

Members Present: Burns, Darling, Hewitt, Lockwood, and Schippani
Members Absent: McDonald

Others Present: Mary Joan Fales, Senior Assistant City Attorney

The Compensation of Mayor and City Council having been moved prior to recess, the Commission moved to the next order of business.

A preliminary draft Determination was distributed for discussion. It was recommended that reference to the Michigan Municipal League 2006 Wage and Salary study (the most recent edition) be included in listing of the general factors considered by the Commission. Specific consideration language for each of the offices was then discussed. It was noted that a realistic salary for the office must recognize the economic and political pressure to limit salary increases for elected offices under the present economic conditions and language recognizing the salary increases adopted by the Commission were the approximate equivalent of a cost of living raise for the offices.

A working draft of the Community Engagement/Op-Ed article was discussed and the importance of educating the public on the analytical process the Commission engages in making its Determination. It was agreed that contemporaneously with the filing of the Determination the Commission would submit for publication the Op-Ed article for publication by local press.

It was moved by Commissioner Lockwood, seconded by Commissioner Darling, to authorize the Chair to review and approve the minutes of this meeting on behalf of the Commission for filing with the City Clerk and to grant the Chair final review authority of the Determination (substantially in the format discussed subject to any final scribner and/or textual corrections to the Determination forwarded to the City Attorney). All comments to be received for final review of Chair no later than 12/6/07. Approved unanimously.

Motion to Adjourn made by Commissioner Burns, seconded by Commissioner Schippani. Approved unanimously.

Meeting was adjourned at 3:45 p.m.

No further meeting of the Commission being necessary to complete its charge, the 2007 Local Officers Compensation Commission session is closed.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Local Officers Compensation Commission
Minutes of the Meeting of October 24, 2007

City Clerk Jacqueline Beaudry administered the oath of office to incoming Commission Members.

Members Present: Burns, Darling, Hewitt, Lockwood and Schippani
Members Absent: McDonald

Others Present: Mary Joan Fales, Senior Assistant City Attorney

Quorum being present, the meeting was called to order at 3:09 p.m.

Approval of the Agenda moved by Commissioner Lockwood, seconded by Commissioner Schippani. No changes requested. Agenda as presented was approved unanimously.

By unanimous consent of the Commissioners present, Commissioner Hewitt was elected to serve as Chairperson with all established responsibilities of the office.

Discussion of the Commission followed concerning current form of Ann Arbor City government (Council/Administrator) and the strong Mayor form of government, which would require a charter amendment. The importance of local leadership in Michigan's current economic climate and the relationship of leadership and salary were discussed at length. The authorship of an Op Ed piece for local media on the importance of local leadership, the impact on government officials in terms of time and energy and earning power was discussed.

The Commission's options were outlined (1) recommend minimum % salary increase consistent with cost of living increase, (2) recommend ~~■~~ salary increase consistent with economic value of the position and its leadership role in the community, (3) recommend no salary increase, or (4) educate the public and encourage a public dialogue on public officials salaries which could be incorporated into the Commission's deliberations.

Public conversations stimulated by an Op Ed piece on the issue from the DDA, business associations, business leadership and economic development organizations were noted for their potential in assisting the Commission in its deliberations.

Commissioner Lockwood agreed to prepare a discussion draft for the next meeting of the Commission.

Next meeting of the Commission was scheduled for November 15, 2007 at 1:30 p.m.

Motion to Adjourn made by Commissioner Burns, seconded by Commissioner Darling. Approved unanimously.

Meeting was adjourned at 4:00 p.m.

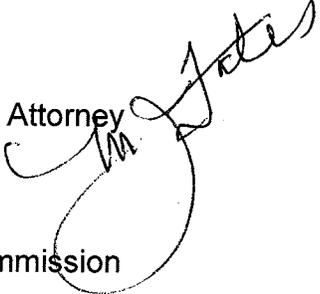
Prepared by: Mary Joan Fales, Senior Assistant City Attorney

CITY OF ANN ARBOR
CITY CLERK
REC'D

2009 MAY 26 AM 11:21

MEMORANDUM

TO: Jacqueline Beaudry, City Clerk

FROM: Mary Joan Fales, Senior Assistant City Attorney 

DATE: May 26, 2009

RE: 2009 Local Officers Compensation Commission

Attached for filing is the Determination of the 2009 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.

Attachment

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

CITY OF ANN ARBOR
CITY CLERK
REC'D

**2009 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. The 2009 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 2009 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 position 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 upon 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 Resolution to Reject the 2007 Local Officers' Compensation Committee Salary for the Mayor was defeated on December 12, 2007. The Resolution to Reject the 2007 Local Officers' Compensation Committee Salary for Mayor Pro Tem was approved on December 12, 2007 (Resolution No.: R-07-602). The Resolution to Reject the 2007 Local Officers' Compensation Committee Salary for Councilmembers was defeated on December 12, 2007.

2009 LOCC Meeting

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.

The following table shows salary determination for each of the above offices.

2009 LOCC Determination Summary

	Current	FY2009 Council Individual Total	\$ Increase	FY2010 & FY2011 Determination	\$ Increase
Mayor	42,436	42,436	0	42,436	0
Mayor Pro Tem ¹			0		0
City Council	15,913.50/143,221.50	15,913.50/143,221.50	0	15,913.50/143,221.50	0
Total	\$185,657.50	\$185,657.50	0	\$185,657.50	0

On May 12, 2009, the Local Officers Compensation Commission (LOCC) met to determine salaries for the mayor, mayor pro tem, and members of the city council. The LOCC has concluded its proceedings for 2009. 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.

The LOCC has determined that no increase (e.g. salary freeze) is appropriate for the mayor, mayor pro tem, 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.

Further, in making its determination the LOCC recognized that on-going local budget constraints have resulted in continuous staffing and services restructuring in an effort to provide cost effective services with a decreasing work force. Additionally, the City Administration, in

¹ Although the LOCC has proposed a separate salary for the Mayor Pro Tem based on the additional duties of the past sessions; it has consistently been rejected by City Council.

preparing recent fiscal year budgets, has worked to reduce whenever and wherever possible budgetary expenses, including labor costs.

The Determination of the Commission shall be effective thirty (30) days following its filing with the City Clerk unless rejected by City Council. City Council, by resolution adopted by 2/3 of the member elected to and serving on the City Council may reject the salary determination. However, pursuant to Section 1:800(1) of Ann Arbor City Code, in case of rejection, the existing FY09 salary shall prevail. Since the LOCC recommended no increase in the current salary for any of the elected positions, rejection would not alter the effect of the Determination.