AGENDA

Elected Officers Compensation Commission
THURSDAY, March 7, 2019 @ 12:00 p.m.
City Hall, City Council Conference Room, 10th Floor

Liisa Speaker, Chairperson
Gillian Dawson, Vice Chairperson
Cassie Alley, Member
Brian Huggler, Member
Jeff McAlvey, Member
Derek Melot, Member

1) CALL TO ORDER
2) ROLL CALL
3) EXCUSED ABSENCE
4) APPROVAL OF AGENDA
5) APPROVAL OF MINUTES
   • February 20, 2019
6) COMMUNICATIONS
   • Response from City Clerk on any Increased Job Responsibilities
7) BUSINESS
   a. Reports, Presentations, Commission Questions and Discussion
   b. Old Business
      • Outstanding Human Resource Information
      • Municipality Comparison Spreadsheet
   c. New Business
8) COMMISSION MEMBER COMMENTS
9) PUBLIC COMMENT
10) ADJOURN
<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>Purpose for Attending</th>
<th>Email Address</th>
<th>PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Sneed</td>
<td></td>
<td>OCA</td>
<td></td>
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<tr>
<td>Amanda O'Bye</td>
<td></td>
<td>OCA</td>
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Please print
ROLL CALL
Liisa Speaker, Chairperson
Gillian Dawson, Vice Chairperson- excused
Brian Huggler, Member- excused
Jeff McAlvey, Member
Derek Melot, Member
Cassie Alley, Member

OTHERS PRESENT
Sherrie Boak, Council Staff
Jim Smiertka, Chief Deputy Attorney
Angela Bennett, Finance Director
Samantha Harkins, Chief of Staff, Mayor’s Office

CALL TO ORDER
Chairman Speaker called the meeting to order at 12:00 p.m.

ROLL CALL
Chairman Speaker called roll, all members present except Member Huggler and Member Dawson.

EXCUSED ABSENCE
Members Huggler and Dawson were excused.

APPROVAL OF AGENDA
MOTION BY MEMBER ALLEY, SECONDED BY MELOT TO APPROVE THE AGENDA AS PRESENTED FOR FEBRUARY 20, 2019. MOTION CARRIED 4-0.

APPROVAL OF MINUTES
MOTION BY MEMBER MELOT, SECONDED BY MCALVEY TO APPROVE THE MINUTES FROM FEBRUARY 13, 2019 AS PRESENTED. MOTION CARRIED 4-0.

COMMUNICATIONS
The packet contained an article from the Lansing State Journal on the pay scales for the City of East Lansing provided by Member Huggler prior to the meeting.

The packet contained an email from Mark Lawrence with the Mayor’s office clarifying that the Cost of Living Index he provided the Commission at the last meeting, was indeed the Midwest Region; up 2.0% from 12/2017 to 12/2018.
Ms. Harkins began by acknowledging the Commission for having her at the meeting, and stated per the Mayor that he was not asking for a raise. The City is in with a unique leadership having “strong mayor” government, which only exists in 22 of the 232 municipalities. In those 22 cases the Mayor is also the Chief Operating Manager. Member Speaker asked what communities in those 22 is equivalent in size to Lansing, and Ms. Harkins stated the closest would be Dearborn or Rochester Hills. The neighboring communities of East Lansing and Meridian Township have half of the population Lansing City does.

Mr. Smiertka added that in the City, the Mayor has to perform the duties of Operating Officer and work with the political side also. Ms. Harkins added that in some communities the Mayor is appointed by Council, but in the City the Clerk, Mayor and Council are all elected so they do not report to each other.

The discussion was held on what would be comparable for the City of Lansing on salaries spreadsheet, and Member Melot noted it would be Madison, Wisconsin.

Finance Director Presentation
Ms. Bennett distributed a financial overview to the Committee. Included in the handout were graphs outlining the budget revenues, including property taxes at 30%, income taxes at 29%, and State Revenues at 14%. The presentation then detailed the breakdown on each of those revenues. The final slides represented the budgeted expenditures with wages at 33% ($44.3 million) and fringe benefits at 37% ($49 million).

Member Speaker asked if the current law amendments that speak to the court funding, particular to 54-A District Court would affect the City’s future budgeting. Ms. Bennett confirmed that the court fines and fees to offset some of the budget, however the City does pay the majority of their budget, with only the Judges being funded by the State. If the funding changes per the way it is currently being proposed, the City will be affected because they would have to subsidize more. Member Melot stated that the City is going to be hit on their funding as the State continues to change their responsibilities. He then asked Ms. Bennett the number of full time City employees. Ms. Bennett answered the question by stating there are currently 870 full time employees, including police and fire. This lower by 1/3 from 2000. Member Melot pointed out to the Committee for consideration that with a 1/3 lower employees it is harder for the Mayor to manage the day to day activities of the City. Member McAlvey asked Ms. Bennett if the Commission recommended increases that would total $20,000, if the City had those funds available. Ms. Bennett stated they do with currently $12.5 million in reserves, however she added that they need to keep in mind the fringe benefits would change also and combined, wages and benefits are 70% of the General Fund. This would affect the long term finances. Member Melot asked if all contracts are in deliberation currently. Ms. Bennett confirmed that either they are currently in deliberations or will be starting July 1, 2019. Member Speaker referred back to the 2017 department head salaries, at which there was a position “Chief Operating Officer” that did not appear on the 2019 salaries. Ms. Bennett explained that the position was a person in dual-roll, and with the new Administration that position of “Chief Operating Officer” was not filled and the funds were reallocated.

Old Business
Member Melot provided a letter he drafted based on the conversation at the last meeting on and interest of the Commission attending a Committee of the Whole meeting or Council meeting to speak to the Council on their intentions. After a review of the letter, Chairperson Speaker signed the letter and provided to Ms. Boak to forward to Council President Wood. Chairperson Speaker then indicated that Member Huggler was able to speak to Council Member Wood before he left town and she agreed for the Commission to attend the Committee of the Whole meeting on March 11, 2019.
After discussion by the Commission, it was determined the Commission Members that could attend (Melot and McAlvey) would present the Commission’s recommendations and findings, but not formalize the recommendation letter for the Clerk until after the March 11, 2019 Committee presentation. Any formal presentation documents will be provided to Ms. Boak by Friday, March 8, 2019.

The Commission briefly discussed their conversations they held individually with Council Members and discussed increases for the full time elected officials (Mayor and Clerk) based on the Cost of Living. Member McAlvey offered to research the Detroit Cost of Living and proposed doing comparable at the presentation to the Committee of the Whole. Member Speaker asked the Commission if any of them were considering increases for the Council. There was no consensus on an option. Mr. Smiertka reminded the Commission if they chose increases they could propose a percentage for July 1, 2019 and another one July 1, 2020 to break up the increase. Member Melot encouraged the Commission to consider the option of proposing to change the City Charter if their recommendation is rejected. This would allow the change from Council approval to another form of approval for elected officials pay and fringe benefits.

Member Alley asked for Ms. Boak to inquire with the Clerk on how much time he is now devoted to the enforcement and licensing of medical marihuana. Mr. Smiertka confirmed his office has had to designate specific lawyers to the program also. Member Alley also asked if the Commission had held discussions on fringe benefits and if they considered the entire increase of 6%. The Commission confirmed they had not considered any changes to the fringe benefits. The Commission then determined they would consider in their recommendation an increase based on inflation for the Clerk and Mayor.

Mr. Smiertka briefly noted to the Commission that in 1997 that Commission had considered and did draft an ordinance to remove the EOCC and give all decisions and recommendations to the City Council.

It was determined that Member Speaker would start working on the draft recommendation and Member Melot would work on the presentation for the Committee of the Whole on March 11, 2019. This draft will be brought back to the Commission on March 7, 2019.

**Human Resources Information**
The Commission reviewed the recent municipality spreadsheet provided at the meeting and earlier in the day via email. It was noted the East Lansing salary for the City Manager did not match what was published in the LSJ article ($167,000), and that instead of pulling the 2017 forward into this spreadsheet, HR just stated no response. Ms. Boak was asked to request that HR continue to update the spreadsheet and instead of stating “no response” carry the 2017 information and note that.

**New Business**
No new business.

**Commission Member Comments**
No member comments at this time.

**OTHER**
No other items to discuss.

**PUBLIC COMMENT**
No public comment.

**ADJOURN**
Adjourned at 1:04 p.m.
Respectively submitted by:
Sherrie Boak, City Council Office Manager
Approved by Committee on: February 20, 2019
Question:
The EOCC inquired into how much time your job has increased due to the establishment and your department’s regulation of the Medical Marihuana.

Response:

Medical Marijuana has been a complex challenge for the Clerk’s Office since the Ordinance was approved in October 2017. The Clerk’s Office has put in over 7,000 hours with multiple staff members working full-time on this project in coordination with staff from Police, Fire, Zoning, Building Safety and Treasury.

As a result of this effort, the City Clerk’s Office has accepted 175 medical marijuana facilities applications, of which 116 have been approved with new applications being submitted about one a week on average. For the next one to three years, it is likely that the workload will remain the same. Therefore, here are some examples of impact of this new project on the Office since we started accepting medical marijuana applications.

- The Clerk’s Office was allowed to increase staff with the hiring of one additional full time clerk and up to three contract employees, splitting time between Elections and Medical Marijuana licensing in 2018.

- Due to the November 6 election, in which the City experienced unprecedented turnout which dramatically increases the workload, Clerk Swope, Deputy Clerk Jackson and licensing clerk Deb Biehler worked weekends and nights sporadically in 2018 to complete necessary application reviews and paperwork processing.

- In order to expedite the process, the Medical Marijuana Commission held an additional seven meetings including two on Saturdays in which the staff and Clerk Swope spent hours in preparation. Commission appeals take about 30 hours of preparation by staff.

- The Clerk’s Office has been part of 15 lawsuits related to Medical Marijuana. Clerk Swope was deposed in one of the suits which took a few hours to prepare with the Law department.

In complying with the Ordinance for provisioning centers applications, the Clerk’s Office still has to open a second 30 day window in which to receive an unknown number of applications to be scored. It is the scoring process that is the most time consuming and litigious. It could take an additional 8 to 16 months depending on numerous factors, but the Clerk’s Office expects that a similar workload will be required to complete the review, scoring and two step appeal process for all but 5 of the applicants.
<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Type of Government</th>
<th>City Clerk</th>
<th>Council Member</th>
<th>City Manager</th>
<th>Mayor</th>
<th>Benefits</th>
<th>City Clerk Vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ann Arbor, Michigan</td>
<td>113,477</td>
<td>Council/Manager</td>
<td>$94,129.68</td>
<td>$156,388.80/35 meetings per year</td>
<td>$223,600.00</td>
<td>$44,236.98</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Dearborn, Michigan</td>
<td>Approx. 98,000</td>
<td>Council/Strong Mayor</td>
<td>$79,992</td>
<td>Approx. 24 City Council meetings, Council President: $27,267, Council Member: $14,409</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>East Lansing, Michigan</td>
<td>44,979</td>
<td>Council/Manager</td>
<td>$60,165 to a maximum of $84,310</td>
<td>$8,171.92/annual - 32 meetings</td>
<td>$143,309</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Flint, Michigan</td>
<td>96,448</td>
<td>Council/Strong Mayor</td>
<td>$79,992</td>
<td>President $20,800.00</td>
<td>$91,000.00</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Grand Rapids, Michigan</td>
<td>98,829</td>
<td>Commission/Manager</td>
<td>$104,052.00</td>
<td>$24,410/24 Meetings per year</td>
<td>$250,000.00</td>
<td>$42,471.00</td>
<td>Same as full time city employees. Includes Health, 20% Required Contribution, Voluntary Enrollment Cafeteria Benefits (Disability, Life, Cancer, Flexible Spending). Retirement – Mandatory 6% employee contribution with matching employer contribution, Deferred Compensation (Voluntary), Death Benefit $665,000.00.</td>
<td>N/A</td>
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<tr>
<td>Lansing, Michigan</td>
<td>116,000</td>
<td>Council/Strong Mayor</td>
<td>$87,066.00</td>
<td>President $25,560, VP $25,140, Members $24,240</td>
<td>$128,400.00</td>
<td>N/A</td>
<td>Council: Option to purchase health and dental. Mayor and Clerk: Health, Dental, DC. Long Term Disability, Life Insurance.</td>
<td>N/A</td>
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<tr>
<td>Lorain, Ohio</td>
<td>2017 estimate was 63,841</td>
<td>Council/Strong Mayor</td>
<td>$63,220</td>
<td>$12,760 Council President/annual $12,333 Council member/annual</td>
<td>N/A</td>
<td>$118,871</td>
<td>Council Members none (except OPERS). All others Health Insurance with same monthly premiums as all city employees, Life Insurance $15,000 (after 15 years service $12,000 after termination). OPERS.</td>
<td>N/A</td>
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<tr>
<td>Madison, Wisconsin</td>
<td>Approximately 250,000</td>
<td>Council/Strong Mayor</td>
<td>$87,359-$117,935</td>
<td>President $8,350 Members $6,577 (based on 32 meetings)</td>
<td>N/A</td>
<td>$141,342</td>
<td>The Mayor is eligible for the same benefits as other City employees. Alders do not receive benefits.</td>
<td>N/A</td>
</tr>
<tr>
<td>Rochester Hills, Michigan</td>
<td>98,308</td>
<td>Council/Strong Mayor</td>
<td>$94,549.00</td>
<td>President $8,350 Members $6,577 (based on 32 meetings)</td>
<td>N/A</td>
<td>$118,276.00</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Royal Oak, Michigan</td>
<td>99,370</td>
<td>Commission/Manager</td>
<td>$72,922-S06,427</td>
<td>$230 per meeting - 24 meetings a year</td>
<td>$121,236-$145,609</td>
<td>N/A</td>
<td>All elected officials: Health Insurance Dental 401k (employee 4%, City 10%). Retirement Health Savings Account (employee 2%, City 2%) Flexible Spending Account option. Life Insurance.</td>
<td>N/A</td>
</tr>
<tr>
<td>Warren, Michigan</td>
<td>59,022</td>
<td>Council/Strong Mayor</td>
<td>$92,923.00</td>
<td>President $8,350 Members $6,577</td>
<td>$125,042</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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</table>
EOCC TIMETABLE 2019

Feb. 6 – First Meeting

Feb. 13 – Second Meeting

Feb. 20 – Third Meeting

March 7 – Fourth Meeting

*Review and approve preliminary determination

*Review and approve slide deck and notes for presentation to COW

March 11 – Presentation to Committee of the Whole

March 14 – Fifth and Final Meeting

*Review and approve final determination

*Sign necessary paperwork
Elected Officers Compensation Commission

Presentation to Council’s Committee of the Whole

Lansing City Council Chambers
March 11, 2019

Presenters: Jeff McAlvey, Derek Melot
Elected Officers Compensation Commission

Purpose

The Commission shall determine the salaries of all elected officials, and such determinations shall be controlling, unless Council, by resolution adopted by two-thirds of the members, rejects them.

-- City of Lansing 280.01
Elected Officers Compensation Commission

Procedure

- Commission sessions are governed by FOIA and OMA
- Data assistance provided by city staff
- Must finish work 45 days after 1st meeting (Feb. 6, 2019)
- Commission studies economic, payroll and employment trends
Elected Officers Compensation Commission

Key Factors

- City has two types of elected officers: part-time and full-time
- Commission is limited to acting only every two years
- Commission designed to make recommendations outside of political considerations
Elected Officers Compensation Commission

Key Findings

- Important to act on full-time compensation

- Lack of automatic inflationary adjustments leads to annual pay “cuts”

- “Strong Mayor” form of government makes comparisons to city managers and nonprofit executives highly relevant
## Elected Officers Compensation Commission

### Comparisons - Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Position</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Lansing</td>
<td>(manager)</td>
<td>$167,000</td>
</tr>
<tr>
<td>Dearborn</td>
<td>(mayor)</td>
<td>$147,467</td>
</tr>
<tr>
<td>Ann Arbor</td>
<td>(manager)</td>
<td>$223,600</td>
</tr>
</tbody>
</table>
Elected Officers Compensation Commission

Comparisons - Nonprofits

- Director, Lansing Convention/Visitors Bureau $184,401 (2016)
- President, Lansing Community College $200,000 (2016)
- Director, Michigan Association of School Boards $171,392 (2016)

Source: Federal 990 Reports
The commission supports the following:

- Adjusting the mayor’s salary to inflation from 2015 to 2019 and providing an inflationary increase in 2020 and 2021

- Adjusting the clerk’s salary to inflation from 2015 to 2019 and providing an inflationary increase in 2020 and 2021

- NO CHANGES to health, retirement, car benefits
Elected Officers Compensation Commission

Inflation Rates

- 2016  1.46%
- 2017  2.03%
- 2018  2.46%
- 2019  1.90%
- 2020  2.00%
- 2021  2.10%

Average annual rate for span = 1.99%
Elected Officers Compensation Commission

Determination/Mayor

- **Current**: $128,400
- **2019**: $138,778
- **2020**: $141,554
- **2021**: $144,527
Elected Officers Compensation Commission

Determination/Clerk

- **Current**: $87,066
- **2019**: $94,102
- **2020**: $95,984
- **2021**: $98,000
Elected Officers Compensation Commission

MAYOR - 2015-2021

Salary by year assuming inflationary adjustment

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
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<tbody>
<tr>
<td>1</td>
<td>128,400</td>
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<tr>
<td>2</td>
<td>130,275</td>
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<tr>
<td>3</td>
<td>132,920</td>
</tr>
<tr>
<td>4</td>
<td>136,190</td>
</tr>
<tr>
<td>5</td>
<td>138,778</td>
</tr>
<tr>
<td>6</td>
<td>141,554</td>
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<tr>
<td>7</td>
<td>144,527</td>
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Elected Officers Compensation Commission

CLERK 2015-2021

Salary by year assuming inflationary adjustment

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>87,066</td>
</tr>
<tr>
<td>2</td>
<td>88,337</td>
</tr>
<tr>
<td>3</td>
<td>90,130</td>
</tr>
<tr>
<td>4</td>
<td>92,347</td>
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<tr>
<td>5</td>
<td>94,102</td>
</tr>
<tr>
<td>6</td>
<td>95,984</td>
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<tr>
<td>7</td>
<td>98,000</td>
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Elected Officers Compensation Commission

Questions?