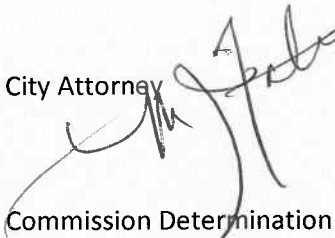


MEMORANDUM

To: Jacqueline Beaudry, City Clerk

FROM: Mary Joan Fales, Senior Assistant City Attorney 

DATE: January 15, 2016

RE: 2015 Local Officer Compensation Commission Determination

Attached for filing is a corrected Determination of the 2015 Local Officers Compensation Commission (LOCC).

The table on page 2 of the Determination contained a scrivener's error as to the amount of the 2017 salary determination for Mayor and City Council members. The table has been corrected to reflect the salary determinations as stated in the text of the document.

The Determination approved new compensation amounts for the following offices: Mayor and Council member. The annual compensation for the office of Mayor for 2016 is \$42,860.36. The annual compensation for the office of Council member for 2016 is \$16,072.63. The annual compensation for the office of Mayor for 2017 is \$43,284.72. The annual compensation for the office of Council member for 2017 is \$16,231.76.

Attachment

2015 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 compensation for the offices of the Mayor and City Council. The LOCC authority by statute is limited to the establishment of the compensation amount for these positions. Compensation 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 members appointed and serving on the 2015 LOCC members are: Carey Chesney, Ed Harwood, William Lockwood, Jason Morgan, Robert D. Picken, Juliet Pressel and Bryan Weinert. 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 compensation for the City's elected officials 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 2015 LOCC Chair is William Lockwood and Mary Joan Fales, Senior Assistant City Attorney serves as staff.

The last adjustment to the annual compensation for Mayor and members of City Council occurred in 2009.

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 compensation for the City's elected officials, 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 compensation amount(s) remain in effect.

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2015 LOCC Meeting

The Commission convened its first meeting on December 16, 2015 and reconvened on December 22, 2015. The 2015 session of the Commission was closed on December 22, 2015.

The following information was review and considered during deliberation by the Commission:

- Compensation History for the offices of Mayor and City Council members
- Existing salary history for City union/non-union employees
- CPI
- Information provided by Council members and the Mayor on the nature of their public responsibilities and the number of hours weekly/monthly devoted to City government activities and responding to the public

The LOCC has determined that a one percent (1%) increase to the 2015 annual compensation for the office of mayor is appropriate for 2016 (\$424.36) and a one percent (1%) increase to the 2015 annual compensation for the office of mayor is appropriate for 2017 (\$424.36).

The LOCC has determined that a one percent (1%) increase to the 2015 annual compensation for the office of Council member is appropriate for 2016 (\$159.13) and a one percent (1%) increase to the 2015 annual compensation for the office of Council member is appropriate for 2017 (\$159.13).

Additional compensation for the duties of Mayor Pro Tem was not considered by the LOCC. The compensation designated by the LOCC for the Mayor Pro Tem is the same as the members of Council.

The following table shows annual compensation for each of the offices:

2015 LOCC Determination Summary

	Current Individual/Total	2016 Compensation Individual/Total	2017 Compensation Individual/Total
Mayor	\$42,436.00	\$42,860.36	\$43,284.72
Mayor Pro Tem			
City Council	\$15,913.50/\$159,135.00	\$16,072.63/\$160,726..30	\$16,231.76/\$162,317.60
Total Compensation All Elected Offices	\$201,571.00	\$203,586.66	\$\$205,602.32

*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)

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Fiscal Impact of 2015 LOCC Determination

According to the adopted FY2016 budget and Fiscal Year 2017 Plan for the City, General Fund revenues are projected to increase by 2.5% in 2016. FY2017 revenues are projected to increase 1.4% from 2016. Property tax receipts are expected to increase approximately 2.7% in FY2016. State shared revenues in the FY2016 budget include a 4% increase for revenue sharing from FY2015. No increase in property tax rates was requested in the FY2016 budget.

The total increase in compensation payments to elected officials, if not rejected, will be \$2,015.66 in year 2016. The 2015 LOCC Determination for 2016 represents .002 of the Ann Arbor City approved FY2016 General Fund expenditure budget of \$99,650,343.00.

Organization of the Commission

Recognizing that the meetings of the Commission have historically not been well attended by public although prior Commissions have made efforts to encourage interest, it was resolved that the 2017 session of the LOCC be scheduled for the 1st quarter of 2017 and that best efforts be used to have the 2017 session meeting(s) broadcast live and available via CTN's Video on Demand and meeting agenda and other materials available in digital form online in advance of the scheduled meeting date.

The LOCC has concluded its sessions for 2015. 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.

Filed December 29 2015
Refiled January 15, 2016 to correct scrivners error