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CITY CLERK

City of Ann Arbor

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2025 NOV 25 PM 2: 54 Legislation Text

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Resolution to Determine Salaries of the Mayor and City Council Members for FY 2027 and FY 2028
Prepared by: Christopher Frost, Senior Assistant City Attorney

Whereas, The Local Officers Compensation Commission is authorized by the Michigan Home Rule City Act, MCL 117.5c and Chapter 22 of Ann Arbor City Code to determine the salaries of the Mayor and City Council in each odd numbered year;

Whereas, The members of the Local Officers Compensation Commission ("The Commission") wish to ensure that service as a member of City Council and as Mayor is accessible to all those eligible to run for office, regardless of their financial status;

Whereas, The Commission recognizes that serving on City Council and as Mayor requires a significant amount of time in excess of a part time position in order to listen to, act on behalf of, and be accessible to constituents; to review information that informs policy-making; to attend commission and task force meetings and meetings with City staff; and to attend Council meetings;

Whereas, The Commission recognizes that the cost of living in Ann Arbor continues to climb, and that serving on City Council and as Mayor now and in the future should not be limited to those with greater financial wealth;

Whereas, The Commission also recognizes that the City budget has a great number of demands, and wishes to both compensate City Council Members and the Mayor fairly, while also being fiscally responsible and mindful of the need for financial resources everywhere;

Whereas, The Mayor and City Council oversee a municipal corporation with an FY26 budget of over \$600 million, and the LOCC believes that their compensation should reflect that financial responsibility and be sufficient to encourage qualified persons to perform this public service;

Whereas, The Commission recognizes that the Mayor's responsibilities include but also extend beyond those of the other City Council members, but continues to be concerned about the significant gap between the compensation of the City Council Members and the Mayor;

Whereas, At its 2023 session, the Commission set the City Council Members' salaries to 57.5% of the Mayor's salary in FY 2025 and 60% in FY 2026, with a goal of eventually setting City Council Members' salaries at no less than 60% of the Mayor's salary going forward;

Whereas, The Commission has revised its goal to eventually set City Council Member salaries at 67.5% (approximately 2/3) of the Mayor's salary going forward; and

Whereas, The Commission has employed the following methodology to determine the change in salaries:

Methodology

The Council Members’ salaries are to be 62.5% of the Mayor’s salary for FY 2027 and 65% of the Mayor’s salary for FY 2028; and the Mayor’s salary is increased in the next two fiscal years according to a cost-of-living calculation based on an average of 4 metrics:

- 1. The 12-month percent change in CPI for the fiscal year FY 2024 (July 2023-July 2024).
- 2. The 12-month percent change in CPI for the fiscal year FY 2025 (July 2024-July 2025).
- 3. The annual percent change in City nonunion employee compensation for the year 2024.
- 4. The annual percent change in City nonunion employee compensation for the year 2025.

These 4 metrics are:

- 1. FY 24 (July 2023-July 2024) CPI change = 2.9%
- 2. FY 25 (July 2024-July 2025) CPI change = 2.7%
- 3. City nonunion wage change 2024 = 3%
- 4. City nonunion wage change 2025 = 3%

The average of these 4 metrics = 2.9%

The CPI used is the U.S. CPI-U (U.S.; all items; base 1982-1984 = 100; non-seasonally adjusted) published by the federal Bureau of Labor Statistics.

RESOLVED, That the Local Officers Compensation Commission of the City of Ann Arbor, in its 2025 session, determines the following salaries for the Mayor and Council members of the City of Ann Arbor:

Mayor (2.9% increase each fiscal year)

Current FY 2026 salary:		\$54,232.70
FY 2027 salary (start July 1, 2026):	$\$54,232.70 \times 1.029 =$	\$55,805.45
FY 2028 salary (start July 1, 2027):	$\$55,805.45 \times 1.029 =$	\$57,423.81

Council Members (62.5% and 65% of Mayor’s salary in FY27 and FY28 respectively)

Current FY 2026 salary:		\$32,539.62
FY 2027 salary (start July 1, 2026):	$\$55,805.45 \times 0.625 =$	\$34,878.41
FY 2028 salary (start July 1, 2027):	$\$57,423.81 \times 0.65 =$	\$37,325.48

Total Salaries (Mayor plus 10 Council members):

Current FY 2026 salaries:		\$379,628.90
FY 2027 salaries (start July 1, 2026):		\$404,589.55
FY 2028 salaries (start July 1, 2027):		\$430,678.61

RESOLVED, That this resolution be filed with the City Clerk and transmitted to the City Council as soon as practicable.