Legislation Details (With Text)

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File created:	1/8/2024		**In control:**	City Council
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Title: Resolution to Determine Salaries of the Mayor and City Council Members for FY 2025 and FY 2026

Sponsors:

Indexes:

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Attachments: 1. CPI-U - Metrics 1 & 2.pdf, 2. Nonunion & Union Wages - Metrics 3 & 4.pdf, 3. Conference of Western Wayne-Council Info.pdf, 4. Conference of Western Wayne-Mayor Info.pdf, 5. Michigan Municipal League 2023 Mayor Data.xlsx, 6. A2 HR - Salary Survey 2023.xlsx, 7. Resolution received by Clerk's Office.pdf

Date	Ver.	Action By	Action	Result
1/11/2024	1	City Council	Approved	Pass
12/19/2023	1	Local Officers Compensation Commission	Approved	Pass

Resolution to Determine Salaries of the Mayor and City Council Members for FY 2025 and FY 2026
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 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 2021 session, the Commission set the City Council Members' salaries to 52.5% of the Mayor's salary in FY 2023 and 55% in FY 2024, with a goal of eventually setting City Council Members' salaries at no less than 60% of the Mayor's salary through incremental increases;

Whereas, The Commission wishes to continue the 2.5% incremental increases in City Council Member salaries vis a vis the Mayor's salary to bring City Council Member salaries to 60% of the Mayor's salary in fiscal year 2026; and

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

Methodology

The Council Members' salaries are to be 57.5% of the Mayor's salary for FY 2025 and 60% of the Mayor's salary for FY 2026; 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 2022 (July 2021-July 2022).
2. The 12-month percent change in CPI for the fiscal year FY 2023 (July 2022-July 2023).
3. The annual percent change in City nonunion employee compensation for the year 2022.
4. The annual percent change in City nonunion employee compensation for the year 2023.

These 4 metrics are:

1. FY 22 (July 2021-July 2022) CPI change = 8.5%
2. FY 23 (July 2020-July 2021) CPI change = 3.2%
3. City nonunion wage change 2022 = 3%
4. City nonunion wage change 2023 = 3%

The average of these 4 metrics = 4.4%

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 2023 session, determines the following salaries for the Mayor and Council members of the City of Ann Arbor:

Mayor

Current FY 2024 salary:		$49,757.69
FY 2025 salary (start July 1, 2024):	$49,757.69 x 1.044 =	**$51,947.03**
FY 2026 salary (start July 1, 2025):	$51,947.03 x 1.044 =	**$54,232.70**

Council Members

Current FY 2024 salary: (55% of Mayor's FY24 salary)		$27,366.73
FY 2025 salary (start July 1, 2024): (57.5% of Mayor's FY23 Salary)	$51,947.03 x .575 =	**$29,869.54**
FY 2026 salary (start July 1, 2025): (60% of Mayor's FY23 Salary)	$54,232.70 x .60 =	**$32,539.62**

Total Salaries (Mayor plus 10 Council members):

Current FY 2024 salaries:	$323,424.99
FY 2025 salaries (start July 1, 2024):	**$350,642.43**
FY 2026 salaries (start July 1, 2025):	**$379,628.90**

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