



AGENDA

**Elected Officers Compensation Commission
Wednesday, February 1, 2017 @ 11:30 a.m.
City Hall, City Council Conference Room, 10th Floor**

Cassie Alley, Member
Kurt Berryman, Member
Catherine Groll, Member
Samantha Harkins, Member
Brian Huggler, Member
Liisa Speaker, Member

- 1) CALL TO ORDER
- 2) ROLL CALL
- 3) EXCUSED ABSENCE
- 4) APPROVAL OF AGENDA
- 5) COMMUNICATIONS
- 6) BUSINESS
 - a. Election of Officers for 2017
 - b. Determining EOCC 2017 Meeting Schedule
 - c. Reports, Presentations, Commission Questions and Discussion
 - d. Old Business
 - e. New Business
 - f. Commission Member Comments
- 7) ITEMS UNDER SUSPENSION OF THE RULES
- 8) OTHER
- 9) PUBLIC COMMENT
- 10) ADJOURN

CHAPTER 280. - ELECTED OFFICERS COMPENSATION COMMISSION

Cross reference— Compensation of officers and employees - see CHTR. Secs. [2-104](#), [9-102](#); Elections generally - see CHTR. Art. II, Ch. 2; Election Commission - see CHTR. [Sec. 2-205](#); ADM. [Ch. 282](#); Elections under the City Charter - see CHTR. Secs. [9-302](#), [9-401](#), [9-402](#); Compensation of judges - see ADM. [210.01](#) (Rule 48); Compensation of Housing Commission members - see ADM. [260.02](#); Compensation of Senior Citizens Advisory Board members - see ADM. [278.04](#); Compensation of Waterfront Development Board members - see ADM. [264.03](#); Compensation of Board of Trustees of Employees' Retirement System - see ADM. [292.09](#).

280.01. - Establishment; powers and duties.

Pursuant to M.C.L.A. 117.5c, as amended, there is hereby established an Elected Officers Compensation Commission in and for the City. 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. The determinations of the Commission shall be effective 30 days following their filing with the City Clerk, unless rejected by Council. In case of rejection, the existing salary shall prevail. Any expense allowance or reimbursement paid to elected officials in addition to salary shall be for expenses incurred in the course of City business and accounted for to the City.

(Ord. No. 319, 6-18-73)

280.02. - Membership; terms; vacancies.

The Elected Officers Compensation Commission shall consist of seven members who are registered electors of the City and who shall be appointed by the Mayor, subject to confirmation by a majority of the members elected and serving in Council. The terms of office of the members shall be seven years. Members shall be appointed before October 1 of the year of appointment and shall serve until October 1 of the year in which their terms expire or until their successors qualify for office. Vacancies shall be filled for the remainder of the unexpired term. No member or employee of the legislative, judicial or executive branch of any level of government or members of the immediate family of such member or employee shall be eligible to be a member of the Commission.

(Ord. No. 319, 6-18-73)

280.03. - Meetings; chairperson; compensation.

The Elected Officers Compensation Commission shall meet for not more than 15 session days in each odd-numbered year and shall make its determination within 45 calendar days after its first meeting. Council shall designate, by resolution, the date, time and location for the first meeting, thereby officially calling the Commission together for the carrying out of its official duties. Commencing in 1981, the Commission shall meet prior to March 1. The City Clerk shall notify the members of the Commission in writing concerning the designated date, time and location, at least seven calendar days in advance. A majority of the members of the Commission constitutes a quorum for conducting the business of the Commission. The Commission shall not take action or make a determination without the concurrence of a majority of the members appointed and serving on the Commission. The Commission shall elect a Chairperson from among its members. As used in this section, "session days" means calendar days on which the Commission meets and a quorum is present. The members of the Commission shall not receive compensation but shall be entitled to actual and necessary expenses incurred in the performance of official duties.

(Ord. No. 532, 5-7-79)

280.04. - Open meetings.

The business which the Elected Officials Compensation Commission may perform shall be conducted at public meetings of the Commission held in compliance with Public Act [267](#) of 1976, being M.C.L.A. 15.261 to

15.275. Public notice of the time, date and place of such meetings shall be given in the manner required by Public Act 267 of 1976.

(Ord. No. 532, 5-7-79)

280.05. - Freedom of information.

A writing prepared, owned, used, in the possession of or retained by the Elected Officials Compensation Commission in the performance of an office function shall be made available to the public in compliance with Public Act 442 of 1976, being M.C.L.A. 15.231 to 15.246.

(Ord. No. 532, 5-7-79)



Chris Swope
Lansing City Clerk

March 6, 2015

President Houghton and Council Members
124 W. Michigan Ave., 10th Floor
Lansing, MI 48933

Dear President Houghton and Council Members:

The attached determinations of the Elected Officers Compensation Commission were placed on file in my office on March, 5, 2015. Chapter 280, Section 280.01 of the Code of Ordinances specifies that these determinations will be effective on April 4, 2015 (thirty days following the date of filing) unless rejected by resolution of City Council adopted by 2/3 of the members.

Sincerely,

A handwritten signature in cursive script that reads "Chris Swope".

Chris Swope
Lansing City Clerk



Elected Officers Compensation Commission

March 5, 2015

Mr. Chris Swope
Lansing City Clerk
Ninth Floor, City Hall
Lansing, Michigan 48933

Dear Mr. Swope:

As Secretary to the City of Lansing Elected Officers Compensation Commission, I hereby submit the attached 2015 Salary Determination Letter and amended and restated 2015 Elected Officials Summary of Fringe Benefits for filing as the 2015 determination of the Elected Officers Compensation Commission.

If you have any questions with respect to this filing, please do not hesitate to contact me.

Thank you for your assistance.

Sincerely,

Sherrie Boak
City Council Office Manager
Elected Officers Compensation Recording Secretary



Elected Officers Compensation Commission

March 5, 2015

Council President Tina Houghton
and Members of the Lansing City Council
Tenth Floor City Hall
Lansing, Michigan 48933

Dear President Houghton and Councilmembers:

The Elected Officers Compensation Commission (EOCC) met in committee during February and March 2015. The EOCC reviewed internal economic and financial documents and the current salary and benefit compensation packages of the Mayor, City Clerk, and members of the City Council. In addition, the EOCC compared various salary structures held by like officers in comparable communities across Michigan. Council President Houghton, Council Member Wood, and City Clerk Chris Swope provided testimony. No public comments were presented.

Our recommendation is based on the National and State economic climate, the current financial condition of the City, our review of executive and legislative responsibilities, and salary/benefit comparisons with other Michigan communities. We also considered the compensation history for all relevant positions going back as far as 1991. This research revealed that there has been no salary increases for the position of Mayor since 2002, City Council since 2001 and City Clerk since 2009. During that time period, not only has the salary of the Mayor been reduced or remained stagnant, fringe benefits have been reduced or eliminated for all elected officials.

According to the U.S. Bureau of Labor Statistics the Annual CPI or Cost of Living Adjustment not realized by a Mayor in Lansing since 2002 is 30.2% and City Council since 2001 is 32.8%. Since 2002 the City Clerk's salary increase has totaled only 4.5%. During this same time period all other City employees have received pay increases. Clearly salary and compensation for Lansing's elected Mayor, Clerk, and Council Members has not kept up with what can be characterized as a low inflation rate and an increased CPI over the past decade-plus.

Our recommendation, which shall be implemented on July 1, 2015, changes compensation provided to elected officials. We recognize that the salaries of our elected officials, with the exception of the City Clerk, have not been increased for the past 13 plus years. We recommend adjustment of Lansing's elected officials salaries to align with the salaries of elected officials in comparable Michigan communities and bring compensation levels in line with cost of living and inflation increases over the past 13 plus years. Therefore it is our intent to increase the salary of all elected officials by 20%.

RECOMMENDATION

Salaries

The Commission determines that annual salaries, effective July 1, 2015, shall be as follows:

	<u>July 1, 2015</u>
Mayor:	\$128,400.00
Clerk:	\$ 87,066.00
Council President	\$ 26,640.00
Council Vice President	\$ 25,140.00
Councilmember	\$ 24,240.00

Fringe Benefits

The Commission adopts by reference the Elected Officials Summary of Fringe Benefits 2015, attached. The benefits are to be provided for the elected officials as set forth therein. Of note, the current healthcare made available to elected officials comports with the three tier optional plan provided to employees of the City. The intention of this change is to comply with Public Act 152 of 2011, which capped the amount the City can pay for healthcare premiums. This change will provide elected officers the same coverage employees are provided. Pursuant to the 2015 EOCC recommendation, Council members may purchase health care at their own expense.

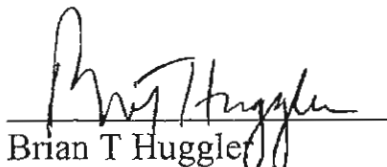
Other Compensation

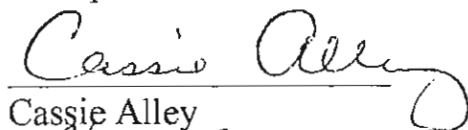
It is acknowledged that none of the elected officers earn compensatory, vacation, or sick time, and upon termination, they are not entitled to any compensation for the same.

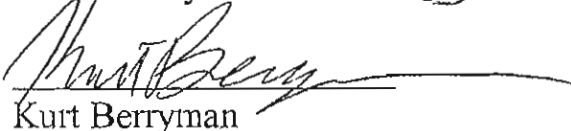
TRANSMITTAL

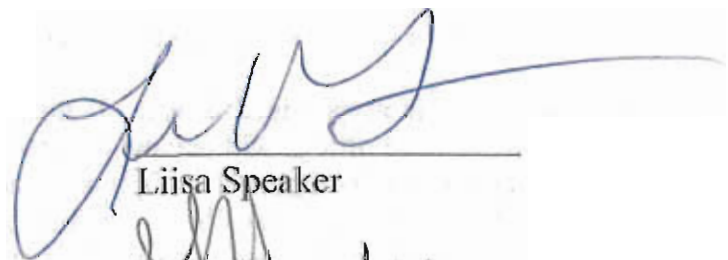
We, the members of the Elected Officers Compensation Commission, respectfully, adopt the collective determinations now transmitted.

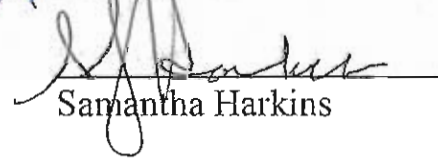
ELECTED OFFICERS COMPENSATION COMMISSION


Brian T Huggler
Chairperson


Cassie Alley


Kurt Berryman


Liisa Speaker


Samantha Harkins

City of Lansing
ELECTED OFFICIALS
Summary of Fringe Benefits
2015

Elected officials shall be eligible for City-provided health, dental, and life insurance coverage, and for participation in any deferred compensation program, as summarized below. Unless otherwise noted, this Summary of Fringe Benefits is operative on JULY 1, 2015. The 2013 Summary of Fringe Benefits remains operative until that date.

I. FOR THE MAYOR AND CITY CLERK ONLY:

Health Insurance: The City of Lansing shall provide at the time of being sworn in or during an annual open enrollment period the following choice of medical insurances. Coverage will be effective the first (1st) day of the month following the date the Mayor or Clerk, respectively, are sworn in. If an elected official chooses a non-base plan, he or she will be required to pay the difference between the base and non-base plan, in addition to any premium share.

- Base Plan - includes a \$40.00 co-pay for office visits. Prescription drug co-pays are \$10/\$40/\$80. This plan includes a \$1000/single and \$2000/ family in network deductible and 80% co-insurance. Emergency room services have a \$250 co-pay and Urgent Care visits have a \$60 co-pay.
- Option 1 - includes a \$30.00 co-pay for office visits. Prescription drug co-pays are \$10/\$40/\$80. This plan includes a \$500/single and \$1000/ family in network deductible and 80% co-insurance. Emergency room services have a \$150 co-pay and Urgent Care visits have a \$50 co-pay.
- Option 2 - includes a \$20.00 co-pay for office visits. Prescription drug co-pays are \$10/\$20/\$40 or \$15/\$25/\$50 for Physician's Health Plan. This plan includes a \$500 calendar year limit on preventative services, emergency room services with a \$50 co-pay, and a 50% co-pay for mental health and substance abuse services.

The Base Plan is as provided above. If the Base Plan exceeds the state mandated hard cap amount, the elected official will pay the difference. If the elected official chooses to "buy up" to an optional plan (either Option 1 or Option 2) the elected official will be responsible for any cost differential between the Base Plan premium and the premium of the selected optional plan chosen. Benefit summaries and rate sheets are available in the Department of Human Resources.

Vision Plan: Effective July 1, 2007 Mayor and City Clerk will be eligible to purchase the Blue Cross Blue Shield VSP 12/12/12 Vision Plan. This plan provides vision exams, lenses and frames, and contact lenses with co-pays.

Opt out: The Mayor and City Clerk will be allowed to opt out of the City's health care plan annually, during the City's open enrollment period provided the Mayor or City Clerk provides written proof of coverage from another source. The Mayor or City Clerk who opts out of the City's health care plan will be eligible to receive \$1,800 in any year in which they receive coverage from another source. In addition, such payments will be made twice a year, by separate check, following the period of time the Mayor or Clerk had alternate coverage.

Dental Insurance: The City pays the full premium costs for the Dental plan provided by the City, coverage includes the Mayor and City Clerk and family members. Coverage includes 100% coverage for cleaning; 50% coverage for treatment costs with an \$800 maximum per person per contract year. Mayor and City Clerk and dependents will also receive orthodontic coverage which provides fifty percent (50%) of treatment costs with a \$1,000.00 lifetime maximum per person. Coverage is effective the first day of the month following thirty calendar days of service. Booklets and summaries are available in the Department of Human Resources.

Retiree Dental Insurance: Eligible retirees shall be covered by the same insurance as the active Mayor and City Clerk. The Mayor and City Clerk shall become eligible for retiree dental insurance beginning at the date of termination of employment with the City, or at age fifty-five (55), whichever is later; provided the Mayor or City Clerk has at least fifteen (15) years of service with the City.

AFLAC: The Mayor and City Clerk will have the opportunity to pay for medical insurance premiums, unreimbursed medical expenses, and dependent care costs with pretax dollars through AFLAC. AFLAC also offers supplemental insurances that may be purchased on a pretax basis through payroll deduction. The maximum benefit for AFLAC medical insurance premiums and unreimbursed medical expenses shall be Two Thousand Five Hundred and 00/100 (\$2,500.00) Dollars. The maximum benefit for AFLAC dependent care costs shall be Three Thousand Five Hundred and 00/100 (\$3,500.00) Dollars.

Life Insurance: The City pays the premium for a base \$50,000 of group life and \$50,000 Accidental Death and Dismemberment Insurance for the Mayor and City Clerk. Life insurance coverage for dependents is available for a reasonable cost to the Mayor and City Clerk, in accordance with the following schedule:

Spouse	\$25,000
Unmarried child, age 14 days to 6 months	\$500
6 months to 23 years	\$ 2,000

Coverage is effective one (1) month and one (1) day following the commencement of service. Summaries are available in the Department of Human Resources.

Vacation: No accrued time for sick leave, vacation, or personal time shall exist or be required.

Parking/Transportation: The Mayor and City Clerk shall have designated parking in the basement of City Hall.

Vehicle: An automobile will be provided for the regular full time use of the Mayor.

Deferred Compensation: The Mayor and City Clerk shall be eligible to participate in the City's deferred compensation plans as may be offered by the City. Currently those plans include Voya and T. Rowe Price. The Mayor and City Clerk will be able to contribute up to the maximum allowed by the IRS annually (e.g., for 2009, \$16,500.00) through payroll deduction. Summaries are available in the Department of Human Resources.

Defined Contribution Retirement System: In accordance with the City Charter, officials elected on or after October 1, 1990 shall belong to the City of Lansing Defined Contribution Money Purchase Pension Plan. The Plan provides for:

- 1) A City contribution totaling 6% of the Mayor or City Clerk's gross salary. The Plan is administered by Wells Fargo Bank.
- 2) The Mayor and City Clerk become eligible for City contributions following six (6) months of service and must be enrolled in the Plan prior to completion of six (6) months of service in order to self-direct the investment options of their retirement account. Failure to enroll prior to completion of six (6) months of service shall result in the City transferring monies into the fund designated as the default fund.
- 3) The Mayor and City Clerk will be notified by the Department of Human Resources of the next quarterly enrollment session in order to receive their enrollment packet to facilitate timely enrollment and self-direction of their respective investment decisions. Enrollment is initiated following the quarterly enrollment session.
- 4) The Mayor and City Clerk have the option of contributing up to five percent (5%) of their compensation each Plan Year, subject to certain limits imposed by law.
- 5) At the end of three full years of service the Mayor and City Clerk will be vested for all City contributions. Should the Mayor and City Clerk leave at the end of three full years the elected official will have the following options:
 - Lump sum payment subject to applicable taxes;
 - Rollover monies into another tax deferred investment option; or
 - Leave monies in the plan and continue to be invested tax deferred.
- 6) The Mayor and City Clerk are also eligible for a City paid long-term disability policy which is administered by the selected vendor following the completion of six (6) months of service. The Mayor and City Clerk shall receive information pertaining to the long-term disability policy at the quarterly enrollment session.

Retirement Health Care: Optional: This is a one-time only option that must be made in writing within thirty (30) days after being officially sworn in or having elected to qualify on or before July 1, 2001. For all officials elected after October 29, 1990, the City agrees to provide retirement health care coverage up to 100% of the premium for the Base Plan health care coverage provided to active Mayor and City Clerk. Retirement health coverage shall begin at the date of termination of employment with the City, provided the Mayor and City Clerk have at least 15 years of service with the City and age 55. This coverage is available at a cost of 3.25% of the Mayor and City Clerk's respective gross pay. This coverage shall be the same insurance coverage provided to the active Mayor and Clerk. Retirees shall convert to complementary coverage at

their Medicare eligibility date. Retiree health benefits shall not include spouse or family coverage for a Mayor or City Clerk first elected after July 1, 2009.

II. FOR CITY COUNCILMEMBERS:

The fringe benefits designated in this Section II are for City Councilmembers.

Health Insurance: Councilmembers shall have the option to purchase health care insurance, at their own expense. If chosen, coverage will be effective the first (1st) day of the month following the date the Councilmember is sworn in (commencement of service) or chosen during an annual open enrollment period. Current plans offered are:

- **Base Plan** - includes a \$40.00 co-pay for office visits. Prescription drug co-pays are \$10/\$40/\$80. This plan includes a \$1000/single and \$2000/ family in network deductible and 80% co-insurance. Emergency room services have a \$250 co-pay and Urgent Care visits have a \$60 co-pay.
- **Option 1** - includes a \$30.00 co-pay for office visits. Prescription drug co-pays are \$10/\$40/\$80. This plan includes a \$500/single and \$1000/ family in network deductible and 80% co-insurance. Emergency room services have a \$150 co-pay and Urgent Care visits have a \$50 co-pay.
- **Option 2** - includes a \$20.00 co-pay for office visits. Prescription drug co-pays are \$10/\$20/\$40 or \$15/\$25/\$50 for Physician's Health Plan. This plan includes a \$500 calendar year limit on preventative services, emergency room services with a \$50 co-pay, and a 50% co-pay for mental health and substance abuse services.

Benefit summaries and rate sheets are available in the Department of Human Resources.

Vision Plan: Councilmembers will be eligible to purchase the Blue Cross Blue Shield VSP 12/12/12 Vision Plan. This plan provides vision exams, lenses and frames, and contact lenses with co-pays.

Dental Insurance: Councilmembers shall have the option to purchase this dental insurance, at their own expense, on the same terms and at the same rate as other part-time employees of the City for whom such coverage is available, currently UAW. Coverage includes 100% coverage for cleaning; 50% coverage for treatment costs with an \$1,500 maximum per person per contract year. Councilmembers and dependents will also receive orthodontic coverage which provides fifty percent (50%) of treatment costs with a \$3,000.00 lifetime maximum per person. Coverage is effective the first day of the month following thirty calendar days of service. Booklets and summaries are available in the Department of Human Resources.

Retiree Dental Insurance: Eligible retirees shall be covered by the same insurance as active Councilmembers. The Councilmember shall become eligible for retiree dental insurance beginning at the date of termination of employment with the City, or at age fifty-five (55), whichever is later; provided the Councilmember has at least fifteen (15) years of service with the City. Councilmembers first taking office on or after January 1, 2010, shall not be eligible for this benefit.

AFLAC: Councilmembers will have the opportunity to pay for medical insurance premiums, unreimbursed medical expenses, and dependent care costs with pretax dollars through AFLAC. AFLAC also offers supplemental insurances that may purchase on a pretax basis through payroll deduction. The maximum benefit for AFLAC medical insurance premiums and unreimbursed medical expenses shall be Two Thousand Five Hundred and 00/100 (\$2,500.00) Dollars. The maximum benefit for AFLAC dependent care costs shall be Three Thousand Five Hundred and 00/100 (\$3,500.00) Dollars. Councilmembers first taking office on or after January 1, 2010, shall not be eligible for this benefit.

Life Insurance: Councilmembers are not eligible for City provided group life and Accidental Death and Dismemberment Insurance.

Vacation: No accrued time for sick leave, vacation, or personal time shall exist or be required.

Parking/Transportation: Councilmembers shall have designated parking as provided by the Rules adopted by City Council.

Deferred Compensation: Councilmembers shall be eligible to participate in the City's deferred compensation plans as may be offered by the City. Currently those plans include Voya and T. Rowe Price. Councilmembers will be able to contribute up to the maximum allowed by the IRS annually (e.g., for 2009, \$16,500.00) through payroll deduction. Summaries are available in the Department of Human Resources.

Defined Contribution Retirement System: Officials elected on or after October 1, 1990 and first taking office before January 1, 2010, shall belong to the City of Lansing Defined Contribution Money Purchase Pension Plan. The Plan provides for:

- 1) A City contribution totaling 6% of the Councilmembers' gross salary. The Plan is administered by Wells Fargo.
- 2) The Councilmember becomes eligible for City contributions following six (6) months of service and must be enrolled in the Plan prior to completion of six (6) months of service in order to self direct the investment options of their retirement account. Failure to enroll prior to completion of six (6) months of service shall result in the City transferring monies into the Plan which shall default to the GIC (Guaranteed Investment Contract) Fund.
- 3) The Councilmember will be notified by the Department of Human Resources of the next quarterly enrollment session in order to receive their enrollment packet to facilitate timely enrollment and self direction of the Councilmember's investment decisions. Enrollment is initiated following the quarterly enrollment session.
- 4) The Councilmember has the option of contributing up to five percent (5%) of their compensation each Plan Year, subject to certain limits imposed by law.
- 5) At the end of three full years of service the Councilmember will be vested for all City contributions. Should the Councilmember leave at the end of three full years the Councilmember will have the following options:

- Lump sum payment subject to applicable taxes;
- Rollover monies into another tax deferred investment option; or
- Leave monies in the plan and continue to be invested tax deferred.

- 6) The Councilmember is also eligible for a City paid long-term disability policy which is administered by the selected vendor following the completion of six (6) months of service. The Councilmember shall receive information pertaining to the long-term disability policy at the quarterly enrollment session.

Retirement Health Care: For all officials elected after October 29, 1990 and taking office before January 1, 2010 who exercised the option to participate in retiree healthcare, the City will provide retirement health care coverage up to 100% of the premium for the Base Plan health care coverage provided to the active Mayor and Clerk. Retirement health coverage shall begin at the date of termination of employment with the City, provided the Councilmember has at least 15 years of service with the City and age 55. This coverage is available at a cost of 3.25% of the Council member's gross pay. This coverage shall be the same insurance coverage provided to the active Mayor and Clerk. Retirees shall convert to complementary coverage at their Medicare eligibility date.

Retiree Healthcare Opt out: Councilmembers who receive Retirement Health Care insurance will be allowed to opt out of the City's health care plan annually, during the City's open enrollment period provided the Councilmember provides written proof of coverage from another source. Any Councilmember who opts out of the City's health care plan will be eligible to receive \$1,800 in any year in which they receive coverage from another source. In addition, such payments will be made twice a year, by separate check, following the period of time the Councilmember had alternate coverage.

Department of Human Resources, 8th Floor, 124 W. Michigan, Lansing MI 48933. Phone: 483-4014

EQUAL OPPORTUNITY EMPLOYER

Revised 4/21/04: Retiree dental

Revised 03/28/2007: Vision

Revised 03/30/09: Phased elimination of benefits
for Councilmembers

Revised 03/22/11: For clarity

Revised 4/02/13: To provide for three tier optional health insurance
plans in compliance with PA 152 of 2011, and other clarifications

Revised 3/5/2015: For technical corrections and clarifications