AGENDA
Elected Officers Compensation Commission
Wednesday, February 22, 2017 @ 1:30 p.m.
City Hall, City Council Conference Room, 10th Floor

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

1) Call to Order

2) Roll Call

3) Minutes
- February 8, 2017

4) Approval of the Agenda

5) Communications

6) Business
   a. Reports, Presentations, Commission Questions and Discussion
      - City Council Member Washington Introduction
      - City Council Member Brown Clarke Introduction
      - City Council Member Wood Introduction
      - City Clerk Swope Introduction

   b. Old Business
      - Human Resource Research Update on Compensation/Fringe

   c. New Business

   d. Commission Member Comments

7) Items Under Suspension of the Rules (Late Item)

8) Other

9) Public Comment

10) Adjourn

DRAFT

MINUTES
Elected Officers Compensation Commission
Wednesday, February 8, 2017 @ 1:30 p.m.
City Hall, City Council Conference Room, 10th Floor

CALL TO ORDER
The meeting called to order at 1:31 p.m.

ROLL CALL
Cassie Alley, Member- excused
Catherine Groll, Member-excused
Samantha Harkins, Member
Brian Huggler, Member
Liisa Speaker, Member
Kurt Berryman, Member

OTHERS PRESENT
Sherrie Boak, Council Staff
Jim Smiertka, City Attorney- arrived at 1:36 p.m.
Angela Bennett, City Finance Director
Elizabeth O'Leary, HR

EXCUSED ABSENCE
MEMBERS GROLL AND ALLEY WERE EXCUSED WITH THEIR REQUESTED ABSENCE.

MINUTES
MOTION BY HUGGLER, SECOND BY BERRYMAN TO APPROVE THE MINUTES FROM FEBRUARY 1, 2017. MOTION CARRIED.

APPROVAL OF AGENDA
MOTION BY MEMBER HUGGLER, SECOND BY HARKINS TO APPROVE THE AGENDA. MOTION CARRIED.

COMMUNICATIONS
City Attorney Opinion on the Open Meetings Act
Member Speaker outlined the examples given by Mr. Smiertka at the last meeting and referenced the document provided by the City Attorney via Council staff in the packet.

2017 EOCC Meeting Dates
Accepted by the Commission

BUSINESS
Human Resource Research Update on Compensation/Fringe
Ms. O'Leary confirmed her offices had reached out to the communities off the list provided by HR in 2015, and they have heard from all communities but are waiting on Flint, Rochester, Rochester Hills and Royal Oak. In regards to the fringe benefit request comparison, Ms. O'Leary stated they can go

through those documents from the other communities and create a comparison for the Commission. Member Harkins asked them to add to the documents a breakdown on any recent pay increases over the last 2 years for City Administration staff. Ms. O'Leary acknowledged she could also update that document. Ms. O'Leary confirmed she would target the next meeting, February 22, 2017 to provide the information requested from HR. Member Speaker asked the research to include information on if Clerk's receive a vehicle, and is the Clerk is an elected position. Ms. O'Leary stated she could provide that also.

Finance Director Presentation

Ms. Bennett handed out a presentation and then went through the presentation. This included an overview and focus on where funds come from, tax revenue, limited funds such as grants, operation revenues from the State of Michigan, spending, GF budget by category, projection of fringe benefits, pension and lastly general reserve.

Member Harkins asked Ms. Bennett for the percentage on the pension costs. Ms. Bennett stated that OPEP is 10% and the City is at 57% and 72%. Lansing did start prefunding retirement in the last 1990's. She added that the City is stronger than others, but there is a strain in the resources for infrastructure. Member Harkins asked Ms. Bennett if she could provide examples of infrastructure projects that could impact the Commission's decision. Ms. Bennett noted roads, the combined sewer overflow program, and potential upkeep and maintenance of City Hall. Member Speaker asked for the status of the lead pipe replacement, and it was confirmed it was complete.

Other Reports, Presentations, Commission Questions and Discussions

No further reports.

Old Business

Schedule of Elected Officials at the February 22, 2017 Meeting

Ms. Boak informed the Commission that Council Member Washington, Brown Clarke and Wood have responded with an interest in attending. The Mayor's office has stated they will not be attending, and the Clerk's office will be in attendance.

New Business

Ms. Boak informed the Commission that the Commission is a 7 member board, with currently one vacancy and the potential of another vacancy if Ms. Groll resigns due to job and time constraints. Ms. Boak then asked Mr. Smiertka to confirm the required number of members that would be needed with these vacancies, for quorum and for action. Mr. Smiertka referred to the Ordinance, noting that with 6 members serving, the Commission would need 4 to make quorum and 4 to take action. If there are 5 members serving, the Commission would need 4 for quorum and 3 to take action.

Ms. Boak reminded the Commission of the topic at the last meeting regarding the mileage reimbursement of the City Clerk over the last two years, and asked who should be charged with obtaining that information for the next meeting. Ms. Bennett stated she would be able to provide that.

Commission Member Comments

No comments

ITEMS UNDER SUSPENSION OF THE RULES

No discussion

OTHER

Open Meetings Act Update –City Attorney

Mr. Smiertka was not present early in the meeting when it appeared on the agenda, so he updated the Commission at this time. Noting that when a public body meets or is rendering a decision, it has to comply with the Act. What is prohibited is no sub quorum groups, information on texting and emailing.

The best practices to follow are posting the meetings, asking for public comment and deliberate at the meetings.

PUBLIC COMMENT
No comments

ADJOURN
MOTION BY MEMBER HUGGLER TO ADJOURN AT 2:03 P.M.

Adjourned at 2:03 p.m.
Respectively submitted by:
Sherrie Boak, City Council Office Manager
Approved by Committee on

AGENDA ITEM

INFORMATION
NOT AVAILABLE
AT THE TIME
PACKET WAS
DISTRIBUTED

DRAFT

Elected Officers Compensation Commission

March __, 2017

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 2017 Salary Determination Letter and amended and restated 2017 Elected Officials Summary of Fringe Benefits for filing as the 2017 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 Commission Recording Secretary

DRAFT

Elected Officers Compensation Commission

March ___, 2017

Council President Patricia Spitzley
Members of the Lansing City Council
Tenth Floor City Hall
Lansing, Michigan 48933

Dear President Spitzley and Councilmembers:

The Elected Officers Compensation Commission (EOCC) met in committee during February and March 2017. 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 Member Washington, Council Member Brown Clarke, 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 have salary of the Mayor been reduced or remained stagnant, fringe benefits have been reduced or eliminated for both the Mayor and City Council.

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, 2017, makes several changes to the 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+ 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. The Mayor was increased to $128,400.00 in 2015, City Council President to $26,640.00 in 2015, City Council Vice President to $25,140.00 in 2015, City Council Member to $24,240.00 in 2015, and City Clerk to $87,066.00 in 2015.

RECOMMENDATION

Salaries

The Commission determines that annual salaries, and respective effective dates, shall be as follows:

	July 1, 2017
Mayor:	$
Clerk:	$
Council President	$
Council Vice President	$
Councilmember	$

Fringe Benefits

The Commission adopts by reference the Elected Officials Summary of Fringe Benefits 2017, 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 2017 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

____
Liisa Speaker
Chairperson

Cassie Alley Vice Chairperson	Brian Huggler
Kurt Berryman	Samantha Harkins

City of Lansing

ELECTED OFFICIALS
Summary of Fringe Benefits
2017

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, 2017. The 2015 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 Plan which shall default to 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 $15.00 co-pay for office visits. Prescription drug co-pays are $0/$15/$40. 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 a $1,500 maximum per person per benefit 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
Revised 3/___/2017: For ______________