



AGENDA
Elected Officers Compensation Commission
Friday, March 17, 2017 @ 12:45 p.m. (note time)
City Hall, City Council Conference Room, 10th Floor

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

- 1) Call to Order
- 2) Roll Call
- 3) Minutes
 - March 8, 2017
- 4) Approval of the Agenda
- 5) Communications
- 6) Business
 - a. Reports, Presentations, Commission Questions and Discussion
 - b. Old Business
 - Recommendation Letter - Final
 - c. New Business
 - d. Commission Member Comments
- 7) Items Under Suspension of the Rules (Late Item)
- 8) Other
- 9) Public Comment
- 10) Adjourn



MINUTES

Elected Officers Compensation Commission
Wednesday, March 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
Samantha Harkins, Member
Brian Huggler, Member
Liisa Speaker, Member
Kurt Berryman, Member

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Eric Lacy

MINUTES

Ms. Boak read Member Alley's comments on the minutes into the record for correction. *Ms. Alley suggested throughout the discussions that the Mayor and Clerk receive a 2% increase. Her point on page 3, 7th paragraph, was that the Commission's increase last time should not be used as justification for zero increases going forward. She would like to see their increases keep pace with unions. The dollar-cost for these two increases is minimal compared to the hundreds of union staff receiving 2-3% increases.*

MOTION BY MEMBER HUGGLER, SECONDED BY MEMBER HARKINS TO APPROVE THE MINUTES AS AMENDED FROM FEBRUARY 8, 2017. MOTION CARRIED 4-0.

APPROVAL OF AGENDA

MOTION BY MEMBER HARKINS, SECONDED BY MEMBER HUGGLER TO APPROVE THE AGENDA. MOTION CARRIED 4-0.

COMMUNICATIONS

Ms. Boak distributed the email response from the Mayor's office for attendance, the department director salary comparison from 2015 vs. 2017, the information from the Mayor's office on the cost of living factor, and the details on the question regarding the breakdown on the recent Police SUP increase comparison. The Commission reviewed the information.

BUSINESS

REPORTS, Presentations, Commission Questions and Discussion

Member Haggler read a text that all members received from Andy Schor which summarized stated he would be sending a statement on the pay raises, wanting positions to be competitive with others. The statement was received by the Council staff by the end of the meeting and is attached as part of these minutes.

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Old Business

No old business to address.

New Business

No new business to address.

Commission Member Comments

Chairperson Speaker recapped that at the last meeting the Commission had agreed that Council would not receive any increases, and the Clerk would not receive a vehicle. The discussion continued on increases for the Clerk and Mayor. The Commission acknowledged that Member Alley had stated in her earlier email on the minutes she wishes for 2%, and Member Harkins agreed at this time. The Commission briefly discussed if there should be an increase each of the two years or one increase. Member Huggler supported a 1% increase for Mayor and Clerk for each of the two years. His opinion was that it would keep it in line with the other municipality comparisons provided by HR. Chairperson Speaker concurred, and Member Berryman again stated his opinion there should be no increases for any elected official. The Commission reviewed the cost of living numbers provided by the Finance and Administration which represented 1.8% in 2015 and 2.2% in 2016. Member Berryman stated then he could take that into consideration and could concur on the 1%/1% for the Clerk and Mayor.

Chairperson Speaker calculated the 1% increases for Mayor and Clerk positions and provided the following to the Commission to consider:

CLERK – Current-\$87,066.00; 1% increase 7/1/2017- \$87,936.00; 1% increase 7/1/2018 - \$88,815.00

MAYOR – Current \$128,400.00; 1% increase 7/1/2017- \$129,684.00; 1% increase 7/1/2018- 130,980.00

The Commission reviewed the fringe benefits.

MOTION BY MEMBER HUGGLER TO MAKE THE RECOMMENDATION OF NO PAY RAISE FOR 2 YEARS FOR COUNCIL, FOR THE MAYOR A 1% INCREASE EFFECTIVE 7/1/2017 AND A 1% INCREASE EFFECTIVE 7/1/2018, AND FOR THE CLERK A 1% INCREASE EFFECTIVE 7/1/2017 AND A 1% INCREASE EFFECTIVE 7/1/2018. THE SUMMARY OF FRINGE BENEFITS REMAINS UNCHANGED FROM 2015 FOR ALL ELECTED OFFICIALS. ROLL CALL VOTE, MOTION CARRIED BY 4-0.

ITEMS UNDER SUSPENSION OF THE RULES

No items.

OTHER

The next and final meeting will be Friday, March 17, 2017 @ 12:45 p.m. to finalize the recommendation letter and sign it.

PUBLIC COMMENT

No comments

ADJOURN

MOTION BY MEMBER HARKINS TO ADJOURN AT 2:01 P.M.

Adjourned at 2:01p.m.

Respectively submitted by:

Sherrie Boak, City Council Office Manager

Approved by Committee on

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Statement by Andy Schor received after the meeting adjourned.

From: Andy Schor <andy.schor@gmail.com>

Date: March 8, 2017 at 11:56:30 AM EST

To: Me <andy.schor@gmail.com>

Subject: Schor Statement on Pay Raise Vote for Lansing Elected Officials

Statement by Andy Schor on consideration of compensation for City of Lansing Mayor:

"The Lansing Elected Officers Compensation Commission is now looking at whether to increase pay for the Mayor, Clerk, and City Council. Regardless of the outcome of the 2017 election, there is one thing we know - we will have a new Mayor in Lansing next year. While I agree that the position should be competitive in salary with other similar cities throughout the state, I do not believe that an increase is warranted for someone who has not yet served in this capacity. Those who run for office deserve to know the salary and benefits that they will receive in this full time job and I, as a candidate for Mayor, am comfortable with the current compensation that the this office receives."

Andy Schor

Candidate for Lansing Mayor

State Representative, 68th District

Vice Chair, Commerce and Trade Committee

Vice Chair, Joint Committee on Administrative Rules

Member, Health Policy Committee

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Elected Officers Compensation Commission

March 17, 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

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Elected Officers Compensation Commission

March 17, 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

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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:

	<u>July 1, 2017</u>	<u>July 1, 2018</u>
Mayor:	\$129,684.00	\$130,980.00
Clerk:	\$87,936.00	\$88,815.00
Council President	\$26,640.00	\$26,640.00
Council Vice President	\$25,140.00	\$25,140.00
Councilmember	\$24,240.00	\$24,240.00

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

Kurt Berryman

Brian Huggler

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.

Retiree 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 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 3/17/2017: For Mayor & Clerk Salary Increases