



MINUTES
Elected Officers Compensation Commission
Wednesday, March 8, 2022 @ 12:01 p.m.
City Council Conference Room

ROLL CALL

Commissioner Speaker- Chairperson
Commissioner Melot –Vice Chairperson
Commissioner Member Huggler
Commissioner Member McAlvey – absent
Commissioner Member Hoisington – excused
Commissioner Member Seabury
Commissioner Member Young - excused

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, OCA
Desiree Kirkland, Finance Director/Treasurer
Judy Kehler, CSO
Elizabeth O’Leary, Labor Negotiator
Courtney Roberts, HR
Kyle Kaminski, City Pulse

ROLL CALL

Chairperson Speaker called the meeting to order at 12:00 p.m. and did roll call. All members present except Member Young and Hoisington who had informed the staff prior to the meeting.

Minutes

MOTION BY MEMBER HUGGLER AND SECOND BY MEMBER MELOT TO APPROVE THE MINUTES OF MARCH 2, 2022 AS PRESENTED. MOTION CARRIED 4-0.

Public Comment

No public present at this time.

Presentation

Chief Strategy Officer, Ms. Kehler outlined her OPEB presentation that was in the packet. This included an outline of what OPEB represents and her role as Chief Strategy Officer to addressing OPEB systems. Ms. Kehler noted there are mature systems in the City, 67% is police and fire and 33% is the active employees. For 2021-2022 FY they spent \$9.8 million for active employees healthcare, for retirees \$18.9 million. Ms. Kehler expanded on what the City did to address OPEB which included actuaries, looked at medical carriers for retirees switching to HUMANA with a savings. OPEB was \$563 million combined in 2020, and currently at \$229 million, and the City is continuing to work collaborative to reduce the cost. By 2041 retirement and OPEB will be fully funded if the City continues to follow the plan. Member Melot asked if the City puts in GF dollars to OPEB and what is trend line. Ms. Kehler admitted they are looking at ways to pay from the fund and Ms. Kirkland confirmed the amount is same. Member Melot asked if the Mayor and Clerk are eligible for OPEB

benefits and Mr. Smiertka stated they are, but reiterated past statements that EOCC decides elected official benefits.

Discussion/Action

City of Lansing Finance Director Desiree Kirkland

Consumer Price Index; ARPA Funds and Spending; Revenue Loss

Ms. Kirkland noted the City has yet to spend any of the ARPA funds noted in the Resolution in the packet, it is being held to cover the revenue loss and covers three years. Any funds that the City lost in parking and income tax, that ARPA amount will cover. Currently that dollar amount is being calculated, and relayed to the auditors to advise them.

Member Melot asked what the City considers inflationary impact on their employees and asked if in the negotiations it was offering 3%. Ms. O'Leary clarified that the 3% reference at the last meeting was specific to the contract they had ratified the night before at Council. She cannot speak to any other current negotiations. Member Melot then asked, for budgeting purposes, what the City considers as the current inflationary rate. Ms. Kirkland stated it was 2.5-3%, admitting the growing rate is 6%, but the City is not at 6%. Member Melot asked if when the City procures inflation from their vendors if it is at 6-7%, and Ms. Kirkland confirmed.

Member Melot then asked for confirmation from the last meeting that the Mayor is proposing spreading the ARPA funds released for general revenue loss across multiple years and not expecting to recover the full loss, Ms. Kirkland noted that without speaking to it exactly she could confirm it would be spread over three years.

Member Melot asked what portion of the GF is payroll. Ms. Kirkland and Ms. Kehler did not have the exact percentage at the time, but before they let the meeting they were able to obtain the information that it was 70% of the GF.

Lastly Ms. Kirkland noted that regarding the revenue loss, they did have higher than normal refunds last year, but won't know the impact this year until mid-year.

City of Lansing Human Resources Director Linda Sanchez-Gazella

Benefits and Elected Officials Benefits Options

Ms. Boak explained that Mr. Sanchez-Gazella had a scheduling conflict but confirmed that the benefits listed in the package were the current plans; the Mayor and Clerk are offered the same options as other active employees, and the Commission was provided the options today.

The Commission reviewed the fringe benefits page of their annual determination, referenced page 6 "Retirement Health Care" and discussed the language on "elected" or "re-elected". The Commission asked OCA to review the document. Member Melot noted it appeared to him that the Mayor and Clerk were getting the minimum benefits packages.

Other

2022 Past Materials for Information Only

Ms. Boak referenced the packet which included the following:

- 2022 Calendar
- Chapter 280 2022
- Municipal Comparison Spreadsheet
- Royal Oak Benefits
- Director Salary Information 2022
- Union Contract Spreadsheet 2022
- EEOC Recommendation Letters from 2021
- Past Recommendations as of 2021

Ms. Roberts noted the municipal comparison was updated today with Lorraine, Ohio and Grand Rapids Michigan, but they are still waiting on a response from South Bend, Indiana and Madison Wisconsin. Regarding the updated document of Director Salary information that was updated with the Chief Strategy Officer along with the requested information on LPD and LFD for 2005, 2010 and 2022.

The Commission reviewed the updated municipality comparison spreadsheet focusing on strong mayor communities and the systems that were used.

The Commission spoke briefly on the next meeting (3/15) and it was confirmed that Member Hoisington, Seabury and McAlvey will be absent.

The Commission held discussions on earlier discussion with a per diem for Council Members at Council meetings, similar to Dearborn similar to a stipend. Member Huggler proposed considering no pay increase; keeping the pay lower and add \$25 or \$50 per Council meeting.

Mr. Smiertka noted that Council may be considered part time in comparison to the Mayor and Clerk, however they work in the community during the week and weekends with constituents; not just attending meetings.

Member Melot acknowledged the request for a per diem, but was concerned with not addressing inflation. The Commission continued their discussion on no salary increase for Council, but a Council meeting only per meeting pay; monthly, quarterly, or annual payment and asked Ms. Boak to speak to payroll on the best option. Ms. Seabury inquired if the Commission would propose a cap on it not exceeding the required 26 meetings per year, and Member Huggler proposed \$25 a meeting with no cap, and if there becomes a pattern, the Commission can review in 2 years when they meet again.

Member Melot encouraged the Commission to continue to think proposals for the Clerk and Mayor.

Adjourn

Adjourned at 12:55 p.m.

Respectively submitted by:

Sherrie Boak, City Council Office Manager

Approved as corrected on March 15, 2022