

Elected Officers Compensation Commission

March 30, 2009

Council President Derrick Quinney
and Members of the Lansing City Council
Tenth Floor City Hall
Lansing, Michigan 48933

Dear President Quinney and Councilmembers:

The Elected Officers Compensation Commission (EOCC) met in committee during February and March 2009. 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. The EOCC received written recommendations from the Mayor and received written documentation from City Clerk Chris Swope. Councilmember Sandy Allen and City Clerk Chris Swope addressed the EEOC in person. Letters from three unions were received. There were no public comments.

Our recommendation is based on the National and State economic climate, the resulting financial condition of the City, our review of executive and legislative responsibilities and comparisons with other communities.

Our recommendation modifies councilmember's fringe benefit compensation to more closely reflect their part-time work responsibilities and the compensation for other legislative bodies of similar size in Michigan and other Midwestern capital cities. We did not find any other City where councilmembers receive healthcare benefits and the current compensation exceeds that in other comparable communities. We determined the City Clerk and Mayor are underpaid in comparison to other municipalities of similar size. We also recognize that the salaries of our elected officials have not been increased since 2002.

We recommend a decrease of 5 percent in salary for the Mayor pursuant to his recommendation (Commissioner Nelson dissenting). We propose a salary increase of 5 percent for the City Clerk so it is more comparable to

similar positions in other communities and to members of the Mayor's cabinet. We recommend that Council salaries remain the same.

We also recommend that fringe benefits be modified in general conformity with the Mayor's recommendations. For the Mayor and City Clerk, who perform full-time executive roles, the Summary of Fringe Benefits includes:

- 10 percent healthcare premium sharing, increased co-payments, and increased prescription co-payments, along with other modifications.
- Elimination of retiree healthcare benefits for spouses and family members.

For City Councilmembers, the Commission recommends that the fringe benefits be significantly reduced. For current Councilmembers, the Summary of Fringe Benefits includes:

- Commencing July 1, 2009 until January 1, 2010, Councilmembers will contribute 10 percent of the healthcare insurance premium, plus increased co-payments and prescription co-payments per the recommendation of the Mayor.

As of January 1, 2010, fringe benefits for current Councilmembers will include:

- Discontinuance of current health, dental, and vision policies. However, Councilmembers will have the option to purchase coverage on the same terms and at the same rate as part-time employees of the City (Commissioners Hay and Plummer dissenting).
- Continuance of fringe benefits for which the City is legally obligated, including retiree healthcare for those Councilmembers who elected to participate and have paid the required contribution, retiree dental care, and pension.
- Continuance of benefits provided at no cost to the City.

For future Councilmembers, who are those first elected after the commission adopts the Summary of Fringe Benefits, the summary provides that:

- Current health and dental benefits shall not be provided, except Councilmembers will have the option to purchase such coverage on the same terms as part-time employees of the City;
- Benefits that are provided to employees at no cost to the City continue; and
- Other benefits, including retiree health insurance, dental insurance, and pension, will be discontinued.

Recommendation

Salaries

The Commission determines that annual salaries shall be as follows:

Mayor:	\$102,037
Clerk:	\$ 72,831
Council President	\$ 22,279
Councilmember	\$ 20,274

Fringe Benefits

The Commission adopts by reference the Summary of Fringe Benefits, attached. The benefits, as restructured and summarized in the attached Summary of the Elected Officials Fringe Benefits, are to be continued for the City Clerk and Mayor (including an automobile for the regular full time use of the Mayor), and partially phased out for Councilmembers, as set forth therein (Commissioners Hay and Plummer dissenting).

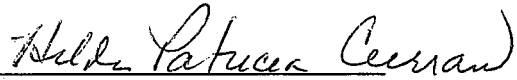
Other Compensation

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

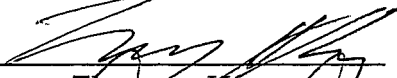
Transmittal

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

ELECTED OFFICERS COMPENSATION COMMISSION



Hilda Patricia Curran



Thomas Hay



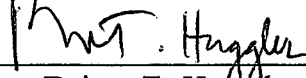
Don LeDuc



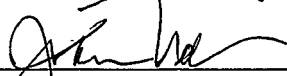
Marilyn Plummer



William Castanier



Brian T. Huggler



Joan Nelson