



City Council Report

Date: December 4, 2023
To: City Council
Through: Christopher J. Brady, City Manager
From: Scott Butler, Assistant City Manager
Andrew Calhoun, Assistant to the City Manager
Subject: Repealing Title 2, Chapter 25 Of the Mesa City Code “Independent Commission on Compensation for Elected Officials”; and creating a new Mesa City Code Title 1, Chapter 5, Section 10, titled “Mayor and Councilmember Compensation” **(Citywide)**

Purpose and Recommendation

To create a more streamlined and efficient model that mirrors industry practices similar to other local cities, and to ensure that Mesa remains competitive in attracting and retaining top talent for its elected officials, the implementation of a new compensation model for the Offices of the Mayor and Councilmembers is recommended.

Staff recommends a new model that includes a one-time adjustment in line with employee salary adjustments over the past two years followed by biennial adjustments when a new Council is seated¹ based on a formula that accounts for changing market conditions.

Background

On August 20, 2012, the Mesa City Council created the Independent Commission on Compensation for Elected Officials (“Commission”). The purpose of the Commission was to establish fair and reasonable compensation for Mesa’s elected officials. The Commission, which last met in 2021, is required to meet at least every 3 years to provide a report on Council compensation recommendations that must be approved/rejected as a whole by Council. Based on feedback received from stakeholders involved with the Commission, including previous Commission members, suggestions were made that a more objective, efficient, and effective model would be beneficial.

Discussion

Staff recommends a new model that proposes automatic, biennial adjustments to compensation when a new Council is seated, based on whichever is lower between the prior two years’ Consumer Price Index for Urban Wage Earners (CPI-W) and the step pay increase for non-represented City employee groups. This approach aligns with similar compensation practices of other local cities and effectively removes the politicization of {00504852.1}_____

1. Arizona Constitution, Article IV, Part 2, Section 17, extra compensation prohibited; increase or decrease of compensation during term of office.

pay. Moreover, it ensures total compensation remains competitive while adhering to objective criteria, making it a more efficient and effective method for determining compensation.

Based on inflation and market conditions, staff also recommends increasing the current salary for the Offices of Mayor and Councilmembers by 7%, effective when a new Council is seated after the first Council meeting in January 2025, which is equivalent to step pay increases seen by non-represented City employee groups in FY 22/23 (4%) and FY23/24 (3%).

Implementation of the ordinance with the proposed model would provide for a new method of objective compensation adjustments that would no longer require the use of the Commission.

By adopting this new model, Mesa can confidently maintain its position for attracting its elected officials while ensuring that compensation remains fair and equitable based on changing market conditions.

Alternatives

Staff recommends Council approve the ordinance updating the method for determining adjustments in compensation, including the dissolution of the Commission and automatic biennial adjustments.

Council may choose to continue with the Commission model. If the Commission model continues, the next meeting must be held prior to July 2024.

Fiscal Impact

Fiscal impacts associated with updating the annual salary for the Offices of the Mayor and Councilmembers would become effective when a new Council is seated after January 1, 2025.

Fiscal impacts associated with the automatic adjustments for the Offices of the Mayor and Councilmembers would become effective in January 2027 and occur with the biennial seating of a new Council.

Coordinated With

City Attorney's Office

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