



# COUNCIL STAFF MEMO

CITY COUNCIL of SALT LAKE CITY

**TO:** City Council Members

**FROM:** Cindy Gust-Jenson, Jennifer Bruno

**DATE:** November 27, 2018

**RE: Salt Lake City Council Compensation Policy Considerations**

**Item Schedule:**

Briefing: Nov 27

Set Date: TBD

Public Hearing: TBD

Potential Action: TBD

The City conducted salary surveys of elected officials in other municipalities most recently in 2015. The results showed significant variation in annual salary between cities. There was no consensus from the data about what salary is reasonable/appropriate for Salt Lake City elected officials. In addition to the inconclusive survey data, some challenges arise when comparing salaries for elected officials such as differences across forms of government, separation of duties/powers, demographic and economic variations, actual hours worked, and other factors. It is particularly difficult to identify comparable situations due to the population of the City vs its role as the Capital City and its role as a regional hub.

## **BALANCING POINTS**

**Value Statements** – Many, sometimes conflicting, values exist when discussing compensation for municipal elected officials. Some examples include:

1. Local elected office is a public service and should be compensated minimally.  
vs.  
Absent reasonable compensation, the pool of potential candidates could be inadvertently limited to persons of financial means.
2. The office of Mayor should be compensated at a rate similar to the top full-time City employees and City Council Members should be considered more like volunteers with a stipend.  
vs.  
All local elected officials should be compensated reasonably in a manner that is fair to both the taxpayers and those serving in office.
3. Discussing elected official salaries can be a controversial topic, therefore it is easier to evaluate them very infrequently.  
vs.  
It is best for the public to be aware of the compensation level and have the opportunity to comment on those salaries each year, or at some regular interval.



**Participating in Grassroots Democracy** – Community organizations expect elected representatives to attend constituent meetings, requiring a significant investment of time. Each City Council district currently has 3-8 community councils with regularly scheduled, typically monthly, public meetings. District 7 is the exception with only the Sugar House Community Council which covers a population significantly larger than other community councils. There are currently 27 community organizations registered with the city. When the form of government was first established, and the salary ratios were set, the entire City had only eight community councils.

**Schedule and Time Demands** – The Council was originally intended to be truly part-time. The salary was originally set to be 25 percent of the Mayor’s salary, with the expectation that Council Members would meet roughly 10 hours per week during the evenings. The evening meetings have been replaced with all-day meetings that extend in to the evening, thus requiring time away from full-time employment.

As additional time during the traditional workday is required to fulfill Council responsibilities, it is possible that the pool of candidates could be inadvertently limited – teachers, and anyone who has specific responsibilities tied to specific hours incur greater expense than they originally did when the ratio of salaries between the Council and Mayor was initially set.

**Unique Challenges** – Elected officials in Utah’s capitol city face unique challenges, with some growing in significance such as the Northwest Quadrant Inland Port Authority, serving the central business district, an international airport, provision of water outside of City boundaries, and regional coordination on issues of air quality, transportation, transit, homelessness and growth.

In the face of the switch from evening to daytime and evening meetings, additional community organizations to coordinate with, more complexity in collaborating with other entities, and increasing Council Member responsibility in representing the City with Regional and State entities, Council Members are dedicating more time than they did in the early years of this form of government.

The public expectations of Council Members evolved since 1979 but the compensation has not been updated. A significant salary adjustment was recommended since that time, but the Council in office at the time elected to adopt an increase in the Mayor’s salary but wait to further evaluate the Council salary. The Council did not schedule the City Council compensation question for further discussion in the years that followed.

**Salaries** – In 2017-18, an individual Council Member’s salary (\$25,525) is 18.3% of the Mayor’s salary (\$139,514). Conversely, the Mayor’s salary is equivalent to the salary of five-and-a-half Council Members.

Council Staff conducted an analysis of Mayor and Council salaries since the City form of government was changed. While both Council and Mayor salaries have increased over that time period, the Mayor’s salary has increased at a rate 97% faster than the Council’s. Given that the Mayor’s salary is full-time and therefore started out higher than the Council’s part-time salary, any across the board cost of living adjustments would require a periodic reset to maintain the 1:4 ratio.

	Position	Initial - City 1980	Adjusted to 2018 Dollars	Actual FY 2018-19	Actual-to-Adjusted Difference	If % Change Swapped Between Council and Mayor
City	Council Member	\$9,700	\$25,089	\$26,291	\$1,202	\$35,741
	Mayor	\$39,000	\$100,872	\$143,699	\$42,827	\$105,706
	Ratio	4:1	4:1	5.5:1	N/A	N/A

If the Council salary were to be increased to match the rate of increase of the Mayor and maintain the 1:4 ratio, the Council's salary would be \$9,450 higher than it is currently, for a total of \$35,741 annually. This increase would not address the additional time that Council Members spend in their official capacity.

As a double check on this approach to reviewing the salary, the Council staff checked with Salt Lake County on the level of compensation for County Council Members. Their current compensation is \$40,356 annually, which is \$14,065 more than Salt Lake City Council Member compensation.

## **POLICY CONSIDERATIONS / QUESTIONS**

1. A key tenet of the City's form of government is for people elected to City Council positions to bring a 'citizen perspective' to the office. As a matter of public policy, the balance the elected officials typically seek is a compensation level that is fair to both the taxpayers and the general public. Some possible analysis factors to evaluate Council Member compensation within the unique context of Salt Lake City could include:
  - a. What is the ratio between the Council salary and the Mayor's salary, and how has this changed over the years?
  - b. Is the salary sufficient to cover expenses associated with the increased time demands of the position, including the cost of time off from full time employment, child care expenses, out of pocket expenses, etc.
  - c. Does the practical time demand of the job combined with compensation affect who can afford to serve in the office of Council Member?
2. The Council may wish to discuss what barriers currently exist to residents serving on the City Council and how compensation changes would affect those barriers.
3. Ratio of Mayoral to Council Member Salary – Does the Council want to explore adjusting the Council Member to mayoral annual salary ratio (currently 5.5 Council Member salaries to 1 mayoral salary)? The Council could discuss similarities and differences between elected official's hours worked, areas of responsibility and other factors to determine if a different ratio makes sense.
4. Does the Council want to consider pay differentials for members serving in leadership roles? Council Members serving in leadership positions spend significantly more time conducting official government business. (Leadership positions include: City Council Chair and Vice Chair, and Redevelopment Agency Board of Directors Chair and Vice Chair.)
5. Does the Council want to consider adding vehicle allowances and/or increased allowable vacation maximums to Council Members compensation? This supplemental pay and benefit variance are currently available to the Mayor and Department Directors but not available to Council Members.
6. Options could include:
  - a. Do not adjust the salary
  - b. Adjust the salary to be the equivalent to the Salt Lake County Council
  - c. Adjust the salary to reflect the ratio between the Council Member and Mayoral salaries as originally established, but not recognize the increased demands of the Council position and the shift to daytime meetings
  - d. Adjust the salary to reflect the ratio between the Council Member and Mayoral salaries as originally established, AND recognize the increased demands of the Council position and the shift to daytime meetings

- e. Adjust the salary to reflect the benefits that the Mayor and Department Directors receive in the form of vacation pay and auto allowance, and reconsider the requirement that City Council Members return pay to the City based on missing more than 3 meetings in a calendar year.

If the Council is interested in pursuing this change it would require an ordinance to amend the Elected Officials component of the Compensation Plan. The Council Office budget could accommodate this adjustment for Council Members without a budget increase in this fiscal year. Staff can also conduct analysis based on other factors if the Council is interested in evaluating this change.