DEPARTMENT OF QUORUM

Chairman Telser called the meeting to order at 10:33 AM. All Committee members were present.

Minutes of the April 19, 2016, meeting were distributed and approved.

There was a brief discussion regarding why the Mayor’s Committee on Compensation is appointed and for what purpose. The City Code provides that compensation for aldermen, the Mayor, and the City Clerk shall be reviewed by a non-aldermanic committee every four years. Further, the Illinois Municipal Code provides that salaries shall be fixed by ordinance at least 180 days prior to the beginning of terms of office of each of these individuals.

Deputy City Manager Storlie distributed memos she had prepared in response to the Committee’s earlier request for data on several topics:

- Information on the City Clerk’s service in office.
- A table that listed the stipends of the Mayor and Aldermen, and the salary of the City Clerk over the time period of 1977 to 2016.
- A statement of the Mayor’s compensation and eligibility for health benefits covering the time period from 2013 to 2016.
- The results of the survey sent to all nine Aldermen regarding the number of hours and percentage of their total work effort they routinely spend on Aldermanic work each week. Some aldermen chose to add a comment.
- A memo offering an alternate compensation model for Aldermen.

In summary –

- The City Clerk was appointed to his position in 2008, elected in 2009 and re-elected in 2013.
- The historical compensation/salary data show there were four years in which increases were significantly higher than typical raises for the general work force. The increases in these four years ranged from 18% to 54%. There are also a number of years where raises were 0% to 5%.
- The Mayor has forgone the 2% annual stipend increase for the period 2013 to 2016.
- The results of the survey indicate that aldermen devote from 10-20% to 60-80% (most respondents supplied a range of effort) of their weekly work effort to City and/or community business. In terms of weekly hours, the range is 10-20 to 40+ hours/week.
- The alternate compensation model proposes that aldermanic compensation be based on the current stipend ($12,990 as of May 1, 2016) plus the total current cost of health insurance.
available to council members in 2016. Total alderman 2016 compensation ranges from $12,990 to $30,827 depending on whether or not the individual takes any City health insurance, and if so, which one. The low number is what an alderman who takes no health insurance receives in compensation. The high number represents the $12,990 stipend plus $17,837 which is the health insurance cost. In a previous memo, we were told the average City payment of health insurance is $13,075. This means that the average 2016 compensation per alderman is ca. $26,000.

The members of the Compensation Committee have been pleased with the excellent staff support from Ms. Storlie and Ms. Lin. The information we have been provided with during the course of our meetings has been helpful to us and will serve the workings of future Compensation Committee members well.

The alternate compensation model was discussed. Some thought it was potentially an appropriate model. Others pointed out several shortcomings of the model. The City has no direct control over health insurance costs. Prior to the passage of the Federal Affordable Healthcare Act, annual increases in health in plan costs were typically in the double digits. They have been lower for the past few years but may increase significantly in the next few years. One immediate consequence of the alternate compensation model is that the non-health insurance payments to each alderman will differ for each individual, so each alderman will receive a different stipend. If health costs increase in the double digits again, the “take home” compensation for each alderman who partakes a City health insurance plan will decrease.

A detailed discussion followed regarding our recommendation for the compensation of elected officials for the year beginning May 1, 2017. These are three draft versions.

- Increases in compensation should be at the same rate as the percentage increases for non-union City employees for the years 2017 to 2020. Health insurance benefit payments shall remain as they are at present.
- There should be a stepwise increases in aldermanic stipends over the years 2017 to 2021 such that the stipend should be $20,000 in 2020. Health insurance benefit payments shall remain as they are at present.
- There should be stepwise increases in aldermanic stipends over the years 2017 to 2020 such that the stipend should be $20,000 in 2020. Health insurance benefit payments shall be modified such that individuals pay 25% of the cost of the health insurance plan in which s/he is enrolled. The City shall pay 75% of the health insurance cost.

The point was raised that the Committee still needs to develop stipend/salary recommendations for the Mayor and City Clerk.

The next meeting of the Committee will be on Tuesday, May 17, 2016, at 10:30 AM. These minutes and the agenda will be posted on the City Website at least 48 hours prior to that meeting.

**ADJOURNMENT**

A motion was made and seconded to adjourn the meeting, which was adjourned at Noon.

Respectfully Submitted,
Alvin Telser, Chair