

City of Brisbane

Agenda Report

To: City Council via City Manager
From: Stuart Schillinger, Administrative Services Director
Subject: City Council Compensation
Date: September 17, 2015

Purpose:

Ensure City Council Members are adequately compensated for serving their community compared with Council Members from other cities. Ensure there is a large enough of pool of qualified candidates who wish to run for City Council.

Recommendation:

City Council discuss Council member compensation. If there is a need to change the compensation provided to City Council members, direct staff as to the changes needed in order for an Ordinance be brought back to Council for consideration at the October 15, 2015 Council meeting.

Background:

On June 3, 2015 the City Attorney sent a memo to the City Council concerning Council compensation. The memo stated how much the City Council currently gets paid, \$165 a month, plus the rules for adjustment. The Council can adjust its salary by a maximum of 5% for each year since it last raised its salary. The last time it raised its salary was in 1982. Thirty-three years have passed since then so the Council could increase its salary by 165% or \$272.25. This would allow the Council to increase its salary up to \$437.25, exclusive of health care or retirement benefits or reimbursement for actual costs incurred. State law does not provide for compounding.

This issue was discussed in conjunction with the City's budget and Council directed staff to have a total compensation study completed.

Discussion:

L.B. Hayhurst and Associates completed a total compensation survey for City Council members in September. This was done as part of the overall total compensation survey the City had L.B. Hayhurst complete and did not cost the City any additional money. The survey showed that compared to other cities in San Mateo County (Daly City, San Mateo, Burlingame, Redwood City, Foster City, San Carlos, San Bruno, and Pacifica) Brisbane receives the lowest salary at \$165 a month. The range for other cities is from \$300 to \$1,531 a month. The median salary is \$499 per month.

The survey also looked at total compensation. Brisbane Council members receive up to \$2,648 a month in total compensation when health insurance for a family, internet allowance, car allowance, and phone allowance are included. The range for total compensation among San Mateo County cities is

\$1,240 to \$3,260 a month. When all of these benefits are considered, Brisbane council members receive the second highest total compensation. The median total compensation is \$2,339.

The largest influencer to total compensation is health insurance costs for families. But not all Council Members receive the full family coverage for health insurance. Council Members have a choice of taking health insurance or not. If a Council Member is covered by another medical insurance the Council Member could choose to receive an additional \$511.87 a month which the Council member can take as a contribution to his/her 457 supplemental retirement plan, cash, or a combination of the two.

According to the survey, Brisbane is the only city which provides an auto, internet, and cell phone allowance to Council members. These are \$300, \$50, and \$50 a month respectively. But again, not all Council members take the auto, internet and cell phone allowance.

If the City Council would like to change the way its members are compensated, Government Code 36516.5 is the governing law. It states

A change in compensation does not apply to a council member during the council member's term of office. This prohibition shall not prevent the adjustment of the compensation of all members of a council serving staggered terms whenever one or more members of the city council becomes eligible for a salary increase by virtue of the council member beginning a new term of office.

To make any change in salary effective when the Council members elected or re-elected this November begin their terms, the ordinance adopting the salary change needs to go into effect prior to when those Council members are seated. It is anticipated that they will be sworn in on December 10th. Since any change in salary needs to be done by Ordinance, the first reading could happen on October 15th, (the next available Council Meeting), second reading and adoption on November 5th, with the Ordinance going into effect 30 days after that on December 5th.

Fiscal Impact:

The fiscal impact will depend on the decision made by City Council. If Council chooses to change its salary, staff will bring back the fiscal impact at the October 15th meeting.

Measure of Success

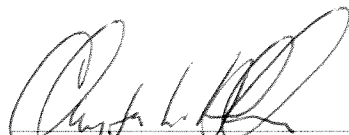
Council Members are compensated appropriately for serving their community.

Attachments:

Total compensation study provided by L.B. Hayhurst and Associates



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

City of Brisbane

**TOTAL
COMPENSATION
SURVEY**

**CITY COUNCIL
PRELIMINARY
REPORT**

September 2015



L. B. HAYHURST & ASSOCIATES, INC.

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I - EXECUTIVE SUMMARY

The City of Brisbane contracted with L.B. Hayhurst & Associates to conduct a comprehensive total compensation study for its City Council Member positions. This consultant was not asked to provide recommendations regarding changes, but to report back on the salaries/stipends and benefits provided in comparable cities. The surveyed market used is the same one agreed to by the City Council for use in surveys for labor groups within the city.

Chart 1, **Summary Total Compensation Data**, provides an overview of the salaries, cost of benefits found in the labor market. Chart 2, **Total Compensation Detail**, provides detailed information on the various types and costs of benefits provided to the Council Members of the various surveyed cities. It should be noted that this two cities surveyed did not provided the requested compensation information.

While there is a significant amount of data contained in this report there are several basic findings:

- The current salary paid to the City of Brisbane Council is \$165. The median paid to the Council in the surveyed cities is \$499 per month. This places Brisbane's Council **behind** the survey market salary data 203%.
- The "total compensation" data shows Brisbane paying \$2,648 monthly to each Council Member. The total compensation median for the surveyed cities is \$2,339. This places the City of Brisbane **above** the median total compensation data by 13%.

Any evaluation of a total compensation package is a complex undertaking. This report provides information on the practices currently in place in cities comparable to the City of Brisbane from a market stand point.

Respectfully submitted,

//s//

Lonnie B. Hayhurst

President/CEO

September 2015

II - PROJECT OVERVIEW

STUDY OBJECTIVES

This study includes a survey of the identified labor market comparison cities to obtain information regarding the total compensation package provided to the City Councils.

The tasks this Consultant was asked to perform include the following:

- ◆ Review all pertinent written documentation.
- ◆ Consult with City staff as needed by phone.
- ◆ Survey the identified comparable agencies gathering information as stated above.
- ◆ Analyze the information paying particular attention to accurate benefit comparability.
- ◆ Review the compensation structure for the Council level.
- ◆ Report on an agreed upon list of benefits for the labor market agencies and provide an analysis of Council compensation comparability.

III - COMPENSATION STUDY METHODOLOGY

In order to ensure an accurate and defensible labor market analysis, our firm initiated a number of recognized compensation methodologies to gather compensation information and conduct the Councils' compensation analysis. This section of the report is intended to outline such methodologies. To facilitate ease of reading, this section is organized in the following manner:

- ◆ Labor Market Selection
- ◆ Labor Market Data Collection

It should be understood that no two agencies are structured identically nor do their customers place emphasis on receiving the exact same types of services. Labor market comparisons are not an exact science but a relative comparison to provide a broad picture of how the market is currently situated.

LABOR MARKET SELECTION

During our initial discussions with City staff regarding this project it was agreed that the list of labor market cities that was identified by the City for compensation reviews would be used for this review. The Cities used in this market study are the following:

- Burlingame
- Daly City
- Foster City
- Millbrae
- Pacifica
- Redwood City
- San Bruno
- San Carlos
- San Mateo
- South San Francisco

The cities of Millbrae and South San Francisco did not provide the requested information even though several phone calls and emails were sent.

IV - FINDINGS AND ANALYSIS

The following section is intended to provide an explanation of our findings and analysis. Following the written explanation are charts that show the detailed information provided by each of the surveyed cities.

The information provided below and shown in the charts was provided by staff of the surveyed agencies.

COUNCIL MEMBER STIPENDS

- **Salary/Stipend:**

All of the cities surveyed pay their Councils a salary/stipend. The median monthly amount is \$499. The City of Brisbane pays their Council \$165 monthly. This places Brisbane's Council 203% behind the market in regards to salary/stipend.

Note we were able to include the salary for the City of South San Francisco because it is posted on-line

COUNCIL MEMBER BENEFITS

The benefits listed below were agreed to for surveying by the City. No attempt was made to include retirement information because of the varying costs and coverage as a result of recent changes in the laws dealing with public sector programs.

- **Health:** All of the reporting cities provide a health care coverage option to the members of the City Council. The cost to the cities shown is the maximum cost for the coverage for family coverage.

Foster City indicates that excess allowance can be contributed to a 457 deferred compensation plan, health or dependent care flexible spending account of VEBA trust.

Pacifica indicated that the medical/flex benefit shown is currently under review.

San Mateo indicated that if Council waives health coverage, \$41.66/month will be provided for a flexible spending account benefit.

- **Dental** – All of the responding cities provide dental coverage with the exception of San Bruno. In the cases of Foster City and Pacifica this coverage cost is included in the insurance cost listed.
- **Health Vision** – Six of the surveyed cities provide Vision coverage.
- **Life Insurance/LTD:** The City of Brisbane does not provide life insurance coverage for Council Members. Six (6) of the surveyed cities do. The amount of coverage ranges from \$6,000 to \$200,000.

None of the surveyed cities provide Long Term Disability coverage to their Council Members.

- **Deferred Compensation:** With the exception of Daly City which has an optional deferred compensation program and Foster City which allow use of non-used insurance premiums, no other cities report making contributions or having a program for the Council.
- **Vacation/Sick Leave/Holidays:** As shown on Chart 8, Leaves, none of the thirteen (13) surveyed agencies provide any type of leaves to the Directors, including vacation, sick, administrative and bereavement.
- **Auto Allowance/Car:** None of the surveyed cities have report giving an auto allowance or provide a vehicle for regular council use. Brisbane does provide Council with \$300 monthly.
- **Cell Phone/Internet:** All of the surveyed agencies indicated that they did not provide either a cell phone or Internet stipend. The City of Brisbane does provide \$50 a month for both categories.

It should be noted that Chart 1, **Summary Total Compensation Date**, has been sorted in descending order of the total compensation for each city. This provides a quick overview of the City of Brisbane's ranking.

CHART 1 – SUMMARY TOTAL COMPENSATION DATA

AGENCY	TOP STEP SALARY	BENEFIT COMPENSATION	TOTAL COMPENSATION
Daly City, City of	\$1,531	\$2,553	\$4,084
Brisbane, City of	\$165.00	\$2,483	\$2,648
San Mateo, City of	\$600.00	\$2,018	\$2,618
Burlingame, City of	\$590.00	\$2,001	\$2,591
Redwood, City of	\$750.00	\$1,693	\$2,443
Foster City, City of	\$496.00*	\$1,739	\$2,235
San Carlos, City of	\$300.00	\$1,664	\$1,964
San Bruno, City of	\$486.00	\$900	\$1,386
Pacifica, City of	\$320.00	\$920	\$1,240
Millbrae, City of	N/R	N/R	
South San Francisco, City of	\$499.20	N/R	
		MEDIAN SALARY	\$499
		%+/- MEDIAN	-203%
		MEDIAN TOTAL COMP	\$2,339
		%+/- MEDIAN	+13%

N/R = Not Reported

* Does not include \$50/meeting when sitting as Estero Muni Improvement District Member

CHART 2 TOTAL COMPENSATION DETAIL

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Agency	Top Step Salary	Medical Coverage	Cafeteria Plan (CP)	Insurance	Dental Insur.	Vision Insur	Life Insur	Life Insur Cost	Long Term Disability	LTD Cost
Brisbane	\$165.00	PERS	Med	\$1,957.21	95.00	\$30.90	None	\$0.00	None	\$0.00
Burlingame	\$590.00	Blue Shield	Med	\$1,864.50	98.71	\$26.15	\$100,000	\$11.50	None	\$0.00
Daly City	\$1531.83	Blue Shield	Med	\$2,415.06	115.43	\$0.00	\$100,000	\$22.50	None	\$0.00
Foster City	\$496.00	PERS	Med	\$1,734.00	Med	Med	\$30,000	\$4.65	None	\$0.00
Millbrae	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
Pacifica	\$320.00	PERS	Med	\$920.00	Med	Med	None	\$0.00	None	\$0.00
Redwood City	\$750.00	Kaiser	Med	\$1,562.01	118.47	\$12.27	None	\$0.00	None	\$0.00
San Bruno	\$486.00	Kaiser	Med	\$898.92	0.00	\$0.00	\$6,000	\$0.93	None	\$0.00
San Carlos	\$300.00	PERS	Med	\$1,510.56	106.00	\$13.83	\$200,000	\$34.00	None	\$0.00
San Mateo	\$600.00	PERS	Med	\$1,857.57	143.21	\$13.30	\$25,000	\$4.25	None	\$0.00
So. San Francisco	\$499.20	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R

N/R = Not Reported

CHART 2 TOTAL COMPENSATION DETAIL

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Deferred Comp. Cost	Deferred Comp Cost	Max Vacation Accrual	Avg Vacation Cost	Holidays (hrs/mo)	Holiday Cost	Auto Allowance	Internet	Cell Phone	Total Benefit	Total Compensation	Agency
None	\$0.00	None	\$0.00	None	\$0.00	\$300.00	\$50.00	\$50.00	\$2,483.11	\$2,648	Brisbane
None	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.86	\$2,591	Burlingame
Optional	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$2,552.99	\$4,084	Daly City
From Med	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$1,738.65	\$2,235	Foster City
N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R			Millbrae
None	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$920.00	\$1,240	Pacifica
None	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$1,692.75	\$2,443	Redwood City
None	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$899.85	\$1,386	San Bruno
None	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$1,664.39	\$1,964	San Carlos
None	\$0.00	None	\$0.00	None	\$0.00	\$0.00	\$0.00	\$0.00	\$2,018.33	\$2,618	San Mateo
N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R			S. San Fran.

N/R = Not Reported