

To: Members of the Common Council

From: Ad Hoc Salary Committee

Date: November 22, 2024

Re: Ordinance 2024-26, An Ordinance Fixing the Salaries of Elected Officials for the City of Bloomington, Indiana, for the Year 2025

### **Summary**

This memorandum summarizes the Ad Hoc Salary Committee's process and rationale for developing recommendations set forth in Ordinance 2024-26, which would set the 2025 salary for all Elected Officials of the City of Bloomington, Indiana as follows:

- Mayor: \$151,410
- Clerk: \$129,780
- Council: \$45,423

Additionally, the ordinance would pay the City Council President an additional \$1,500 per year and the City Council Vice President an additional \$800 per year. The fiscal impact of the ordinance is estimated to be \$275,089. (Based on prior guidance from the Human Resources department, we assume a flat amount for benefits, retirement contributions, and taxes—i.e., the proposed salaries would not impact those figures.)

### **Supporting Materials**

- Elected Official Compensation Framework Summary Memorandum (Crowe)
- Elected Official Compensation Framework
- Ad Hoc Salary Committee Heat Map - Consensus Scores
- Weekly Working Hours for Councilmembers - Survey Responses
- Comments from Mayor Thomson
- Comments from Clerk Bolden
- 2025 Civil City Pay Ranges and Steps

### **Committee Recommendations**

Indiana Code 36-4-7-2(b) sets forth the following obligation: "The city legislative body shall, by ordinance, fix the annual compensation of all elected city officers." As requested by the Common Council in September 2024, the Ad Hoc Salary Committee (Committee) developed recommendations for fixing the salaries of elected officials in the City of Bloomington and prepared Ordinance 2024-26.

The Committee consisted of Councilmembers Sydney Zulich (Chair), Kate Rosenbarger, Hopi Stosberg, and Matt Flaherty. Additional support was provided by a Crowe LLP consulting team, Clerk Nicole Bolden, and city staff including Sharr Pechac, Sam Roll, and Taylor Brown.

### **Process and Guiding Principles**

The Committee met six times in October and November to develop an Elected Official Compensation Framework, which was then used to develop the recommended salaries. In addition to this memorandum, the Summary Memorandum from the Crowe team provides a helpful overview of the process.

Guided in the development process by the Crowe team, the Framework consists of four elements: Guiding Principles, Basis for Salary Setting, Relevant Information, and an Annual Process. The purpose was to create a values-based and repeatable method for setting salaries, departing from the recent past practice of making minor adjustments to salaries based primarily on whatever the salary was the year before plus a cost of living adjustment (COLA).

Through an interactive process across several meetings, the Committee established the following Guiding Principles:

1. **Accessibility of Public Service** - The level of compensation makes elected office attainable for community members of all socioeconomic statuses.
2. **Equitable Pay** - Elected officials are compensated equitably according to their respective levels of responsibility and relative to other Bloomington elected officials and departmental leadership.
3. **Quality Community Service** - Compensation enables elected officials to meaningfully engage with and serve the Bloomington community.
4. **Informed Decisions** - Council makes informed decisions about elected official compensation in alignment with these Guiding Principles and based on relevant objective data.
5. **Transparent and Documented Process** - A transparent, repeatable process guides compensation decisions for elected officials, and results are clearly communicated.

Significant deliberation went into each principle, and the Committee would be glad to answer questions about these values. Here and throughout the Committee's work, the Crowe team was proactive and invaluable in structuring conversation and facilitating decision-making.

#### *Basis of Salary Setting*

Once it had established a set of values or principles to guide decision-making, the Committee and the Crowe team brainstormed many potential bases of salary setting while also discussing how to account for important differences in the three elected offices (City Councilmembers, City Clerk, and Mayor). The goal was to get many ideas on the table without pre-judging their advisability.

The Crowe team facilitated a process for Committee members to anonymously score each potential basis of salary setting based on the Guiding Principles. Scores were aggregated in a "heat map" tool. Consistent trends were observable, and several potential bases were ruled out for poor alignment with the established Guiding Principles, including the past practice of setting pay primarily based on the previous year's salary. (For more detail, see *Ad Hoc Salary Committee Heat Map - Consensus Scores*.)

The potential basis of salary setting with the highest score, which the Committee decided to workshop and advance, was to first set the Mayor's salary equal to a Department Head or within the Civil City Grade 14 pay range and then set Clerk and Councilmember salaries at a percentage of the Mayor's salary. This preliminary basis of salary setting was refined and finalized through

subsequent, iterative discussions and documented in the Elected Official Compensation Framework.

Specifically, the final Basis of Salary Setting for each elected position is summarized in the Framework as follows (with greater detail outlined below):

*Mayor:* Set salary at a level similar to compensation for Civil City senior leadership positions. The presumptive salary is the midpoint of the salary range for the highest Civil City pay grade.

*City Clerk:* Set salary at a level similar to compensation for Civil City senior leadership positions. The presumptive salary is the midpoint of the salary range for leaders of Civil City departments.

*Councilmember:* As a coequal branch of government, yet given the part-time nature of the role, salary to be set at a percentage of the mayor's salary. Percentage to be determined based on number of hours required to meet expectations.

This basis for salary setting provided guidance for arriving at final salary figures, but each decision was subject to additional review and assessment, again through the lens of the five Guiding Principles.

#### Mayoral Salary

In setting the Mayor's salary, the Committee invited and reviewed input from Mayor Thomson about how the Mayor's salary should be set (see *Comments from Mayor Thomson*). We found her comments helpful and broadly aligned with the Committee's perspective. She noted the "on-call" nature of the job and the relevance of principles like market competitiveness and a set of rubric factors used in grading Civil City positions (while noting these comparisons had limits in the context of an elected position). The Committee had similarly reviewed these attributes and found them helpful for discussing the "equitable pay" principle in particular.

The Committee concluded that the Mayor need not be the highest-paid person in city government (which has been the recent practice, and is an arbitrary way to set a salary), but that the role should be compensated at a level similar to the highest-paid senior leadership positions. To align with the goal of making objective, consistent decisions, the Committee identified the midpoint of the Civil City pay grade 14 as a potential base Mayoral salary. Upon full review, we concluded that this aligned well with the Guiding Principles. **For 2025, this leads to a proposed Mayoral Salary of \$151,410.**

#### Clerk Salary

In setting the Clerk's salary, the Committee invited and reviewed input from Clerk Bolden about how the Clerk's salary should be set (see *Comments from Clerk Bolden*). Having attended Committee meetings, the Clerk framed her comments in the context of approaches the Committee considered. We found her comments helpful and broadly aligned with the Committee's perspective.

While the Committee initially considered setting the Clerk’s salary as a percentage of the Mayor’s salary, the “equitable pay” Guiding Principle—along with input from the Clerk—led to an updated conclusion. Namely, aligning the Clerk’s salary with the leaders of other city departments (colloquially, department heads) was the best approach based on the responsibilities and nature of the Clerk’s role. Virtually all department heads are currently classified as Grade 13 or Grade 14. The Committee identified the mid-point of the Civil City pay grade 13 as a base Clerk salary that aligned well with the five Guiding Principles. **For 2025, this leads to a proposed Clerk salary of \$129,780.**

For both the Mayor and the Clerk, the mid-points of relevant pay grades were deemed a sound approach since elected officials do not receive longevity pay in the same way that Civil City staff now do through a step system (see *2025 Civil City Pay Ranges and Steps*). While the Committee considered the possibility of longevity bonuses on top of lower base salaries for these positions, it ultimately concluded this was not an optimal approach under the Guiding Principles.

### Councilmember Salary

To determine what percentage of the Mayor’s salary should be used to set Councilmember salaries, the Committee considered what level of effort is needed from part-time Councilmembers to deliver the “quality community service” identified as a central value in the Guiding Principles. To aid in this inquiry, the Committee utilized an anonymous survey of all nine Councilmembers asking how many hours per week (on average) they believed councilmembers *should* spend or would need to spend in order to provide quality community service.

The question was subdivided into four categories (plus a fifth “other” category) as follows:

- **Time preparing for meetings** (reading packet materials, emails and calls to staff and colleagues, individual research, meetings with colleagues or council staff, meetings with community members)
- **Constituent and community services** (reading and responding to constituent emails, holding or attending constituent meetings, attending neighborhood meetings, other public events in your council capacity, etc.)
- **Hours in noticed meetings** (regular and special sessions, executive sessions, budget meetings, consensus building activities, committee meetings, board and commission meetings, meetings called by the mayor, etc.)
- **Legislative and policy development, review, and refinement** (council-initiated legislation, review of city plans, working with staff to better understand or help initiate shifts in policy implementation, etc.)

Response	Time preparing for meetings	Constituent and community services	Hours in noticed meetings	Legislative and policy development, review, and refinement	Other	
<b>How much time per week on average councilmembers should spend on the following five categories in order to provide high-quality community service.</b>	Reading packet materials, emails and calls to staff and colleagues, individual research, meetings with colleagues or council staff, meetings with community members	Reading and responding to constituent emails, holding or attending constituent meetings, attending neighborhood meetings, other public events in your council capacity, etc.	Regular and special sessions, executive sessions, budget meetings, consensus building activities, committee meetings, board and commission meetings, meetings called by the mayor, etc.	Council-initiated legislation, review of city plans, working with staff to better understand or help initiate shifts in policy implementation, etc.	Please explain!	<b>Total Hours</b>
Member A		3	2	5	2	12
Member B		4	3	4	1	12
Member C		3	4	2	4	13
Member D		5	3	4	2	14
Member E		4	3	7	3	17
Member F		4	4	5	4	17
Member G		4	3	6	5 Always on call ...	19
Member H		5	5	6	4	20
Member I		7	7	5	7	26
<b>Average Hours</b>		<b>3.56</b>	<b>3.22</b>	<b>3.89</b>	<b>3.22</b>	<b>16.67</b>

Table 1. Weekly Working Hours for Councilmembers - Survey Responses

The average response for total hours was 16.67 hours (or 42% of a full-time work week), with a response of 12 hours (30% of a full-time work week) at the low end and a response of 26 hours (65% of a full-time work week) at the high end. The median was 17 hours. Like the Mayor and Clerk, Councilmembers serve in a role that is “on call” to a significant degree by its nature. This dimension was not explicitly considered within the survey categories, although one respondent noted this fact and estimated one extra hour per week accordingly. (This response corresponds with Member G in Table 1, and the one additional hour they attributed is accounted for in the 19-hour total for that response.)

Interestingly, while there was considerable variety in responses *within* some categories, the *total* hours were relatively consistent. As noted, the questionnaire was normative and not descriptive. In other words, because the Committee is recommending salaries based on a set of Guiding Principles, the relevant question here was *what is the necessary effort to deliver quality community service*—i.e., what is the necessary effort to align with our values and expectations of Councilmembers.

For the purpose of this survey, the level of expectations and effort were defined by current Councilmembers themselves. This is reasonable based on: (1) it being the statutory responsibility of the Council to set the elected official salaries; and (2) the depth and diversity of experience, perspectives, and longevity among Councilmembers allowing for informed responses. While the Committee supports further inquiry and deliberation on the question of Councilmember expectations in the coming year and beyond, the relative consistency of aggregate hours in the responses provided by all nine Councilmembers gives the Committee confidence in weighing this factor in the Councilmember salary inquiry.

Even so, out of an abundance of caution, the Committee decided to recommend a salary informed (in part) by the *lowest number of hours* given by any Councilmember, namely 12

hours or approximately 30% of a full-time work week. It is important to note here that under IC 36-4-7-2(b), elected officers are not required to report hours worked and may not be compensated based on the number of hours worked. Ordinance 2024-26 does not establish Councilmember compensation based on hours worked. Rather, estimating the minimum requirements to provide quality community service was one factor among multiple factors considered in finalizing a recommended Councilmember salary set at 30% of the Mayor's salary. As with the Mayor and Clerk positions, the Committee arrived at this number through a deliberative process, weighing each of the five Guiding Principles in the Elected Official Compensation Framework and seeking optimal alignment. **For 2025, this leads to a proposed Councilmember salary of \$45,423.**

There are two additional issues worth examining in the context of the proposed salary increases for all elected official positions, which are greater in magnitude for all positions than typically seen through the annual cost of living adjustments.

- First, the Committee reached the consensus view that both the Councilmember and Clerk positions have been significantly undervalued and inequitably compensated based on the nature and responsibilities of the roles within the context of Bloomington city government. Correcting this inequity necessarily requires a more significant adjustment for these positions. (Note, however, that the Mayor's salary is also recommended to increase by \$13,379.)
- Second, the city is in the process of implementing major changes to its compensation structure and classification system, which has led many pay ranges to increase considerably. For example, in 2024 the midpoint for the highest Civil City pay grade was \$117,388, while in 2025 it is \$151,410—a difference of \$34,022. These major changes to our compensation system have led to significant adjustments to the salaries of many positions across city government.

The Committee's recommendations should be reviewed in light of these two conditions.

### Conclusion

The Committee has proposed a process and a proposed outcome rooted in the following Guiding Principles: Accessibility of Public Service; Equitable Pay; Quality Community Service; Informed Decisions; and a Transparent and Documented Process.

As noted, the Committee concluded that the prior method for setting elected official salaries (rooted primarily in the status quo; i.e., what was the salary the previous year?) was *very* poorly aligned with the Guiding Principles of the Elected Official Compensation Framework. Irrespective of what salaries are adopted in Ordinance 2024-26, the Committee hopes Councilmembers will take to heart the process and framework used to recommend elected official salaries and support a clear, values-based approach going forward.

Finally, as part of establishing a transparent and repeatable process in line with the Guiding Principles, the framework document recommends the following steps be conducted annually by a newly constituted Ad Hoc Salary Committee:

- April: Committee validates/updates the Elected Official Compensation Framework
- May-June: Committee gathers and analyzes relevant information

- August: Chair drafts elected official salary ordinance
- October: Ordinance vote and passage

These recommendations reflect the Committee's best effort to establish and document a transparent, repeatable process informed by objective data *and* a set of values we believe are aligned with Bloomington city government and community expectations.