

UNOFFICIAL MINUTES

CITY OF STERLING HEIGHTS
ELECTED OFFICIALS COMPENSATION COMMISSION
WEDNESDAY, FEBRUARY 24, 2021
6:00 P.M.

The regular meeting of the Elected Officials Compensation Commission was held at the Community Center, Community Room, 40250 Dodge Park, Sterling Heights, Michigan.

1. The meeting was called to order by Chairman Davis at 6:01 p.m.

Roll Call

Present: Wayne A. Davis
Robert D. Banta, via conference call, Wilmington, DE
Lori A. Doughty, via conference call, Sterling Heights, MI
Anthony C. Licata
Paskho Ujkic

Absent: Dale R. Deming
Douglas Najor

Also present: Melanie Ryska, City Clerk;
Marc Kaszubski, City Attorney

2. Approval of Agenda
Moved by Ujkic, seconded by Licata, to approve the agenda as presented.

Yes: Banta, Davis, Doughty, Licata, Ujkic
No: None
Absent: Deming, Najor

The motion carried.

3. Approval of the minutes from meeting of February 20, 2019
Moved by Deming, supported by Najor, to approve the minutes from the meeting of February 20, 2019 as presented.

Yes: Banta, Davis, Doughty, Licata, Ujkic
No: None
Absent: Deming, Najor

The motion carried.

4. Communications from Citizens

None.

5. Discussion of Compensation for Mayor and Councilpersons

Chairman Davis opened up the discussion on the compensation for elected officials.

Mr. Banta stated he is in favor of a 2 – 5% increase for the Council and Mayor. Sterling Heights is about \$100 million behind in unfunded pension benefits, they are also millions behind in insurance benefits for employees. The debt for Sterling Heights is almost incalculable with a long list of bonds for sewers, roads, and buildings. Also, the employee unions are getting 2.5-3% raises, historically, increasing elected officials more than that would be disingenuous.

Mr. Banta noted that if the Commission proposes larger than normal increases, Council will reject it because they are too high. He stated that the City has a great Mayor and good Council. They all went into the position knowing the salary and they are not in significant need of income for a part-time job. Mr. Banta does not believe that raising the salary is going to bring any more talented people, noting that they already very talented people.

Mr. Ujkic, echoed Mr. Banta's comments that they have a great Council and great Mayor. He noted however, that he has a different opinion with regard to raises. He has been in favor of raises in the past and he believes he can justify his proposal. He stated he does not recall the City being in a deficit, in fact, the City has a AAA rating. The City is not in crisis and is on track to be one of the best cities in the state. However, he does not believe the City is on track in compensating and rewarding the men and women that make the ultimate decisions on behalf of the residents. He proceeded to discuss his calculations and invited the Commission to weigh in on the numbers.

Mr. Ujkic noted that the Mayors position spends about 30-35 hour/week on city business. Multiply that by 52 weeks equals 1820 hours per year. Take the current salary of \$23,122 and divide by 1820 hours, which equals \$12.70/hour. He does not agree with this rate considering the multi-million dollar developments, such as Lakeside, that are being negotiated. In the Board Room, corporations look at who they are doing business with and they see that they are talking to someone who makes \$12/hour. The level of pay for the job that has to be done is not there.

Mr. Ujkic continued, noting that the Mayor cannot do the job without the Council, the Mayor is just one vote. He believes the City is behind on pay scales because they only give 3 – 5 % increases to the elected officials. That rate of increase can be justified when the pay rate is where it should be. The City of Southfield, which is ½ the size of Sterling Heights pays the Mayor \$48,000, and they do not compare with the progression that is going on in Sterling Heights.

Mr. Ujkic noted that he owns a business and it is just a matter of time that his minimum wage is increased to \$15/hour. So \$12/hour for the Mayor is not right. It was time at the last meeting to give increases. He noted the Commission cannot wait to solve all the City's problems before they can justify raises. He stated that all the Commission members agree that the Mayor and Council do a great job, but they are not willing to give the reward.

Mr. Ujkic stated he believes the Commission should not consider percentage increases, rather the Commission should give a dollar amount raise and go back to percentages after the pay scale is brought up to what other cities pay.

Mr. Ujkic declared he will be proposing two packages. One for the current Mayor and Council and another for the next term. He acknowledged the concern that Council can reject the increase if they find it's not suitable, that is their decision. The raises are being given to the position, not the people. The current Council and Mayor have raised the bar on the position.

Mr. Ujkic stated that after the pay rates are increased, then the Commission can go back to percentages. Or if future Mayors and Councils do not perform, the salary can be decreased. He stated that he does not want to lose this level of qualifications and he wants to continue driving forward.

Moved by Ujkic, supported by Doughty, to recommend an increase in the annual compensation of the Council to \$26,000, effective July 1, 2021 thru December 31, 2021, \$32,500 effective January 1, 2022; increase the Mayors compensation to \$32,000, effective July 1, 2021 thru December 31, 2021, \$44,500 effective January 1, 2022.

Ms. Doughty stated that she agrees with Mr. Ujkic. Since she has been on this Commission, she has seen the position of Mayor and Council evolve into much more full-time responsibilities. They should be compensated for their level of commitment.

Mr. Licata echoed Mr. Ujkic's statements, further noting that the Mayor and Council are always available. He agrees with Mr. Ujkic's recommendation.

Chair Davis stated that Sterling Heights is the third largest City and he referred to the Salary Survey on what other municipalities pay. He inquired if there was a proposal for the second year, beginning July 2022.

Mr. Ujkic noted he is not proposing an increase in July 2022.

Mr. Banta inquired if any other Commission members need to speak. Chair Davis stated that everyone has spoken.

Mr. Banta requested to amend the motion to read \$30,000 for the Council, effective July 1, 2021 thru December 31, 2021, \$40,000 effective January 1, 2022; increase the Mayors compensation to \$40,000, effective July 1, 2021 thru December 31, 2021, \$50,000 effective January 1, 2022.

Mr. Banta stated that it sounds like everyone is on board with giving the Mayor and Council significant raises and he is inclined to go with the majority.

Mr. Ujkic declined the amendment and felt that his proposal is fair.

Chair Davis felt the proposal a bit too much, however, for consensus purposes, he will vote in favor.

Vote on the Motion:

Yes: Banta, Davis, Doughty, Licata, Ujkic

No: None

Absent: Deming, Najor

The motion carried.

Commission members present signed the following Certificate of Determination at the conclusion of the meeting.

**CITY OF STERLING HEIGHTS
ELECTED OFFICIALS COMPENSATION COMMISSION
CERTIFICATE OF DETERMINATION**

Pursuant to City Code Section 2-146, and subject to City Charter Section 5.02, at its meeting on February 24, 2021 the Elected Officials Compensation Commission of the City of Sterling Heights determined that the annual salaries for attendance at regular and special meetings of the City Council by the Mayor and Councilpersons shall be increased as follows:

Mayor: **\$32,000 effective July 1, 2021 thru December 31, 2021**
 \$44,500 effective January 1, 2022
 \$44,500 effective July 1, 2022

Councilperson: **\$26,000 effective July 1, 2021 thru December 31, 2021**
 \$32,500 effective January 1, 2022
 \$32,500 effective July 1, 2022

Such compensation shall be paid bi-weekly. Pursuant to the City Charter, this is the only compensation that may be paid to the Mayor and Councilpersons and no other compensation shall be provided for any other acts taken for or on behalf of the City by the Mayor or a Councilperson.

6. Appointment of Chairman for Commission meeting in 2023

Mr. Ujkic stated Mr. Davis was an excellent chairperson and he has learned a lot from Mr. Davis, however, he feels that a new Chair should be appointed and nominated Ms. Doughty. Ms. Doughty accepted the nomination. No other nominations were made.

Moved by Ujkic, supported by Licata, to appoint Lori Doughty as the Chairman of the Elected Officials Compensation Commission for the next meeting in 2023.

Yes: Banta, Davis, Doughty, Licata, Ujkic
No: None
Absent: Deming, Najor

The motion carried.

7. Old Business.
None.

8. New Business
None.

9. Adjourn
Moved by Licata, supported by Ujkic, to adjourn the meeting at 6:28 p.m.

Yes: Banta, Davis, Doughty, Licata, Ujkic
No: None
Absent: Deming, Najor

The motion carried.

The meeting adjourned at 6:28 p.m.

Melanie D. Ryska, City Clerk