



CITY OF BEND

Council Compensation Review Committee

Work Session

April 17, 2024

City Hall

Background

- Since 2018, Council compensation has been set by BMC Ch. 1.10.040
 - Establishes formula for stipend amounts
 - Provides Council should appoint an advisory committee every 5 years, starting in 2023, to review and reevaluate compensation; and that Council consider the recommendation of the committee, if any, to be implemented after next election cycle
- On August 16, 2023, Council adopted a Resolution creating an independent temporary advisory committee.
 - **Scope: The Resolution directed the committee to 1) consider and recommend an increase in the stipend, and 2) consider health insurance benefits or an alternative**



Background

- Other Resolution 3344 directives for Committee:
 - Take a data driven approach
 - Review and assess whether the current stipend formula remains the best approach to setting council member/mayor compensation
 - Take into account the 2022-23 Council goal of Accessible and Effective City Government, which generally includes removing barriers to participation in city government
 - Consider significant demands placed on the Mayor's time
 - Be mindful of City's budget and fiscal climate of the region, such as cost of living, housing affordability, and cost of childcare



Committee Members

1. Judy Stiegler (Chair) – Former Oregon Legislator
2. Lou Capozzi (Vice Chair) – Retired Communications and HR Professional
3. Chris Cardwell – Retired Compensation Consultant
4. Heather Simmons – Healthcare Payer
5. Deb Schoen – Bend Parks & Recreation District, Board Member
6. Kelly Cannon-Miller – Deschutes County Historical Society, Director
7. David Kline – Behavioral Health Social Worker
8. Stephen Sehgal – Former City of Bend Councilor; DCDA Victim Advocate
9. Kathy Austin – Former City Councilor, Sebastapol, CA; Architect



Committee Process

- Members appointed September 2023
- Met four times between October 2023 and January 2024
- Meetings
 - Policy considerations
 - Duties and time commitments of Mayor and Councilors
 - Compensation data from other Oregon and Washington cities
 - Information about the City's health insurance plan
- Group decided to develop recommendation holistically, after receiving all policy, stipend, and health insurance information presented across meetings



Ethics

Ethics

- Council members may not vote to set their own pay (ORS 244.120).
- Oregon law requires an intervening election so voters decide who is elected to receive the new rate of pay
- Declaration of Potential Conflict of Interest: Eligible Councilors who may run for another term declare a potential conflict of interest when voting.
- Code to take effect in January 2025 for Council seats 1, 2, 3, and 4; and January 2027 for Council seats 5, 6, and 7 (this includes Mayor seat).
- Insurance benefits as part of "official compensation package." Council's formal adoption for themselves is subject to ORS 244.120, per Ethics Commission staff advice. For future council members, same issue of potential conflict of interest.



Policy, Roles & Expectations of Mayor and Councilors, Time Spent

Policy Bases & Considerations

- 2022-2023 Council Goal – Accessible and Effective City Government, which generally includes removing barriers to participation in City government.
- 2023-2025 Council Goals – Advance the City's commitment to equity; expand community engagement with an emphasis on underrepresented community members.
- Recognizing time commitments; personal, family, professional, community.
- Council established a permanent Human Rights and Equity Commission in part to ensure historically marginalized and underrepresented people and communities have equal access to City programs and services and representation in City decision-making.



Roles and Expectations of Mayor & Councilors

General

- Level of involvement and community engagement reflected in Council Rules as liaisons to boards, committees and commissions, quarterly check-ins, roundtable meetings, council subcommittees.
- Community (per state law and new processes) now has access to public meetings through virtual means as well as in-person, and interaction through social media has greatly expanded Council availability and contact.
- Traditional major city issues continue—infrastructure and transportation, land use/planning, water, public safety (fire/police), finance and effective government. In addition, areas that have not been traditional city functions have demanded intense and necessary focus and attention—homelessness, equity and inclusion with an emphasis on underrepresented community members, affordable and middle-income housing, and responding to climate change and resiliency.
- Need to constantly seek funding and resources at the state and federal level, and stay highly engaged with constantly evolving legislative efforts.

Roles and Expectations of Mayor

City Charter and Council Rules (In addition to those for Councilors)

- A voting member of the Council; has all powers of a Councilor in addition to those of Mayor.
- Presiding Officer at Council meetings. Preserves order, enforces Council Rules, determines order of business.
- Appoints members of committees and commissions with consent of Council.
- Signs ordinances and resolutions adopted by Council.
- Serves as political head of the City government.
- May send letter(s) supporting local or federal legislation that is in alignment with Council goals.
- Required to meet regularly with City Manager to determine scheduling and review of agenda items for all Council meetings.
- Council may create subcommittees of Councilors; it is the Mayor's job to prepare agendas for subcommittee meetings with the City Manager.

Roles and Expectations of Councilors

City Charter and Council Rules:

- Required to attend all Council meetings (2x/month) and Roundtable meetings.
- Expected to educate themselves about local government; urged to attend LOC functions.
- Expected to review materials provided in advance of Council meetings. Expected to come to meetings prepared, and ready to make difficult decisions when necessary.
- Act as liaisons to boards, commissions, committees if appointed by the Mayor. Liaisons expected to attend all meetings of their board, commission, or committee.
- When called to, appear before another governmental agency, an organization, or the media and give official statements. And when asked by community members, explain a council action or give opinion about an issue.
- Meet in executive session with City Manager and City Attorney within 30 days' of City's receipt of a notice of intent to sue, or a summons and complaint for damages.
- Set and adopt Council Goals every 2 years; this requires a 1-2 day retreat.
- Appoints City Manager and Municipal Judge.



Weekly Time Spent

- Councilors
 - 25 hours
 - 5-10 hours
 - 5-15 hours
 - 8-20 hours
 - 15-20 hours
 - 20 hours
 - 10-25 hours
- Various Mayors
 - 35-80 hours
 - 15 hours
 - 25-30 hours
 - 10 hours



Outreach: Removing Barriers

Other Oregon Cities: Best Practices

- Pursuant to the Resolution, the Committee reviewed best practices undertaken by other Oregon cities to encourage a wider diversity of people to serve on council.
- Best practices include:
 - Hillsboro: 2022 Resolution increased stipends. Factors considered: stipend increase history; comparisons with other cities; balancing public service with family, professional, & personal commitments; ability to attract diverse set of candidates.
 - Wilsonville: City established DEI Committee in 2021. The Committee has discussed ways the City can make serving on boards, commissions, and committees easier for financially-burdened people, non-English speakers, etc.
 - Beaverton: City runs a leadership development and civic engagement program for emerging immigrant and refugee leaders of color; is a key part of the City's Cultural Inclusion Program to boost engagement of underrepresented communities in City government.



Compensation Data

Current Stipend and Formula

- 2023/2024 Stipend Paid to Mayor and Councilors

	Monthly	Annually
Mayor	\$1,628.34	\$19,540.08
Councilors	\$814.17	\$9,770.04

- Formula
 - Set by Bend Municipal Code Section 1.10.040
 - Council members: 10% of AMI based on HUD calculation method
 - Mayor: 20% of AMI based on HUD calculation method
 - Adjusts automatically every two years beginning January 2021, based on any revision to AMI as calculated and published by HUD for current fiscal year

Stipend Data From Other Oregon Cities

1. Gresham
2. Wilsonville
3. Tualatin
4. Tigard
5. Hillsboro
6. Forest Grove
7. Beaverton
8. Eugene
9. Corvallis
10. Salem
11. McMinnville
12. Medford
13. Ashland
14. St. Helens



City	Annual 2023 Stipends	Health Insurance (Y/N)
Beaverton	Mayor: \$92,800; Councilors: \$14,400	Y
Gresham	Mayor: \$66,194; Council President: \$29,428; Councilor: \$27,040	Y
Tigard	Mayor: \$57,540; Councilors: \$7,551.12	Y
Hillsboro	Mayor: \$48,000; Council President: \$15,600; Councilors: \$12,600	Y
Wilsonville	Mayor: \$30,426; Council President: \$15,213; Councilors: \$11,244	Y
Eugene	Mayor: \$28,495; Councilors: \$19,015	N
St. Helens	Mayor: \$16,659; Council President: \$13,327; Councilor: \$11,106	N
Ashland	Mayor & Councilors: \$10,800	N
Corvallis	Mayor: \$6,720; President: \$5,520; Vice President: \$4,920; Councilor: \$4,320	N
Forest Grove	Mayor: \$3,744; Councilors: \$2,496	Y
Tualatin	None	Y
Salem	None	N
McMinnville	None	N
Medford	None	N

Bend	2023 Annual Mayor: \$19,540.08	2023 Annual Councilor: \$9,770.04
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Deschutes County

- Deschutes County Commissioners' annual salary: \$125,000

Washington Cities

City	Annual 2023 Stipends Council Members with duties comparable to Bend Council Members	Health Insurance (Y/N)
Bellingham	Councilor: \$67,000	Y
Everett	Council President: \$39,172; Councilor: \$30,132	Y
Kent	Councilor: \$36,000	Y
Bellevue	Mayor: \$33,948; Deputy Mayor: \$30,468; Councilor: \$28,728	Y
Auburn	Deputy Mayor: \$23,364; Councilors: \$17,520	Y
Kirkland	Mayor: \$20,665; Councilor: \$16,223	Y
Yakima	Mayor: \$16,500; Assistant Mayor: \$14,100; Councilor: \$12,900	Y
Sammamish	Mayor: \$15,648; Councilors: \$14,004	Y

Bend	2023 Annual Mayor: \$19,540.08	2023 Annual Councilor: \$9,770.04
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City's Health Insurance Plan

Benefit Overview

High Deductible Health Plan (HDHP)

Medical, vision, and Prescription coverage

Underwritten by PacificSource Health Plans

Full-time employees currently pay 10% of the total monthly premium. Benefit-eligible part-time employee premiums are pro-rated according to their regularly-scheduled hours, either at 50% (employees working 20-29 hours per week) or 75% (employees working 30-39 hours per week) of the full monthly premium.

Dental Plan

Underwritten by MODA/Delta Dental

\$2,000 calendar year benefit maximum per covered individual includes \$1,000 one-time orthodontia benefit.



Medical Coverage

High Deductible Health Plan (HDHP)

- Preventative Care
 - Well baby, Preventative physicals, Well women, immunizations
- Professional Services
 - Primary Care Office Visits, Naturopath, Specialists, Surgery, Chiropractic, Acupuncture
- Hospital & Outpatient Services
- Urgent & Emergent Services
- Maternity Services
- Mental Health & Substance Use Disorder Services

Medical, prescription, and vision coverage are bundled with PacificSource Health Plans

Deductible	In-Network	Out-of-Network
Individual/Family	\$2,000/\$4,000	\$4,000/\$8,000

Out-of-Pocket Maximum	In-Network	Out-of-Network
Individual/Family	\$4,000/\$6,850	\$10,000/\$20,000



Council Member Insurance

- Requires City Code Amendment
- Effective the first of the month coinciding with or following date of appointment
- Life Events: Follow IRS Guidelines
- Open Enrollment occurs in June
- Medical Plan Year: August 1 – July 31
- Dental Plan Year: January 1 – December 31



Committee Recommendation

Recommendation Objectives

The Committee sought to make a plan that would be mindful of the City's budget, recognize the time required to serve on the City Council, and would enhance the City's ability to attract diverse and talented elected officials in the future.



Rationale: Compensation Package as a Whole

- Compensation package designed to encourage broader diversity of individuals to serve on the City Council
 - Reduce barriers to participation
 - Make service more financially feasible

➡ Current pay is relatively low and can be an obstacle to this objective

- As Bend has grown, serving on Council has become increasingly time-consuming and complex
 - More complex issues
 - Higher engagement at local, state, regional, and federal levels

➡ Compensation package correlates to these changes

Rationale: Stipend Recommendation

- Amounts: \$50,000 annually for Mayor; \$30,000 annually for Councilors
 - Data-driven basis:
 - 2023 AMI for family of 4 in Bend-Redmond area (\$95,300)
 - Average stipends in OR and WA cities comparable in size to Bend
 - Compensation paid to Deschutes County Commissioners (other local electeds with comparable duties)
- Differential: Mayor stipend vs. Councilor Stipend
 - Different duties and time commitments of Mayor and Councilors
 - Appropriate to measure Councilors' stipends as 60% of Mayor's
- CPI-based annual adjustment: Meaningful compensation should be reflective of changing costs of living in the local area



Rationale: Health Insurance

- 90/10 Cost Split
 - To reduce barriers to participation on City Council
 - The cost of health insurance through City's plan should be as affordable as possible
- Dependent Coverage Option
 - Encourage a broader diversity of individuals to serve
 - E.g. Parents with children
- No alternative payment or benefit for not selecting coverage

Rationale: Annual Health and Wellness Stipend

- \$3,000 annually
 - Help supplement high deductible costs of City's health plan (\$4,000 annual deductible for family plan)
 - Objective: Reduce barriers to participation on Council
 - All Councilors receive it, regardless of whether they elect health insurance
 - ➡ A flexible and useful resource for all Councilors
 - HRAs not available to Councilors, so Committee considered the annual HRA amounts provided to City employees
 - \$2,800 for part-time employees



Recommendation

1. Stipend Increase

	Monthly	Annually
Mayor	\$4,166.67	\$50,000
Councilors	\$2,500	\$30,000

- Formula: Flat amounts with annual adjustment based on CPI
 - Annual adjustment begins January 2026

2. Health Insurance

- Elective coverage for self and dependents
- Contribution rate: 90/10 cost split

3. Health & Wellness Stipend

- \$3,000 annually



All to take effect for existing Council seats after intervening election



Discussion

Accommodation Information for People with Disabilities



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