



General Government & Finance Committee Summary Minutes

Wednesday, March 09, 2011 10:30 AM City & County Building, Room 391

Members Present: Boigon, Brown, Faatz, Lehmann, Robb, Sandoval
Members Absent: None
Other Council Present: Nevitt, Johnson

Committee Staff: Debra Bartleson

Bill Requests

BR11-0118 Approves an amendment to the contract with Patton Boggs to extend the term through December 31, 2011 and to add \$258,000 for federal lobbying on behalf of the City (CE91376-03).

Erin Trapp, Mayor's Office

Councilmember Faatz explained that she requested this item be discussed at committee to evaluate the expenditure out of the General Fund and to understand what benefit the City is getting by this contract.

Erin Trapp, Mayor's Office, reported that Denver received approximately \$180 million of federal funds annually. Office of Economic Development, Denver Human Services, and Mayor's Office of Education & Children are the agencies primarily funded by federal dollars at a rate of 90%, 65%, and 90% respectively. (See attachment.) The federal funding is formula-based and is lobbied for every year. Economic development monies generally come from Community Development Block Grants (CDBG), and these funds are scheduled for substantial reductions this next budget year.

Mike Dino, Patton Boggs, noted that their key objectives are to identify funding opportunities, closely follow and report on key legislative issues impacting the City, assist with strategic planning, and facilitate meetings with external interests to achieve the local goals. He noted that over the last five years, they've assisted in securing various federal funding appropriations, including street improvements,

gang prevention, and airport monies, and helped to assure that projects are submitted to the federal government for grants. In addition, the firm works closely with the Denver metro area congressional delegation to advocate for funding.

Ms. Trapp stated that in 2009, the total contract for federal lobbying activities was \$214,497; 2010 was \$253,000; and if approved for 2011, the total contract cost would be \$218,000. This contract includes lobbying for Denver International Airport, but does not include Denver Housing Authority.

Lauri Dannemiller, City Council, indicated that the State lobbying contract costs were split between the Mayor's Office and City Council.

A motion offered by Councilmember Boigon, duly seconded by Councilmember Lehmann to file a bill to approve the federal lobbying contract with Patton Boggs, carried by the following vote:

AYES: Nevitt, Boigon, Brown, Faatz, Lehmann, Robb, Sandoval(7)

NAYS: (None)

ABSENT: (None)

ABSTAIN: (None)

Presentations

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Elected Officer pay

David Broadwell, City Attorney's Office; Roberta Monaco, Career Service Authority; Lauri Dannemiller, City Council

David Broadwell, City Attorney's Office, said legal requirements of the Colorado Constitution and Denver Charter requires the City Council to establish salaries for the ensuing term of elected Charter officers after January 1 of each year and before the General Election, and prohibits them from increasing or decreasing pay during a term of office.

From 1973 to 2003, Career Service Authority was responsible for conducting a pay survey for elected officials every four years by matching the work to other comparable cities and setting the pay at the median salary. In 2002, voters voted down a proposal to tie Council pay to the Mayor's salary (70% of Mayoral pay). The new elected officer pay process was approved in November 2003. The new elected officer pay is limited to the cumulative increase in the Denver-Boulder-Greeley CPI or the cumulative increase in the mean salary of Career Service employees, whichever is less.

Roberta Monaco, Career Service Authority, reported that the 2011 CPI equaled a cumulative percentage of 6.6% from 2006 to 2010 and the mean of employee pay from the same reporting period was 9.60% (this represents the average of employee cumulative pay increases).

Councilmember Nevitt clarified that the 9.6% increase in employee pay is base-building and does not include merit bonuses. Councilmember Robb reminded the Committee that City employees did not experience pay raises over the last four years because of escalating health costs, furloughs (5 in 2010), and increased contributions to the employee retirement plan. She noted that furloughs are not mandatory for Councilmembers. Ms. Dannemiller stated that some Councilmembers have written checks back to the City to pay for furlough days.

Ms. Dannemiller explained that the pay increase for elected officers would take effect in 2013 with a 3.3% increase and another in 2014 at the same rate. This results in a total difference of \$5,159 by the year 2014 for Councilmembers, a total annual salary increase for all elected officers of \$1,493,506 by 2014. The average per year over four years is \$23,481. (See attachments.)

Councilmember Nevitt reported that Mayor Vidal supports the increase. Denis Berckefeldt, Auditor's Office, said Auditor Gallagher supports what Council decides. Ms. Dannemiller said Clerk & Recorder O'Malley expressed concerns, but would support Council's decision.

Councilmember Faatz indicated she was misquoted regarding how much benefits add to compensation; benefits do not add \$30,000 of value to elected officer pay, but clarified that it is estimated that benefits add 30% more. That figure varies depending on the type of health program that is selected, not to mention the taxes on compensation. She stressed that she does not feel this is a good time to be increasing costs. Mr. Broadwell pointed out that the Charter controls when elected officer pay is discussed and voted upon. He reminded the committee that if Council doesn't increase pay, the base pay will be from 2007, and the growth increase amount will be lost. Councilmembers are not allowed to opt-out of pay increases, pay is implemented uniformly, but they can gift the money back to the City, and waive the raises. By implementing this plan (3.3% increases in 2013 and 2014), the future Council will not be impacted by a four-year gap, said Ms. Dannemiller. The total cost of the salary increase now would be \$93,922.

Councilmember Faatz noted that some budget projections show that in future years there could be a shortfall as high as \$500 million. In her research, the average household income is \$45,000; teachers make an average income of the same, and the Charter does not require Councilmembers to work full-time, and in the 1980's, Councilmembers worked multiple jobs. Councilmember Boigon also opposes the proposed legislation. She indicated that \$500 per student is being taken from classrooms, small businesses are struggling to operate, and the reality of the current economy is why she cannot support the raises at this time.

Councilmember Brown indicated that this vote is a raise for the next council. He noted that the pay proposal equates to .62 cents per hour increase in 2013 and a \$1 per hour increase in 2014. Some Councilmembers feel that they reached a compromise in July 2010 on how best to handle pay increases for elected officers. Councilmember Robb commented that many things have changed since July,

including the estimated shortfall for 2012. Making a decision to decline the raise is a symbolic gesture about the leadership of Council.

Councilmember Johnson said she asked individuals who were running for her Council seat if no raise was a disincentive to run. She noted that the consensus was that they would continue to run for office. The Councilwoman said she does not support the raise and noted that she feels it is about market demand and she does not believe that there will be less qualified people running for office. In addition, her constituents unanimously opposed the proposal and believe the salary is adequate.

Councilmember Nevitt pointed out that the pay raise is an estimated \$94,000 increase over a three year period, and he wondered why they should punish future elected officers with a symbolic gesture not to raise pay. The Councilman said that the Council has worked hard over the years on the Zoning update and other matters and he believes that Council deserves a pay increase. Councilmember Brown added that the entire state needs to have a conversation about pay for elected official noting that the Governor only makes \$90,000. He added that every year he returns money to the General Fund.

Councilmember Nevitt asked for a vote regarding how to proceed. Councilmember Faatz proposed her amendment to remove any salary increase for the next four years. Mr. Broadwell reminded the Committee that a Committee vote is not a vote on the merits of the proposal, but to place the bill before the entire Council.

CB11-0152 AMENDMENT OFFERED to the bill for an ordinance setting the salaries of elected Charter officers for terms beginning July 18, 2011.

David Broadwell, City Attorney's Office; Roberta Monaco, Career Service Authority; Lauri Dannemiller, City Council

A motion was offered by Councilmember Nevitt, duly seconded by Councilmember Faatz to approve an amendment proposed by Councilmember Faatz to forego salary increases for elected officials through July 20, 2015, failed by the following vote:

AYES: Faatz, Robb, Sandoval(3)

NAYS: Nevitt, Brown, Lehmann(3)

ABSENT: Boigon (Councilmember Boigon left the meeting before the vote was taken.)

ABSTAIN: Johnson (Councilmember Johnson is not a voting member of the Committee.)

CB11-0152 A bill for an ordinance setting the salaries of elected Charter officers for terms beginning July 18, 2011.

*David Broadwell, City Attorney's Office; Roberta Monaco,
Career Service Authority; Lauri Dannemiller, City Council*

A motion offered by Councilmember Sandoval to move the bill out of Committee to the entire City Council for a vote on the issue, carried by the following vote (Councilmember Johnson was allowed a vote):

AYES: Nevitt, Brown, Johnson, Lehmann, Robb, Sandoval(6)
NAYS: Faatz(1)
ABSENT: Boigon(1)
ABSTAIN: (None)