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COMMITTEE REPORT
SENATE

FURTHER: JUDICIARY
FINANCE

2/18/85

Date

3/21/85

Mr. President

The Committee on STATE AFFAIRS considered SB 161
relating to compensation of elected officials; efd.

and ~~(a majority of the committee)~~ (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Tim Kelly

MEMBERS HAVING
OTHER RECOMMENDATIONS

NO REC

Chairman

Chairman recommendation

Inflation & Cost of Living

Introduced: 2/18/85
Referred: State Affairs, Judiciary
and Finance

1 IN THE SENATE

BY JOSEPHSON

2

SENATE BILL NO. 161

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to compensation of elected officials; and providing for an effective date."

7

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. AS 24.15.020 is repealed and reenacted to read:

10

Sec. 24.15.020. COMPENSATION OF LEGISLATORS. The Commission on

11

Compensation of Elected Officials shall set the compensation of legis-

12

lators.

13

* Sec. 2. AS 24.15.050 is amended to read:

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Sec. 24.15.050. LEGISLATIVE TRANSPORTATION. A member of the

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legislature is entitled to reimbursement for the expense of moving

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between the legislator's [HIS] place of residence and the capital city

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for the purpose of attending a regular session of the legislature.

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Reimbursement shall be as provided by order of the Commission on

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Compensation of Elected Officials [REGULATIONS COVERING STATE EMPLOY-

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EES ADOPTED BY THE COMMISSIONER OF ADMINISTRATION UNDER AS 39.20.160].

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* Sec. 3. AS 39.20.010 is repealed and reenacted to read:

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Sec. 39.20.010. COMPENSATION OF THE GOVERNOR. The Commission on

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Compensation of Elected Officials shall set the compensation of the

24

governor.

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* Sec. 4. AS 39.20.030 is repealed and reenacted to read:

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Sec. 39.20.030. COMPENSATION OF LIEUTENANT GOVERNOR. The Com-

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mission on Compensation of Elected Officials shall set the compensa-

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tion of the lieutenant governor.

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* Sec. 5. AS 39.20.050 is amended to read:

1 Sec. 39.20.050. EXCLUSIVE COMPENSATION. Retirement benefits
2 established by law and the [THE] compensation fixed by the Commission
3 on Compensation of Elected Officials [LAW] for the governor and
4 lieutenant governor are full compensation [IS IN FULL] for all servi-
5 ces rendered by each of them in any official capacity or employment
6 whatsoever during their respective terms of office, and shall be paid
7 throughout their respective terms of office unless the office becomes
8 vacant.

9 * Sec. 6. The compensation of the governor, lieutenant governor, and
10 legislators established by law on the day before the effective date of this
11 Act shall remain in effect until the Commission on Compensation of Elected
12 Officials has issued an order setting the compensation.

13 * Sec. 7. This Act takes effect on the effective date of an amendment
14 to the Constitution of the State of Alaska creating a commission on
15 compensation of elected officials.

Introduced: 2/18/85
Referred: State Affairs, Judiciary
and Finance

1 IN THE SENATE

BY JOSEPHSON

2

SENATE JOINT RESOLUTION NO. 15

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Proposing an amendment to the Constitu-
tion of the State of Alaska creating a
commission on compensation of elected
officials.

6

7

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9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. Article II, sec. 7, Constitution of the State of Alaska is
11 amended to read:

12 SECTION 7. SALARY AND EXPENSES. Legislators shall receive
13 annual salaries. They may receive a per diem allowance for expenses
14 while in session and are entitled to travel expenses going to and from
15 sessions. Presiding officers may receive additional compensation.
16 Compensation of legislators shall be set by the Commission on Compen-
17 sation of Elected Officials.

18 * Sec. 2. Article III, sec. 15, Constitution of the State of Alaska is
19 amended to read:

20 SECTION 15. COMPENSATION. The compensation of the governor and
21 the lieutenant governor shall be prescribed by the Commission on
22 Compensation of Elected Officials [LAW] and shall not be diminished
23 during their term of office, unless by order of the commission consis-
24 tent with a general law applying to all salaried officers of the
25 State.

26 * Sec. 3. Article XII, Constitution of the State of Alaska is amended
27 by adding new sections to read:

28 SECTION 14. COMPENSATION COMMISSION. There is established a
29 Commission on Compensation of Elected Officials. The commission is

Introduced: 2/18/85
Referred: State Affairs, Judiciary
and Finance

1 IN THE SENATE

BY JOSEPHSON

2

SENATE JOINT RESOLUTION NO. 15

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Proposing an amendment to the Constitu-

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by adding new sections to read:

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29

Commission on Compensation of Elected Officials. The commission is

1 composed of five members appointed by the governor, subject to confir-
2 mation by a majority of the members of the legislature in joint ses-
3 sion. Members serve for terms of six years. The membership shall
4 include at least one business executive, one representative of a
5 nonpartisan voters' organization, one person with experience in public
6 administration, and one representative of a labor organization. A
7 member of the commission may not be employed by the state during the
8 member's term and may not hold an elective state office during the
9 term or within one year thereafter.

10 SECTION 15. POWERS AND DUTIES OF THE COMMISSION. Except for
11 retirement benefits, which shall be established by general law appli-
12 cable to all officers of the state, the commission shall establish the
13 compensation of the governor, lieutenant governor, and members of the
14 legislature, including their salaries, benefits, per diem, and allow-
15 ances, if any. An order of the commission takes effect at the begin-
16 ning of the next fiscal year of the state. The commission shall hold
17 a public hearing in each judicial district before issuing an order
18 that changes the compensation of an elected official. At least every
19 two years, but not more frequently than every year, the commission
20 shall review the compensation of elected officials. The commission
21 shall issue an order with respect to salaries not later than thirty
22 days before the end of the fiscal year.

23 SECTION 16. FINALITY OF ORDER. An order setting the compensa-
24 tion of an elected official is not subject to veto by the governor.
25 An order of the commission is subject to initiative and referendum in
26 the same manner as an act of the legislature. The legislature shall
27 appropriate money to fund the orders of the commission.

28 * Sec. 4. The amendments proposed by this resolution shall be placed
29 before the voters of the state at the next general election in conformity

1 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
2 tion laws of the state.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB161
 Title: Commission on Compensation of Elected Officials
 Sponsor: Josephson
 Requestor: _____
 Date of Request: March 1, 1985

FISCAL DETAIL

Agency Affected: Office of the Governor
 Program Category Affected: Executive Operations
 BRU, Program or Subprogram(s) Affected: Executive Office

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		8.9		9.7		
400 SUPPLIES		7.1		7.8		
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		16.0		17.5		

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		16.0		17.5		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Assumptions: 1) One Commissioner appointed from Juneau, Fairbanks and Nome, 2 from Anchorage. 2) Two meetings held in Anchorage, 1 each in Nome, Juneau and Fairbanks.

Prepared By: Michael A. Nizich Phone: 465-3616
 Division: Administrative Services Date: 3/5/85

Approved by Commissioner: Sandra J. Herman Date: 3/6/85
 Agency: Office of the Governor

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Contractual Services:

Advertising - 3 times in local paper for each meeting
@ \$130/day (5 1/4" x 5") = \$1950.00

Room rentals - 1 @ \$75/day = \$ 75.00
2 @ \$100/day = \$200.00
3 @ \$150/day = \$450.00

\$725.00

Secretarial and transcription services: \$4340.00

Secretarial = \$40/hour x 46 hours (2 4-hour mtgs
+ 4 8-hour mtgs
+ 1 hour each for
set up and take
down) = \$1840.00

Transcription = \$5/page x 500 = \$2500.00

FY 88 estimated using 10% inflation factor.

ALASKA STATE SENATE

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ANCHORAGE, ALASKA 99501
(907) 277-4419

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
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COMMITTEES
BUDGET & AUDIT
HEALTH, EDUCATION & SOCIAL SERVICES
RULES
TRANSPORTATION
SENATE CHAIR, ANCHORAGE CAUCUS

OFFICE OF MINORITY WHIP

SB 141
SJR 15

February 13, 1985

Dear Colleague:

On Monday, February 18, I will introduce a bill and a resolution to establish, by constitutional amendment, the Commission on Compensation of Elected Officials.

I invite you to co-sponsor these measures. A copy of each is enclosed.

The measures have the following objectives:

First, they will take legislators out of the unseemly and misunderstood business of setting our own salaries. The measures are based on a very successful feature of the Anchorage Municipal Charter, where assembly and mayoralty salaries are set by the Commission on Salaries and Emoluments.

Second, they assure a public hearing process, in each judicial district, at least every other year on the issue of gubernatorial and legislative salary.

Third, they eliminate the twin dangers of the existing system -- on the one hand, the possibility of legislative decisions that might be selfish or self-serving; on the other hand, the possibility of attacks that are demagogical and politically motivated upon reasonable decisions regarding salary.

Under the measures, the proposed Commission members would be appointed for six-year terms and would not be removable during their terms. Thus, the Commission would have independence, once appointed, from the Governor and the Legislature.

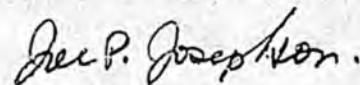
As I see it, the enactment of these measures would not make moot the pending voter initiative proposition scheduled to be on the ballot in 1986. A decision by the voters to repeal the pay increase adopted in 1983 would be compatible with approval of the proposed constitutional amendment.

February 13, 1985
Page Two

Such a decision, would be one of the factors which the members of the Commission could take into account in setting legislative salary. A decision by the voters not to adopt the initiative would also be compatible with passage of the constitutional amendment. One result would be to reduce public passions about the pay repeal initiative by offering a different, depoliticized method of setting salaries, hitherto an insoluble problem. Energies and attention can then be focused on other questions and the critical races that will be on the ballot.

Should you wish to co-sponsor these measures, please advise my office at 4525 this week. If you do not wish to co-sponsor, please give your support, or at least your open-minded consideration, as they proceed through the committee system. I hope you will join me in this effort.

Sincerely,



Joe P. Josephson

JPJ:rak
Enclosures

ALASKA STATE SENATE

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OFFICE OF MINORITY WHIP

COMMITTEES
BUDGET & AUDIT
HEALTH, EDUCATION & SOCIAL SERVICES
RULES
TRANSPORTATION
SENATE CHAIR, ANCHORAGE CAUCUS

MEMORANDUM

To: Senate State Affairs Committee members
From: Senator Josephson
Date: March, 6, 1985
Re: SB 161 and SJR 15 (Elected Officials Compensation Commission)

In order to provide information to the committee on the workings of the Municipality of Anchorage's Salary and Emoluments Commission, which SB 161 and SJR 15 are based on, I have gotten copies made of all Commission minutes since 1975. The minutes from the most recent meeting of the Commission are attached, and I would be glad to make the others available to any committee member.

Thank you for your consideration of these measures.

SALARY & EMOLUMENTS COMMISSION

MEETING OF SEPTEMBER 10, 1984

I. CALL TO ORDER:

The meeting of the Salary and Emoluments Commission was called to order by Chairperson Pamela Gotham at 4:15 p.m. in the Clerk's Conference Room, 4th floor, room 411, Municipal Hill Building.

II. ROLL CALL:

Present: Pamela Gotham, Robert Piazza, Connie Sipe.

Absent: Frank Turpin (excused), Dan Alex (unexcused).

III. MINUTES OF PREVIOUS MEETING:

A. Minutes of August 27, 1984 meeting.

Ms. Sipe moved, to approve the minutes of
Mr. Piazza seconded, August 27, 1984 as stated.
and it passed without
objection,

IV. OLD BUSINESS:

Chairperson Gotham stated that Old Business was the proposed salaries for mayor, assembly and school board.

Ms. Sipe asked if the order could be changed so they could take the school board first, assembly second and mayor last.

Chairperson Gotham agreed to the change and stated the proposed compensation changes would be effective January 1, 1985.

Chairperson Gotham then read Resolution 85-3 (see Attachment A).

Ms. Sipe moved, to adopt Resolution 85-3,
Mr. Piazza seconded,

Chairperson Gotham then opened the public hearing on school board compensation and asked if anyone wished to be heard.

Dr. THERESA OBERMEYER introduced herself and her husband, MR. TOM OBERMEYER. Dr. OBERMEYER stated that she does intend to seek School Board, Seat C (seat vacated by the death of Vi Schellenberg) and that she also ran for the school board in 1980. Dr. OBERMEYER stated she was present to discuss equities between assembly and school board, not so much salaries as reimbursements. The ad in the newspaper, about the proposed salary changes, seemed to state a yearly salary for the mayor where assembly and school board salaries were expenses. She understood this compensation to be for expenses of driving to school board

meetings, driving to parent meetings, driving to work sessions and etc. She asked if this was the commission's philosophy that assembly and school board compensation be for expenses and not salaries or salaries for expenses of the work they do.

Chairperson Gotham stated the commission is not in a position to give a philosophy view. The commission deals with compensation levels for individual positions as stated in the Charter. Compensation as stated would be considered salary.

DR. THERESA OBERMEYER felt the basic issue was equity between the assembly and school board. She felt public service should not be for money at all. The word emoluments does mean profit and she felt there should be no profit for public service. She would serve on the school board if there was no reimbursement at all. The school board members run on an areawide basis and there is something like 144,000 registered voters and 244,000 residents in Anchorage. The assembly members are voted on by individual Assembly sections making their constituent level much smaller. The school board members, which there are seven (7), encompass a much broader area than assembly members, which are eleven (11). The municipality employs roughly 4,000 employees compared to 5,200 employees of the school district. There are 42,000 children in the Anchorage schools and this is continually changing. Additionally, the school board does not have the staff to deal with constituent inquiries and complaints.

MR. TOM OBERMEYER, expert in compensation and benefits, stated the issue is equity between school board members and assembly members. Although the nature of the problems presented to the bodies are different, the individual members are equally competent and qualified to deal with them. He believed the school district had become big business with a larger budget and more employees than the municipality. These facts are quantitative accountability factors which must be weighed when determining compensation. It costs more to run for school board than for the assembly. Being a school board member is very time consuming and compensation should be comparable with the assembly. The assembly consumes 5.6% of the municipality's operating budget, a part of which pays for staff support. There are no such identified costs in the school district budget. Both bodies deserve qualified people who are comparably paid. In response to Chairperson Gotham, he indicated the compensation for school board members should be the same as for the assembly.

DR. THERESA OBERMEYER suggested the board consider replacing expense moneys with medical benefits or retirement benefits rather than a salary increase.

Sue Lindemuth, Manager of Records and Benefits, explained that assembly members are eligible to participate in PERS. The assembly member pays the employee contribution and the

municipality pays the employer contribution. She was unsure whether the same situation existed in the school district.

Chairperson Gotham thank Dr. OBERMEYER for bringing up the point but felt the Salary and Emoluments Commission had no authority in the area of such benefits.

MR. RICHARD MARKEY opposed raises for elected officials. Most have paid to get the job they now hold knowing what the salary was. No one ran for office because of the salary.

MR. JOE GRAHAM, 4107 Minnesota, stated that we ought to pay for what we get. Because of the atrocities of Bartlett and Greuning schools, we should pull those responsible. Since the school board hasn't done such a great job recently, increasing the salary at this time is pure lunacy. It isn't necessary to have a great educational background or great accomplishments to be a good school board member. Most often the exercise of common sense will suffice. He felt school board members should run by district rather than areawide. That approach would decrease the cost of running for office and put the elected official closer to his constituency. The element of public service must be considered when determining compensation. Compensation for the school board members should be less than for the assembly because it is a subordinate body and paid on a per meeting basis with a total compensation of \$500/month.

MR. TOM OBERMEYER felt it was important to attract qualified people to the school board, preferably persons with a background in education. That kind of experience is very valuable in making the kinds of decisions the board is asked to make. It would be nice if such qualifications could be built into the job description.

Chairperson Gotham called the question on the motion to approve the increase for school board (Resolution 85-3) members and it passed by a majority voice vote.

Resolution 85-2 (see Attachment B)

Ms. Sipe moved,
seconded by Mr. Piazza,

that the commission adopt Resolution 85-2 establishing compensation for the Anchorage Assembly in the amount of \$1,725 for the Chair and \$1,400 for other assembly members.

Chairperson Gotham opened the motion for commission's comment.

Ms. Sipe pointed out the salaries for elected officials were last increased in 1981. If one considers the amount of increase over the three year period, it represents only 5% per year, at a time when the cost of living increased at a rate between 5% and 7%

each year. The commission seems to have established a pattern of considering raising salaries only every two to three years. If the pattern persists, the commission will not seriously consider another increase until 1987. If one spreads the increase of a six year period, the salary increase amounts to about a 2.5% increase per year, which at the most, just keeps pace with inflation.

Chairperson Gotham noted that under Proposition 24, any salary increases approved by the Salary and Emoluments Commission means some place somebody is losing those dollars. Public service is a short term commitment, not a long term money making commitment. She then opened the meeting to public comments.

MR. DAVID WALSH urged the commission to keep the assembly salary at the current level. Increasing the assembly members' salaries would mean cutting dollars elsewhere in the budget. Eventhough the increase might be justified, it is large for one year. Increasing the compensation to \$20,000 per year makes it possible for a person to pay his bills, maintain his lifestyle and be totally involved in public service. That becomes the first step towards a full-time assembly. The workload is growing and the assembly may have to consider either becoming full time or adding significant staff support in the next few years. But the level of compensation really doesn't determine the level of dedication of the individual. None of the members are in it for the money. The money does provide minimal compensation for time away from family, expenses that go with the job and compensation for a job well done. If one wanted to set a figure equal to what the job is worth, the salary would be too high. To go to zero, really isn't recognizing the sacrifices people make in order to be a public official. The level should be set considering that (1) it is a part-time salary, and (2) budget constraints as a result of Proposition 24. The current salary level is adequate. In response to Ms. Sipe, he supported the additional money paid to the Chairman of the Assembly because of additional time required to do that job.

MR. TOM OBERMEYER commented according to his calculations, the average salary was \$40,000 to \$50,000 per year. Assembly members should not be short changed as a result of increases to other salaries. He agreed the public did not want full-time assembly members. But it is a consuming job and should be fairly compensated. He noted the cost of campaigning is reaching a point where the average citizen cannot run for assembly or school board.

MR. CHARLES BARGERON stated that being an assembly member is not a full time job. He felt a 15% increase was too much in one year. The public isn't aware the salaries have not been raised for three years. No figures have been presented which show the salaries of similar positions in similar sized cities. Without such information, it is difficult for the public to judge whether the compensation is fair.

ASSEMBLYMEMBER CAROL MASER, 2526 Glenwood, felt the people she represented would object to any of the raises being proposed. The public tends to view assembly members in the same light as the state legislators who recently increased their salaries. The people don't think it is time for raises. It is difficult to sit on the assembly and cut expenditures when the assembly has received an increase in its salary. Being an assembly member is a public service. The position is not sought because of the level of compensation for the job. People run because they feel they can return something to the community. The salary level does not compensate the members for the time spent on municipal affairs. It is important to realize the public does not support this salary increase at this time.

MR. JOE GRAHAM emphasized this is an area where the consumer needs protection. The assembly sets the mill level. The assembly used to sit as a Board of Equalization and set its own salary. Neither of those functions is performed by the assembly now. They are ducking their job. He suggested members be paid \$200 per regular meeting and only for meetings attended. He questioned whether the public was getting its money's worth with the level of service provided by the assembly members, i.e., are packets being read? There are a lot of people who haven't received a raise in salary but that is not reported. Salary surveys often only consider salaries paid by large companies rather than a cross section of wages. He opposed increasing the assembly members' salaries.

MR. CHARLES BARGERON felt the commission should meet every year and consider increasing salaries rather than only consider increases once every three years which makes any increase proposed appear excessive and raise public ire.

MR. RICHARD MARKEY agreed with Mrs. Maser's comments.

Chairperson Gotham called the question on the motion to adopt Resolution 85-2 and it failed by a unanimous voice vote.

The meeting recessed at 5:05 p.m. and reconvened at 5:10 p.m.

Resolution 85-1 (see Attachment C).

Ms. Sipe moved,
seconded by Mr. Piazza,

that the commission adopt
Resolution 85-1 which
establishes compensation for
the Mayor of Anchorage in the
amount of \$80,500 per annum
starting fiscal year 1985.

Chairperson Gotham opened the floor to discussion of the motion.

ASSEMBLYMEMBER CAROL MASER, 2526 Glenwood, felt people sought the position of mayor as a matter of community service. One does not serve the community well by expecting one's salary to continually

be increased. The public in general opposes increases in elected officials' salaries at this time. It is difficult to hold the spending line while accepting increases in pay.

MR. TOM OBERMEYER felt the mayor's salary should be kept in perspective of the average municipal salary. He personally didn't think this particular mayor required additional compensation. He thought the mayor had gone on public record as opposing this increase.

MR. RICHARD MARKEY opposed the pay raise. The morning newspaper reported Mayor Knowles would not accept a pay raise if one were approved by the commission. Mayor Knowles indicated he would give the increase to charity and that is not what the taxpayers have in mind when they pay someone.

MR. CHARLES BARGERON opposed the raise.

MR. TOM OBERMEYER added part of the cause of inflation is government spending on salaries of top government officials.

MR. JOE GRAHAM said the consumers were worried about the big figure increase proposed for the mayor. One shouldn't be overly concerned about the relation of salary strata to job strata. Government is not completely similar to industry. Recently published reports showed that several policemen were paid more annually than the Chief of Police. This decision comes on the heels of the dirty deal of General Motors and Ford Motor Company which gave large raises to executives after jockeying employees into contracts with concession and no pay raises. Government is getting on shaky ground with what it tries to extract from people. He didn't think people were getting what they paid for and the mayor didn't deserve a \$10,000 raise.

MR. DAVID WALSH stated the job of mayor has changed since unification. It is a difficult job and worth the proposed amount of compensation. Traditionally, the mayor has received the highest salary in local government. The result has been salary compression. In the last administration, there were people who wanted to stay in public service but simply couldn't afford to stay. Government can't offer its top executives stock options or offer them very many PERKS at all. Perhaps a little more in salary could have kept those highly qualified people. On the other hand, if the top executive's salary goes up, we can expect the same percentage raise in pay of non-executives. The mayor's salary should go up but not as much as proposed. MR. WALSH felt that perhaps a 5% to 6% increase was reasonable.

Ms. Sipe noted the commission discussed at its last meeting salaries of municipal employees who because of longevity and other factors earn more than the mayor. She stated that Mr. Turpin had asked members of his industry to do an informal study of comparable positions and the results indicated the pay should

be at least \$20,000 more than currently paid. The commission has attempted to look into what other people in similar jobs are paid.

MR. TOM OBERMEYER agreed that salary compression was an important factor to consider. Anchorage is in an escalator role with regard to salaries, especially government salaries. Salaries are not necessarily increasing in relation to other segments of society. There has been a disproportionate increase in government salaries which has created compression at higher levels which may or may not have forced some of the top people out. At some point there will have to be a cap put on salary increases.

MR. JOE GRAHAM agreed the problem of inflation was very bad. The one segment of society which can do something about it is government. Government had better do something about inflation soon.

Chairperson Gotham called the question on the motion to adopt Resolution 85-1 and it failed by unanimous voice vote.

Ms. Sipe moved,
seconded by Mr. Piazza,

that the commission pass a resolution establishing compensation for the municipal mayor at an amount 5% above the current level or \$73,500.

Chairperson Gotham opened the motion to discussion.

MR. RICHARD MARKEY commented a lot of money was spent running for the office of mayor. People don't run for the salary.

Mr. Piazza noted the mayor's salary had not been increased since 1981. Compensation for the position should take into account inflation and whether the amount is adequate for the responsibility regardless of the financial standing of the person who holds the position. Five percent after four years of no increase is on line.

MR. TOM OBERMEYER felt giving the mayor a raise at this time might have undesirable public repercussions especially in light of the budget constraints invoked by Proposition 24. The mayor has publicly stated he does not want an increase.

MR. JOE GRAHAM thought the public felt the budget was overloaded with positions paying \$50,000 per year which are actually worth \$25,000. Part of the job of getting a handle on rising costs of government belongs to the Salary and Emoluments Commission.

Chairperson Gotham called for the vote on the motion to increase the mayor's salary by 5% and it passed:

AYES: Sipe, Piazza.
NAYS: Gotham.

Chairperson Gotham announced the resolution would be numbered Resolution 85-4.

Ms. Sipe moved,
seconded by Mr. Piazza,
and it died,

that consideration of each of
the salaries be placed on next
year's agenda for the Salary
and Emoluments Commission.

MR. TOM OBERMEYER felt the commission should meet more often than once a year. The problem is so great it cannot be dealt with successfully unless the commission meets periodically throughout the year.

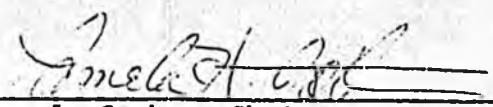
Chairperson Gotham pointed out the Charter provides the commission must meet every two years but prohibits more frequent meetings than every year. In order to change this, it would require a charter amendment approved by the voters. In response to MR. MARKEY, she outlined the Charter requirements for commission composition.

MR. TOM OBERMEYER felt it was important for salaries of elected officials to be reviewed on a frequent basis. In the current situation, very few people with very little information and time set very important salaries.

Ms. Sipe inquired of the Municipal Clerk whether meeting more frequently would work a hardship on the Clerk's office staff. The Charter says the commission cannot consider salaries more frequently than once a year but does not preclude more frequent meetings.

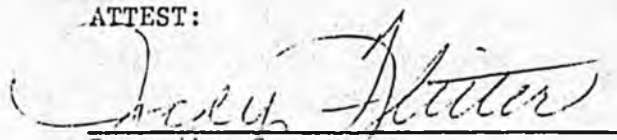
Chairperson Gotham suggested the question be tabled until the commission discussed this with the Municipal Clerk. Chairperson Gotham then ordered a meeting convene in one year and one of the topics of the meeting be consideration of the salaries of elected officials.

The meeting adjourned at 5:45 p.m.



Pamela Gotham, Chairperson

ATTEST:



Recording Secretary



Telegram

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DEAR SIR,

I AM A 32-YEAR-OLD FULL-TIME STUDENT AT A.C.C. I LIVE IN
HOUSE DISTRICT 11 AND I AM A STUDENT SEANTOR ON THE ACCSA.

WE WOULD APPRECIATE YOUR SUPPORT OF SB17 AND SB165 AND
WOULD GREATLY APPRECIATE YOUR SUPPORT TO DEFEAT HB161.

WILLIAM B. WEBB, STUDENT SENATOR, ACCSA

4113 COPE ST

ANCHORAGE AK 99503

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