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# Agenda Item

## 6.5

- Consideration and possible approval of lowering the salaries of the City Council by 7.5% for fiscal year 2010-11
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**City of Sparks  
City Council Agenda Item**

**Meeting Date: March 22, 2010**

**Subject:** Consideration and possible approval of lowering the salaries of the City Council by 7.5% for Fiscal Year 2010-11

**Petitioner:** Ron Schmitt, City Council Member  
Presenter: Shaun D. Carey, City Manager

**Recommendation:** That council consider lowering their salaries for FY2010-11

**Financial Impact:** A 7.5% reduction in Salary for FY 2010-11 by elected officials would save :  
Mayor: \$5,519  
City Council: \$22,077  
Municipal Judges: \$26,187  
City Attorney: \$12,971  
TOTAL SAVINGS: \$66,754

**Business Impact** *(per NRS Chapter 237):*

- A Business Impact Statement is attached.
- A Business Impact Statement is not required because:
  - this is not a rule;
  - this is a rule but does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or expansion of a business;
  - this is a rule but we do not have the authority under federal or state law or under a contract into which we have entered to consider less stringent measures;
  - this is a rule but emergency action is necessary to protect the public health and safety *(requires unanimous vote of Council and cannot be in effect more than six months).*

<b>Agenda Item Brief:</b>	Consideration of lowering annual salary
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**Background:**

City Council Member Ron Schmitt requested an agenda item to review and possibly provide direction on City Council salaries for next fiscal year. The City Manager and

staff are currently working on budget alternatives to address revenue declines of more than 16.7% from the end of fiscal year 2009 to new estimates for fiscal year 2011. The reduced revenues have led to discussions on a two year 15% decrease in salaries for all city employees. The Manager and staff are examining a 7.5% decrease for fiscal year 2011, followed by a 7.5% decrease for fiscal year 2012.

The salary for the City Council is set at 80% of the salary for the Washoe County Commissioners. Since fiscal year 2006-07, the Commissioners’ salaries have increased 4% per year. The following table provides a summary of the authorized salary for the positions of Mayor and City Council as well as information on a 7.5% reduction for next fiscal year.

**City of Sparks Mayor and Council Authorized Salary Schedule**

Title	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	Difference Between FY 07-08 and FY 10-11
Washoe County Commissioners	\$50,153.00	\$52,159.54	\$54,246.06	\$56,415.74	\$58,672.55	12.49%
City of Sparks Mayor	\$50,153.00	\$52,159.54	\$54,246.06	\$56,415.74	\$58,672.55	12.49%
City Of Sparks Council	\$40,122.40	\$41,727.63	\$43,396.85	\$45,132.59	\$46,938.04	12.49%

City Council	7.5% reduction	\$3,520.35
Salary		\$43,417.69
Mayor	7.5% reduction	\$4,400.44
Salary		\$54,272.11

NOTE: The salary reductions have additional savings to PERS and other benefits.

In consideration of the city’s critical financial situation and the 7.5% salary/benefit reduction being requested of all city employees, Council Member Schmitt has requested that the City Council consider reducing their salaries by 7.5% for fiscal year 2010-11. By law, the City Council cannot adjust their salaries for longer than one year; so this issue can be revisited next spring for fiscal year 2011-12. It should be stated that the decrease in salary is voluntary and the individual decision of the Mayor and council members. The motion is to direct the City Manager to proceed with processing the individual decisions of the Mayor and City Council. Each member would be able to adjust salary or benefits to achieve the 7.5% reductions. It would also be necessary to address this matter following the city elections in November for any new positions in the office of Mayor or City Council.

The Municipal Judges and City Attorney are also elected officials who can make voluntary decisions concerning pay for the coming fiscal year. The salary for Municipal Judges is set according to City of Sparks Ordinance 2141, a portion of which is quoted as follows: "The salary of the municipal judges shall be adjusted with the first full pay period following July 1 of each succeeding year. The salary of all municipal judges shall be equal and shall be set by averaging the salaries of the appointed department heads (excluding the highest and lowest salaries) on the first full pay period following July 1 of each year and thereafter adjusted for any cost of living increases afforded to the appointed department heads during that fiscal year. In the event the average is lower than the previous year, the salary of municipal judges shall not be decreased." An Ordinance is also in place to follow the same procedure with a provision that the City Attorney is paid \$5,000 more than the Municipal Judges. It remains an individual decision of these elected officials to participate in the reductions needed citywide for next fiscal year.

If desired, the City Manager will distribute the concession forms to each elected official. Note that the City Manager has already received requests from many of you.

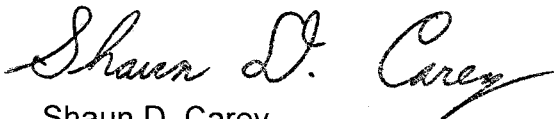
**Recommendation**

That the City Council consider reducing their salaries by 7.5% for fiscal year 2010-11 to help the city in this fiscal challenge

**Suggested Motion**

I move to recommend each City Council member consider reducing his/her salary or benefits for their position by 7.5% for fiscal year 2010-11.

Respectfully submitted,



Shaun D. Carey  
City Manager