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TO: Mountain Village Town Council
FROM: Jaime Holmes, HR Director
DATE: 1/16/2025
RE: Work Session Item: Mayoral and Council Compensation Amendment

Summary

During the October 2024 budget work session, Town Council expressed an interest in reviewing the current Council pay structure in consideration of the duties, responsibilities, and time commitments required to effectively fulfill their roles. In addition, Council asked to see how the current pay structure aligns with comparable municipalities.

Background

Section 3.4 of the Mountain Village Home Rule Charter provides that compensation as paid to persons holding the elected positions of Mayor and Town Councilperson and may be increased or decreased by ordinance and except that salary or other compensation shall not be increased or decreased for the Mayor or Councilperson during their current term of office. Compensation has not been increased since 2015, by Ordinance No. 2015-04, Series 2015.

Mayoral and Town Councilor base wage rates are currently at \$800/month (\$9,600/yr) for the Mayor and \$400/month (\$4,800/yr) for Council members. Currently, Town Council benefits include a basic utility allowance (included in taxable wages), an option to elect Town benefits, including Medical, Dental, Vision, and Life, an option to participate in Town’s 401k and 457b plans (with no Town match), and an option for a ski pass or equivalent earnings (included in taxable wages).

Compensation Comparison

To address the Council’s request, staff engaged Laurie Graves of Graves Consulting to prepare a comparison of Council compensation for comparable municipalities in Colorado using the same methodology used in preparing the staff compensation study. Graves Consulting is a Human Resources consulting firm specializing in Public Sector compensation, culture, leadership and performance management.

The results of this analysis are shown in the table below.

Graves Consulting Council Compensation Study Data					
Position	Resort Market	So Co Market	Denver Market	2024 Full Market	2024 Full Market (w/ 3% Aging)
Mayor	\$21,077/yr	\$9,281/yr	\$29,122/yr	\$24,311/yr	\$25,041/yr
Councilmember	\$13,777/yr	\$7,241/yr	\$16,928/yr	\$14,762/yr	\$15,205/yr

Based on the data provided by Graves Consulting, staff has prepared the following pay structure update recommendation as a beginning point for Council discussions on the matter.

1. The current base pay updated to the 2024 Full Market (w/ 3% aging) in line with the methodology used for the staff compensation study.

- No changes to benefits, however, staff suggests removing the utility allowance as Council members are moved to the new pay structure.

Note: Any changes to compensation and utilities changes would begin to take effect on July 17th, 2025, and will apply to any Council member elected or reelected in the June 2025 election. The new pay structure would be fully implemented after the June 2027 election.

A comparison of the current and proposed pay structures is included in the table below.

Pay Structure Comparison			
Position		Current	Proposed
Mayor	Salary	9,600.00	25,041.00
	Utility Allow.	3,588.96	-
	Ski Pass	1,275.00	1,275.00
	Total	14,463.96	26,316.00
Councilmember	Salary	4,800.00	15,205.00
	Utility Allow.	3,588.96	-
	Ski Pass	1,275.00	1,275.00
	Total	9,663.96	16,480.00

Financial Implications

The table below reflects the projected financial implications of the recommendation discussed above. Council would be fully transitioned to the new pay rates in July of 2027 after the June election. The 2028 data reflects a full year of all council members at the increased rates. The data does not assume annual increases in council pay or other benefits.

	2025 Current Structure	2025 Proposed Structure	2026 Proposed Structure	2027 Proposed Structure	2028 Proposed Structure
Salary	38,400.00	54,007.50	69,615.00	92,943.00	116,271.00
Utility Allowance	25,122.72	19,739.28	14,355.84	7,177.92	-
Ski Pass	9,625.00	9,625.00	9,625.00	9,625.00	9,625.00
Group Health	103,286.00	103,286.00	103,286.00	103,286.00	103,286.00
PERA & Taxes	6,967.13	9,235.78	11,740.71	15,497.59	19,254.48
	183,400.85	195,893.56	208,622.55	228,529.51	248,436.48

Staff requests Council direction on moving forward with adjusting the Council pay structure.