



## Takoma Park City Council Meeting – July 24, 2019 Agenda Item 7

### **Work Session**

Discussion of Council Compensation Committee

### **Recommended Council Action**

Discuss formation of the next Council Compensation Committee, provide direction for recruitment of members, and determine a time frame for appointments and a deadline for submission of a final recommendation.

### **Context with Key Issues**

The Council is to appoint a Council Compensation Committee, comprised of City residents, every four years to review the salaries of the Mayor and Councilmembers and make recommendations to the Council whether or not such salaries should be changed. Any change adopted by the Council takes effect only as to the next succeeding Mayor and Councilmembers.

In 2007, the first Council Compensation Committee recommended that the Council adopt the following Principles of Compensation to guide the work of future Council Compensation Committees. The principles were adopted by ordinance and added to the City Code, Chapter 2.04, Section 2.04.110:

#### *Principles of Compensation.*

*The Council Compensation Committee shall apply the following principles to guide its recommendations:*

- 1. The positions of Mayor and Councilmember are part-time and should be treated that way;*
- 2. Full monetary compensation for the Mayor and Councilmembers is not appropriate;*
- 3. It is appropriate to monetarily compensate the Mayor and Councilmembers to some extent for their work;*
- 4. Monetary compensation creates an obligation for the Mayor and Councilmembers to perform their jobs;*
- 5. Monetary compensation provides status to the Mayor and Councilmembers;*
- 6. The Mayor's salary should be greater than that of Councilmembers; and*
- 7. Compensation for the Mayor and Councilmembers should be comparable to Maryland municipalities of similar size and complexity.*

### **Council Priority**

Fiscally Sustainable Community; Engaged, Responsive & Service-oriented Government

### **Environmental Considerations**

Approved by: Suzanne R. Ludlow, City Manager  
Prepared by: Jessie Carpenter, City Clerk

Posted 2019-07-17

N/A

**Fiscal Considerations**

As of July 1, 2019, the Mayor's annual salary is \$14,771.24. Councilmembers' receive \$11,362.54. The Council is eligible to receive participate in the City's health insurance program on a cost sharing basis, with the City paying 50% of the lowest cost base premium rate for individual coverage.

The last Council Compensation Committee recommended that Council salaries be adjusted on July 1 of each year pursuant to the annual Wage and Salaries Employment Cost Index for State and Local Government calculated as of December of the prior year.

**Racial Equity Considerations**

It has been suggested that the salary and the amount of time required to serve makes it especially difficult for lower income residents to run for elected office in the City.

**Attachments and Links**

Charter and Code Sections related to salaries of the Mayor and City Council

**Section 302 Qualifications and Salary of the Mayor**

(a) The Mayor must have resided in the City for at least six (6) months immediately preceding his/her election, must be at least 18 years of age by the date of his/her election, and must be a qualified voter of the City. The Mayor must maintain his/her principal residence in the City during his/her term of office. If the Mayor changes his/her principal residence from the City, the Mayor's term shall be immediately terminated and the vacancy shall be filled as provided in Section 308 of this Charter. The Mayor is prohibited from holding other publicly elected offices during his/her term of office, and is prohibited from serving on any City board, commission, or other body that has authority to adjudicate or otherwise resolve disputes.

(b) The Mayor, who during his/her term of office is convicted of or enters a plea of nolo contendere to any crime which is a felony or which is a misdemeanor related to the Mayor's public duties and responsibilities and involves moral turpitude for which the penalty may be incarceration in any penal institution, shall be removed from office pursuant to Section 2 of Article XV of the Constitution of Maryland.

(c) The Mayor may receive an annual salary as set from time to time by an ordinance passed by the Council in regular course of business; provided, however, that no change may be made in the salary of the Mayor, either by increase or decrease during the term for which he/she was elected. The ordinance making any change in the salary paid to the Mayor, either by way of increase or decrease, shall be adopted prior to the next municipal election and shall take effect only as to the next succeeding Mayor.

(Res. No. 2013-1, § 1, 5-13-13)

**Section 304 Qualifications and Salary of Councilmembers**

(a) Councilmembers must have resided in the City (and the ward from which they are elected) for at least six (6) months immediately preceding their election, must be at least 18 years of age by the date of their election, and must be qualified voters of the City. Councilmembers must maintain their principal residence in the City and in their ward during their term of office. If a Councilmember changes his/her principal residence from the City or from the ward from which the Councilmember was elected, the Councilmember's term shall be immediately terminated and the vacancy shall be filled as provided in Section 308 of this Charter. Councilmembers are prohibited from holding other

publicly elected offices during their term of office, and are prohibited from serving on any City board, commission, or other body that has authority to adjudicate or otherwise resolve disputes.

(b) Any Councilmember, who during his/her term of office is convicted of or enters a plea of nolo contendere to any crime which is a felony or which is a misdemeanor related to the Councilmember's public duties and responsibilities and involves moral turpitude for which the penalty may be incarceration in any penal institution, shall be removed from office pursuant to Section 2 of Article XV of the Constitution of Maryland.

(c) Each Councilmember may receive an annual salary which shall be equal for all Councilmembers and may be as specified from time to time by an ordinance passed by the Council in the regular course of its business; provided, however, that the salary specified at the time any Council takes office may not be changed during the period for which the Council was elected. The ordinance making any change in the salary paid to the Councilmembers either by way of increase or decrease shall be adopted prior to the next municipal election, and shall take effect only as to the members of the next succeeding Council.

(Res. No. 2013-1, § 1, 5-13-13)

**2.04.100 Salary of Mayor and Councilmembers.**

A. The Mayor shall receive an annual salary of \$13,000.00 through the date on which the Mayor elected in November 2013 is sworn in. For the period from the day following the swearing in of November 2013 until June 30, 2014, the salary shall be \$13,000.00 as adjusted according to the 12-month percent of change in the annual Wage and Salaries Employment Cost Index for State and Local Government calculated as of December 2012, or 0.0%, whichever is greater. Thereafter, the Mayor's salary shall be adjusted on July 1st of each year pursuant to the above index, or 0.0%, whichever is greater.

B. Each Councilmember shall receive an annual salary of \$10,000.00 through the date on which the Councilmembers elected in November 2013 are sworn in. For the period from the day following the swearing in of November 2013 until June 30, 2014, the salary shall be \$10,000.00 as adjusted according to the 12-month percent of change in the annual Wage and Salaries Employment Cost Index for State and Local Government calculated as of December 2012, or 0.0%, whichever is greater. Thereafter, the salary of each Councilmember shall be adjusted on July 1st of each year pursuant to the above index, or 0.0%, whichever is greater.

C. In the event that a staff wage adjustment is suspended due to financial

constraints, adjustments to the salaries of the Mayor and each Councilmember shall also be suspended.

D. The Mayor and Councilmembers shall be paid biweekly in accordance with the City's regular payroll schedule. (Ord. 2015-51 § 1, 2015/Ord. 2012-53 § 1, 2012/Ord. 2007-42, 2007/Ord. 2004-3 (part), 2004)

**2.04.105 Health insurance benefits of Mayor and Councilmembers.**

Effective the day after the Mayor and Councilmembers are sworn in following the November 2013 election, the Mayor and each Councilmember may participate in the City's health insurance program on a cost sharing basis, with the City paying 50% of the lowest cost base premium rate for individual coverage. (Ord. 2015-51 § 1, 2015/Ord. 2012-53 § 1, 2012)

**2.04.110 Periodic review of council compensation.**

A. Council Compensation Committee. The Council shall appoint a committee of City residents, every 4 years beginning with calendar year 2007, to serve as the Council Compensation Committee. The Committee shall review the salaries of the Mayor and Councilmembers and make recommendations to the Council whether or not such salaries should be changed.

B. Principles of Compensation. The Council Compensation Committee shall apply the following principles to guide its recommendations:

1. The positions of Mayor and Councilmember are part-time and should be treated that way;
2. Full monetary compensation for the Mayor and Councilmembers is not appropriate;
3. It is appropriate to monetarily compensate the Mayor and Councilmembers to some extent for their work;
4. Monetary compensation creates an obligation for the Mayor and Councilmembers to perform their jobs;
5. Monetary compensation provides status to the Mayor and Councilmembers;
6. The Mayor's salary should be greater than that of Councilmembers; and
7. Compensation for the Mayor and Councilmembers should be comparable to Maryland municipalities of similar size and complexity.

C. Effective Date of Council Salary Adjustment. Any change in the salary paid to the Mayor and Councilmembers is adopted prior to the next municipal election and takes effect only as to the next succeeding Mayor and Councilmembers as prescribed in Sections 302(c) and 304(c) of the Municipal Charter. (Ord. 2004-3 (part), 2004)