

# Council Compensation Task Force

RECOMMENDATIONS TO CITY COUNCIL



# Report Outline

- I. Task Force Charter
- II. Committee Composition & Working Schedule
- III. Data Collection, Analysis & Discussion
  - A. Current Financial Compensation
  - B. Current Costs to the City
  - C. Council Level-of-Effort Survey
  - D. Compensation Comparisons to other Municipalities
  - E. 2003 Principles of Council Compensation
- IV. Task Force Recommendations
  - A. Updated Principles of Council Compensation
  - B. Compensation Recommendation Based on Updated Principles
  - C. Benefits Recommendations
- V. Additional Considerations and Conclusion

# I - Task Force Charter

The Council Compensation Task Force will review the salary and other compensation for the Mayor and City Council and recommend whether they should be changed. Recommendations will be considered by the current City Council. Any change made to the salary and compensation will be voted on by the current Council and take effect beginning with the Mayor and Council elected in 2020.

## **Questions for Consideration by the Task Force:**

1. Are the principles of compensation still appropriate to guide this and future Compensation Task Forces? What, if any, changes do you recommend?
2. Consider racial equity in the review. Are the salary and level of benefits a barrier to running for office or serving on the City Council in Takoma Park? If so, what do you recommend?
3. Are there non-salary considerations, such as childcare, transportation, administrative support, constituent services, time spent in meetings, etc. that are barriers to service on the Council? If so, what do you recommend?
4. What other recommendations do you have?
5. What should be the salary and compensation for the Mayor and Council to be elected in 2020 and 2022?

# II - Committee Composition & Work Schedule

## Task Force Membership

- Ashleigh Nugent (Ward 2)
- Fred Schultz (Ward 6)
- Kelley Skelton (Ward 6)
- Paul Weeda (Ward 3)
- Bruce Williams (Ward 3)
- Janet Williams (Ward 4)
- Enku Woldermedhin (Ward 4)

## Working Meetings:

- November 25, 2019 at 7:30pm
- December 9, 2019 at 7:30pm
- December 16, 2019 at 7:30pm
- January 6, 2020 at 7:30pm
- January 27, 2020 at 7:30pm
- January 29, 2020 at 7:45 Initial Brief to Council
- February 10, 2020 at 7:30pm
- February 26, 2020 at 7:30pm
- March 16, 2020 at 7:30pm

# III - Data Collection, Analysis & Discussion

## A - Current Financial Compensation

The current council compensation package provides:

- Annual Salary
  - Mayor \$14,771.24
  - Councilmember \$11,362.54
- Health Insurance Cost Sharing
  - The City pays 50 percent of the lowest cost base premium rate for individual and spousal coverage, estimated value of \$10,000.
- Required Deductions
  - Each member must contribute 7 percent of their annual salary to the State Retirement and Pension System of Maryland. Members are vested after 10 years of public service.

# III - Data Collection, Analysis & Discussion

## B - Current Cost to the City

Salary and fringe benefits costs of the seven members of the City Council, as well as other expenses\* related to the activities of the Council.

**July 1, 2018 to June 30, 2019 total costs were \$212,582**

- Salaries and benefits totaled \$112,316.

**July 1, 2019 to June 30, 2020 FY 2020 Budget is \$193,100**

- The current budget allocates \$114,00 to salaries and benefits.

\*includes costs for the City's legislative advocate contract, City Council receptions and events, the \$5,000 scholarship grant to Montgomery College, meals provided during closed sessions and dinner-time meetings, dues for a number of organizations that the Council belongs to, registration for conferences that the Council attends, and race equity training for City staff through Government Alliance on Race Equity.

# III - Data Collection, Analysis & Discussion

## C - Council Level-of-Effort Survey

Data collected and reviewed by the Task Force reflects that the current Council works 20 to 50 hours per week.

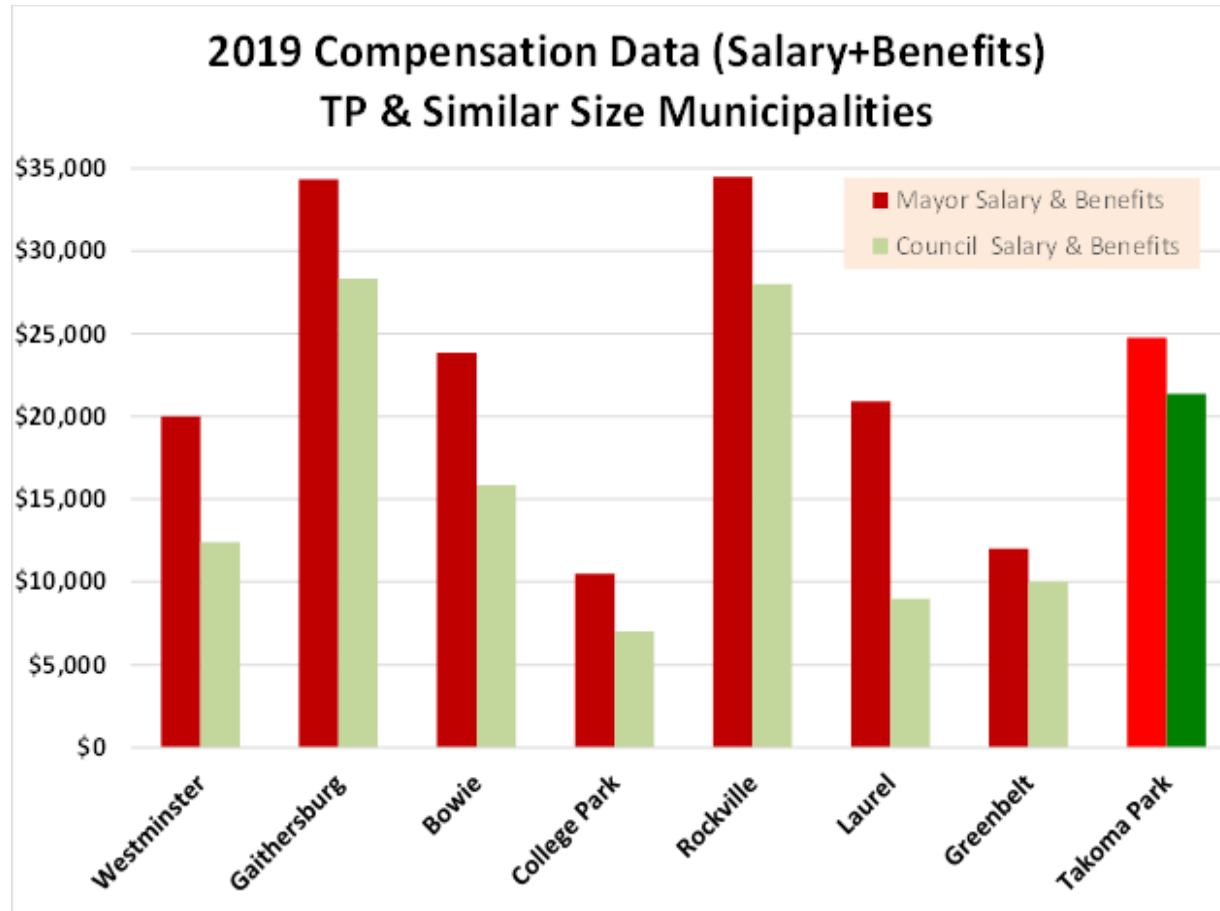
- 5 of 7 members reported regular inputs exceeding 30 hours per week.
- 2 of 7 members reported regular inputs exceeding 40 hours per week.
- 1 of 7 member reported regular inputs of 20 hours per week.

Note: Informal data collection methodology precluded publication of each member's answer.

# III - Data Collection, Analysis & Discussion

## D - Compensation Comparisons to other MD Municipalities

### Municipalities



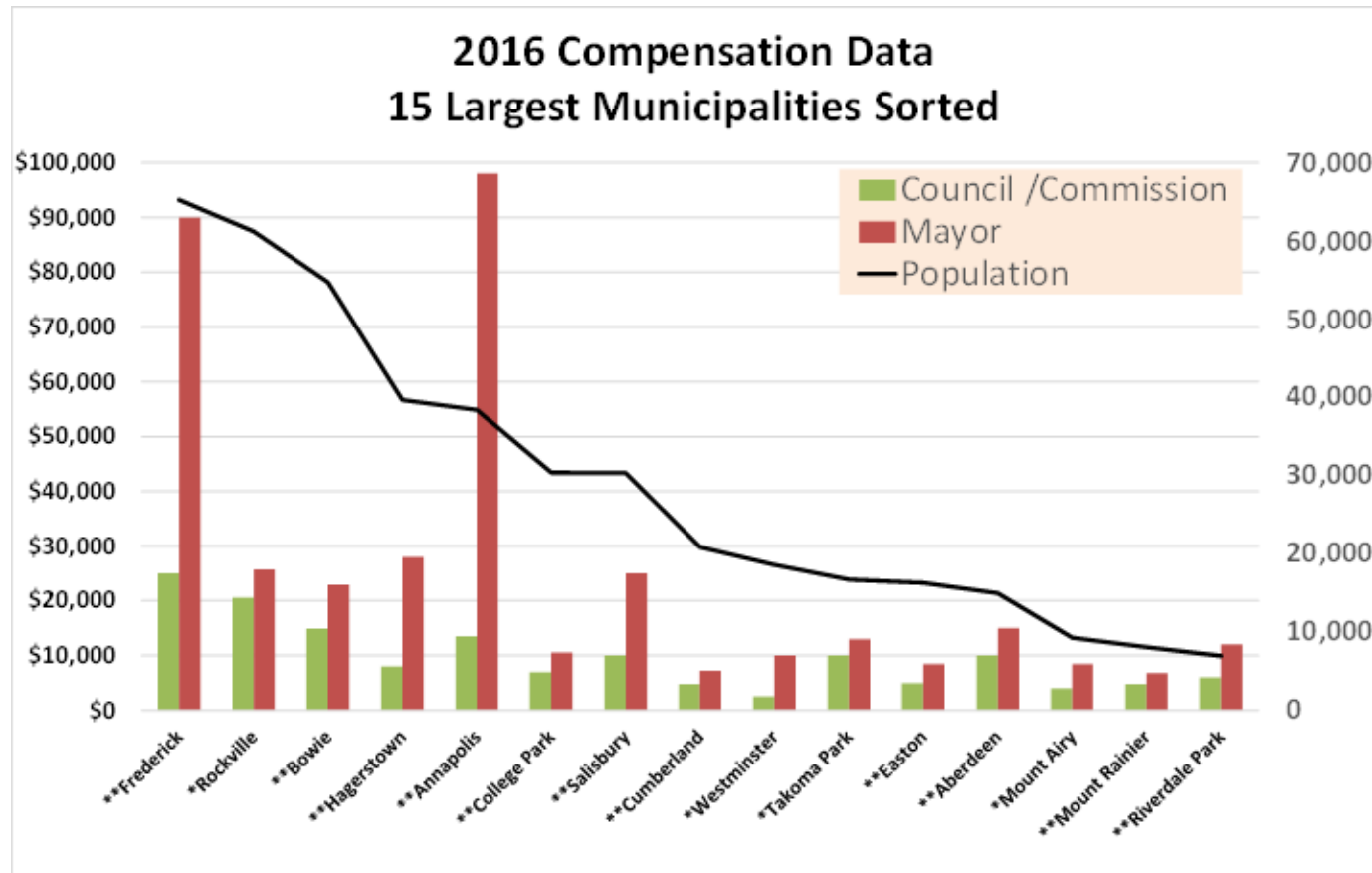
City	Mayor Annual Salary	Council Annual Salary	Insurance Benefits	City	Mayor Salary & Benefits	Council Salary & Benefits
Westminster	\$10,000	\$2,400	Medical & Dental Insurance	Westminster	\$20,000	\$12,400
Gaithersburg	\$30,000	\$24,000	\$4,346 to be used solely for benefits.	Gaithersburg	\$34,346	\$28,346
Bowie	\$23,839	\$15,839	No Benefits	Bowie	\$23,839	\$15,839
College Park	\$10,500	\$7,000	No Benefits	College Park	\$10,500	\$7,000
Rockville	\$34,500	\$28,000	No Benefits	Rockville	\$34,500	\$28,000
Laurel	\$20,900	\$8,997	No Benefits	Laurel	\$20,900	\$8,997
Greenbelt	\$12,000	\$10,000	No Benefits	Greenbelt	\$12,000	\$10,000
Takoma Park	\$14,771	\$11,363	50% of Lowest Base Insurance	Takoma Park	\$24,771	\$21,363



# III - Data Collection, Analysis & Discussion

## D - Compensation Comparisons to other MD Municipalities

### Municipalities



Municipality	Population	Mayor	Council /Commission	Council % of Mayor
**Frederick	65,239	\$90,000	\$25,000	28%
*Rockville	61,209	\$25,750	\$20,600	80%
**Bowie	54,727	\$22,909	\$14,909	65%
**Hagerstown	39,662	\$28,000	\$8,000	29%
**Annapolis	38,394	\$98,000	\$13,500	14%
**College Park	30,413	\$10,500	\$7,000	67%
**Salisbury	30,343	\$25,000	\$10,000	40%
**Cumberland	20,859	\$7,200	\$4,800	67%
*Westminster	18,590	\$10,000	\$2,500	25%
*Takoma Park	16,715	\$13,000	\$10,000	77%
**Easton	16,300	\$8,500	\$5,000	59%
**Aberdeen	14,959	\$15,000	\$10,000	67%
*Mount Airy	9,288	\$8,500	\$4,000	47%
**Mount Rainier	8,080	\$6,800	\$4,800	71%
**Riverdale Park	6,956	\$12,000	\$6,000	50%

**MML MUNICIPAL ELECTED OFFICIALS SALARY AND BENEFITS SURVEY 2016. POPULATION DATA AS OF 2016.**

# III - Data Collection, Analysis & Discussion

## D - Compensation Comparisons to other MD Municipalities

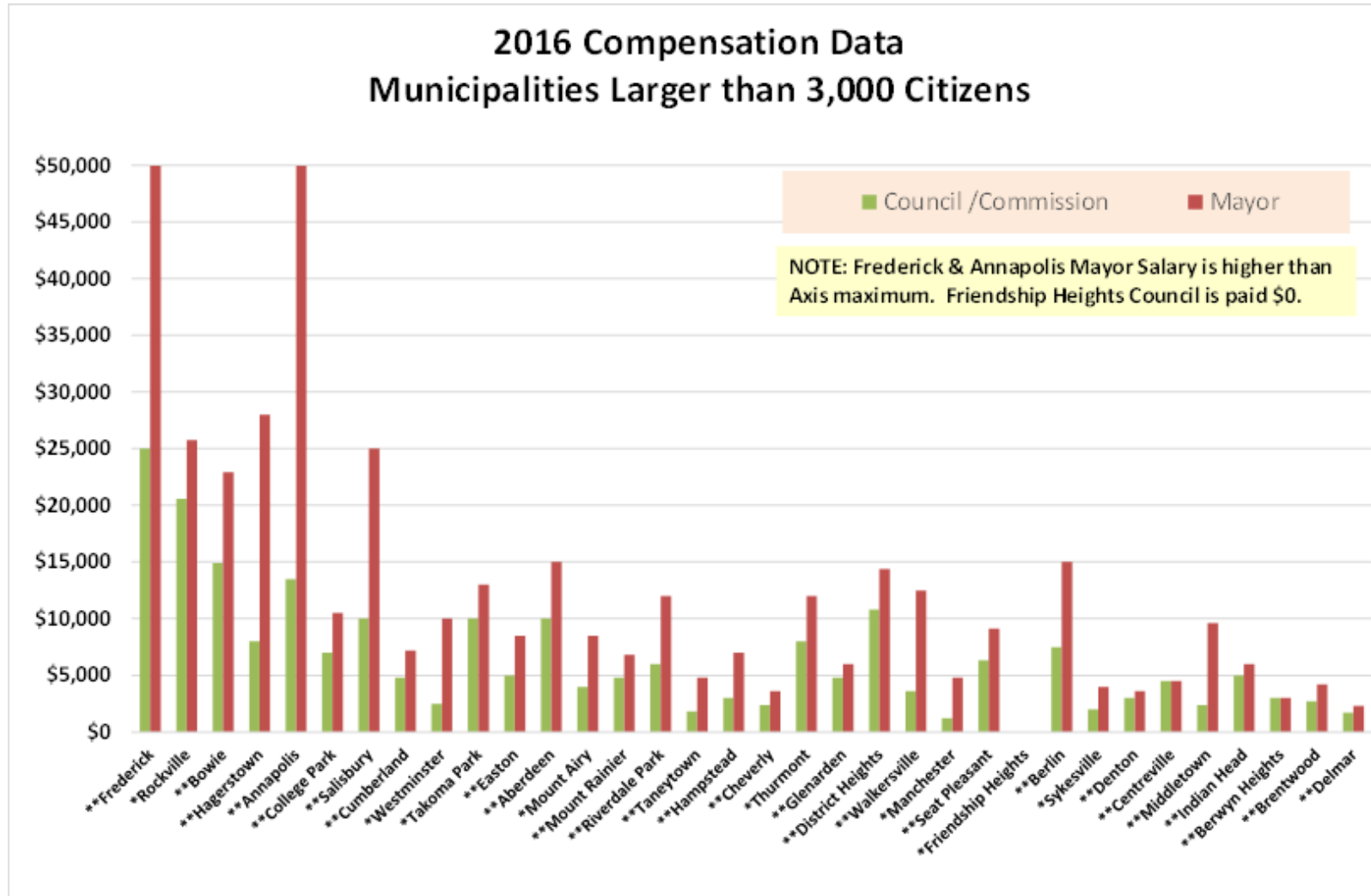
- The City of Takoma Park operates under a council/manager form of government.
- Policy-making and legislative authority are vested in a governing body consisting of seven members (Mayor and six Councilmembers).
- The Council's responsibilities include setting policy, passing ordinances and resolutions, adopting the City's annual budget, appointing members to committees, and hiring both the City Manager and the City Attorney.

\*Frederick and Annapolis have been excluded from comparison as these cities have a mayor that performs the role of the city manager.

# III - Data Collection, Analysis & Discussion

## D - Compensation Comparisons to other MD Municipalities

### Municipalities



# III - Data Collection, Analysis & Discussion

## E - 2003 Principles of Council Compensation

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

# III - Data Collection, Analysis & Discussion

## E - 2003 Principles of Council Compensation

The 2003 Principles are no longer functional for these reasons:

- **“The positions of the Mayor and Councilmember are part-time and should be treated that way”** -The “part-time” distinction sets an unrealistic precedent as the cyclical and unpredictable nature of the Council’s work usually requires more than part-time hours. How Councilmembers “treat” their job is also their decision.
- **The word “status”** – Conferring a specific status on the Councilmembers is done through our public election, and not from monetary payment. The use of the word “status” also seems elitist.
- **Comparability to other municipalities** – The size of Takoma Park relative to other municipalities does not necessarily correlate with the complexity of the work performed by the Council. The Takoma Park constituency is also deeply engaged in local matters adding to the number of hours required by Councilmembers. This principle also does not correlate with the Council’s priority on Engaged, Responsive, and Service-Oriented Government.
- **Equity, to include racial equity, is overlooked** – The Council compensation package does not allow residents of all racial and socio-economic backgrounds to consider public service. The current compensation structure and required time commitment does not allow for a resident to earn a reasonable wage when Council service is combined with another part-time position. Equity requires that the Council compensation package be increased so all residents have a fair opportunity to run for election and serve.

# IV - Task Force Recommendations

## A - Updated Principles of Compensation

**Purpose:** To provide the Mayor and Councilmembers with salary and non-salary benefits to help ensure that all residents have a fairer chance to run for city elective office.

1. The City of Takoma Park is committed to the fair and equitable administration of compensation, which includes salary and benefits.
2. Compensation shall be balanced between the City's financial condition and the service and stewardship provided by the Mayor and Councilmembers.
3. In recognition of the high-quality community-centered services rendered by the Takoma Park City Council, the City should strive to maintain a compensation structure that provides fair and reasonable compensation which need not be comparable with municipalities of similar size.
4. In order to recognize increased responsibility, the Mayor's salary shall be greater than that of the Councilmembers.
5. Council compensation information shall be transparent and easily accessible.
6. Council compensation and the principles shall be reevaluated at least every four years.

# IV - Task Force Recommendations

## A - Updated Principles of Compensation

- Mayor annual salary: \$32,000
- City Council annual salary: \$24,000
- Continue benchmarking to the Employment Cost Index, which should be rounded to the nearest dollar for ease of use in budgeting and payroll.

# IV - Task Force Recommendations

## B – Task Force Benefits Recommendation

- The Council should have access to all the types and categories of benefits provided to full-time City staff.
  - FSA plan, deferred compensation with matching (457 plan).
- The Council should review the percentage the City pays for health insurance and consider more closely matching it to what is provided to full-time City staff.
- The Council should consider providing reimbursement for dependent care (to include children and other dependents) of at least \$2,500 up to the maximum non-taxable amount.
  - Estimating 350 meeting hours per year x \$15 per hour = additional dependent care costs of \$5,250.
- As the City develops new HR benefits and policies, consideration should be given to the Council eligibility.
- The Council should develop a menu of available benefits so that individual members can choose elements most suited to their needs, within the constraints of the available budget.
- Given the high cost of health insurance, the budget available for each Councilmember's benefit package should be greater than the base cost of insurance.



# V – Additional Considerations

The City should continue to consider additional methods promoting public service, including:

- Identifying alternate venues and networks to publicize committee openings.
- Publicizing tools to help assist first-time candidates. Such tools include Emily's List, NCIL, Collective PAC, and BLUE Institute.
- Creating Takoma Park-specific tools or trainings on public service.
- Establishing public campaign financing for candidates who can demonstrate broad public support via grants (similar to the Connecticut Citizens' Election Fund) or small-donor matching funds(similar to the New York City voluntary Campaign Finance Program ), which can help promote equal access to resources.

# V – Conclusion

In order to effectively deliver critical services to all residents, the City government, its committees, and staff, should be reflective of all residents of Takoma Park. By increasing Council compensation to a reasonable and livable rate, the City unilaterally creates opportunities so all residents have a more equal opportunity to participate.

Equity has been our primary guiding principle. Above all, we hope our recommendations will help the City Council to look more like Takoma Park. Serving on the City Council is virtually a 24/7/365 commitment. Literal hours worked vary greatly from week to week and among Councilmembers, who have no assigned staff to assist them. In examining comparable municipalities, we've chosen to give this data little weight as Council workload has less to do with population size and more to do with residents' expectations that Takoma Park always be at the forefront of progressive issues.

All seven Commission members give their full backing to these recommendations and justifications. These did not come easily. We spent many hours exploring ideas and ironing out differences. All of us feel honored in the City Council's entrusting us with this complex and rare assignment. We hope we have established a set of principles that will prove useful for future city councils. Profuse thanks go to City staff members who helped us greatly on technical issues.