



City of Takoma Park

Council Compensation

Council compensation is driven by the City Code

- *Section 2.04.100 –Salary:*
- (A) - ...the Mayor's salary shall be adjusted on July 1st of each year pursuant to the above index (Employment Cost Index for State and Local Government), or 0.0%, whichever is greater.
- (B) – ...the salary of each Councilmember shall be adjusted on July 1st of each year pursuant to the above index (Employment Cost Index for State and Local Government), 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.

- *Section 2.04.105 –Health insurance benefits:*
- . . . the Mayor and Councilmembers 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.



Council compensation committee

- *City Code Section 2.04.110* – Periodic review of council compensation.
- (C) Any change in the salary paid . . . takes effect only as to the next succeeding Mayor and Councilmembers. . .
- (B) Council Compensation Committee. . . shall review the salaries of the Mayor and Councilmembers and recommend to the Council whether such salaries should be changed, as well as review the principles of compensation.
- The current compensation committee was appointed in November, 2019, and their recommendations were presented to City Council on April 22, 2020.



Council's current salaries and benefits

Salaries – adjusted each July 1 by the ECI:

- Mayor - \$15,413.05
- Councilmembers - \$11,856.24

Benefits:

- Health, dental, and vision plans, with the premiums split at 50% for the City and Council (annual benefit of \$5,000 to \$13,000 depending on benefit amount)
- Participation in Maryland State Retirement (mandatory)
- Optional participation in 457 deferred comp, with City match up to 2% of salary
- Optional access to tax free flexible spending accounts for eligible medical expenses or child care, via payroll deduction

The City's current total compensation package (salary plus benefits) puts us in the top three of all neighboring jurisdictions.



Council compensation committee recommendations (2020)

- Update the Principles of compensation – (completed by Council)

Salaries:

- Mayoral salary increase from \$14,771 to \$32,000
- Councilmembers salary increase from \$11,362 to \$24,000
- Continued use of ECI

Benefits:

- Access to all benefits that other employees have
- Change the percent paid for health insurance to be 80% paid by the City
- Dependent care subsidy of \$7,750
- Any new benefits to City employees should be available to councilmembers
- Allow councilmembers to chose from menu of benefit options within a specific dollar amount
- Have benefit package be greater than cost of health insurance



Neighboring jurisdictions salaries and benefits

<u>Jurisdiction</u>	<u>Mayor</u>	<u>Councilmember</u>
Rockville*	\$34,983	\$28,392
Gaithersburg*	\$30,000	\$24,000
Bowie*	\$24,460	\$16,461
Laurel	\$20,000	\$13,750
Takoma Park		\$11,856
Hyattsville*	\$16,151	\$10,809
Takoma Park	\$15,413	
Greenbelt	\$12,000	\$10,000
Riverdale Park	\$12,000	\$6,000
College Park	\$10,500	\$7,000
Mount Rainier	\$10,000	\$7,500
New Carrollton	\$9,600	\$6,000

*Rockville, Gaithersburg, Bowie, and Hyattsville have the option to elect insurance, but Councilmembers must pick up the total cost of the premiums.



Options and Recommendations

The current Council has the option to adjust the salary and benefits of the next Council. Possible options are:

- Option 1 – Recommended
 - Change salary levels to \$20,000 (Mayoral) and \$16,000 (Councilmembers)
 - Increase the insurance benefit to be consistent with that of full-time non-exempt employees,
 - Individual coverage is paid by the City at 100%,
 - Spousal or family coverage is paid by the City at 80%(This additional annual benefit is between \$9,000 and \$22,000 depending on coverage level)

- Option 2
 - Change salary levels to amount specified by Committee, \$32,000 (Mayoral) and \$24,000 (Councilmembers)
 - Increase the insurance benefit to be paid by the City at 80% for all levels of coverage

- Option 3
 - Keep the status quo, where salary increases are set by the ECI percentage
 - Insurance coverage is paid by the City at 50% for all coverage levels



Questions and Discussion

