

Regular Meeting

Agenda Item #	3
Meeting Date	October 12, 2015
Prepared By	Jessie Carpenter City Clerk
Approved By	Suzanne Ludlow City Manager

Discussion Item	First Reading Ordinance Amending the Benefits of the Mayor and Councilmembers of the City of Takoma Park to Take Effect for the Next Succeeding Mayor and Council
Background	<p>The 2015 Council Compensation Committee submitted its recommendations to the City Council on September 28, 2015. The recommendations included:</p> <ol style="list-style-type: none"> 1. The TPCCC recommends that Council keep the current salary and benefit structure. 2. The TPCCC recommends an automatic annual update to the Mayor and Councilmember salaries based on the Employment Cost Index (ECI). 3. The TPCCC recommends that Council offer the City-sponsored Dependent Care Flexible Spending Account Plan. 4. The TPCCC recommends that Council publish information on the Council compensation package annually, immediately after the annual inflation adjustment in the City newsletter, website, and any other appropriate modes of communication regularly used by the City. 5. The TPCCC recommends that Council consider whether salary and benefits present a barrier to greater citizen participation in elections for Mayor and Councilmembers. <p>The Council has considered the recommendations. The draft ordinance presented for first reading maintains the current salary and benefit structure including the automatic annual update to the salaries based on the Employment Cost Index. The City Attorney was asked to evaluate whether continuation of the automatic annual conforms to the requirements of the City Charter. Because the annual salary adjustment mechanism is automatic and is not voted on by the public officials whom it affects, it does not violate the provisions that bar in-term compensation increases for public officials.</p> <p>The Council also considered the recommendation to offer the City-sponsored dependent care flexible spending account (FSA) option to members of the Council. The dependent care FSA would enable the participant to contribute pre-tax funds to an account that can be used to pay qualified dependent care expenses. A question was raised as to whether or not the City could, or should, provide a matching amount. The Human Resources Director contacted the City's insurance broker for information. She was advised that the City can offer the dependent care FSA to Council as it would any other benefits it wishes to extend to staff.</p>
Policy	Takoma Park Code, Chapter 2.04, Section 2.04.110 Periodic review of council compensation:

	<p>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.</p> <p>B. Principles of Compensation. The Council Compensation Committee shall apply the following principles to guide its recommendations:</p> <ol style="list-style-type: none"> 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. <p>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.</p>
<p>Fiscal Impact</p>	<p>As per the recommendation of the last Compensation Committee, the current compensation of the Mayor and Councilmembers is as follows:</p> <p>Mayor: \$13,500.24</p> <p>City Councilmembers: \$10,384.66</p> <p>The salaries are adjusted on July 1 of each year 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 of the prior calendar year or 0.0%, whichever is greater.</p> <p>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.</p> <p>The addition of the dependent care FSA would have no fiscal impact since it is paid for by the employee with pretax dollars.</p>
<p>Attachments</p>	<p>Draft ordinance.</p>
<p>Recommendation</p>	<p>Consider and vote on the ordinance at first reading.</p>

**Special
Consideration**

To change the salary paid to the Mayor and Councilmembers, an ordinance must be adopted before the election. With the current meeting schedule, this means that second reading would have to take place on or before October 29.

Introduced by:

First Reading:
Second Reading:
Effective Date:

CITY OF TAKOMA PARK, MARYLAND

ORDINANCE NO. 2015-

An Ordinance Amending the Benefits of the Mayor and Councilmembers of the City of Takoma Park to Take Effect for the Next Succeeding Mayor and Council.

WHEREAS, the *Municipal Charter of the City of Takoma Park* (“Charter”), Article III, Sections 302(c) and 304(c) authorize the Council to establish the salaries of the Mayor and Council by ordinance; and

WHEREAS, Article III, §35 of the Maryland Constitution provides that “the salary or compensation of any public officer [may not] be increased or diminished during his term of office except those whose full term of office is fixed by law in excess of 4 years”; and

WHEREAS, in conformance with Article III, §35 of the Maryland Constitution, Charter Sections 302(c) and 304(c) provide that “that no change may be made in the salary paid to the Mayor and Councilmembers, either by way of increase or decrease, during the term of office for which he/she was elected; and

WHEREAS, by Ordinance 2012-53, effective on December 3, 2012, the Council provided that the salary paid to the Mayor and Councilmembers, beginning with the Council elected following the November 2013, municipal election, shall be adjusted annually as of July 1st of each year by the annual Wage and Salaries Employment Cost Index for State and Local Government; and

WHEREAS, the annual salary adjustment mechanism enacted by Ordinance 2012-53 took effect only as to the next succeeding Mayor and Council; and

WHEREAS, because the annual salary adjustment mechanism is automatic and it was not voted on by the public officials whom it affects, it does not violate the provisions barring in-term compensation increases for public officers; and

WHEREAS, in accordance with *Takoma Park Code* section 2.04.110 (Periodic review of Council compensation), a Council Compensation Committee was appointed in 2015 to review the salaries of the Mayor and Councilmembers and make recommendations to the Council whether or not such salaries should be changed; and

WHEREAS, the Takoma Park Council Compensation Committee (“TPCCC”) submitted a report to the Council with its 2015 Recommendations, including:

1. The TPCCC recommends that Council keep the current salary and benefit structure.

2. The TPCCC recommends an automatic annual update to the Mayor and Councilmember salaries based on the Employment Cost Index (ECI).
3. The TPCCC recommends that Council offer the City-sponsored Dependent Care Flexible Spending Account Plan.
4. The TPCCC recommends that Council publish information on the Council compensation package annually, immediately after the annual inflation adjustment in the City newsletter, website, and any other appropriate modes of communication regularly used by the City.
5. The TPCCC recommends that Council consider whether salary and benefits present a barrier to greater citizen participation in elections for Mayor and Councilmembers.

WHEREAS, the Council accepts the recommendation that the current salary and benefit structure be retained as set forth in *Takoma Park Code* section 2.04.100 (Salary of Mayor and Councilmembers); and

WHEREAS, the Council further desires to retain the automatic annual update to the Mayor and Councilmember salaries based on the Employment Cost Index, as set forth in *Takoma Park Code* section 2.04.100, but finds that a Charter amendment is not required; and

WHEREAS, the Council agrees with the recommendation that information be published on the Council compensation package.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, that:

SECTION ONE. The *Takoma Park Code* is amended as follows:

2.04.105 Health insurance and dependent care flexible spending account plan benefits of Mayor and Councilmembers.

A. 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.

B. Effective with the first enrollment date following the November 2015 election, the Mayor and each Councilmember may participate in the City's dependent care flexible spending account plan.

SECTION TWO. The City Manager, or her designee, shall publish information on the Council compensation package annually, after the annual inflation adjustment, in the City newsletter, website, and any other appropriate modes of communication regularly used by the City.

**ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK,
MARYLAND, THIS ____ DAY OF _____, 2015, BY ROLL-CALL VOTE AS
FOLLOWS:**

AYE:

NAY:

ABSENT:

ABSTAIN:

EXPLANATORY NOTE

Additions to the existing language of the *Takoma Park Code* are shown by underlining.

~~Deletions~~ to the existing language of the *Takoma Park Code* are shown by ~~strikeout~~.

* * * * indicates language of the *Takoma Park Code* which is not reproduced in this Ordinance and which is not being changed.

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