

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

July 23, 2007

CALL TO PODIUM:

Fred Felton
Assistant City Manager

RESPONSIBLE STAFF:

Fred Felton
Assistant City Manager

AGENDA ITEM:

(please check one)

<input type="checkbox"/>	Presentation
<input type="checkbox"/>	Proclamation/Certificate
<input type="checkbox"/>	Appointment
<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Historic District
<input type="checkbox"/>	Consent Item
<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	Resolution
<input type="checkbox"/>	Policy Discussion
<input type="checkbox"/>	Work Session Discussion Item
<input checked="" type="checkbox"/>	Other: From Staff

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Guidance on a Memorandum Dated July 19, 2007
 Concerning the Planning Commission's Stipend

SUPPORTING BACKGROUND:

Staff will be seeking guidance on the attached memorandum.

DESIRED OUTCOME:

Provide guidance to staff.

MEMORANDUM TO: Mayor and City Council

VIA: David B. Humpton, City Manager *DH*

FROM: Frederick J. Felton, Assistant City Manager *FJF*

DATE: July 18, 2007

SUBJECT: Planning Commission Stipend

As you will recall, the Ad Hoc Mayor and Council Compensation Review Committee's final report dated June 14, 2007 included a recommendation that the Planning Commission's annual stipend be increased from \$1,500 to \$3,000 effective July 1, 2007; however, this issue was not discussed by the Mayor and City Council when the Compensation Committee presented its report on June 18, 2007.

For your review, I have attached a copy of the Committee's report. All the other recommendations of the Committee are being considered during a public hearing on a proposed Charter Amendment during the Mayor and City Council meeting on July 23, 2007, but increasing the stipend does not require a Charter Amendment.

I will be seeking guidance as to whether the Mayor and City Council concur with the Committee's recommendation during the July 23, 2007 meeting. If you have any questions or want to discuss this matter, please let me know.

FJF/ms
Attachment

Final Report of the Ad Hoc Mayor and City Council
Compensation Review Committee
June 14, 2007

Background

On April 9, 2007 the Mayor and City Council approved a resolution establishing the Ad Hoc Mayor and City Council Compensation Review Committee (known as "Compensation Committee"). The resolution asked the Committee to "review information and data concerning the compensation of elected officials of other jurisdictions in the region and the work load of the Mayor and City Council, and to provide recommendations to the Mayor and City Council as to whether any adjustments are appropriate by June 30, 2007."

An Ad Hoc Committee appointed in June of 2004 reviewed this issue previously and provided a report to the Mayor and City Council in September of 2004. The key recommendations in 2004 were to increase the City Council's salary from \$6,000 to \$10,000 a year as new terms are created by City elections and to increase the Mayor's salary from \$7,500 a year to \$12,500 a year. While not included in its charge, the 2004 Ad Hoc Committee also recommended that the Planning Commission's stipend be increased from \$240 a year to \$1,500 per year effective July 1, 2005. The Mayor and City Council unanimously accepted the Committee's recommendation, and after a public hearing, a charter amendment to implement these recommendations was formally adopted on March 21, 2005.

Committee Process

Three of the four members of the Committee had served on the 2004 Compensation Committee and were very familiar with the issues. They were also familiar with the Mayor and Council's official responsibilities, ceremonial duties, and the informal and volunteer activities that the Mayor and Council undertake on behalf of the City. The Committee met on three separate occasions: May 9, May 16, and May 30, 2007, with a quorum present at each meeting. The meetings were noticed and open to the public. The minutes of each meeting were posted on the City's website as soon as practical after each meeting. No members of the public, except the press, attended any of the meetings.

In order to fulfill their charter the Committee reviewed and discussed the following documents:

1. The September 28, 2004 Compensation Report w/attachments developed by the previous Gaithersburg committee

2. Salary Survey of Maryland Local Governments dated December 2006
3. City of Rockville Memorandum dated April 24, 2007
4. City of Rockville Compensation Commission Report dated March 30, 2007
5. Maryland Cities Comparative Table
6. Virginia Cities Comparative Table
7. FY04 Mayor and City Council Activities

The discussions of the Committee focused on four topics:

1. When future salary increases, if any, should go into effect
2. The amount of the salary increase
3. Inclusion of a stipend increase for the Planning Commission
4. How often such committees should be established in the future

Timing of Future Salary Increases

State law prohibits a sitting Council from approving a salary increase for itself. In the past, increases went into effect subsequent to an election. Since Gaithersburg has staggered terms for its Council members it is typical that sitting Councils may have different salaries, e.g., currently three Council members receive \$6,000, while two receive \$10,000. The three Council members who are elected at the November 2007 election will receive \$10,000. To eliminate this discrepancy, it was suggested that any recommendations for salary adjustments the Committee recommends should all go into effect at the same time. As a result of the Committee's deliberations, it was proposed that the earliest this could be achieved would be subsequent to the November 2009 election in order to adhere to the State law.

Mayor and Council Salary Increases

The Committee reviewed several documents while deliberating the amount of salary increase that they would consider appropriate, if any. The documents were the reports from the City of Rockville (verified by Gaithersburg staff), compensation survey of jurisdictions from the Institute for Government Service and Research, salary comparative tables prepared by Gaithersburg City staff, and a survey of Mayor and City Council official activities and workload conducted in FY04. Though the Committee did not believe that Mayor and City Council duties have changed significantly since 2004, they requested that staff requests the Mayor and City Council verify that there were no changes to the listing. The Mayor and Council subsequently verified the list.

During their deliberations, the Committee noted that the position of Mayor of Gaithersburg is not full-time so that the salary should not be directly compared to

cities with full-time Mayors, such as Frederick, Annapolis, and Baltimore City. The Committee did note that the salary of the Gaithersburg Mayor was significantly lower than comparable city jurisdictions such as Rockville, Ocean City, Laurel, and Hagerstown.

With respect to Council salary, the Committee noted that Gaithersburg Council members' salaries are significantly lower than Rockville, Frederick, Annapolis, Alexandria, and Manassas.

Based on these comparisons and knowledge of the Mayor and Council's activities, the Committee unanimously agreed that it was appropriate to recommend salary increases for the Mayor and City Council; however, they did not believe it was necessary to try to match other jurisdictions given the Gaithersburg Mayor and Council have been historically conservative when approving salary increases. The Committee realizes that Gaithersburg's elected officials did not choose to run for office for financial gain, but nonetheless believes that their compensation should be reasonably approximate to other similar jurisdictions.

The Committee ultimately voted to recommend that the Mayor's salary be increased from \$12,500 to \$18,500 and that the Council's salary be increased from \$10,000 to \$15,000 effective November 2009.

Further, the Committee believes that a limited incremental salary increase should be programmed to account for increased responsibilities, workload, comparability, and inflation. After some discussion about basing these increases on the Consumer Price Index, the Committee determined that a fixed increase of \$500 per year should go to the elected officials in 2010, 2011, and 2012, respectively. This would bring the salaries to \$20,000 for the Mayor and \$16,500 for Council members in 2012.

Planning Commission Stipend

The Committee noted that the 2004 Compensation Committee recommended an increase in the Planning Commission's stipend even though consideration of Planning Commission compensation was not included in their charge from the Mayor and City Council. The current Committee agreed that they would again review the Planning Commission stipend and provide a recommendation to the Mayor and Council, if they determine an adjustment is appropriate.

The Committee recognizes that the Planning Commissioners do not participate for financial gain but that they are vital to shaping the City's future and are regularly asked to attend Mayor and City Council regular meetings and work sessions, in addition to their twice a month Planning Commission meetings. Additionally, the Committee noted that there is significant preparation time spent

reviewing materials and visiting sites prior to their meetings and that they should receive recognition for their important role.

The Committee reviewed the "Planning Commission Compensation Survey of Local Jurisdictions as of May 16, 2007," and notes that Gaithersburg Planning Commissioners compensation is currently higher than most other municipalities in Maryland. However, they receive significantly less compensation than Montgomery County Planning Board Members and Leesburg, Virginia Planning Commissioners.

After discussion, the Committee voted to recommend that the Planning Commission's annual stipend be raised from \$1,500 to \$3,000 effective July 1, 2007. However, the Committee wants to stress that this recommendation is not based on comparisons with other jurisdictions but their vital role in the City.

Establishment of future Compensation Committees in Gaithersburg

Another key issue discussed was how often Mayor and City Council salaries should be re-examined. While the 2004 report suggested that a Committee should be appointed by the Mayor and City Council to review salaries every four years, the Mayor and Council only informally adopted the recommendation. The Committee believes that compensation for the Mayor and Council is sufficiently important to more formally adopt the recommendation. Therefore, this Committee now recommends that the Mayor and Council amend the City Charter to mandate the appointment of a committee of this nature every four years so that future committees can submit their compensation recommendations at least 180 days prior to the subsequent City election. Therefore, if the Charter amendment is enacted, the next Compensation Committee will be appointed in January of 2011.

Recommendations

The Committee is proposing what it believes to be reasonable salary adjustments in the hope that the Mayor and City Council will approve its recommendations as submitted.

Accordingly, the Compensation Committee unanimously recommends the following:

- That the Mayor's salary be increased from \$12,500 per year to \$18,500 per year effective after the November 2009 City election.
- That the City Council's salary be increased from \$10,000 per year to \$15,000 per year effective after the November 2009 City election.

June 14, 2007

- That the Mayor and City Council receive a \$500 incremental salary increase each year in November 2010, 2011, and 2012, respectively.
- That the Planning Commission's annual stipend be increased from \$1,500 per year to \$3,000 per year effective July 1, 2007.
- That the City Charter be amended to require the appointment of a Compensation Committee every four years, and that the Committee be required to submit its recommendations at least 180 days prior to the subsequent City election. If enacted, the next Committee would be appointed in January of 2011.

Respectfully submitted,

Yale Wiesberg, Chair
Burton Goldstein
Julius Persensky
Cathy Salgado

Enclosures

1. Gaithersburg Compensation Committee minutes dated May 9, 2007, May 16, 2007, and May 30, 2007
2. Salary Survey of Maryland Local Governments dated December 2006*
3. City of Rockville Memorandum dated April 24, 2007
4. City of Rockville Compensation Commission Report dated March 30, 2007
5. Maryland Cities Comparative Table
6. Virginia Cities Comparative Table
7. FY'04 Mayor and City Council Activities
8. Planning Commission Compensation Survey of Local Jurisdictions as of May 16, 2007

*Please note that the City of Gaithersburg was inadvertently not included in this survey.