Legislation Text

File #: 18-7223, Version: 1

# City of Alexandria, Virginia

# MEMORANDUM

**DATE:** JANUARY 3, 2018

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

### DOCKET TITLE:

Consideration of a Resolution Establishing an Ad Hoc City Council Compensation Study Committee [ROLL-CALL VOTE]

**<u>ISSUE</u>**: Should City Council establish an ad hoc committee to study compensation for the Mayor and Council Members for the next term of Council?

## **<u>RECOMMENDATION</u>**: That City Council:

- (1) Adopt the attached resolution establishing an Ad Hoc City Council Compensation Study Committee; and
- (2) Authorize the City Manager to appoint the five members of the Ad Hoc Study Committee.

**BACKGROUND:** The Virginia Code grants cities authority to compensate members of a city council. The statue states that "each member of the council of each city shall be allowed and paid out of the city levy an annual salary. . . to be fixed herein provided, for his services in attending the meetings of council and in discharging his duties imposed by law upon him." While the Virginia Code also places limitations on compensation, cities that do not place limitations on compensation in their charters "may continue to pay its councilmen and mayor pursuant to such charter." The City Charter of the City of Alexandria does not impose specific limitations on compensation for council members and mayor, stating only that "members of the council and the mayor shall receive in full compensation for their services the rate of compensation set by ordinance..."

Both the City Charter and City Code state that an increase in compensation cannot become effective during the term of the council and mayor in which the vote was cast. Therefore, a sitting council may not increase its compensation, but can increase it for the next three-year term of council and the mayor. Any increase would need to be adopted by July 6, 2018 to be effective for the incoming City Council who would be seated in

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January 2019. The compensation adopted at that time would be in effect at least until the end of 2021. Practically, using the adopted Council calendar for 2018, any proposed compensation increase for the Mayor and Members of Council would likely have its first reading at Council's first Legislative meeting on June 12 and then have the public hearing on June 16 and adoption at that meeting or at Council's second Legislative meeting on June 26 prior to Council's summer recess.

The current annual compensation levels are \$30,500 for the Mayor and \$27,500 for members of City Council. These rates have been in effect for over 14 years since July 1, 2003 when Council raised the rate of annual compensation from \$25,000 for the Mayor to \$30,500 and raised the rate of annual compensation for Members of Council from \$20,000 to \$27,500. The \$25,000 and \$20,000 rates were set in 1987 when they replaced rates that were increased from \$10,000 to \$12,000 in 1982.

Prior to the 2003 increase, Alexandria had the lowest compensation rates of any elected governing body for a major jurisdiction in Northern Virginia. At the time of adoption in mid-2003, these new Alexandria compensation rates approximated the compensation rates of the Arlington County Board Chair and members of the Arlington County Board. Since then, the Arlington County rates of compensation have increased to \$59,670 for the County Board Chair and \$53,282 for County Board Members.

If one adjusted the rates implemented in July 2003 by inflation since that time, the current \$30,000 rate for the Mayor would be slightly over \$40,000 and the current \$27,500 rate for Council members at almost \$37,000 per year. While a new compensation survey will need to be conducted, it is likely that Alexandria currently has the lowest rate of compensation by far of any major Northern Virginia jurisdiction for its elected governing body members.

It should be noted that when Council raised its annual compensation rate effective for July 1, 2003, it also made Council members eligible for the City's supplemental retirement system benefits, health insurance and life insurance at rates that were equal to what City employees paid for those benefits. Under State statute, elected local governing body members are not eligible to participate in the Virginia Retirement System.

It is proposed that a five-member ad hoc study committee on City Council compensation be created comprised of a combination of those with expertise in government policy setting, business or governmental management, or organizational governance. It would be intended that there would be at least one former member of City Council who would be a member of this ad hoc study committee. The City Manager would appoint the chair and members of this ad hoc study committee, and City staff would support the committee's work. The committee would be asked to report no later than May 1, 2018.

**FISCAL IMPACT:** None for the study committee work, but potentially there would be a cost for the second half of FY 2019 if Council increased compensation for the Council that would be taking office in January 2019.

<u>ATTACHMENT</u>: Proposed Resolution Establishing the Ad Hoc City Council Compensation Study Committee

#### STAFF:

Mark B. Jinks, City Manager James L. Banks, City Attorney David Lanier, Assistant City Attorney