



Legislation Text

File #: Ord. 997, **Version:** 1

City Council Meeting Date: May 1, 2018

To: Mayor and City Council

From: Ben Martig, City Administrator

Consideration of Ordinance Amending Section 2-26 of City Code Relating to 2019 and 2020 Mayor and City Council Compensation

Action Requested:

Staff recommends approval of the second reading of Ordinance No. 997 - Amending Section 2-26 of the City Code Relating to Council Compensation. This ordinance would increase the Mayor and City Council salaries by 2% commencing January 1, 2019 and another increase of 2% commencing January 1, 2020.

Summary Report:

The City Council approved the first reading of Ordinance No. 997 - Amending Section 2-26 of the City Code Relating to Council Compensation. City Council approved Ordinance No. 984 (copy attached) in September 2016 setting Council compensation for 2017 & 2018. The following section of the City Code has set the current compensation of the Mayor and City Council:

Article II. City Council Division 1. - Generally

Sec. 2-26. - Compensation.

- (a) The annual salary for the elected members of the city council shall be in the amount of \$8,310.82 commencing January 1, 2017, and shall be increased to the amount of \$8,435.49 commencing January 1, 2018.
- (b) The annual salary for the mayor shall be in the amount of \$11,081.77 commencing January 1, 2017, and shall be increased to the amount of \$11,248.00 commencing January 1, 2018.
- (c) The salaries established shall be paid on a biweekly basis.
- (d) The salaries established by this section shall be effective as of the dates set forth above and shall continue in the amounts which will be effective January 1, 2017, until changed as provided by state law.

(Code 1986, § 100:45; Ord. No. 816, 10-18-2004; Ord. No. 959, 8-5-2014; Ord. No. 984, 9-20-2016)

State Law reference- Authority to fix salary of council, Minn. Stat. § 415.11.

The following state law requires that there shall be no change in wages until after the next succeeding municipal election:

415.11 SECOND TO FOURTH CLASS CITIES; GOVERNING BODY SALARIES.

Subdivision 1. Set by ordinance.

Notwithstanding the provisions of any general or special law, charter, or ordinance, the governing body of any statutory or home rule charter city of the second, third or fourth class may by ordinance fix their own salaries as members of such governing body, and the salary of the chief elected executive officer of such city, in such amount as they deem reasonable.

Subd. 2. After next election.

No change in salary shall take effect until after the next succeeding municipal election.

Subd. 3. Temporary reductions.

Notwithstanding subdivision 2 or a charter provision to the contrary, the governing body may enact an ordinance to take effect before the next succeeding municipal election that reduces the salaries of the members of the governing body. The ordinance shall be in effect for 12 months, unless another period of time is specified in the ordinance, after which the salary of the members reverts to the salary in effect immediately before the ordinance was enacted.

Attached is the Council background information from the last ordinance that was adopted.

City Administrator Martig is suggesting following city employees general adjustment to base pay plan from the last two years of 2017 and 2018 for the Mayor and Council's 2019 and 2020 compensation increase. This was a similar practice for 2017 and 2018 that was previously implemented. For 2019 and 2020, this would be an increase of 2% per year.

	Current	Proposed 2019	Proposed 2020
Mayor	\$11,248.00	\$11,472.96	\$11,702.42
Council	\$8,435.49	\$8,604.20	\$8,776.28

Below are some comparable cities current (2018) compensation for reference:

City	Mayor	Council
Owatonna	\$10,200.00	\$7,800.00
White Bear Lake	9,600.00	7,500.00
Elk River	10,000.00	7,500.00
Faribault	8,480.00	7,220.00
Crystal	10,619.84	8,169.72
Hastings	9,400.00	7,200.00
New Brighton	8,600.00	7,000.00
New Hope	12,646.00	9,236.00
South St. Paul	12,300.00	8,700.00
Forest Lake	6,500.00	5,500.00
West St. Paul	8,910.00	7,150.00
Columbia Heights	13,800.00	7,800.00

Stillwater	9,000.00	7,200.00
Northfield	11,248.00	8,435.49
Mean	10,093.13	7,600.80
Median	10,000.00	7,500.00

Proposed 2019 rates were available for 2 cities as follows:

Owatonna	\$10,800.00	\$8,400.00
Faribault	\$10,880.00	\$8,420.00

In order to implement a change to be effective for anytime between 2019 and 2020, the Council would need to initiate a first reading before September 2018. The tentative timeline is summarized below.

Alternative Options:

- A. Take no action. The City Council would not need to take any action. In this case, the compensation would remain at the current levels at least through the end of 2020.
- B. Propose other increase or decrease from the recommended level.
- C. Discuss possible alternate process to review and recommend to the City Council.

Financial Impacts:

The increase each year is proposed at 2% for the Mayor and City Council.

The proposed 2019 budget impact for the Mayor and Council would be an additional expense of \$1,237.22. The proposed 2020 budget impact for the Mayor and Council would be an additional expense of \$1,261.96.

Tentative Timelines:

April 17, 2018	First Reading of Ordinance
May 1, 2018	Second Reading of Ordinance
May 9, 2018	Publication
June 9, 2018	Ordinance Effective 30 days following publication
November 6, 2018	Election Day (Salary change not effective until after the election)
January 1, 2019	Salary change effective date per language in ordinance