



Legislation Text

File #: Ord. 1062, **Version:** 1

City Council Meeting Date: July 9, 2024

To: Mayor and City Council

From: Ben Martig, City Administrator

Consideration of Second Reading of Ordinance No. 1062 Amending Section 2-26 of City Code Relating to 2025 and 2026 Mayor and City Council Compensation.

Action Requested:

The Northfield City Council considers the second reading of Ordinance No. 1062 - Amending Section 2-26 of the City Code Relating to Council Compensation. The first reading of this ordinance occurred at the June 18, 2024 Council Meeting. This ordinance would increase the Mayor and City Council salaries by 2.75% commencing January 1, 2025 and another increase of 2.75% commencing January 1, 2026.

Summary Report:

The City Council approved the first reading of Ordinance No. 1062 - Amending Section 2-26 of the City Code Relating to Council Compensation (attachment 1) at their June 18, 2024 meeting setting Council compensation for 2025 and 2026. Ordinance No. 1040 - Amending Section 2-26 of the City Code Relating to Council Compensation was approved on July 12, 2022 setting Council Compensation for 2023 and 2024 is also attached (attachment 2). 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 \$9,498.00 commencing January 1, 2023, and shall be increased to the amount of \$9,759.00 commencing January 1, 2024.

(b) The annual salary for the mayor shall be in the amount of \$12,664.00 commencing January 1, 2023, and shall be increased to the amount of \$13,012.00 commencing January 1, 2024.

(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, 2023, 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; Ord. No. 997, 5-1-2018; [Ord. No. 1014](#)

https://library.municode.com/mn/northfield/ordinances/code_of_ordinances?nodeId=1056255), 7-21-

2020; Ord. No. 1040 <https://library.municode.com/mn/northfield/ordinances/code_of_ordinances?nodeId=1162416>, 7-12-2022)

State law reference(s)-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 employee’s general adjustment to base pay plan from the last two years of 2023 and 2024 for the Mayor and Council’s 2025 and 2026 compensation increase. This has been the practice employed by the City Council since 2017.

	Current 2024	Proposed 2025	Proposed 2026
Mayor	\$13,012.00	\$13,369.00	\$13,736.00
Council	\$9,759.00	\$10,027.00	\$10,302.00

Below are some comparable cities current (2024) compensation for reference:

<i>City</i>	<i>Mayor</i>	<i>Council</i>
Columbia Heights	\$13,800.00	\$7,800.00
Crystal	\$11,864.16	\$9,126.96
Elk River	\$10,000.00	\$7,000.00
Faribault	\$13,500.00	\$9,800.00
Forest Lake	\$6,500.00	\$5,500.00
Hastings	\$10,200.00	\$7,700.00
New Brighton	\$8,600.00	\$7,000.00
New Hope	\$15,100.00	\$11,028.00

Owatonna	\$14,400.00	\$12,000.00	
South St. Paul	\$12,300.00	\$8,700.00	
Stillwater	No Response by packet deadline		
West St. Paul	\$14,400.00	\$12,500.00	<i>*proposed for 2025</i>
White Bear Lake	\$9,600.00	\$7,500.00	
Northfield	\$13,012.00	\$9,759.00	
Median	\$11,644.32	\$8,716.46	

In order to implement a change to be effective for anytime between 2025 and 2026, the Council would need to initiate a first reading on or before September 2024. The tentative timeline is summarized below.

Alternative Options:

- A. Remove from the consent agenda and during the regular meeting postpone to the July 16th worksession. This would provide for additional discussion and still allow an ordinance to be initiated in August which would be before the State deadline. The following options could occur as discussion at the worksession:
 - 1. 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 2026.
 - 2. Propose other increase or decrease from the recommended level.
 - 3. Discuss possible alternate process to review and recommend to the City Council.

Financial Impacts:

The increase each year is proposed at 2.75% for 2025 and 2.75% for 2026 for the Mayor and City Council.

The proposed 2025 budget impact for the Mayor and Council would be an additional expense of \$1,965 over 2024. The proposed 2026 budget impact for the Mayor and Council would be an additional expense of \$2,017 over 2025.

Tentative Timelines:

- ✓ June 18, 2024 First Reading of Ordinance
- July 9, 2024 Second Reading of Ordinance
- July 17, 2024 Publication
- August 16, 2024 Ordinance Effective 30 days following publication
- November 5, 2024 Election Day (Salary change not effective until after the election)
- January 1, 2025 Salary change effective date per language in ordinance