



Legislation Text

File #: Ord. 984, **Version:** 1

City Council Meeting Date: September 20, 2016

To: Mayor and City Council

From: Ben Martig, City Administrator

Consideration of Ordinance Amending 2017 and 2018 Mayor and City Council Compensation.

Action Requested:

Staff recommends approval of the second reading of an ordinance on September 20 that would increase the Mayor and City Council salaries by 1.5% commencing January 1, 2017 and another increase of 1.5% commencing January 1, 2018.

Summary Report:

The City Council approved the first reading of Ordinance No. 984 on Tuesday, September 6, 2016. The following ordinance 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 \$8,028.00 commencing January 1, 2015, and shall be increased to the amount of \$8,188.00 commencing January 1, 2016.
- (b) The annual salary for the mayor shall be in the amount of \$10,704.00 commencing January 1, 2015, and shall be increased to the amount of \$10,918.00 commencing January 1, 2016.
- (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, 2015, until changed as provided by state law.

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

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.

History:

Ex 1967 c 42 s 1 <<https://www.revisor.mn.gov/laws/?id=42&year=1967&type=1>>, 2; 1976 c 44 s 34 <<https://www.revisor.mn.gov/laws/?id=44&year=1976&type=0>>; 2009 c 152 s 17 <<https://www.revisor.mn.gov/laws/?id=152&year=2009&type=0>>

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

City Administrator Martig is suggesting following city employees general wage increase from the last two years of 2015 and 2016 for the Mayor and Council's 2017 and 2018 compensation increase. Their increase was a 1% increase January 1 and 1% increase on July first for each year. Martig is suggesting using the annual average which would be an increase of 1.5%

	Current	Proposed 2017	Proposed 2018
Mayor	\$10,918.00	\$11,081.77	\$11,248.00
Council	\$ 8,188.00	\$8,310.82	\$8,435.49

Below are some comparable cities current 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	8,400.00	7,800.00
Crystal	10,619.84	8,169.72
Hastings	9,400.00	7,200.00
New Brighton	8,600.00	7,000.00
New Hope	12,037.00	8,791.00
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	10,918.00	8,188.00
Mean	10,020.35	7,592.77
Median	9,800.00	7,650.00

In order to implement a change to be effective for anytime between 2017 and 2018, the Council would need to initiate a first reading on September 6. 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 2018.

B. Propose other increase or decrease from the recommended level.

Financial Impacts:

The increase each year is proposed at 1.5% for the Mayor and City Council.

The proposed 2017 budget impact for the Mayor and Council would be an additional expense of \$900.69. The proposed 2018 budget impact for the Mayor and Council would be an additional expense of \$914.25.

Tentative Timelines:

- ✓ September 6 First Reading of Ordinance
- September 20 Second Reading of Ordinance
- September 28 Publication
- October 28 Ordinance Effective 30 days following publication
- November 8 Election Day