

MAJORITY REPORT

MEMORANDUM

January 3, 2017

TO: Annapolis City Council
FROM: Scott W. MacMullan, Commissioner
Council Compensation Commission
RE: Report and Recommendations

Attached is the Report and Recommendations of the Council Compensation Commission.

If the Council has additional questions or would like to hear from other commissioners at a Council meeting, a work session, or other forum, the commissioners would be pleased to accommodate as their schedules permit.

We appreciate the opportunity to serve our fellow Annapolitans and trust that the Council will find our recommendations useful.

REPORT AND RECOMMENDATIONS OF THE 2017 COUNCIL COMPENSATION COMMISSION

Introduction

On October 10, 2016, pursuant to Charter Article II, Section 4, and City Council Resolution R-29-16, the City Council appointed the undersigned as the members of the 2017 Council Compensation Commission. The Commission was charged with the responsibility to “make specific recommendations on the salaries, fringe benefits, and allowable expenses for the Mayor, eight City Council members, and the City Manager that would be effective on December 4, 2017.”

Meetings of the Commission

The Commission held public meetings on: November 3, November 10, November 17, December 9, and December 15, 2016, either at City Hall or the Gorman Street location. In addition, on November 29, 2016, the Commission conducted a hearing, duly advertised and otherwise publicized, to solicit the views of the public on the issues. No one appeared to testify.

Documents Reviewed and Persons Interviewed

The Commission obtained a variety of documents from different sources as part of its information gathering process. The Commission had access to, among other materials: (1) the reports and related data from the previous Compensation Commissions that made compensation recommendations in 2005, 2009 and 2013; (2) comparative charts of the compensation of similar office holders and city managers in other parts of Maryland; (3) descriptive information regarding the duties and responsibilities of the respective officials, their salaries and benefits; and (4) relevant City Charter and Code provisions.

The Mayor, the Aldermen, and the City Manager were invited to meet with the commission or to submit written comments. Aldermen Arnett, Budge, Finlayson, Kirby, and Littmann, in addition to the City Manager, met with and offered comments to the Commission. No written comments were received.

In addition, the Commission was ably assisted by Tricia Hopkins, Acting Human Resources Director, and by Ashley E. Leonard, Assistant City Attorney.

Recommendations

Mayor: The salary of Mayor should remain at \$98,000 per year. The fringe benefits and allowable expenses should remain unchanged.

The Commission recognized that there are no comparably-sized and managed municipalities in the region and particularly none with the notoriety and international reputation of the City of Annapolis. However, there was a fair amount of discussion about the role of a mayor, even a full-time mayor, in a city with professional management. In this regard, there was some sentiment that the current salary might be somewhat excessive and there also was some question as to whether a full-time chief elected official is even necessary. Moreover, some Aldermen in meeting with the Commission broached the issue as to whether a mayor should be the presiding officer of the Council. The Commission was cognizant of the relatively short duration the

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citizens have had in which to experience administration by a professional manager. With the appointment of the decennial charter revision commission on the horizon for January 2021, the Commission felt that would be the appropriate body at the appropriate time to sort out the issues regarding what role or roles the mayor should fulfill. Subsequent compensation commissions would then be in a better position to determine what the appropriate compensation might be for those roles,

Aldermen: The salary of the Aldermen should be increased to \$15,000 per year. The current allocation of \$1,500 per Alderman, presently specified for education and training and for miscellaneous expenses, should be specified exclusively for education and training. Other fringe benefits and allowable expenses should remain unchanged.

Though during the meeting at which five Aldermen were in attendance there was some suggestion that the amount of time spent in performing their duties merited a consideration of a meaningful increase in the salary, the Commission was not unmindful of two salient points. There are several hundred citizens who serve on the City's many boards, commissions and committees who receive no compensation whatsoever but have volunteered because they have considered it their civic duty. Moreover, to a greater or lesser extent, the Commission was advised that much of the time of an Alderman is devoted to constituent service yet the Charter makes no mention of that being a role of an Alderman. Nonetheless, the commission, after reviewing the salary amounts for Aldermen for other municipalities and factoring in the unique legislative needs and components of Annapolis, determined that a salary of \$15,000 would be a competitive and reasonable Aldermen salary. This increase will allow those Aldermen who have expenses associated with their duties to pay those expenses without having to submit expense reimbursement requests to the Finance Department and will relieve the Department of having to process those requests. Commission felt strongly that it was prudent for Aldermen to take advantage of as much training and education as \$1500 would allow.

Two other issues were raised that relate to the amount of time an Alderman has to spend fulfilling the duties. One related to the aldermanic role in the development and drafting of legislation and the associated responsibility of oversight to ensure efficient management of the City and prudent expenditure of funds. The Aldermen commended City staff for its current assistance in these areas but wondered whether the functioning of the government had matured to the point where the Aldermen might be better able to perform their role if they had a professional staff dedicated to their needs. This is a matter for the 2021 Charter Revision Commission to explore.

The other issue related to the development of City's form of governance over the years. For the first two decades after the City's boundaries were massively extended through comprehensive annexation in mid-century, governance was primarily via a commission format, i.e., committees of aldermen managing the activities of each department. Through the final three decades of the 20th century, the city moved to a strong mayor form. The form now has matured to professional management. Over the last 70 years, the roll of an alderman as an administrator has nearly disappeared. The Commission, in considering how much it costs to compensate eight aldermen pondered for a brief time whether the future direction of professional management requires as many as eight. The question of how many aldermen are necessary to fulfill legislative and

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oversight functions in a jurisdiction of only 40,000 persons is yet another matter that the 2021 Charter Revision Commission might want to examine.

***City Manager:* The range of salary for the City Manager should be increased from the current \$120,000-\$180,000 to \$140,000-\$180,000. Other fringe benefits and allowable expenses should remain unchanged.**

Based upon related data of managers' compensation and upon advice from the current City Manager, the Commission determined that it would be unrealistic to be able to recruit an applicant in the future with the credentials required for the Annapolis position and pay that person as little as \$120,000. There was also the consideration that a City Manager, in general, should not be compensated substantially less than the department directors whom the Manager supervises.

Respectfully submitted,

Richard L. Hillman, Chair

Faye B. Currie

Carroll H. Hyson, Jr.

Scott W. MacMullan

Frank G. Parent

Date: December __, 2016

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