

Approved: January 27, 2015

Compensation Commission
Meeting Minutes
January 20, 2015
3:00 p.m.
Diamondback Terrapin Conference Room

Members Present

James Coyle, Norm Hampton, James Marrinan, and by conference call, Thomas McKenna who participated remotely.

Staff Present

Acting City Clerk Sara Taylor Ferrell, Deputy City Clerk Brenda Bean and City Attorney Debra Daniel.

Convene

The meeting, which took place in the Diamondback Terrapin Conference Room, Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland, was called to order at 3:10 p.m.

Welcome

Chair Coyle opened the meeting and welcomed those present.

Selection of Chair

Motion: to select Jim Coyle as Chairman of the Compensation Commission until January 20, 2016.

Moved by Jim Marrinan, seconded by Norm Hampton and unanimously approved.

Discussion/Overview

Given that the terms of the Mayor and Council will go from two to four years with the next election, Jim Coyle mentioned that the Compensation Commission's meeting schedule would need to be adjusted to convene every four years. Provided that there is direction, an automatic annual adjustment should be made for the Mayor and Council's compensation. If there is no automatic adjustment, Mr. Coyle said that the Commission would have to meet more often than every four years and that Chapter 2 of the Rockville City Code would have to be amended accordingly.

There was discussion on various aspects of Mayor and Council compensation, highlighted as follows:

- What is the intent of the law regarding compensation?

- The idea is to keep compensation in line with inflation.
- It was set up so that no sitting Mayor and Council would have the ability to weigh in on their own compensation.
- In order to avoid having compensation fall behind, put a mechanism in place that would become effective every year even if the Commission did not meet.
- If the Mayor and Council don't act on the Commission's recommendation within 60 days, the recommendation automatically goes into effect.
- The Mayor and Council can only vote to reduce the amount contained in the recommendation, or reject it. They cannot increase it.
- Any recommendation made by the Commission this year would go into effect with the new four year term beginning in November. During that four year period, the compensation would be adjusted according to the Baltimore Washington CPI.
- The language in the report should be what was used for the two year term only making it applicable for the four year term.
- Important that staff includes any adjustments in the corresponding budget.

Discussion on Benefits

There was discussion on benefits being offered to elected officials, highlighted as follows:

- Acting City Clerk Sara Ferrell informed the group that the City Manager will ask the Compensation Commission to look at benefits for elected officials, including such things as reimbursement for cell phone use.
- Regarding the City Manager's request, Chair Jim Coyle noted that the Mayor and Council have been offered benefits for a while and wanted to know how this came to be in the first place. By default, he said it has been happening and something that no one ever dealt with from a policy point of view. He asked the Commission to consider what the word "compensation" should cover and also what the broad definition of compensation means in the Charter.
- Is it appropriate that the Mayor and Council receive benefits?
- School of thought for some –expenses related to the office is what the stipend is for. There are different ways to look at it. The concept of a stipend did not necessarily include Mayor and Council receiving benefits such as health, dental, etc. The Commission is being asked to make that decision.
- Is there money set aside? Should there be a discretionary fund in addition to a stipend where each member receives his or her own discretionary amount?

- Cell phones: Who gets reimbursed? There is a policy for employees but not one for Mayor and Council. Because of IRS laws, a lot of jurisdictions went to stipends for cell phone usage.
- There is an array of functional expenses related to travel, dinners/events, cell phones, etc. How are they treated from a taxation point of view? What gets treated as taxable income vs. reimbursements outside of taxable income? Need to consider and discuss stipend vs employment benefits vs expenses of functions. What about 401(k) contributions and cost to the City?
- The various benefits that are offered to the Mayor and Council are health, dental, vision, life insurance and legal resources. Chair Coyle, he asked staff to provide the following:
 - Policies, if any, on benefits for the Mayor and Council
 - An estimate of the potential value to the Mayor and Council
 - How many members of the Mayor and Council take advantage of benefits?
 - The estimated cost/impact to the budget
 - Where in the budget is this accounted for?

Next Steps

- Obtain a copy of the Guidelines for Supporting Events that was presented to the Mayor and Council in November but that the Mayor and Council did not act upon.
- Obtain a copy of the City Manager's request for the Compensation to discuss benefits for the Mayor and Council.
- Gather information on what other jurisdictions do with respect to benefits for elected officials.
- Find out when Rockville first offered insurance to the Mayor and Council. The administration that it first occurred under and how many people exercised that option?
- Find out number of Mayor and Council currently participating in benefits and the cost to the City.
- Obtain from Human Resources a better description of what each benefit (health, dental, vision, life and legal) means.

Next Meeting

January 27 at 3:00 pm in the Black-Eyed Susan Conference Room.

Adjournment

There being no further business, the meeting adjourned at 4:35 p.m.

Motion: To adjourn

Moved by Commissioner Marrinan, duly seconded by Commissioner McKenna and unanimously approved.