

City of Alexandria, Virginia

~~11-12-02~~

MEMORANDUM

DATE: NOVEMBER 5, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER ^S

SUBJECT: FISCAL IMPACT OF INCREASING CITY COUNCIL COMPENSATION

In its last discussion regarding the consideration of raising City Council salaries starting in FY 2004, a fiscal impact analysis was requested by City Council. The following range of increased salary and benefit costs are estimated based upon raising the Mayor's salary from \$25,000 to \$30,500 and the Council member salaries from \$20,000 to \$27,500.

	<u>Annual Incremental Costs</u>
Salary Increments (1 @ \$5,500, 6 @ \$7,500)	\$50,500
Social Security	3,865
Supplemental Retirement	5,865
Life Insurance	824 ¹
Long Term Disability	<u>782</u>
SUBTOTAL	\$61,836
Health Insurance	<u>\$0 to 48,622¹</u>
TOTAL	\$61,836 to \$110,458

It should be noted that electing health insurance would be voluntary, so it is possible that there would be no new City health costs or that the costs could be as high as \$48,622 per year in the unlikely event that every eligible member elected to be covered under the City's family health insurance plan. It is likely that the costs would be somewhere in between, based on at least a few members electing single or family coverage.

cc: Michele Evans, Assistant City Manager
Mark Jinks, Assistant City Manager
Paul Doku, Analyst, Office of Management and Budget

¹ Costs based on FY 2003 rates which are likely to increase in FY 2004

21
11-16-02

~~11~~
11-12-02

Introduction and first reading: 11/12/2002
Public hearing: 11/16/2002
Second reading and enactment: 11/16/2002

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain section 2-1-4 (COMPENSATION OF MEMBERS) of Article A (GENERAL PROVISIONS), Chapter 1 (THE CITY COUNCIL), Title 2 (GENERAL GOVERNMENT), of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance increases the compensation of the mayor from \$25,000 to \$30,500 per year, and of the members of city council from \$20,000 to \$27,500, and provides that the mayor and council members are eligible for the same benefits (other than participation in the Virginia Retirement System) as are provided to full time city employees. The proposed ordinance also calls for a review of such compensation, every three years and prior to the next ensuing council election, for the purpose of considering a cost of living increase in line with that afforded city employees over the three year period. These changes are commensurate with the compensation and benefits provided for the chairman and members of the Arlington County Board, and will take effect on July 1, 2003, when the mayor and council members elected on May 6, 2003 take office.

Sponsor

Staff

Michele Evans, Assistant City Manager
Mark Jinks, Assistant City Manager
Ignacio B. Pessoa, City Attorney

Authority

§ 3.02, Alexandria City Charter
§§ 15.2-1414.5, 15.2-1414.6, Code of Virginia, 1950, as amended

Estimated Costs of Implementation

See Memorandum from the City Manager

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

21
11-16-02

19
~~11-12-02~~

ORDINANCE NO. _____

AN ORDINANCE to amend and reordain section 2-1-4 (COMPENSATION OF MEMBERS) of Article A (GENERAL PROVISIONS), Chapter 1 (THE CITY COUNCIL), Title 2 (GENERAL GOVERNMENT), of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That section 2-1-4 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same is, amended and reordained to read as follows:

Sec. 2-1-4 Compensation of members.

(a) The mayor shall receive, in full compensation for his services, the salary of ~~\$25,000~~ \$30,500 per year.

(b) The members of city council shall receive, in full compensation for their services, the salary of ~~\$20,000~~ \$27,500 per year.

(c) The members of city council and the mayor shall, in addition to the compensation provided above, be eligible to receive the same benefits as are provided city employees by the city, to the extent permitted by law. For the purpose of benefits for which eligibility is determined by the city, the mayor and members of city council shall be categorized as full time city employees.

(d) The rate of compensation for the members of the city council and the mayor may be changed by ordinance, except that no increase in such rate of compensation shall be made to become effective during the term of office of the members of council and the mayor in which the vote to increase the compensation is cast, and any ordinance to approve such an increase shall be adopted at least four months prior to the date for the next general election of the members of city council and the mayor.

(e) The rate of compensation of the members of city council and the mayor shall be reviewed every three years, in conformance with the time periods established in subsection (d) of this section, for the purpose of considering whether such rate should include a cost of living increase in line with cost of living increases, if any, afforded city employees since the last such review.

Section 2. That this ordinance shall become effective on July 1, 2003.

KERRY J. DONLEY
Mayor

Introduction:	11/12/2002
First Reading:	11/12/2002
Publication:	11/14/02
Public Hearing:	11/16/02
Second Reading:	11/16/02
Final Passage:	

ORDINANCE NO. 4276

AN ORDINANCE to amend and reordain section 2-1-4 (COMPENSATION OF MEMBERS) of Article A (GENERAL PROVISIONS), Chapter 1 (THE CITY COUNCIL), Title 2 (GENERAL GOVERNMENT), of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That section 2-1-4 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same is, amended and reordained to read as follows:

Sec. 2-1-4 Compensation of members.

(a) The mayor shall receive, in full compensation for his services, the salary of \$30,500 per year.

(b) The members of city council shall receive, in full compensation for their services, the salary of \$27,500 per year.

(c) The members of city council and the mayor shall, in addition to the compensation provided above, be eligible to receive the same benefits as are provided city employees by the city, to the extent permitted by law. For the purpose of benefits for which eligibility is determined by the city, the mayor and members of city council shall be categorized as full time city employees.

(d) The rate of compensation for the members of the city council and the mayor may be changed by ordinance, except that no increase in such rate of compensation shall be made to become effective during the term of office of the members of council and the mayor in which the vote to increase the compensation is cast, and any ordinance to approve such an increase shall be adopted at least four months prior to the date for the next general election of the members of city council and the mayor.

(e) The rate of compensation of the members of city council and the mayor shall be reviewed every three years, in conformance with the time periods established in subsection (d) of this section, for the purpose of considering whether such rate should include a cost of living increase in line with cost of living increases, if any, afforded city employees since the last such review.

Section 2. That this ordinance shall become effective on July 1, 2003.

KERRY J. DONLEY
Mayor

Final Passage: November 16, 2002