

Study on City Council Salaries and Fringe Benefits



**Commission on Local Government
Commonwealth of Virginia**

November 2016

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Commission on Local Government (CLG)***

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Summary:

- When adjusting for Cost of Living (CLI) using 2015 Sterling's Best Places index; the majority of the 11 cities appear to be compensating less than the actual statutory salaries for council members and mayors.
- If the current salary brackets set out in the code (last updated in 1997) were adjusted for inflation, it would increase the current statutory maximums by roughly 40 percent.
- CLG staff were unable to determine a comprehensive comparison of city council salaries due to a wide variation in benefits offered, city council structure, and charter language.

Background:

During the 2016 General Assembly session, the House Committee on Counties, Cities, and Towns Subcommittee #1 considered HB 460 (McQuinn) to raise the maximum salary of city council members by \$10,000 for cities with a population of 175,000 or more. The members received and reviewed a study from the City of Richmond that examined salary, health, retirement, and fringe benefits offered to City Council and Board of Supervisors members in "comparable jurisdictions" throughout the Richmond region and cities in the state.¹ Upon reviewing the study, the committee concluded that additional information was needed to properly assess raising the salary for cities that have a population of 175,000 or more.

To collect additional information, Delegate Charles Poindexter, Chairman, House Committee on Counties, Cities, and Towns Subcommittee #1, requested that the Commission on Local Government (CLG) conduct a study of current salaries for city council members with a population of 175,000 or more. Upon further discussion among the Commissioners, CLG staff, and Delegate Poindexter, it was agreed that the study would consist of:

1. A comparison of the various statutes, special acts, and charter provisions governing city and council member salaries
2. A comparison of salaries, health, retirement, and related employee benefits provided to council members; the most recent date of a salary increase; and the statute, special act, or charter provision under which those salaries and benefits were established

To conduct a thorough comparison, it was decided to include cities that are in the top three population brackets per §15.2-1414.6 of the Code of Virginia (the Code): 75,000 to

174,999; 175,000 to 259,999; and 260,000 and over (Attachment A). The cities that are included in this study are Virginia Beach, Chesapeake, Norfolk, Richmond, Newport News, Alexandria, Hampton, Lynchburg, Portsmouth, Roanoke, and Suffolk.

Subsequently, an email was sent to city managers on June 6, 2016, notifying them of the study and requesting information to be completed using an Excel template. There was a 100 percent response rate for the study. City managers were given a deadline of July 30, 2016, to furnish the following requested information:

- 1) City Council Duties and Responsibilities
- 2) Number of Council Members
- 3) Related Salary and Compensation laws for City Council Members with a copy of the relevant section of the charter or Code of Virginia section
- 4) List of current benefits such as salary, allowance, fringe, and other benefits
- 5) Average working hours per month, including any “official business of the people” conducted as a council member.

CLG staff also included median household income, cost of living index, city area (in square miles), and salary adjusted for inflation for further analysis.

Analysis and Findings

Charter Language:

Section 15.2-1414.5 of the Code (Attachment A) authorizes annual salaries of council members and permits localities that have no limitations on salaries in their charters to continue to pay their council members pursuant to their charter. Alternatively, §15.2-1414.6 of the Code sets maximum salary amounts for cities that do set limitations on such compensation and also contains provisions regarding salary increases and reimbursement expenses. The salary limits are based upon their alignment within different population brackets. Finally, the Code authorizes city council members to raise salaries within the statutory limit by ordinance and provides that any salary increases by the city council ordinance shall not go into effect until July 1 after the next regularly scheduled general election of council members. The salary amounts were last updated during the 1997 General Assembly session.

The Cities of Alexandria, Virginia Beach and Portsmouth do not contain any language in their charters that places limits on the salaries for city council and mayor. Virginia Beach had language in their charter until 2003, when such language was removed. The City of Portsmouth passes an annual ordinance (most recently on May 10, 2016) that sets the yearly compensation for the mayor and council members (Attachment B). Although they do not have language in their charter pertaining to salaries, their annual rates do not exceed the state salary maximum.

Language varies amongst the other cities for setting compensation for council members. Chesapeake, Newport News, Norfolk, Richmond, Roanoke, and Suffolk have language in

their charter that allows salary raises by ordinance within the limits set by state statute; whereas, Hampton and Lynchburg have language that sets out specific salaries for the mayor and council members within the state statute.

Salary ranges:

There was a wide variation in salaries for council members and mayors. One city, Alexandria is compensating the mayor and city council above the statutory limit per the Code. Overall, the majority of the cities are compensating mayors and city council members at the maximum amounts per the Code (six out of 11 cities). Only four cities are compensating below the maximum amount. The City of Richmond has different compensation for the mayor (\$125,000) because the mayor is elected at large and is authorized to have a salary set higher than the statutory limits.ⁱⁱ

Residents Represented per Council Member

There was variation in representation via number of residents per city council member (Attachment F). Consequently, CLG staff was unable to properly assess population served by each council member in relation to their salary due to the different classifications and structures: council members can represent “Districts,” “Wards” and “Super Wards” or “At Large.” For instance, Norfolk has seven council members, where two council members each represent one half of the city in “Super-Wards” and five council members represent a specific “Ward.” The mayor is elected “At Large” separately from the council and represents the entire population of Norfolk. For Virginia Beach, three out of 11 council members are elected “At Large,” and seven represent a specific “District”. The mayor of Virginia Beach is also elected “At Large.” On the other hand, Alexandria has six council members, all of whom are elected “At Large” in addition to the mayor. Therefore, each council member and mayor represents the total population of the city. There are only three cities that have both the mayor and city council elected “At Large” (Alexandria, Chesapeake, and Hampton).

Benefits

The Code includes language that allows city council members and mayors to receive benefits that are offered to city employees and eligibility to receive reimbursement for personal expenses incurred while on official business. The range of benefits offered to members varies by population tier (Attachment D). For instance, the City of Alexandria in the 75,000 to 174,999 population bracket classifies city council members and the mayor as full time employees in the city charter and offers a full range of retirement, health, and fringe benefits. The City of Newport News in the 175,000 to 259,999 population bracket classifies council members and the mayor as part time employees and offers only retirement and travel allowance benefits.

A comprehensive comparison of the total amount cities pay for benefits could not be included in the study due to two factors in the reporting of data. In the instance of health insurance or group life insurance, a city may offer the benefits, but not all of the members chose to opt into the program. The CLG was unable to accurately calculate total cost per

council member or mayor because not every member opted into benefits offered. Moreover, some cities classify their mayor and council members as full time while others classify them as part time. Due to this classification, some cities offer more benefits than others. CLG staff could not conclude whether one city was spending more over another on benefits due to these different classifications and because council members may choose to opt out of benefits programs.

Comparing and Measuring the worth of Salary:

1. Cost of Living Index (CLI) Adjusted Salary:

Sperling's Best Places Cost of Living Index (CLI) was used to equally weigh and compare the value of salary for mayors and council members of each city and to account for regional differences (Attachment C). The salaries are indexed at 100 to show differences in high and low CLI. A score above 100 indicates a high CLI and a score below 100 indicates a low CLI. Additionally, current city council and mayor salaries were adjusted for CLI to be compared with the current salaries offered by the cities.

Based upon the analysis:

- Alexandria's CLI at 155.5 is the highest and 75% more than the lowest calculated CLI for Roanoke at 88.9.
- Richmond City Council members' CLI adjusted salary is \$26,205 and is the highest among the 11 cities and 137% more than the lowest CLI adjusted salary of \$11,038 for Lynchburg City Council members.
- Alexandria's CLI is the highest, whereas their adjusted city council salaries ranked 9th highest among the 11 cities.
- Seven out of the 11 cities appear to be compensating their council members and mayors less than current salaries based on CLI
- Four out of the 11 cities appear to be compensating more than current salaries based on CLI

2. Inflation Adjusted Salary:

Section 15.2-1414.6 of the Code for salary brackets was lastly updated in 1997. If the current salary brackets set out in the Code were adjusted for inflation (Attachment E), it would increase the current statutory maximums by roughly 40 percent. For example, the City of Virginia Beach (population bracket of 260,000 or more) is compensating at the maximum statutory amounts: \$30,000 for the mayor and \$28,000 for city council members. Those salaries, when adjusted for inflation, would raise the compensation of the mayor to \$41,919 and \$39,124 for council members. This is more than a \$10,000 difference, a 39.73 percent increase, respectively.

Concluding Remarks

There are a wide variety of differences in salaries and benefits offered to city council members and mayors in the different population bracket cities. There is also inconsistency in the full time/part time classification of elected officials among the cities examined. When compared to CLI or adjusting for inflation, a different picture appears for the amount of compensation that is offered to these elected officials. Staff furnished this information upon request and is available to expand on any of the information presented here in this study.

ⁱ *Report of the City Council Compensation Review Advisory Committee*. Working paper. Richmond City Hall. November 9, 2015.

ⁱⁱ "Class Title: Mayor." Richmond VA Human Resources Richmond On-Line Staffing System. Accessed October 05, 2016.
<http://agency.governmentjobs.com/richmond/default.cfm?action=viewclassspec>.

Attachment A: Code of Virginia

§ 15.2-1414.5. Each councilman to be paid annual salary; effect of charter

Each member of the council of each city shall be allowed and paid out of the city levy an annual salary in equal monthly installments, or in accordance with the payroll cycle of city employees, to be fixed as herein provided, for his services in attending the meetings of the council and in discharging the duties imposed by law upon him. Any city, however, whose charter imposes no limitation on salaries, may continue to pay its councilmen and mayor pursuant to such charter.

§ 15.2-1414.6. Permitted salaries; salary increases; reimbursement for expenses.

Subject to the exception provided for in § 15.2-1414.5, the annual salary of each member of the council of any city shall be set by its members by ordinance notwithstanding any contrary provision of law, general or special. The setting of such salaries by members of council shall include the salary of the mayor or president of the council whether such official is a member of council or not.

Cities within the following population brackets shall be allowed to set salaries for mayors, which include presidents of council, and council members not to exceed the following:

Population	Annual Salary
260,000 and over	
Mayor	\$30,000
Council	28,000
175,000 to 259,999	
Mayor	27,000
Council	25,000
75,000 to 174,999	
Mayor	25,000
Council	23,000
35,000 to 74,999	
Mayor	20,000
Council	18,000
20,000 to 34,999	
Mayor	13,000
Council	12,000
15,000 to 19,999	
Mayor	12,000
Council	11,500
14,999 and under	
Mayor	11,500
Council	11,000

Attachment A: Code of Virginia

§ 15.2-1414.6. Permitted salaries; salary increases; reimbursement for expenses
(continued)

No increase in the salary of a member of council shall take effect until July 1 after the next regularly scheduled general election of council members.

Every proposed increase in the salary of a member of council shall be adopted at least four months prior to the date of the next municipal election except in the case of a newly created consolidated city when the proposed increase shall be adopted at least two months prior to the date of its first municipal election.

Any member of council shall be eligible to be reimbursed for any personal expenses incurred by him for official business. However, all claims for reimbursement shall be for reasonable expenses to the extent permitted by law incurred in the conduct of official city business and shall be itemized and documented by stamped paid receipts to the extent feasible.

In addition to salary, each member of the council of any city may be compensated with such benefits as are provided city employees by the city.

AN ORDINANCE ADOPTING THE FY 2016 - 2017 CLASSIFICATION AND PAY PLAN FOR EMPLOYEES OF THE CITY OF PORTSMOUTH, VIRGINIA.

BE IT ORDAINED by the Council of the City of Portsmouth, Virginia:

1. That there is hereby adopted a new classification and pay plan for all employees of the City of Portsmouth, Virginia, entitled "City of Portsmouth Classification and Pay Plan," attached hereto as Exhibit A and made a part hereof.

2. That Ordinance No. 2015-21, adopted on May 12, 2015, is hereby repealed.

3. That this ordinance shall take effect on July 1, 2016.

ADOPTED by the Council of the City of Portsmouth, Virginia, at a meeting held on May 10, 2016.

Teste:

City Clerk

SECTION 8. SALARIES FOR UNCLASSIFIED POSITIONS

The annual salary rates of the following unclassified positions shall be the amount stated herein:

	<u>July 1, 2016</u>
City Manager	\$ 150,000
City Attorney	\$ 150,000
City Clerk	\$ 94,544
City Assessor	\$ 120,377
City Auditor	\$ 97,391
Mayor	\$ 25,000
Council Member	\$ 23,000

In addition to the base salary, the City Manager is hereby authorized an annual amount of \$9,600 for car allowance and \$3,600 for general expenses. Further, the City Manager is hereby authorized an annual lump sum contribution of \$50,000 for a defined contribution plan.

In addition to the base salary, the City Attorney is hereby authorized an annual lump sum contribution of \$25,000 for a defined contribution plan.

SECTION 9. ADJUSTMENTS TO RETIREMENT ALLOWANCES

There shall be no adjustments of retirement allowances as prescribed in Sections 30-122 and 30-243 of the Code of the City of Portsmouth, Virginia, (2006).

SECTION 10. REPEAL OF CONFLICTING ORDINANCES

Ordinance No. 2015-21 was repealed effective June 30, 2016.

SECTION 11. EFFECTIVE DATE OF ORDINANCE

- (a) The ordinance became effective July 1, 2016.
- (b) Adopted by the City Council of the City of Portsmouth, Virginia at a meeting held on May 10, 2016.

Attachment C: Salary Comparison

Population Tier per VA Code: §15.2-1414.6	Locality	Council Members	Annual Salary				Median Household Income	Cost of Living Index	Annual Salary Equivalent to Cost of Living Index at 100	City Area
				Actual	Limit Per Statute	Remarks				
260,000 and over	Virginia Beach	11	Mayor	\$30,000	\$30,000	Within the Statutory limit	\$67,676	109.8	\$27,322	497 mi ²
			Council	\$28,000	\$28,000				\$25,501	
175,000 to 259,999	Chesapeake	9	Mayor	\$25,000	\$27,000	Below the Statutory limit	\$66,625	109.7	\$22,789	351 mi ²
			Council	\$23,000	\$25,000				\$20,966	
	Norfolk	8	Mayor	\$27,000	\$27,000	Within the Statutory limit	\$42,567	98.6	\$27,383	95.98 mi ²
			Council	\$25,000	\$25,000				\$25,355	
	Richmond	9	Mayor*			Within the Statutory limit (Except Mayor)	\$42,074	95.4	\$ -	62.51 mi ²
			Council	\$25,000	\$25,000				\$26,205	
	Newport News	7	Mayor	\$27,000	\$27,000	Within the statutory limit	\$48,440	96.4	\$28,008	120 mi ²
		Council	\$25,000	\$25,000	\$25,934					
75,000 to 174,999	Alexandria	7	Mayor	\$30,500	\$25,000	Above the Statutory limit	\$86,419	155.5	\$19,614	15.48 mi ²
			Council	\$27,500	\$23,000				\$17,685	
	Hampton	7	Mayor	\$25,000	\$25,000	Within the Statutory limit	\$47,615	94	\$26,596	136 mi ²
			Council	\$23,000	\$23,000				\$24,468	
	Lynchburg	7	Mayor	\$12,000	\$25,000	Below the Statutory limit	\$40,065	90.6	\$13,245	49.61 mi ²
			Council	\$10,000	\$23,000				\$11,038	
	Portsmouth	7	Mayor	\$25,000	\$25,000	Within the Statutory limit	\$43,045	91.7	\$27,263	16.83 mi ²
			Council	\$23,000	\$23,000				\$25,082	
	Roanoke	7	Mayor	\$22,000	\$25,000	Below the Statutory limit	\$40,735	88.9	\$24,747	43.01 mi ²
			Council	\$17,116	\$23,000				\$19,253	
Suffolk	8	Mayor	\$18,000	\$25,000	Below the Statutory limit	\$60,735	105.7	\$17,029	429 mi ²	
		Council	\$15,000	\$23,000				\$14,191		

Note: Per Federal Law, employer contributes 6.20% and 1.45% of salary for Social Security and Medicare, respectively for each Council member.

**Richmond's Mayor is elected at large and has separate salary parameters*

Attachment D: Benefits Offered by Cities

Locality	Group Life	Health Insurance	Retirement	Education & Training	Computer	Telephone	Parking	Office	Travel Allowance	All Other
Virginia Beach	No	Yes	No	Yes	Yes	Yes- Mayor	Yes	Yes-Mayor	Yes	No
Chesapeake	No	Yes	No	No	Yes	Yes	No	Yes	Yes	No
Norfolk	No	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes
Richmond	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes
Newport News	No	Yes*	Yes	No	No	No	No	No	Yes	No
Alexandria	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hampton	No	Yes	No	Yes	Yes	Yes	No	Yes-Mayor	No	No
Lynchburg	No	No	No	Yes	Yes	Yes	Yes	Yes -Mayor Vice Mayor	No	No
Portsmouth	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Roanoke	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Suffolk	No	No	No	Yes	No	Yes	Yes	Yes-Mayor	No	No
Benefit Offered (%)	36%	82%	45%	73%	73%	91%	55%	82%	64%	36%

*Only offered to those elected before 03/10/2010

Attachment E: Inflation Adjusted Salary for 2015

Salary permitted per Virginia Code of § 15.2-1414.6		Last Updated by General Assembly in 1997		Inflation Adjusted Salary for 2015	
Tier	Population	Annual Salary		Annual Salary	
		Mayor	Council	Mayor	Council
1	260,000 and over	\$30,000	\$28,000	\$41,919	\$39,124
2	175,000 to 259,999	\$27,000	\$25,000	\$37,727	\$34,933
3	75,000 to 174,999	\$25,000	\$23,000	\$34,933	\$32,138
4	35,000 to 74,999	\$20,000	\$18,000	\$27,946	\$25,151
5	20,000 to 34,999	\$13,000	\$12,000	\$18,165	\$16,768
6	15,000 to 19,999	\$12,000	\$11,500	\$16,768	\$16,069
7	14,999 and under	\$11,500	\$11,000	\$16,069	\$15,370

Attachment F: Residents Represented Per Council Member

Locality	Council Members	Total Population	Residents per Council Member
Alexandria	7 at large	155,230	155,230
Chesapeake	9 at large	235,638	235,638
Hampton	7 at large	138,545	138,545
Lynchburg	4 per Ward 3 at Large	77,874	19,468 77,874
Newport News	7 1 at large	183,362	26,195 183,362
Norfolk	6 2 Super-ward Mayor at Large	246,394	41,065 123,197 246,394
Portsmouth	7 at large	96,802	96,802
Richmond	9 Mayor at large	213,504	23,723 213,504
Roanoke	7	99,320	99,320
Suffolk	7 Mayor at large	89,586	12,798 89,586
Virginia Beach	7 4 at Large	451,672	64,525 451,672