COMPENSATION COMMISSION

The Compensation Commission meeting was held on July 12, 2011 at 3:03 p.m. with Mr. Hogan presiding. Members present were Mr. Cook, Mr. Perza, Mrs. Webb, Dr. Williams, Mrs. Hawkins (Human Resources Director), and Mrs. Mitchell (Controller/Treasurer).

AGENDA ADDITIONS/DELETIONS
By unanimous consent, members approved the agenda as presented.

Dr. Harry Williams introduced himself to members and noted that he missed the Commission's initial meeting as he was traveling out of the country. He explained that he is a former lifelong resident of North Carolina who recently moved to Delaware to accept his position as President of Delaware State University.

Mr. Perza expressed his appreciation to City staff for the work put into assembling informational materials provided in the Commission's packet.

Election of Chair
Mr. Hogan opened the floor for nominations to serve as Chair of the Commission. Mrs. Webb moved to nominate Mr. Hogan to serve as Chairman, seconded by Mr. Cook.

By unanimous consent, the floor was closed for nominations.

By unanimous consent, Mr. Hogan was elected to serve as the Chairman.

History of Establishment of Compensation Rates for City Officials.
Members reviewed information regarding the history of compensation rates for City officials. Mr. Hogan noted that many of the changes made to City compensation policies occurred relatively recently in the City's history.

Mr. Perza noted that the Mayor and City Council initially received compensation on a per diem basis and that salaries for these positions were instituted in the 1990s. He indicated that the minutes from earlier meetings reflect that service was perceived as a donation of an individual's time for the betterment of the City, rather than equating time to a dollar amount.

Mr. Cook commented that fluctuations and adjustments made to salaries did not appear to be "fact-based" but were the result of circumstantial changes in the City.

City Council and Mayor Responsibilities
Members discussed the Results of Survey - Council Responsibilities as well as the Mayor's response to the Survey. Mr. Cook commented that, according to the Survey, Council members receive an hourly rate which is lower than that paid to election workers or the City's lowest-paid employees.

Mrs. Webb felt that the public does not have a good understanding of the extent of Council's responsibilities.

Mr. Hogan expressed his opinion that Council members do not typically serve primarily to receive monetary remuneration but to benefit the City, and felt that this orientation was appropriate. He stated his belief that the estimates provided by Council members regarding the number of hours

dedicated to service were conservative. Concurring, Dr. Williams noted that those who hold public office are never "off duty," as they are frequently called or approached by constituents.

Comparison of City Salary/Reimbursement Rates for Mayor, Council, and Other Paid Commission/Committee Members with Other Local Governments

Members reviewed information regarding the rates of compensation paid by other local government agencies. Mr. Hogan stated that it appeared that the City of Dover's committees and boards are compensated at a higher rate than other municipalities and that many municipalities provide no reimbursement at all for this type of service.

Noting that (according to the information reviewed) those jurisdictions that provide higher rates of compensation to Council members often have elections in November, Mr. Perza speculated that more significant salaries may be linked to municipalities that have partisan councils. He suggested that several different approaches could be taken when deliberating about the City's rates of compensation, including a historical perspective that considers Council's past actions, a comparison of the City's rates to other jurisdictions, and consideration of a non-partisan versus a partisan council.

Mr. Hogan advised members that the primary responsibilities of the Mayor involve attending meetings, representing the City at public functions, and overseeing the Police Department. He explained that the Mayor does not have a vote on Council but has veto power, which is typically not exercised often. Mr. Hogan stated that, in his opinion, the $45,000 salary allocated to the mayoral position is more than adequate since the City Manager serves as Chief Executive Officer (CEO) and Council has ultimate authority; however, he noted that the Mayor serves as the "face of the City" and the current Mayor works in excess of 40 hours per week. Mr. Hogan advised members that the City operates under a Council/City Manager form of government. He stated that, prior to 1987, the Mayor presided at City Council meetings and was entitled to vote. In 1987, the City was redistricted and the Council President position was created. Mr. Hogan explained that the City Manager now functions as the CEO of the City and reports to City Council. He noted that during a referendum held on April 20, 2004, citizens approved the full-time status of the mayor.

In response to Mr. Perza, Mr. Hogan explained that the Compensation Commission was created to review rates of compensation for the Mayor, Council, and City committees, commissions, and boards annually and to provide a recommendation to Council for any adjustments that may be necessary.

Mr. Hogan stated that, after reviewing the information provided by other municipalities, his initial reaction was that there did not appear to be justification for a pay raise for Council and that the boards appear to be compensated fairly.

Mrs. Webb indicated that any recommendation made by the Commission should be data-based. Concurring, Mr. Cook noted that the goal of the Commission should be to provide a fact-based, business-based model so that the logic for making decisions on compensation would be established for the future.

Mr. Hogan was in favor of surveying Council on an annual basis regarding the time commitment involved in serving, stating that this would provide information which would be increasingly valuable over time. Concurring, Mr. Perza suggested that this be completed at the end of the legislative year, in April, so that information could be obtained from outgoing Council members.

Mr. Perza suggested that the Commission could structure future meetings by devoting July to investigation and research, August to formulating a recommendation, and September to the public process. The Commission could then submit a recommendation to Council in October.

Mr. Perza stated that the following approaches could be considered by the Commission when developing a recommendation:

1) Returning to the City's historic philosophical view that holding public office is a public service (possibly returning to per diem reimbursement).

2) Basing a recommendation on a comparison of the City's rates of remuneration with other comparable local government entities.

Mr. Perza requested that staff obtain the rates of compensation paid to Kent County Levy Court Commissioners and County committee, commission, and board members. In addition, he requested information regarding the amount paid by the City during previous years to members of committees, commissions, and boards and election workers.

Dr. Williams suggested that information from the Town of Smyrna be added to the survey.

Mr. Perza noted that the combined salary of the Dover City Manager and the Mayor exceeds the rate paid to the Mayor of Annapolis, who appears to perform this combined function.

Mrs. Webb moved to recommend that staff be directed to distribute a survey to outgoing members of Council each year, prior to their departure, to obtain information regarding the responsibilities and time commitment involved in service, and that staff perform comparisons with other jurisdictions each year regarding rates of compensation for the Mayor, Council, and paid members of committees, commissions, and boards. The motion was seconded by Mr. Cook and unanimously carried.

In response to Mr. Perza, Mrs. Traci McDowell, City Clerk, stated that communication between members outside of meetings should be confined to superficial matters involving meeting schedules, etc. This would prevent members from engaging in discussions that could be perceived as "a serial meeting" under the Freedom of Information Act and would also ensure that members have access to the same information when formulating their recommendation to Council. She stated that if members have information that they wish to share, the City Clerk's Office would be glad to distribute this information to all members of the Commission.

By unanimous consent, the meeting adjourned at 4:04 p.m.

Respectfully submitted,

Kenneth L. Hogan
Chairman

KLH/TM/js/ac/dd
S:\AGENDAS & MINUTES\Misc-Minutes\COMPENSATION COMMISSION\07-12-2011.wpd