



# City of Cambridge

## City Hall

410 Academy Street  
Cambridge, Maryland 21613  
410-228-4020

The City of Cambridge **Council Compensation Committee** meeting be held on **Monday July 15, 2024, at 5:00 pm at City Hall Conference Room**, 410 Academy Street, Cambridge, Maryland 21613. The Council Compensation Committee Meeting will not be televised on Town Hall Streams, though the public is welcome to observe in person. These are the following items scheduled:

### Agenda

1. Call to Order
2. Welcome and Introductions
3. Review of Information and Focus
4. Discussion
5. Adjourn

Council Compensation meetings are conducted in open session unless otherwise indicated. Pursuant to the Maryland Open Meetings Act, all or a portion of the Council Compensation meeting may be held in closed session by vote of the Committee. Please note that the order of agenda items is subject to change.



## Council Agenda Report

**To:** The Honorable Mayor Rideout and the Commissioners of Cambridge  
**From:** Cheryl Hannan, PMP, Special Projects Coordinator  
**Date:** June 4, 2024  
**Subject:** Council Compensation

**Action Requested:** Review this report and direct staff to either create an ordinance for potential changes to the Council's compensation or to forgo any changes this year.

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At the April 22, 2024, Boards & Commissions Work Session, staff was asked to work with Mayor Stephen Rideout and Council President Lajan Cephas on identifying potential changes to the current council compensation in advance of the upcoming election.

Per our City Charter, no changes can be made to the mayor or council's compensation during the term for which they were elected:

*"The ordinance making any change in compensation...shall be passed prior to the municipal election to elect the next" mayor and council "and shall take effect only as to the next succeeding" mayor and commissioners (Sec 3-20; 3-23, 3-26).*

### Steps taken:

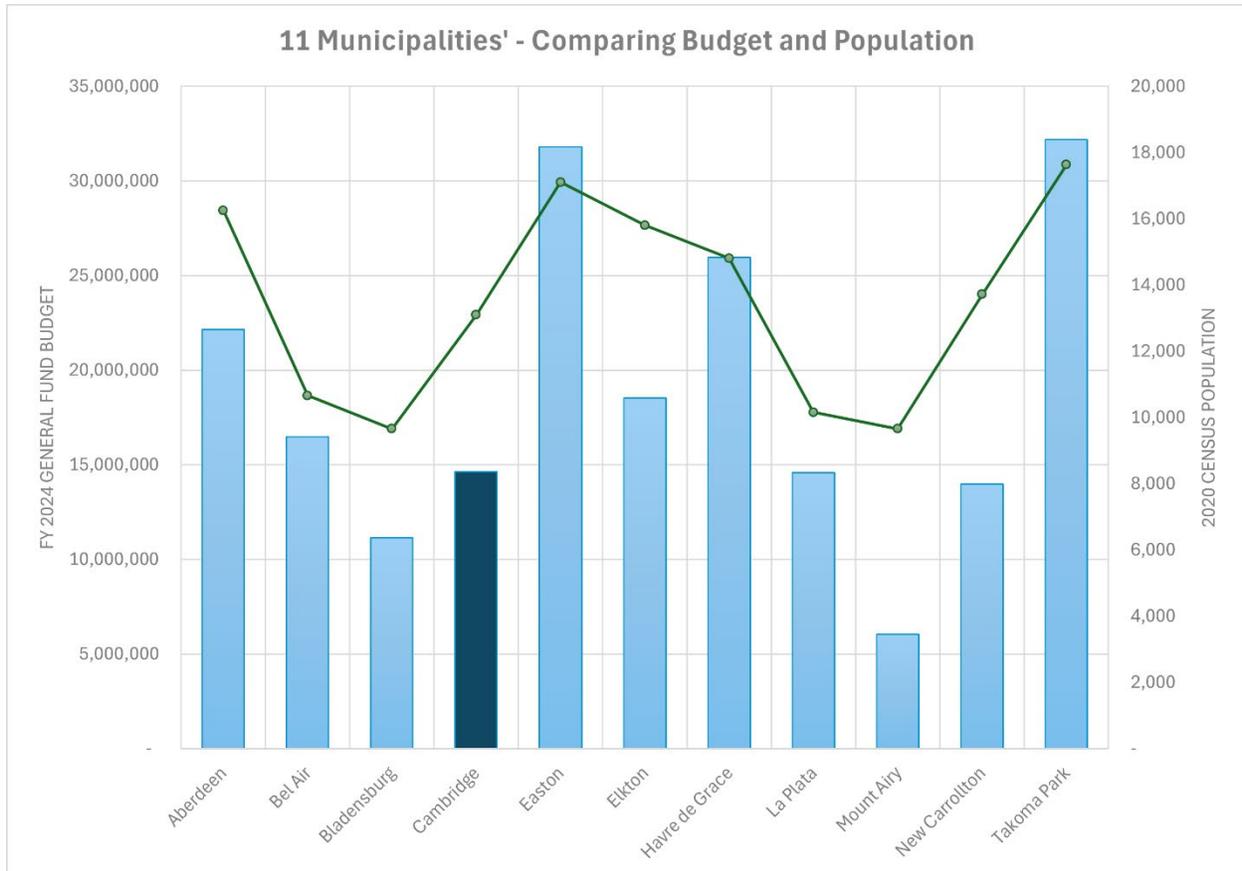
- Solicited input from each of the sitting council members and mayor,
- Reviewed the Council Compensation Survey document produced by Maryland Municipal League (MML) dating to 2016,
- Reviewed Cambridge Ordinance 1168 (Effective 10-13-2020) for changes made by the prior council,
- Contacted similarly sized municipalities to obtain updates to the MML data,
- Shared findings with the mayor and council president.

In review of the MML Survey and our current compensation, there are multiple components to consider. These include salary, health insurance, life insurance, retirement programs, travel & entertainment expenses, and equipment, such as laptops and cell phones.

## Comparative Analysis

Of the 157 municipalities in the State, I focused on the 10 that are the most similar in population size to Cambridge, with 2020 populations ranging from 9,654 to 17,629, with an average of 13,504. (Cambridge's 2020 population is 13,096).<sup>1</sup>

The FY24 General Fund Budget for each of these municipalities was also considered. This chart graphs both – budget on the left axis and population on the right), with Cambridge highlighted in darker blue. Note: Cambridge is the fifth smallest in population and budget compared to the others.



Looking at the governmental structure, of these other municipalities:

- Nine of the 10 have a Mayor.
- Four have four council members; four have five council members and two have six council members.
- Three of the 10 are Council-Manager forms of government. (One of these no longer has a mayor.)

<sup>1</sup> The 10 municipalities are: Aberdeen, Bel Air, Bladensburg, Easton, Elkton, Havre de Grace, La Plata, Mount Airy, New Carrollton, and Takoma Park. Geographically, Easton is the only other one on the Eastern Shore. Three are in Harford County, two in Prince George's County, and one in each of Cecil, Montgomery, Charles, and Carroll/Frederick counties.

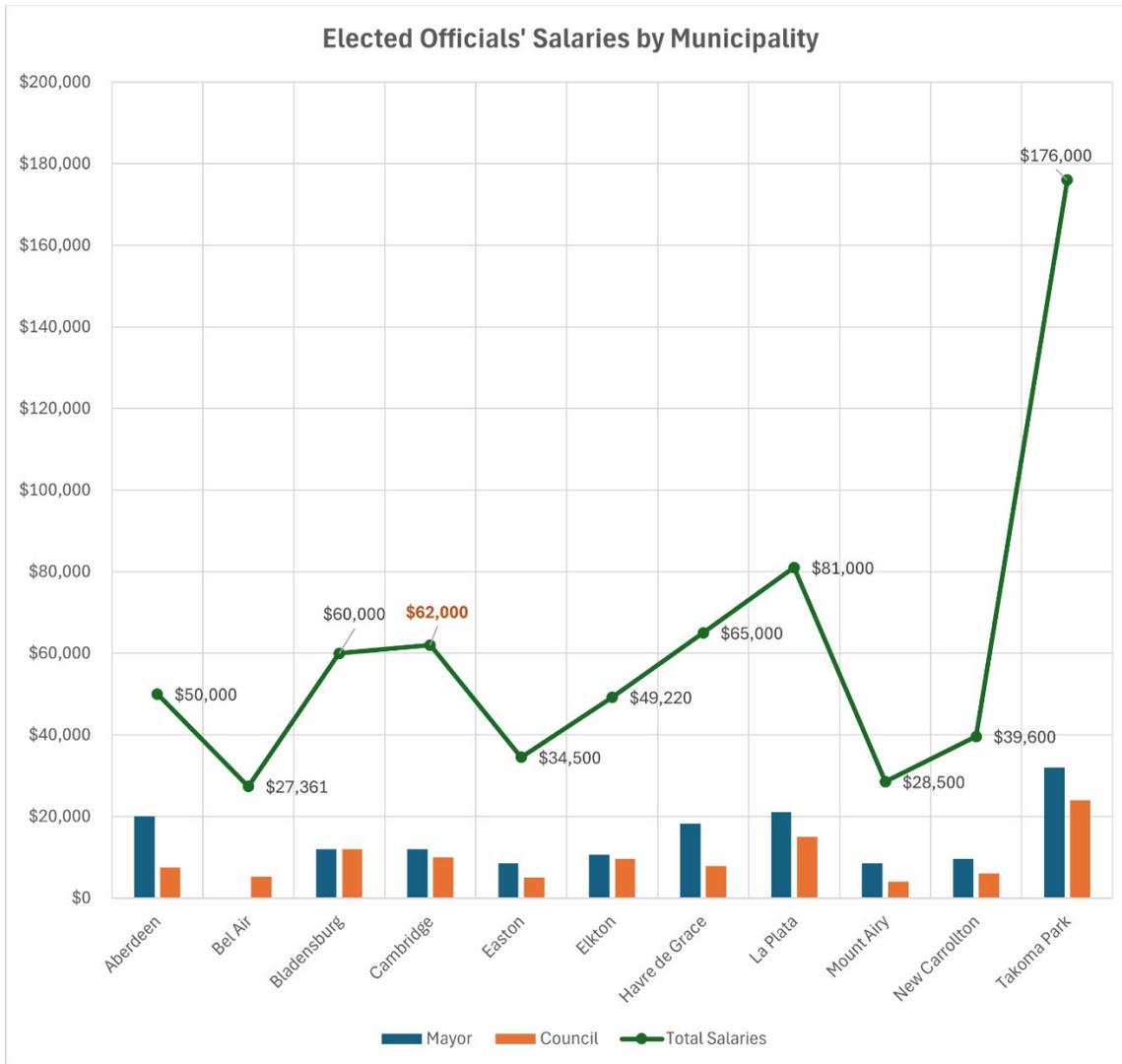
## Current Cambridge Program vs 10 Comparable Municipalities

	City of Cambridge		Comparable Municipalities	
	Mayor	Each Commissioner	Mayor	Each Commissioner
Salary (per year)	\$12,000	\$10,000	\$13,853 (average)	\$9,652 (average)
Health Benefits	Can Purchase		3 provide discount; 3 allow purchase	
Life Insurance/ ADD	\$25,000 (will be \$100K in FY25)		3 provide between (\$15k-\$25K)	
Retirement/ Pension Plan	Option to participate in State Program		2 provide State program, 1 provides 5% to ICMA plan	
Smartphone	Not provided		2 provide for City business only	
Laptop	Provided on request for City bus. only		1 provides for City business only	
Expense reimbursement for Mtgs	No limit specified; encourage attendance at MML. Budgeted at a total for all of \$37K for FY25.		1 reimb for MML & NLC; 1 reimb only for local MML and other local mtgs	
Expense Allowance	None		One provides \$1,200 annual allowance added to payroll.	

- Six of the 10 designate a Council President or Chair; but only two have a compensation differential for this role.
  - The two who provide a differential for Council President pay \$6,000 and \$6,515 (vs. \$5,000 and \$5,212, for all other council members).
- All provide an increased salary for the mayor's role.
- The mayors' salary ranges from \$8,500 (Mount Airy and Easton) to \$32,000 (Takoma Park).
- The council members' salaries range from \$4,000 to \$24,000 (Mount Airy and Takoma Park, respectively).<sup>2</sup>
- Cambridge ties for fifth highest for the mayoral salary and is fourth highest for the commissioners' salary. This results in the fourth highest salaries overall among the 11 municipalities researched.

The chart below compares the mayoral salaries, commissioner salaries, and the total of all salaries by municipality.

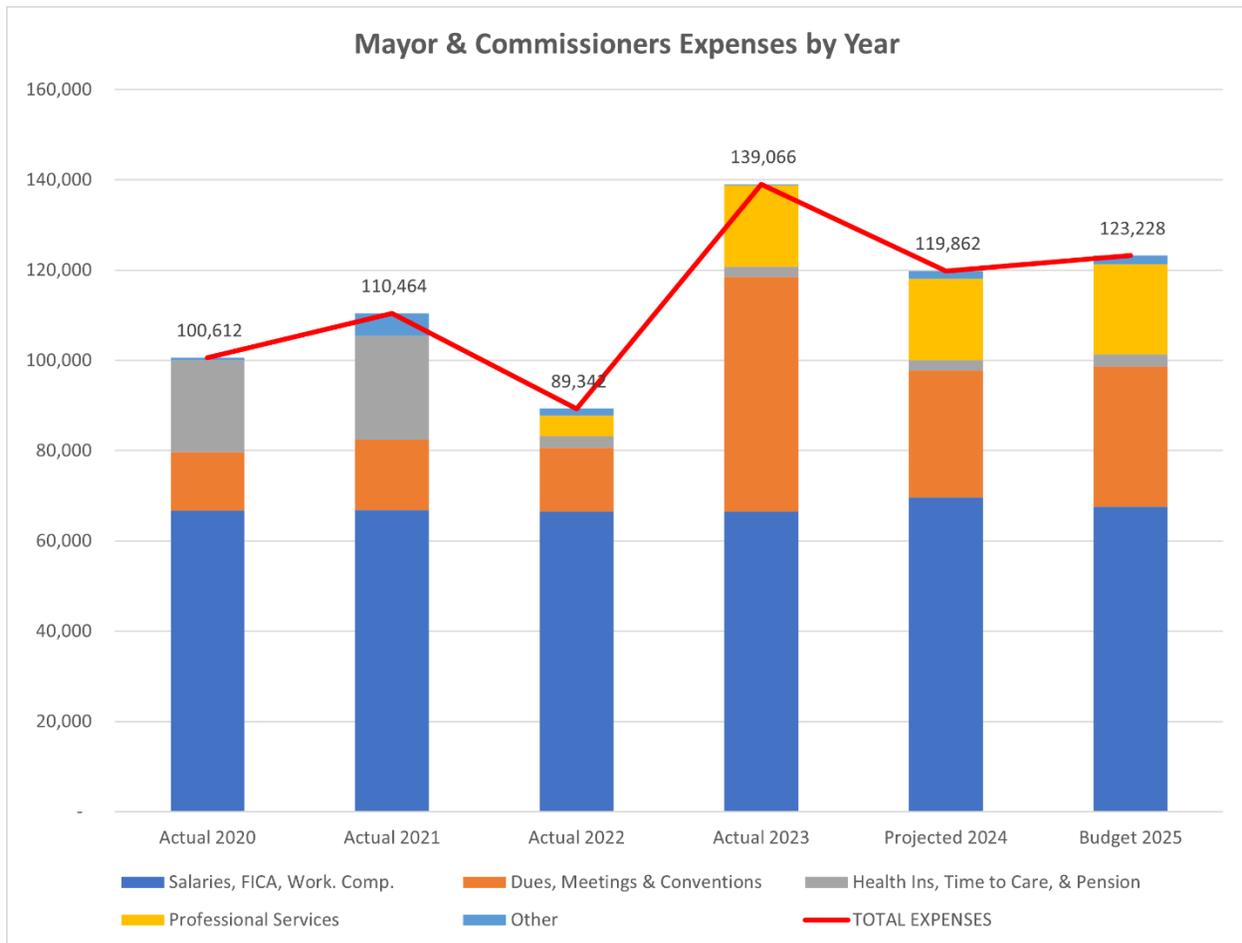
<sup>2</sup> These compensation ranges mirror the budget ranges with Mount Airy's FY24 General Fund Operating budget the lowest of the 10 at \$6.04M and Takoma Park's the highest at \$32.17M.



A comparison of total salaries paid to the mayor and commissioners of the 11 municipalities versus the FY24 General Fund Operating Budgets has Cambridge ranking as fifth highest of the 11. This does not include additional compensation components such as travel expense reimbursement, health care premiums, or equipment.

	Ratio total salaries to budget	Rank (Highest to Lowest)
La Plata	0.56%	1
Takoma Park	0.55%	2
Bladensburg	0.54%	3
Mount Airy	0.47%	4
<b>Cambridge</b>	<b>0.42%</b>	<b>5</b>
New Carrollton	0.28%	6
Elkton	0.27%	7
Havre de Grace	0.25%	8
Aberdeen	0.23%	9
Bel Air	0.17%	10
Easton	0.11%	11
<b>AVERAGE</b>	<b>0.35%</b>	

A review of the spending trend in Cambridge for the total expenses for the elected officials shows a low in FY2022 of \$89,341 and a high in FY23 at \$139,066. The largest component of the variance is dues, meetings & conferences.



### Anecdotes from the Other 147 Municipalities

Among the 147 other municipalities there are a few other types of benefits offered:

- One provides the mayor with a vehicle,
- Two provide use of the City’s legal resources to the elected officials,
- Several provide a nominal payment per meeting (between \$10-\$35) for attendance at special meetings or as a meeting liaison.
- Several jurisdictions provide allowances on water & sewer fees,
- One provides a membership to Sam’s Club.<sup>3</sup>

Among the 147 other municipalities, only 14 specifically indicated to MML that they provide an expense allowance or reimbursement. These ranged from \$300/year to \$3,600/year and frequently

<sup>3</sup> The last three of these bullets are generally associated with very small jurisdictions who provide salaries ranging from \$0 (zero) to \$90/mtg to \$3,600/\$1200 to their mayor and council members.

had a lower rate for council members than for the mayor. Two treated it as an allowance and included it in payroll as a taxable item.<sup>4</sup>

### **Feedback/Proposals Received from the Current Mayor and Council**

When solicited for input prior to any of the research, only three of the six current members of council provided specific items for consideration. No one indicated a high sense of urgency on these items.

#### Salary Proposals:

- Small increase to all roles; provide a higher rate for the Council President
- Similar to the above but as an example suggested: \$15,00 for the mayor, \$13,500 for the council president, and \$11,000 for the other four council members.

#### Travel/Expenses:

- Proposed setting a specific dollar amount to be reimbursed (amount not provided).
- Proposed setting a limit on the number of non-local meetings to be attended (number not provided).

#### Other Items:

- Cell phone allowance or provide a phone.<sup>5</sup>
- Provide a laptop or tablet or allowance toward one. Note: Cambridge currently provides a laptop on request for City business use only and it must be returned at the end of the council member's term of office.

### **Next Steps**

- Determine whether specific changes are needed currently.
  - Consider, in the peer group identified, Cambridge is the fifth smallest in population and budget and yet has the fifth highest total salary compensation and would rank very high if all compensation components are considered.
  - Also consider that if no changes are made now, the next council, elected later this year, can make changes, but they will not go into effect until a new council is seated after the 2029 election.
- Provide specific dollar amounts for any proposed changes.
- If changes are supported, have staff draft an ordinance for consideration at the next Council Meeting.

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<sup>4</sup> MML Council Compensation Survey 2016

<sup>5</sup> A cellphone would cost approximately \$350/year/person. Staff could provide a “soft-phone” at approximately \$240/person/year. Multiple third party options exist that range from free to just a few dollars a month that council can install as an app on their personal phones to segregate calls from constituents.

**Fiscal Impact**

The fiscal impact is currently unknown. If changes are requested that provide additional benefits, this will impact the FY25 budget. The council may decide to do nothing (\$0 impact) or reduce one benefit (for example, meetings) and increase another by an equal amount (\$0 impact).

**Equity Impact**

Currently all council compensation components, other than salary, are the same for the mayor and all council members.

**Environmental Impact**

N/A

**Approved by:** Brandon Hesson, Assistant City Manager

## Cambridge Compared to Ten Similarly Sized (population) Maryland Municipalities

Municipality	2020 Pop.	FY24 GF Op Exp Budget	Staff FY24	Form of Govt	PT unless noted		City / Town Mgr?	Compensation			Expense Allowance		Health Benefit		Life Ins./ ADD	AD&D	Retirement	Other
					Mayor	Council / Alderman		Mayor	Council	Council Pres or other role	Mayor	Council	Mayor & Council					
Aberdeen	16,254	22,146,589	190.0	Mayor-Council	Yes	4	City Mgr	\$20,000	\$7,500	Cncl Pres				\$15K				
Bel Air	10,661	16,486,617		Council-Mgr	No	5	Town Admin	\$0	\$5,212	\$6,515K Chair; also have VC	FY24 budgeted expenses.	\$30,250 for						
Bladensburg	9,657	11,149,263		Mayor-Council	Yes	4	Town Admin	\$12,000	\$12,000	Mayor ProTem	Reimb for NLC confs.	MML and FY25 budget	90-95% pd by City	State Pgm	State Pgm	State Pgm	Laptop, cases, hotspots, phones -	
Cambridge	13,096	14,635,411	110.0	Council-Mgr	Yes	5	City Mgr	\$12,000	\$10,000	Cncl Pres	Attendance at meeting and membership. Is \$37K for	annual MML cost of MML FY25 Budget all.	Can Purch	\$100K (FY25)	\$25K		Laptop provided on request for City business use only	
Easton	17,101	31,806,512		Mayor-Council	Yes	5	Town Mgr	\$8,500	\$5,000	\$6K Cncl Pres			Equiv to Employees	\$22K				
Elkton	15,807	18,521,123	96.0	Mayor-Council	Yes	4	Town Admin	\$10,580	\$9,660		\$1,200/yr minus inc tax	\$1,200/yr minus inc tax	No	No	No	No		
Havre de Grace	14,807	25,963,000		Mayor-Council	Yes	6	Dir of Admin	\$18,200	\$7,800	Cncl Pres	Attendance at meeting and membership.	annual MML cost of MML	No	No	No	No	Workspace at City Hall with access to dedicated computers	
La Plata	10,159	14,582,650	71.4	Council-Mgr	Yes	4	Town Mgr	\$21,000	\$15,000				\$15K allow.			Prov. 5% to		
Mount Airy	9,654	6,043,009		Mayor-Council	Yes	5	Town Admin	\$8,500	\$4,000	Cncl Pres								
New Carrollton	13,715	13,978,835	83.0	Mayor-Council	Yes	5	City Admin	\$9,600	\$6,000	Chair, VC, ProT			Can Purch			State Pgm		
Takoma Park	17,629	32,170,747	172.7	Council-Mgr	Yes	6	City Mgr	\$32,000	\$24,000		Reimb for mtgs at Metro Wash Council of Govts and MML Montg. County Chapt.		City pays 50% of lowest cost base				City smartphone for City calls and emails	