

## **Article II, Section 1 – Stipend increase for Mayor and Councilmembers.**

### **Background:**

The 2005 CRC unanimously recommended a compensation increase for the Mayor and Council members. The City Council did not elect to include the compensation increase in a municipal vote. In 2015, Article II Sec. 1’s verbiage changed from “compensation” to “stipend” per the CRC’s recommendation. However, the 2015 CRC did not consider changing the actual stipend amount.

The most recent proposed stipend increase appeared in the Resolution No. R-1819-66 drafted in December 2018. No specific increase amount was requested.

A chart comparing Norman’s stipend amount with other cities’ stipend amounts/salaries was presented to the CRC during its August 12, 2019 meeting. The Committee discussed the range of stipend amounts in other cities and there was consensus to move forward with a modest increase in a format that would simplify the payment process (instead of tracking the number of meetings attended to establish the stipend amount). The Committee asked that language be drafted to recommend a stipend between \$450 - \$650 per month (\$5,400 - \$7,800 per year) for Councilmembers and \$675 - \$975 per month (\$8,100 - \$11,700 per year) for the Mayor.

At its meeting in September, the Committee reviewed the drafted language and discussed other ways to gauge the appropriate compensation so that it would not require a Charter change every time the stipend was changed. Some suggested tying future increases to a set marker – employee wage increases, consumer price index, etc. but others expressed concerns about putting forward a structure that would guarantee a regular stipend increase without regard to overall budgetary concerns. Ultimately, the Commission appeared to reach a consensus and asked that language be drafted that requiring a Compensation Commission to be appointed and make recommendations for stipend increases every three years.

After looking at the implications of using either the term “stipend” or “salary” and whether the amount of each may impact status of the elected official as an “employee” of the City, it appears stipend is an appropriate term for these purposes regardless of the amount. A stipend is generally defined as a fixed sum of money paid periodically for services or to defray expenses. Whether it is called a stipend, wage or salary is immaterial for Internal Revenue Service purposes. Elected officials are explicitly excluded from the definition of employee in the context of the Employment Security Act, 40 O.S. s. 1-210, Federal Fair Labor Standards, 29 U.S.C.A. s.203, and the Family Medical Leave Act, 29 CFR s.825.102.

The CRC discussed possible language at its October 2019 meeting and voted unanimously to recommend the language set forth below.

### **Language Adopted by the CRC:**

#### **Section 1. - Elected Officers: Powers and duties; stipend.**

\* \* \* \*

The Mayor shall receive an annual stipend of [\$8,100 - \$11,700] for his or her service per annum, payable monthly beginning with the mayoral term that begins in 2022. Each of the

Councilmembers shall receive an annual stipend of [\$5,400 - \$7,800] per annum, payable monthly, beginning with the terms that begin in 2022. The Mayor, with the consent of Council, shall appoint a five-member Compensation Commission to determine and set the appropriate monthly stipend for the Mayor and each of the Councilmembers shall receive based on the consumer price index, the City's overall budget, and other relevant factors every three years thereafter. Said Compensation Commission shall be appointed every three years and any monthly stipend increases approved by the Commission shall not become effective until the following Council or Mayoral (as applicable) term.~~a stipend for their services, fifty dollars per month, plus ten dollars for each regular or special meeting attended, provided, however, that no Councilmember shall receive more than one hundred dollars total stipend for any given calendar month.~~