



## MUNICIPAL TAXATION AND REVEUE ADVISORY COMMITTEE

### RECOMMENDATION #3

**Cape May City Council should adopt an Ordinance to create and define elements of an Employee Salary Stipend Program.**

This ordinance should contain the following:

- Authority and responsibility for awarding a stipend.
- Definition of stipend
- Purpose of a stipend
- Eligibility for a stipend
- Criteria or justification for awarding a stipend
- Determination of the amount of a stipend
- Identification of fiscal impact of the stipend program

The purpose of a detailed and formal Stipend Program is threefold:

- To ensure that municipal compensation decisions, staffing practices and operations needs are addressed with the highest degree of efficiency, effectiveness, and equity.
- To establish clear parameters for the current and future City Councils in the implementation of its Compensation Policy
- To assure the taxpayers and the general public that the fiscal decisions are made with a full measure of transparency and accountability.

Over time, the administrative officers of the city have initiated and expanded the practice of awarding monetary compensation or stipends to certain employees for the performance of tasks and duties beyond the scope of their employment.

There is no code or regulation defining or authorizing this practice.

The absence of any clear, objective standards and criteria for awarding stipends is problematic and invites the perception of arbitrary fiscal and staffing decisions.

In this fiscal year, for the first time Council has included in the adopted Salary Ordinance a listing of the employees receiving stipends and the amounts of those stipends. However no other information is presented regarding these awards.