

MEMORANDUM

April 28, 2013

TO: Government Operations and Fiscal Policy Committee
FROM: Stephen B. Farber, Council Staff Director *SBF*
SUBJECT: FY14 Management Leadership Service Salary Schedule

On April 25 the GO Committee approved recommendations on FY14 compensation and benefits for all agencies. The Council will take up these recommendations on April 30. A final item for the Committee's consideration is the FY14 salary schedule for the Management Leadership Service (MLS).

The MLS includes 376 of the County's senior managers in three bands. There are 23 in Band 1, 121 in Band 2, and 232 in Band 3. The Executive's recommended FY14 MLS salary schedule is on ©38 of the April 25 Committee packet and the April 30 Council packet. It is also attached to this memo on ©1. The schedule calls for a 6.75% increase in the salary range. The increase in the range would otherwise be 3.25%, the amount of the recommended FY14 general wage adjustment (COLA) for non-public safety represented employees and non-represented employees.

OHR Director Joe Adler explains that the Executive proposes the 6.75% increase in the range to bring salary maximums for the three MLS bands somewhat closer to comparable federal salary maximums. The Executive's objective is to provide some further room for MLS salary growth over time relative to the federal maximums. While precise comparisons between MLS and federal job categories are complex, it appears from the comparisons below that even with the recommended increase in the MLS salary range, the MLS maximums will still fall well short of the federal maximums:

MLS Band 1	\$160,037	Federal Senior Executive Service	\$179,700
MLS Band 2	\$143,037	Federal Grade 15	\$155,500
MLS Band 3	\$123,725	Federal Grade 14	\$136,771

A separate but related point is that MLS employees do not receive 3.5% service increments. Instead, they receive increases based on their performance. In FY09, when eligible non-public safety represented and non-represented employees received a 3.5% service increment added to base salary, MLS employees were limited to a lump sum increase, not added to base salary, of 1.0% or 2.0%, based on performance. In FY10, when other eligible employees again received a 3.5% service increment, MLS employees were limited to a 2.0% addition to base salary. In addition, while represented and other non-represented employees are eligible to receive longevity increments, MLS employees are not.

Given these factors, I recommend that the Committee support the Executive's recommended FY14 salary schedule for the MLS. If the Committee agrees, we will inform the Council via an addendum to the April 30 packet on FY14 compensation and benefits.

**MONTGOMERY COUNTY GOVERNMENT
MANAGEMENT LEADERSHIP SERVICE
SALARY SCHEDULE**

PROPOSED- FISCAL YEAR 2014

EFFECTIVE SEPTEMBER 8, 2013

<u>GRADE</u>	<u>MLS LEVEL</u>	<u>MINIMUM</u>	<u>CONTROL POINT</u>	<u>MAXIMUM</u>
M1	MANAGEMENT LEVEL I	\$90,105	\$153,044	\$160,037
M2	MANAGEMENT LEVEL II	\$78,794	\$136,613	\$143,037
M3	MANAGEMENT LEVEL III	\$67,692	\$118,122	\$123,725

Notes FY2014:

- FY14 GWA is 3.25% for Management Leadership Service employees
- FY14 Salary Schedule increased by 6.75% over the FY13 Salary schedule.