

Agenda Item 9B
December 8, 2015
Introduction

MEMORANDUM

December 4, 2015

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: Introduction: Bill 51-15, Non-merit employees – Salary Schedule - Established

Bill 51-15, Non-merit employees – Salary Schedule - Established, sponsored by Lead Sponsor Councilmember Leventhal and Co-sponsors Councilmembers Elrich and Rice, is scheduled to be introduced on December 8, 2015. A public hearing is tentatively scheduled for January 12, 2016 at 1:30 p.m.

Bill 51-15 would establish a salary schedule for heads of departments and principal offices, and other non-merit employees. The Bill would require the Executive to propose a salary schedule for heads of departments and principal offices, and other non-merit employees in the Executive Branch for approval by the Council as part of the annual operating budget for the County government. The Bill would also require the Council to establish a salary schedule for non-merit employees in the Legislative Branch as part of the operating budget. Non-merit employees would be paid a salary within the appropriate salary schedule. The Bill would permit the Executive to exceed the salary schedule established for a position for an individual employee, subject to Council approval, if the Executive finds that it is necessary to attract or retain a senior leader for a specific position. The Lead Sponsor, Councilmember Leventhal explained the purpose of the Bill in a memorandum to his colleagues at ©5.

Background

The County needs a compensation system designed to attract and retain highly competent senior leaders as heads of departments and principal offices, and other non-merit employees. It is also important to ensure that the compensation system is in line with other competing organizations. The Council's Office of Legislative Oversight (OLO) recently issued Report 2016-1, *Comparative Data on High-Level Manager Salaries*. The Report can be viewed at: http://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/OLOMemorandumReport2016-1.pdf. OLO found that salaries for County non-merit employees was the highest in the Washington-Baltimore region and higher than most non-local jurisdictions surveyed. The Chief Administrative Officer's comments and the response to the CAO's comments from OLO can be viewed at: <http://www.montgomerycountymd.gov/OLO/Resources/Files/2016%20Reports/CombinedResponseandComments2016-1.pdf>

Prior to 1997, each employee holding a non-merit position was paid within a salary schedule approved by the Council in the operating budget. Bill 51-15 would not mandate any specific salary schedule. It would require the Executive and Council to re-establish a salary schedule for each non-merit position. The Bill would apply to any employee who is hired or promoted to head of a department or principal office or other non-merit position after the date when this Act becomes law.

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Bill No. 51-15
Concerning: Non-merit employees - Salary Schedule - Established
Revised: December 1, 2015 Draft No. 4
Introduced: December 8, 2015
Expires: June 8, 2017
Enacted:
Executive:
Effective:
Sunset Date:
Ch. , Laws of Mont. Co.

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Leventhal
Co-Sponsors: Councilmembers Elrich and Rice

AN ACT to:

- (1) establish a salary schedule for heads of departments, principal offices, and other non-merit employees;
- (2) require certain salaries to be set under the salary schedule established for these positions; and
- (3) generally amend the law governing compensation for non-merit employees.

By amending

Montgomery County Code
Chapter 1A, Structure of County Government
Section 1A-104

Boldface	<i>Heading or defined term.</i>
Underlining	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
Double underlining	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 1A-104 is amended as follows:**

2 **1A-104. Heads of departments and principal offices; other positions designated
3 as non-merit.**

4 (a) *Names.* The head of a department or principal office is called the
5 Director of the department or principal office, except that:

6 (1) the Director of Police is also called the Chief of Police;

7 (2) the Director of the Montgomery County Fire and Rescue Service
8 is also called the Fire Chief; and

9 (3) the Director of the Office of the County Attorney is called the
10 County Attorney.

11 (b) *Qualifications.*

12 (1) Each head of a department or principal office should be
13 professionally qualified.

14 (2) A person holding any other position in the Executive Branch
15 designated by law as a non-merit position must be professionally
16 qualified for the position under a position description established
17 by regulation under method (1).

18 (c) *Status.* Heads of departments and principal offices, and holders of any
19 other position in the Executive Branch designated by law as a non-merit
20 position, are County employees but are not merit system employees.

21 (d) *Special reinstatement rule.* A person who was a merit system employee
22 of the Police Department when appointed as an Assistant Chief of
23 Police may return to the merit system in the Department at the same
24 rank that the person last held in the merit system. The person must elect
25 to return to the merit system within 10 days after leaving the Assistant
26 Chief position, by notifying the Chief Administrative Officer in writing.
27 If the previous rank was abolished, the person must be assigned to the

28 closest equivalent rank, and must receive the salary and benefits that
29 would apply if the person had remained in the merit system at the
30 previous rank and the rank still existed.

31 (e) Salaries. The Executive must design a compensation system to attract
32 and retain highly competent senior leaders as heads of departments and
33 principal offices, and other non-merit employees in the Executive
34 Branch. Each of these employees must be paid a salary within a salary
35 schedule proposed by the Executive and approved by the Council in the
36 Operating Budget of the Montgomery County Government. The salary
37 schedule may contain a provision permitting the Executive to exceed the
38 salary schedule established for a position for an individual employee,
39 subject to Council approval, if the Executive finds that it is necessary to
40 attract or retain a senior leader for a specific position. The Council must
41 establish a salary schedule for non-merit positions in the Legislative
42 Branch as part of the Operating Budget of the Montgomery County
43 Government.

44 **Sec. 2. Effective Date.**

45 This Act must apply to any employee who is hired or promoted to head of a
46 department or principal office or other non-merit position after the date when this Act
47 becomes law.

48 Approved:

49

Nancy Floreen, President, County Council

Date

LEGISLATIVE REQUEST REPORT

Bill 51-15

Non-merit employees – Salary Schedule - Established

DESCRIPTION:	The Bill would require the Executive to propose a salary schedule for heads of departments and principal offices, and other non-merit employees in the Executive Branch for approval by the Council as part of the annual operating budget for the County government. The Bill would also require the Council to establish a salary schedule for non-merit employees in the Legislative Branch as part of the operating budget.
PROBLEM:	Salaries for non-merit employees are not controlled by a salary schedule established by the Executive and the Council.
GOALS AND OBJECTIVES:	To establish a salary schedule for all non-merit County employees designed to attract and retain highly competent senior leaders as heads of departments and principal offices, and other non-merit employees.
COORDINATION:	CAO, Office of Human Resources
FISCAL IMPACT:	To be requested.
ECONOMIC IMPACT:	To be requested.
EVALUATION:	To be requested.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Robert H. Drummer, Senior Legislative Attorney
APPLICATION WITHIN MUNICIPALITIES:	Not applicable.
PENALTIES:	Not applicable



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

GEORGE LEVENTHAL
COUNCILMEMBER
AT-LARGE

MEMORANDUM

December 1, 2015

TO: Councilmembers

FROM: George Leventhal *d*

SUBJECT: Bill on Compensation for Senior Non-Merit Employees

On December 8, I plan to introduce a bill on compensation for senior non-merit county employees. The bill would require the Executive to propose and the Council to approve a salary schedule for non-merit employees in the Executive Branch. It would also require the Council to establish a salary schedule for non-merit employees in the Legislative Branch.

It is important, as the bill text states, for the county to have a "compensation system to attract and retain highly competent senior leaders as heads of departments and principal offices, and other non-merit employees...." As the recent OLO report made clear, compensation for our senior non-merit employees is in fact highly competitive. My concern is that since 1997, when County Executive Duncan abolished the salary schedule for these employees, there has been a steady upward drift in compensation with no apparent framework. This has had an impact on the county's entire salary structure.

The bill is prospective; it would apply only to employees hired for non-merit positions after the bill becomes law. Also, the bill authorizes the Executive to exceed the salary schedule, subject to Council approval, "if the Executive finds that it is necessary to attract or retain a senior leader for a specific position."

The common-sense approach in this bill will enable us to attract and retain outstanding employees while meeting our obligations to the taxpayers. This approach is especially important in our current tight fiscal situation, including the possibility of a significant tax increase. I would welcome you as a co-sponsor of this bill.