

**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](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

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

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**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

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

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.