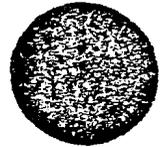




906472



Montgomery County Government

ROCKVILLE, MARYLAND 20850

P 5: 00

M E M O R A N D U M

February 13, 1981

TO: Montgomery County Council

FROM: Charles W. Gilchrist, County Executive *Charles W. Gilchrist*

SUBJECT: Compensation for Senior County Employees

Last year, the Ad Hoc Committee on Top Level Salaries (Colman Committee) reported that, while the salaries earned by top level employees in the County Government were competitive with comparable private and public sector salaries, the salary range was excessive, leading to the possibility over time that salaries earned in certain positions would exceed considerably those of other comparable organizations. This analysis has merit, and I believe that a new compensation system must be explored for these employees. Our compensation policy for senior level employees should provide the County with the salary flexibility it needs to continue to attract top-flight experienced personnel, should tie salary increases to executive performance, and should provide the accountability needed for effective management, while at the same time keep salary costs within acceptable limits.

In order to move forward with compensation policy improvements, I have taken two actions. First, I am presenting here for your consideration, legislation which will provide a salary ceiling for high-level County employees during FY 82. Second, I have formed a task force which will examine longer-range alternatives to the present compensation system for these County positions.

The attached legislation which I am proposing for FY 82 will place a temporary ceiling on top-level salaries in order to prevent the salary ranges from escalating to unacceptable levels. Specifically, my proposal calls for:

- an adjustment in the salary range maxima for grades 5 through 31 equal to the cost-of-living adjustment which is approved for FY 82;
- a maximum salary range for grade 40 of \$62,000, with equal dollar difference between the maxima for grades 31 through 40;
- a single salary schedule to apply to both merit and exempt employees;

- a cost-of-living adjustment to each merit employee's salary at the approved rate for FY 82 up to the maximum of the salary range for his or her grade; and
- salary adjustments for exempt employees to be determined by me.

If adopted, these proposals would mean that maximum salaries for grades 32 through 40 would range from \$52,440 to \$62,000. Without these changes, and assuming a 9.4% COL adjustment, the maxima would range from \$53,740 to \$78,890.

In order for this bill to take effect by the beginning of the new pay year (July 1, 1981), I am recommending that it be enacted as emergency legislation. I feel this is justified in view of the serious fiscal situation confronting us and the need to demonstrate to the community our equally serious determination to manage our resources carefully.

I am proposing this legislation for County employees only, but strongly suggest that the Council recommend comparable action governing senior level employee positions in other agencies over which Council has jurisdiction.

The longer-range Management Compensation Task Force, which I have established, will have representatives from Executive Management, the Office of Personnel, the Office of Management and Budget, and County departments. In developing alternatives to the present compensation system for senior-level employees, the Task Force will draw on the experience of other State and local jurisdictions, and the Federal government.

The recommendations of the Task Force will be presented to me this summer. I will review these recommendations and incorporate those of the Merit System Review Commission, also due this summer. After reviewing these proposals with affected parties, I will present a plan for dealing with senior employee compensation to you by early fall. Through our joint efforts, I would hope that this plan could be enacted in FY 82 and incorporated into the FY 83 budget for implementation on July 1, 1983.

CWG:sah