



**WORK SESSION of the Greenbelt City Council
Held Wednesday, August 16, 2000
For the purpose of discussing the compensation and benefits study**

Mayor Davis started the meeting at 8:03 p.m. It was held in the Multipurpose Room of the Community Center.

PRESENT WERE: Council members Edward V.J. Putens, Rodney M. Roberts, Alan Turnbull, Thomas X. White, and Mayor Judith F. Davis.

ALSO PRESENT WERE: Michael P. McLaughlin, City Manager; Consuella Harris, Human Resources Officer; Kathleen Gallagher, City Clerk; Jeff Williams, City Treasurer; David Moran, Assistant to the City Manager; Jim Craze, Chief, Police Department; Ken Hall, Acting Director, Public Works; Celia Craze, Director, Planning and Community Development; Carol Leventhal, Director, CARES; many other City of Greenbelt employees; and Amy Boyes, the Gazette.

Mr. McLaughlin gave a brief overview. He first thanked Ms. Harris for her work on the study, which was undertaken in response to a perception that Greenbelt's pay plan had fallen behind those of nearby municipalities. On the basis of this preliminary survey, it was indeed found that the City fell close to the bottom on both starting and maximum salaries for the positions compared; however, the City was close to the top in its contributions to benefits, with the difference being in contributions to retirement and deferred compensation. Mr. McLaughlin said the most likely causes for the City's lagging in salary are the absence of COLAs for the three years 1996-98, the reestablishment of contributions to the 401-k plan, and the shift to performance pay. Greenbelt has put money into forms of employee compensation other than salary, while other jurisdictions have tended to raise salary, with the result that the whole compensation package needs to be considered in order to make meaningful comparisons.

Mr. McLaughlin emphasized that the recommendations he made to Council in conveying the findings of the study were suggested as possible options only, and were not intended to exclude other possibilities. Those recommendations were: 1) provide the 2% across-the-board increase that formed the basis for the amount included in the FY 2001 budget for salary adjustments; 2) redirect to salary the 5% deferred compensation now being given to pension plan employees (supplementing the 3b% being received by MCLEO and retirement employees for equity); 3) begin an annual in-depth, in-house review of 10-12 positions for comparability with other communities, starting with those positions that appear to be most behind. All City positions could be reviewed at once at a cost of \$20,000-30,000 by bringing in a consultant.

Mr. Putens asked if the comparisons had been made on the basis of job titles or job duties. Mr. McLaughlin said Ms. Harris sent position descriptions to the other organizations and asked them to provide data for any of their positions that closely matched. There has not been time, however, to follow up or do any in-depth validation. In response to a query from Mayor Davis regarding

whether it would be reasonable to grant the 2% while taking more time to study the other options, Mr. McLaughlin said he was confident that we are at least 2% behind across the board, so that it would be reasonable to do so.

There was no decision on whether it would be worthwhile to hire a consultant to do the first wave of in-depth reviews of individual positions for comparison with other communities. There was concern about the cost, but it was also recognized that problems could be created by having these positions reviewed and updated over a period of years.

Mayor Davis asked staff whether they had a preference on whether the City's compensation package emphasized salary or benefits. Mr. Putens, Mr. Roberts, and Mr. White all said that at this time they preferred not to choose between the two or to reduce benefits as a way to make up salary. Chief Craze said this was the consensus of the Police Department employees as well.

Mike Lanier, Police Department, questioned moving the City's 5% contribution from deferred compensation to salary, since the former was 5% deferred per year while the latter would be a one-time payment that would become part of the salary base. Mr. White said he did not see any advantage to employees in doing this. Mr. McLaughlin responded that depending on their time of life and their obligations, some employees might have greater need of the up-front salary. Mr. White then asked Mr. Williams about the claim that it might be possible not to withhold FICA from the 5% for employees who opted to continue deferring it. Mr. Williams said that experience in Rockville indicated that salary can be held exempt from FICA if the employee's contribution becomes mandatory once the election to defer it is made.

Mr. White objected to spending the 2% (or \$125,000) for salary increases prior to further investigation of the extent to which specific positions or classifications may be seriously out of sync. He warned that even though it may be the case that everyone is at least 2% behind, once this money is spent, it will no longer be available to help rectify major inequities that might be identified later.

Karl Skaggs, Public Works, said some employees were in favor of distributing the money earmarked in the budget as a flat dollar amount to all employees, rather than on an across-the-board, percent-of-salary basis, in order to give a larger boost to those at the lower end of the salary scale. He said entry- and lower-level salaries are the biggest problem. This suggestion generated a theme that played in variations throughout the rest of the meeting: namely, whether the approach to the problem should stress entry- and lower-level salaries or not. Although he was in favor of spending the \$125,000, Mr. Turnbull said he wanted to put most of the money at the lower end of the scale, rather than giving 2% to all employees. He said the pay increase should be progressive, and he does not view the resulting compression of the pay scale as undesirable.

Several people took the opposite point of view. Mr. Putens argued that a 2% increase across the board would at least leave the scale intact proportionately, whereas a progressive increase would skew it even further, which he did not think should be done on the basis of the information currently available. Since the whole plan is behind, he thought the 2% increase to be reasonable. Trying to redress inequities among positions or groups of positions, on the other hand, is a different matter, Mr. Putens said, and should be handled through reclassifications, not by an

overall compression of the pay scale. The Mayor noted that although entry-level salaries may be the most serious problem, we are also behind on the maximum salaries. Antoinette Conrad, Public Works, also urged Council to remember that caps on salaries for employees with longevity are also a problem. John Rogers, Fraternal Order of Police, said more money is needed across a number of categories that could not be played off against one another. Mr. Roberts agreed that across-the-board would be the fair approach since, in his view, the increase would function similar to a COLA. Although swayed by both Mr. Turnbull's and Mr. White's arguments, Mayor Davis concluded the City should not lose any more time by waiting the approximately two months that would be required for additional study and should get started on remedying the problem by giving the 2% across the board.

There was discussion of which positions should be examined in depth for purposes of further verifying the results of the study: should it be those that appear to be most below the average, or should it be what Mr. Putens called the "meat and potatoes" jobs, i.e., those that are found in most organizations and are thus easiest to get comparative data on.

Mr. McLaughlin then suggested that Council's support for the following proposals be weighed:

- 1) Give the 2% across-the-board increase that had been earmarked in the FY 2001 budget.
- 2) Commit to a COLA over the next few years that would be 1-2% above the CPI.
- 3) Establish an employee advisory group to advise on other options that might be considered (e.g., along the lines of Celia Craze's 7-14-00 memo).
- 4) Further evaluate the validity of the preliminary study by analyzing in greater depth a sub-group of positions.
- 5) Do a staff report specifically addressing the recruiting and retention issues.
- 6) Bring in a consultant to review all City positions at once.

#1: As previously indicated, a majority of Council supported this proposition; Mr. Turnbull and Mr. White did not, though for different reasons. #2: Mr. White said he did not think he could support making a commitment for future years to give COLAs above the CPI. Mayor Davis agreed that this should be considered at budget time. #3, #4, and #5: All Council members supported these options and suggested that Ms. Harris use her best judgment on the question of which positions to look at in greater depth. #6: Council agreed to ask for more information on this. In summary, the Mayor said that there was a majority in support of #s 1, 3, 4, 5, and looking at more information on #6.

The meeting was adjourned at 11:30 p.m.

Respectfully submitted,

Kathleen Gallagher

City Clerk