

Compensation Review Commission

3430 Court House Drive
Ellicott City, MD 21043

Steven Sass, Esq., Chair
Howard Rensin, Esq., Vice Chair
Richard Goldman
Damani Ingram, Esq.
Rhonda Jones
Mary Marker
Thomas Price, Esq.

December 16, 2013

The Honorable Calvin Ball
Howard County Council
3430 Courthouse Drive
Ellicott City, MD 21043

Dear Chairperson Ball:

I am pleased to convey to the Howard County Council the final report of the Compensation Review Commission, December 2013, and resolutions recommending salaries for the Howard County Executive and Council Members to be elected in November 2014.

As described in more detail in our Report, attached, by Resolution of the Howard County Council (Resolution No. 58-2013 dated June 3, 2013) and consistent with the requirements of the Annotated Code of Maryland and the Howard County Charter, the following members were appointed to the Commission in addition to myself: Richard Goldman, Damani Ingram, Rhonda Jones, Mary Marker, Thomas Price, and Howard Rensin.

Over the past several months, the Commission received informal presentations from the incumbents as well as from select County department heads. We also reviewed data including that which was provided to us by them or otherwise made available to us related to Howard County budget, history, and projections coupled with a review of compensation and history for the Howard County positions and relevant positions similar to ours in other regional jurisdictions. Our meetings were of course open to the public and we identified one meeting specifically for public input, which was received.

After analysis of this data and substantial discussion the Commission is recommending for the County Executive a base salary of \$178,000 for the first year of the term that begins December 2014. This represents an increase of \$6,699. The Commission is recommending an annual increase based on the CPI-U Index or 2.5%, whichever is greater.

The Commission is recommending for members of the County Council a salary of \$59,950 for the first year of the term that begins December 2014. This represents a onetime increase of \$2,864. The Commission is also recommending an annual increase after the first year based on the CPI-U Index or 2.5%, whichever is greater. In addition, the Commission is recommending that the Chair of the Council receive a differential of \$3,500 over the base salary in lieu of the current \$1,000 differential. In addition to the Council member's salary, the Commission recommends the Council Members include in its annual budget an allocation of \$3,500 for each Council Member upon election to procure technology that is otherwise not provided by the County but would

support their position as a Council Member. These funds are intended for items such as (but not limited to) tablet, laptop or other technology. This amount will be for the full term of their position and unexpended funds should be reappropriated from year to year. The Commission further recommends that the County current policy of providing a \$150 per month stipend to Council Members for cell phone usage remain in place and unchanged.

Commission members believe these salary recommendations effectively balance the need to keep pace with inflation, address the relatively high cost of living in Howard County, appropriately compensate for the demands on an elected officials time, and maintain a relative parity with the compensation of other part time elected officials in surrounding and similar jurisdictions.

On behalf of the Commission members, I would like to thank the members of the County Council and the County Executive for giving us the opportunity to serve the community in this way. It has been a positive experience. We are planning to attend the public hearing and be available to offer testimony when legislation regarding this matter comes before the Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven D. Sass", with a long horizontal flourish extending to the right.

Steven D. Sass, Chairperson

COMPENSATION REVIEW COMMISSION

3430 Court House Drive
Ellicott City, MD 21043

Report of the Compensation Review Commission **November 2009**

I. AUTHORITY OF COMMISSION

Section 10-302 and of the Local Government of the Annotated Code of Maryland authorizes Maryland charter counties to establish a commission to set compensation and allowances to be paid to members of each county's County Council, and Section 10-303 of the Local Government Article authorizes each county to set the compensation of the County Executive. Pursuant to this state law authority, the Howard County Charter requires the County Council to establish a Compensation Review Commission every four years to review the compensation of the members of the County Council and allowances and to make recommendations to the Council on these matters for the ensuing four years. Section 302(d) of the Howard County Charter requires that the Compensation Review Commission also review and make recommendations on the County Executive's compensation following the same procedures used for the County Council.

Accordingly, this Compensation Review commission was established on June 3, 2013, by Council Resolution No. 58-2013, to make recommendations concerning the compensation and allowances for the members of the County Council and the County Executive to be elected in November 2014.

The following Commission members were appointed by Council Resolution No. 58-2013 dated June 3, 2013: Richard Goldman, Damani Ingram, Rhonda Jones, Mary Marker, Mamie Perkins, Howard Rensin, and Steven Sass. Mamie Perkins resigned due to scheduling constraints. Thomas Price was appointed to fill her position by Council Resolution 135-2013, dated November 4, 2013.

II. STUDY

The Commission's role and responsibility was to recommend fair and equitable compensation for the positions of County Council member and County Executive. The Commission did not consider the performance and personality of the incumbents.

The Commission researched pertinent information with regard to compensation issues and spent considerable time discussing the material. In addition, the Commission received input from all five current Council members and the County Executive to better learn the full range of duties and responsibilities of those offices and the incumbents' view on the changes that have occurred and continue to occur over time in those duties and responsibilities.

The Commission considered a number of relevant pieces of information to evaluate current salaries and to form its recommendation for future salaries. These included the following: (1) responsibilities of the Council as a whole, (2) information received from the Council members and the County Executive, (3) benefits to which these elected officials are entitled, (4) compensation of council members and county executives from surrounding jurisdictions, (5) salaries of top and mid-level positions in County government, as well as the Department of Education, (6) current and projected economic conditions of the County, (7) changes in salary and compensation looking backward over time, and (8) changes in income and expense trends for the County as a whole.

The Commission carefully considered the recent salary history and current salaries of both Council members and the County Executive. For the term beginning December 2010, Council members received a salary of \$53,400. There was an increase for each subsequent year of that term based on the CPI-U resulting in a salary of \$56,077 for the last year of that term.

The County Executive's salary was set at \$160,198 for December of 2010 and he also received an annual increase for each year of that term based on the CPI-U, bringing his salary to \$168,727 for the last year of that term.

In addition to the above, James Vannoy, Esq. from the County Office of Law, briefed the Commission on the legal issues involved in recommending compensation for the Council members and County Executive as well as the components required for our report and limitations of our recommendations consistent with the applicable laws and regulations.

Raymond Wacks, the Budget Administrator for the County, briefed the Commission on County budget matters especially as they related to compensation for the Council members and County Executive. He also provided information on the current and projected economic and budgetary conditions facing the County.

Sheila Tolliver, the Council Administrator, briefed the Commission on the roles and responsibilities of the Council as a whole and of individual members. She reviewed the council's legislative duties, budget responsibilities, annual calendar, office organization chart, and hiring and supervising certain staff persons.

Todd Allen, the Director of Personnel briefed the Commission on employee benefits and retirement.

COUNTY COUNCIL

The Commission received input from Council Chairperson Jennifer Terrasa, Vice Chairperson Mary Kay Sigaty, and Council Members Calvin Ball, Greg Fox and Courtney Watson.

Council members stated that their duties as Council Members required a substantial amount of time and sacrifices in their personal lives. They estimated they worked each week on Council business for at least 20 hours and up to 60 hours, and, at times, more than 60 hours. They said that the workload has increased and intensified with the increased reliance on and access to technology by both the Council members and constituents. They agreed that the Council should remain a part-time job.

Council members have extensive responsibilities including reviewing and approving the County budget each year. They spend a great deal of time doing constituent work and attending many meetings both in their districts and throughout the County. The great majority of these meetings are not political in nature. Council members also represent the County on organizations outside of the County. At times, periodic processes such as a general plan revision or zoning requests can add substantially to the time demands.

Council members are citizen legislators and serving on the Council is defined as a part-time commitment; therefore, most members have other employment and all have other commitments for their time. Council members have scheduling and other challenges as they accommodate their Council duties and their private responsibilities. Council members are reimbursed for official Council business expenditures.

There was a general consensus among the Council members that they were compensated inappropriately when compared to other jurisdictions and the amount of time they spend on Council work. There was also a general consensus that the current pay differential of \$1,000 for the Council Chairperson did not adequately reflect the amount of additional responsibility that the position actually demands.

COUNTY EXECUTIVE

The Commission received input from County Executive Ken Ulman.

The County Executive is responsible for the day to day operation of County government. This is a full-time position. He is responsible for proposing the annual County budget, overseeing spending throughout the year, and for managing all departments of County government. The County Executive sets the direction for County government, makes policy in many areas and routinely makes major decisions that greatly affect the County and its residents. He reported an average work week of 60 to 100 hours. He is responsible for an overall County Budget of approximately \$1.4 billion.

The County Executive spends a great amount of time dealing with the public and tries to attend all County and community events to which he is invited. He said that he tries to always be accessible and visible to citizens and considers this an important part of his job. The County Executive also participates in state and national organizations.

ISSUES AND DISCUSSION WITH REGARD TO DETERMINING COMPENSATION
RECOMMENDATIONS FOR COUNCIL MEMBERS AND THE COUNTY
EXECUTIVE

The Commission reviewed and discussed all of the background information provided by staff and the input provided by County Council Members and the County Executive. As previously stated, to determine the appropriate compensation for members of the County Council and the County Executive for the term beginning after the election in 2014, the Commission considered and analyzed, in detail, a number of issues.

The Commission agreed that it is essential that salaries for elected officials should be sufficient to attract a selection of high caliber and diverse candidates and to encourage participation in the process. In order to attract citizen representatives of all backgrounds and skills, the Commission thought that the salary must strike a difficult balance. It should not be so high as to make it the primary motivating factor for running for office, nor so low as to discourage people from running for office. The County Executive's salary should reflect the reality that it is a salary for full-time employment of an executive with extensive budgetary and managerial responsibility.

The Commission agreed that, because of the general relative health of the County economy and indications of continuing economic growth in the County as well as the increased dependence on technology both as a boon and a burden (in that provides residents 24/7 access to their government and compresses the timeframe of many activities involving our elected officials), the Executive and Council Members face continually increasing responsibilities and expectations with regard to serving both citizens and the business community, which should be reflected in their salaries.

The Commission compared the current salaries of the Council Members and the County Executive with those in surrounding jurisdictions. The Commission found that salary increases, by law, cannot be tied to any factor over which the Council or Executive has control; therefore, it was agreed that the annual increases would be based on the All Urban Consumers Price Index for the Washington-Baltimore area published by the U.S. Department of Labor, all items, not seasonally adjusted (CPI-U Index). If the Bureau of Labor Statistics fails to publish the CPI-U Index computation for any year of the term or the CPI-U for a given year is less than 2.5%, the Council and Executive shall receive a 2.5% salary increase.

III. RECOMMENDATIONS

The Commission, by a unanimous vote, recommends for County Council members an annual salary of \$59,950 for the first year of their term that begins December 2014. This represents an increase of \$2,864 from the final salary of the then departing incumbents. The Commission, by a unanimous vote, also recommends an annual increase of the greater of 2.5% or the All Urban Consumers Price Index for the Washington-Baltimore area published by the U.S. Department of Labor, all items, not seasonally adjusted (CPI-U

Index). In addition, the Chairperson of the Council should have a differential of \$3,500 over the base salary in lieu of the current \$1,000 differential. The \$3,500 differential is not subject to the CPI-U increase.

The Commission, by a unanimous vote, recommends for the County Executive an annual salary of \$178,000 for the first year of the term that begins December 2014. That represents an increase of \$6,699 from the salary of the then-departing incumbent.

Council members' salary increases in the last three years of their terms shall be determined as follows: each December in 2015, 2016, and 2017 their prior year's base salary shall be increased, but not decreased, by the change in the Consumer Price Index all urban consumers (CPI-U) Washington-Baltimore DC-MD-VA-WV average, all items, from the prior year, as published by the Department of Labor's Bureau of Labor Statistics on January 31. If the Bureau of Labor Statistics fails to publish the referenced CPI-U computation or the CPI-U is less than 2.5%, then the annual increase for the County Council members shall be 2.5%.

The County Executive's salary increase in the last three years of the term shall be determined as follows: each December in 2015, 2016 and 2017 and also increased, but not decreased, by the change in the Consumer Price Index all urban consumers (CPI-U) Washington-Baltimore DC-MD-VA-WV average), all items, from the prior year, as published by the Department of Labor's Bureau of Labor Statistics on January 31. If the Bureau of Labor Statistics fails to publish the referenced CPI-U computation or the CPI-U is less than 2.5%, then the annual increase for the County Executive shall be 2.5% of base salary.

The Commission, by a unanimous vote, also recommends a budget item in the County Council's budget that includes \$3,500 for each newly elected or re-elected Council Member to reimburse the costs of technology and electronic devices that are not provided by the County but helpful in performing their duties. This fund is for the full term of the Council Member and the unused portion should be reappropriated from year to year until the next election.

The Commission recommends that the current County policy of providing a \$150 per month stipend to Council Members for cell phone usage remain in place and unchanged.

Attached to this report are appendices that include a schedule of the Commission's meetings and the background data considered in developing the salary recommendations.

RESOLUTION OF THE COMPENSATION REVIEW COMMISSION

Pursuant to the provisions of Section 10-302 of the Local Government Article of the Annotated Code of Maryland, Section 202(d) of Article II of the Howard County Charter and Subtitle 1 of Title 5 of the Howard County Code, the Compensation Review Commission does hereby approve and adopt the following Resolution recommending the compensation and allowances to be provided to the members of the Howard County Council for the four-year term beginning in December 2014.

Resolved: From and after the time the members of the Howard County Council qualify for office following the general election of November 2014, the member of the Howard County Council shall receive each year the employee benefits available to County employees.

Resolved: From and after the time the members of the Howard County Council qualify for office following the general election of November 2014, the members of the Howard County Council shall be paid an annual salary for the four-year term beginning 2014 as follows:

- Beginning on the date of installation in December 2014, the base salary shall be \$59,950 per year.
- The base salary shall increase (but not decreased) beginning December of each year after 2014. Base salary is determined in each year by increasing the prior base salary by the increase in the Consumer Price Index all urban consumers (CPI-U Washington-Baltimore DC-MD-VA-WV average), all items, as published by the Department of Labor's Bureau of Labor Statistics from the prior year on January 31. If the Bureau of Labor Statistics fails to publish the referenced CPI-U computation or the CPI-U is less than 2.5%, then the annual increase for the members of the Howard County Council shall be 2.5%.
- The Chairperson of the Howard County Council shall receive the sum of \$3,500 over the base salary which is not subject to the escalator set forth above.
- Council members shall also be allocated \$3,500 upon election or re-election for their term of office in the Council's budget for the purchase of technology or electronic devices that are not provided by the County but assist in the performance and obligations of their duties.
- Council members shall also receive a monthly stipend of \$150 toward a cell phone plan to cover the costs associated with a service plan for a personal communications device.

In witness, whereof, we have hereunto subscribed our names this 16th day of December, 2013,

Respectfully submitted,



Steven D. Sass, Chairperson

RESOLUTION OF THE COMPENSATION REVIEW COMMISSION

Pursuant to Section 10-303 of the Local Government Article of the Annotated Code of Maryland and Section 302(d) of the Howard County Charter, the Compensation Review Commission does hereby approve and adopt the following resolution recommending the compensation and allowances to be provided to the Howard County Executive for the four-year term beginning in December 2014.

Resolved: From and after the time the Howard County Executive qualifies for office following the general election of November 2014, the County Executive shall receive each year the employee benefits available to County employees.

Resolved: From and after the time the Howard County Executive qualifies for office following the general election of November 2014, the County Executive shall be paid an annual salary for the four-year term beginning in December 2014.

- Beginning on the date of installation in December, the base salary shall be \$178,000 per year.
- The base compensation being paid shall also increase (but not decreased) beginning December of each year by increasing the prior base salary by the increase in the Consumer Price Index all urban consumers (CPI-U Washington-Baltimore DC-MD-VA-WV average), all items, as published by the Department of Labor's Bureau of Labor Statistics from the prior year on January 31. If the Bureau of Labor Statistics fails to publish the referenced CPI-U computation or the CPI-U is less than 2.5%, then the annual increase for Howard County Executive shall be 2.5%.
- The County Executive shall also receive a monthly stipend of \$150 to reimburse the expense of a service plan for a personal communications device as well.

In witness, whereof, we have hereunto subscribed our names this 16th day of December, 2013,

Respectfully submitted,



Steven D. Sass, Chairperson