



# **City of Rockville, MD**

## **Compensation Analysis**

**PFM Group**  
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**April 2008**

# Overview



In October 2007, the City of Rockville engaged Public Financial Management (PFM) to conduct a salary and benefits analysis in conjunction with the City's Department of Human Resources. The primary purpose of this analysis is to assist the City in evaluating its organizational competitiveness in the marketplace, as well to provide more specific insight into particular classifications facing market pressures

During the Fall, PFM developed a compensation survey and procedures, including an on-line job matching survey instrument, for distribution by the City. Key elements of this compensation survey included the following:

- Outreach to regional employers identified in conjunction with the City, yielding responses from 16 area public employers;
- Analysis of 51 job titles with regard to minimum, midpoint, and maximum base pay;
- Evaluation of major cash premiums and differentials, such as longevity pay, shift differentials, and uniform allowances;
- Comparison of key features of health and retirement benefit plans;
- Paid leave analysis; and,
- Law enforcement personal patrol vehicle policy comparisons.

In addition to this regional comparative analysis, PFM has also evaluated City benefits relative to national private and public sector practices and trends, analyzed historical City wage trends relative to the consumer price index (CPI), and has reviewed prospective compensation factors, such as forecast CPI and healthcare inflation levels



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## **Compensation Overview**

# Rockville Compensation Overview



- The City of Rockville uses five separate pay scales for its employees:
  - Administrative
  - Senior Administrative
  - Recreation and Parks (predominantly part-time employees)
  - AFSCME (select titles within the Public Works and Recreation and Parks Depts.)
  - Police
- Employees on the AFSCME and Police pay scales progress through compensation schedules of ten (10) and 16 (sixteen) steps, respectively
  - Employees receive wage increases through promotions, across-the-board increases, and step increments
- Employees on the Administrative, Senior Administrative, and Recreation and Parks pay scales advance through pay grades based on performance
  - Employees receive wage increases through promotions, across-the-board increases, merit increments, and merit-based performance awards
- All City employees receive the same leave and health benefits offerings, regardless of pay scale. Part-time employees receive pro-rated benefits
- In terms of retirement benefits, law enforcement titles have access to a traditional defined benefit pension plan, while administrative and union titles also have access to a defined contribution plan with a partial city match
- Certain pay premiums (shift differential, longevity, meal allowance) may vary slightly across pay scale classifications



# Cash Compensation

## Base Salary

- **Base Salary (General Employees)**

- **Administrative Scale:** Twenty (20) separate pay grades in use, with the minimum grade (9) salary range of \$29,106 - \$41,886 and the maximum grade (28) salary range of \$73,548 - \$111,136. Employees advance through pay grades via merit increments
- **Senior Administrative Scale:** One (1) pay grade in use (SA II) with a salary range of \$96,700 - \$146,120. Employees advance through pay grades via merit increments
- **Recreation and Parks Scale:** Ten (10) separate pay grades with hourly rates. Minimum grade (1) salary range of \$6.92 - \$10.46/ hour and maximum grade (10) salary range of \$22.87 - \$34.55/hour. Employees advance through pay grades via merit increments
- **AFSCME Union Pay Scale:** Four (4) separate pay grades, each grade with 10 steps. Base salaries range from \$28,222 - \$37,544 (grade 1) to \$36,048 - \$47,955 (grade 4). Maximum base reached in the 10th year of service

- **Base Salary (Police)**

- **Police Officers** earn an entry rate of \$44,435 and maximum of \$72,970 after 15 years of service
- **Corporals** and **Sergeants** earn maximum base salaries of \$76,618 and \$84,471, respectively

# Cash Compensation

## Performance Based Awards



- Rockville municipal employees – with the exception of Police Officers and AFSCME represented titles – receive annual performance based awards (depending on the availability of funding)
- Annual performance based awards can vary considerably according to performance, ranging from 0% to 3.5% of pay + 1.0% to 1.5% lump sum payment
- Most employees earn 3.5% performance based awards annually, exclusive of across-the-board wage increases

Percentage Increase	Employee Performance Minimum Standards	Top of Pay Band
3.5% + 1.5% lump sum	All successful or better with a minimum of 11 Highly Successful Ratings	1.5% of base salary - lump sum of equal % of annual leave
3.5% + 1.0% lump sum	All successful or better with a minimum of 8 Highly Successful Ratings	1.0% of base salary - lump sum of equal % of annual leave
3.50%	All successful or better with a minimum of 10 Successful/Highly Successful Ratings	n/a
2.25%	All acceptable or better ratings	n/a
1.00%	1 Unsatisfactory rating	n/a
0%	Two or more unsatisfactory ratings	n/a

# Cash Compensation

## *Additional Pay Premiums*



- **Longevity**
  - AFSCME employees hired prior to 6/30/1992 receive 10% of annual salary as longevity pay after 12.5 years of service
  - Non-represented employees hired prior 7/1/1980 and receiving longevity pay at the time may receive 10% longevity pay at 12.5 years of service, but may advance no higher than 5% below the top of their grade
- **Overtime**
  - 1.5x normal straight time base rate of pay for non-exempt employees applies to hours worked in excess of 40 hours per workweek. All approved leave with pay is counted as hours worked in the computation of overtime
  - Total compensation (OT + base) is capped at 115% of employee's annual base salary
- **Holiday Pay**
  - Non-represented and AFSCME employees receive regular base pay + 1.5x base pay for all hours worked on the holiday
- **Shift Differential**
  - AFSCME employees regularly assigned to work an 8-hour shift where more than four (4) hours fall between 5:00 PM and 7:00 AM shall be paid at the next higher step
  - Police Officers receive \$1.25 per hour worked between 5:00 PM and 7:00 AM
- **Meal Allowance**
  - AFSCME employees receive a \$140 meal allowance paid annually in July
- **Uniform/Equipment Allowance**
  - AFSCME employees receive an annual safety shoe allowance of \$135. Uniforms and cleaning for law enforcement personnel are provided by and maintained at a cost to the City

# Paid Leave



	City of Rockville	U.S. Private Industry Employers*
<b>Annual Leave</b>	<p>1 to 24 months of service: 16 days                      25 to 60 months of service: 19 days                      61 to 96 months of service: 21 days                      97 or more months of service: 23 days</p> <p>Accrual limited at 50 days</p>	<p>Average paid vacation days by minimum length of service required:</p> <p>All workers: 8.9 days after 1 year; 11.0 days after 3 years; 13.5 days after 5 years; 16.1 days after 10 years; 17.7 days after 15 years; 18.5 days after 20 years; 19.1 days after 25 years</p> <p>100+ workers: 10.2 days after 1 year; 12.2 days after 3 years; 15.0 days after 5 years; 18.1 days after 10 years; 20.1 days after 15 years; 21.3 days after 20 years; 22.2 days after 25 years</p>
<b>Holidays</b>	10 holidays + General and Congressional Election Days	Average of 8 paid holidays among where provided (9 among establishments with 100+ workers)
<b>Sick Leave</b>	<p>Employees accrue 1.25 sick days for each month of service (15 days annually).</p> <p>There is no limit on sick leave accrual</p>	57% of private industry workers nationally have paid sick leave (69% among establishments with 100+ workers)

\* BLS National Compensation Survey: Benefits in Private Industry in the U.S., March 2007

# Health and Welfare Benefits



	City of Rockville	U.S. Employers
<b>Medical benefits</b>	Employees have options available for single coverage, single +1, or family coverage. Medical plan options include 3 HMO plans and 1 POS plan	71% of U.S. private industry workers have access to medical coverage (84% for establishments with 100+ workers)*
<b>Employee medical premium cost-sharing</b>	Rockville employees contribute 20% towards the cost of single and family medical premiums of the lowest cost carrier	87% of private industry workers with medical insurance are required to contribute toward premiums for family coverage (89% for establishments with 100+ workers) and 76% for single coverage (82% for establishments with 100+ workers)*  The typical covered worker pays 29% of the premium cost for family coverage (26% for establishments with 100+ workers) and 19% for single coverage (18% for establishments with 100+ workers)*
<b>Supplemental health benefits</b>	Dental plans are also offered to Rockville employees. The City covers 80% of the cost of the lowest cost plan. Vision and prescription coverage are included in each of the health plans offered	29% of private industry workers nationally have access to vision coverage, with availability remaining below half even among establishments with 100+ workers (40%)*  46% of private industry workers nationally have access to dental coverage (64% among establishments with 100+ workers)*
<b>Rx co-pays</b>	\$10 generic; \$25 preferred brand; and \$35 non-preferred brand for the lowest cost plan	National average Rx co-pays for covered workers in three or four-tier plans (private and public sectors combined): \$11 generic; \$25 preferred brand; and \$43 non-preferred brand**
<b>Office co-pays (Primary Care)</b>	\$20	National Medians (private and public sectors combined): \$20 HMO; \$20 PPO**

\*BLS National Compensation Survey: Benefits in Private Industry in the U.S., March 2007

\*\*Kaiser Family Foundation and Health Research & Educational Trust, Employer Health Benefits 2007 Annual Survey

# Retirement and Misc. Benefits



	City of Rockville	U.S. Private Industry Employers										
<b>Retirement</b>	Traditional defined benefit pension plan + Defined contribution plan with partial city match for administrative and union titles	While 61% of U.S. private industry workers have access to an employer-sponsored retirement plan (78% in establishments with 100+ workers), only 21% (34% in establishments with 100+ workers) have access to a defined benefit pension plan*										
<b>Post-Retirement Medical</b>	Retirees pay 20% of individual and dependent medical coverage until Medicare-eligible Once Medicare eligible, retirees contribute 100% cost of premium	Only 5% of U.S. private industry establishments offer health care benefits for retirees under age 65 (4% for retirees age 65 and over). Among firms with 100+ workers, availability is 13% before age 65 and 12% thereafter**										
<b>Miscellaneous</b>	<table border="0"> <tr> <td>Take home vehicle privileges</td> <td>Use of City recreation center</td> </tr> <tr> <td>Tuition assistance provided</td> <td>Flex Plans 125 + 129 457 plans</td> </tr> <tr> <td>Optional group term life and dependent life insurance programs</td> <td>529 plan</td> </tr> <tr> <td>Wellness program</td> <td>Sick leave bank</td> </tr> <tr> <td></td> <td>Parking benefits program</td> </tr> </table>	Take home vehicle privileges	Use of City recreation center	Tuition assistance provided	Flex Plans 125 + 129 457 plans	Optional group term life and dependent life insurance programs	529 plan	Wellness program	Sick leave bank		Parking benefits program	N/A
Take home vehicle privileges	Use of City recreation center											
Tuition assistance provided	Flex Plans 125 + 129 457 plans											
Optional group term life and dependent life insurance programs	529 plan											
Wellness program	Sick leave bank											
	Parking benefits program											

\*BLS National Compensation Survey: Benefits in Private Industry in the U.S., March 2007

\*\*BLS National Compensation Survey: Benefits in Private Industry in the U.S., March 2004 (data not collected in more recent surveys)



**Regional Survey Group**

# Survey



- To develop perspective on the current competitiveness of Rockville's compensation, PFM surveyed and/or collected source documentation for the following sixteen (16) regional employers. Not all of these employers reported matches for all positions included in the survey:
  - Alexandria City
  - Annapolis City
  - Arlington County
  - Baltimore City
  - Bowie City
  - District of Columbia
  - Fairfax County
  - Frederick City
  - Gaithersburg City
  - Howard County
  - Montgomery County Public Schools (MCPS)
  - Prince George's County
  - Prince William County
  - State of Maryland
  - Maryland-National Capital Park and Planning Commission (M-NCPPC)
  - Washington Suburban Sanitary Commission (WSSC)

# Survey Context



- All seventeen (17) survey participants – the 16 comparison employers plus the City of Rockville – are located or active within the Washington-Baltimore Consolidated Metropolitan Statistical Area (CMSA)
  - Such metropolitan areas are determined by the federal government to represent *“a large population nucleus, together with adjacent communities having a high degree of economic and social integration with that core”*
- In addition to local governments, several more specialized public sector agencies – Montgomery College, Montgomery County Public Schools, M-NCPPC, and the Washington Suburban Sanitary Commission – are also included as a supplemental market point of reference given their activity within the region

# Survey Context



- When evaluating the relative position within any such comparability universe, some employers will almost always be found to pay more and some to pay less than others
- Multiple factors may help to explain why a particular employer's compensation does not fall at the precise mathematical midpoint within a particular universe, for example:
  - Local labor market considerations, such as quality of life, localized industry mix, commuter options, and cost-of-living
  - Tax base and fiscal condition factors that impact ability to pay for compensation increases
  - Differences in non-cash compensation, such as health and retirement benefit contribution requirements and coverage levels
  - Scale and/or character of operations. Within the survey group, many of the comparison employers are significantly larger than Rockville, and some have distinct operational environments (e.g., schools, utility)
  - Differences in required job qualifications
  - For certain senior management and highly specialized positions, Individual qualifications and/or tenure may also have an impact

# Methodology



- To evaluate relative compensation, PFM developed and teamed with the City to circulate a detailed on-line job matching survey, and collected and reviewed key documents (e.g., collective bargaining agreements, pay plans, benefit summaries)
- Unless otherwise noted, all analysis was conducted to compare compensation as of June 30, 2008, although it may be noted that plan years vary across the overall survey group. The health benefits analysis compared plans as of December 31, 2007
- After collection of survey responses and base data, PFM has asked detailed follow-up questions to clarify benefits offered, and has sought verification of summary benefits charts and analysis



## **Cash Compensation**

# Comparisons by Rockville Bargaining Unit



- The slides that follow provide wage comparisons among the 16 area public employers divided by bargaining unit:
  - AFSCME titles
  - Law Enforcement titles
  - Non-represented titles
- Again, the survey group includes city, county, and specialized public sector agencies
- Not all jurisdictions responded; others provided incomplete responses in some instances

# Cash Compensation



- Looking across the full survey group:
- **At the minimum**, the City of Rockville pays at or above the median for 32 of 45 titles with five or more survey responses
  - At the minimum, Rockville pays within 5% of the median or higher for 40 of 45 titles
- **At maximum base**, the City of Rockville pays at or above the median for 12 of 45 titles with five or more survey responses
  - At maximum base, Rockville pays within 5% of the median or higher for 21 of 45 titles
- In some cases, Rockville's relative position is further enhanced by longevity pay, which 6 of the other 16\* regional employers do not offer to general employees
- As a smaller government than the majority of survey respondents, lower pay for some positions may appropriately reflect differences in scale of operations and/or other distinctions among communities (e.g., mix of duties, required qualifications). Variances shown should not be interpreted as normative findings regarding what the City's relative position *should* be absent further, more detailed position-by-position analysis

\* - Annapolis, Bowie, and Frederick did not report longevity information

# AFSCME Titles

## At Minimum



	<b>Laborer L1- Custodian</b>	<b>Maintenance Worker</b>	<b>Sanitation Worker</b>	<b>Facilities Maintenance Trades Worker</b>	<b>Sanitation Operator</b>	<b>Tree Climber</b>
<b>Rockville</b>	<b>\$28,222</b>	<b>\$30,621</b>	<b>\$31,616</b>	<b>\$33,224</b>	<b>\$34,303</b>	<b>\$33,224</b>
Rockville's Rank	1 of 13	4 of 14	2 of 7	8 of 12	1 of 6	4 of 7
Average	\$24,614	\$27,385	\$26,651	\$34,163	\$29,996	\$31,244
Median	\$25,130	\$27,022	\$26,931	\$34,376	\$30,524	\$32,365
<b>Rockville Variance from Median</b>	<b>12.3%</b>	<b>13.3%</b>	<b>17.4%</b>	<b>-3.4%</b>	<b>12.4%</b>	<b>2.7%</b>
Lowest Salary	\$20,572	\$22,007	\$22,680	\$28,946	\$27,022	\$22,680
Highest Salary	\$27,032	\$32,664	\$32,636	\$40,069	\$32,636	\$35,860

# AFSCME Titles

## At Maximum



	Laborer L1-Custodian	Maintenance Worker	Sanitation Worker	Facilities Maintenance Trades Worker	Sanitation Operator	Tree Climber
<b>Rockville</b>	<b>\$37,545</b>	<b>\$40,736</b>	<b>\$40,736</b>	<b>\$44,198</b>	<b>\$44,198</b>	<b>\$44,198</b>
Rockville's Rank	10 of 13	9 of 14	5 of 7	12 of 12	5 of 6	6 of 7
Average	\$39,152	\$43,764	\$43,201	\$56,528	\$48,629	\$51,480
Median	\$39,388	\$43,115	\$42,392	\$54,432	\$50,507	\$52,347
<b>Rockville Variance from Median</b>	<b>-4.7%</b>	<b>-5.5%</b>	<b>-3.9%</b>	<b>-18.8%</b>	<b>-12.5%</b>	<b>-15.6%</b>
Low Salary	\$32,014	\$34,035	\$37,916	\$45,386	\$42,553	\$42,230
High Salary	\$43,250	\$54,685	\$54,393	\$75,857	\$54,393	\$61,363

# Law Enforcement Titles

## At Minimum



	Police Officer (Entry)	Police Officer (Max. Non-Competitive Rank)	Police Corporal	Police Sergeant (Min/Max)
<b>Rockville</b>	<b>\$44,435</b>	<b>\$46,657</b>	<b>\$48,990</b>	<b>\$54,011</b>
Rockville's Rank	7 of 17	9 of 15	7 of 13	11 of 16
Average	43,493	46,399	49,972	56,113
Median	\$43,914	\$47,663	\$50,401	\$57,069
<b>Rockville Variance from Median</b>	<b>1.2%</b>	<b>-2.1%</b>	<b>-2.8%</b>	<b>-5.4%</b>
Low Salary	\$39,632	\$39,632	\$39,632	\$39,632
High Salary	\$48,715	\$48,715	\$48,715	\$48,715

# Law Enforcement Titles

## At Maximum



	Police Officer (Entry)	Police Officer (Max. Non- Competitive Rank)	Police Corporal	Police Sergeant (Min/Max)
<b>Rockville</b>	<b>\$63,947</b>	<b>\$72,970</b>	<b>\$76,618</b>	<b>\$84,471</b>
Rockville's Rank	13 of 17	8 of 14	8 of 13	10 of 16
Average	\$67,726	\$73,116	\$77,927	\$86,077
Median	\$67,536	\$75,043	\$79,687	\$88,428
<b>Rockville Variance from Median</b>	<b>-5.3%</b>	<b>-2.8%</b>	<b>-3.9%</b>	<b>-4.5%</b>
Low Salary	\$57,529	\$62,255	\$67,495	\$73,256
High Salary	\$74,901	\$80,614	\$84,646	\$93,346

# Non-Represented Titles

## At Minimum



	Rockville	Median	Percent Difference	Average	Rockville's Rank	Lowest	Highest
Accountant	\$47,410	\$48,501	-2.2%	\$47,786	9 of 15	\$37,819	\$57,017
Accounts Payable Assistant	\$35,378	\$34,983	1.1%	\$36,636	7 of 14	\$26,257	\$53,456
Administrative Assistant II	\$39,004	\$35,762	9.1%	\$38,144	6 of 14	\$29,607	\$48,725
Assistant to the City Manager	\$57,627	< 5 Responses			3 of 3	\$59,614	\$66,954
Bus Driver	\$22,630	\$27,568	-17.9%	\$27,275	8 of 8	\$22,630	\$34,367
Chief of Inspection Services	\$66,710	\$72,537	-8.0%	\$69,810	6 of 9	\$40,268	\$89,232
Chief of Planning	\$73,548	\$68,173	7.9%	\$67,738	4 of 9	\$45,650	\$78,722
Childcare Preschool Staff	\$22,630	< 5 Responses			3 of 3	\$22,630	\$28,968
Civil Engineer III	\$60,508	\$57,110	5.9%	\$59,117	5 of 12	\$40,268	\$89,232
Commercial Property Codes Inspector	\$43,002	\$40,572	6.0%	\$41,855	4 of 9	\$36,572	\$49,138
Construction Codes Inspector II	\$45,152	\$41,853	7.9%	\$43,077	3 of 10	\$31,461	\$56,442
Contracts Officer	\$63,534	\$70,117	-9.4%	\$60,165	6 of 10	\$41,037	\$74,442
Engineering Technician IV	\$40,954	\$42,767	-4.2%	\$46,313	7 of 10	\$37,232	\$69,216
Financial Accounting Manager	\$70,046	\$65,425	7.1%	\$65,349	5 of 13	\$51,911	\$78,165
Fire Codes Inspector I	\$43,002	\$40,695	5.7%	\$44,267	4 of 9	\$29,607	\$62,737
Fleet Mechanic	\$39,004	\$38,164	2.2%	\$37,677	6 of 15	\$27,876	\$42,541
Geographic Information Systems Manager	\$60,508	\$62,186	-2.7%	\$59,327	9 of 14	\$44,665	\$69,992
Golf Course Superintendent	\$57,627	< 5 Responses			1 of 5	\$45,002	\$51,830
Graphics Specialist	\$40,954	\$40,824	0.3%	\$39,334	6 of 11	\$28,891	\$46,861
Housing Codes Inspector	\$39,004	\$42,058	-7.3%	\$40,816	6 of 9	\$28,946	\$49,138
Human Resources (Personnel) Administrator	\$57,627	\$48,945	17.7%	\$51,721	3 of 9	\$40,268	\$62,186
Human Resources (Personnel) Assistant	\$37,147	\$33,014	12.5%	\$34,460	3 of 15	\$28,488	\$51,627
Lifeguard II	\$26,332	< 5 Responses			1 of 5	\$12,792	\$19,768

# Non-Represented Titles

## At Minimum (cont)



	Rockville	Median	Percent Difference	Average	Rockville's Rank	Lowest	Highest
Management and Budget Analyst	\$54,883	\$44,970	22.0%	\$46,221	1 of 10	\$40,268	\$54,883
Meter Services Technician	\$30,561	\$28,706	6.5%	\$31,340	3 of 7	\$27,386	\$41,036
Neighborhood Resources Coordinator	\$52,269	< 5 Responses		\$51,337	3 of 5	\$44,594	\$56,687
Network and PC Support Specialist I	\$45,152	\$46,718	-3.4%	\$45,899	8 of 14	\$38,553	\$56,687
Parking Enforcement Officer	\$32,089	\$25,937	23.7%	\$30,250	3 of 8	\$16,657	\$51,726
Planner III	\$52,269	\$52,986	-1.4%	\$53,340	9 of 13	\$37,837	\$65,871
Plans Examiner	\$49,780	\$48,812	2.0%	\$49,609	5 of 11	\$45,002	\$57,017
Police Communications Operator	\$39,004	\$34,495	13.1%	\$34,725	1 of 10	\$29,607	\$36,566
Recreation Program Supervisor	\$54,883	\$48,827	12.4%	\$50,905	2 of 7	\$44,432	\$62,737
Secretary III	\$35,378	\$34,372	2.9%	\$34,116	8 of 15	\$27,386	\$38,553
Senior Network Engineer	\$63,534	\$59,711	6.4%	\$58,008	3 of 12	\$42,867	\$72,717
Senior Swim Instructor	\$37,107	< 5 Responses			1 of 4	\$19,240	\$24,544
Supervisor of Inspection Services	\$57,627	\$49,049	17.5%	\$50,737	2 of 12	\$35,568	\$60,461
Utilities Crew Supervisor	\$43,002	\$42,899	0.2%	\$44,400	4 of 7	\$37,397	\$54,850
Water Plant Operator	\$40,954	\$35,762	14.5%	\$34,700	1 of 6	\$26,582	\$38,094
Web Administrator	\$60,508	\$50,811	19.1%	\$56,239	4 of 13	\$42,263	\$96,102
Zoning Inspector II	\$43,002	\$40,113	7.2%	\$41,113	4 of 9	\$31,906	\$49,138

# Non-Represented Titles

## At Maximum



	Rockville	Median	Percent Difference	Average	Rockville's Rank	Lowest	Highest
Accountant	\$71,639	\$78,308	-8.5%	\$77,635	12 of 15	\$60,222	\$94,798
Accounts Payable Assistant	\$53,458	\$59,821	-10.6%	\$60,228	12 of 14	\$40,996	\$86,216
Administrative Assistant II	\$58,938	\$59,603	-1.1%	\$63,794	8 of 14	\$46,490	\$94,798
Assistant to the City Manager	\$87,078	< 5 Responses			3 of 3	\$98,642	\$107,125
Bus Driver	\$34,174	\$45,952	-25.6%	\$44,717	8 of 8	\$39,874	\$56,165
Chief of Inspection Services	\$100,804	\$120,795	-16.5%	\$116,227	8 of 9	\$64,282	\$143,957
Chief of Planning	\$111,136	\$120,319	-7.6%	\$111,885	6 of 9	\$73,259	\$128,222
Childcare Preschool Staff	\$34,174	< 5 Responses			3 of 3	\$39,384	\$46,569
Civil Engineer III	\$91,432	\$95,184	-3.9%	\$97,101	8 of 12	\$64,282	\$143,957
Commercial Property Codes Inspector	\$64,979	\$69,030	-5.9%	\$67,855	6 of 9	\$58,515	\$75,375
Construction Codes Inspector II	\$68,228	\$70,283	-2.9%	\$69,910	6 of 10	\$49,571	\$90,307
Contracts Officer	\$96,004	\$112,188	-14.4%	\$99,007	6 of 10	\$68,395	\$124,357
Engineering Technician IV	\$61,885	\$72,693	-14.9%	\$75,695	10 of 10	\$62,328	\$108,529
Financial Accounting Manager	\$105,844	\$109,823	-3.6%	\$108,343	9 of 13	\$83,350	\$125,064
Fire Codes Inspector I	\$68,228	\$67,583	1.0%	\$71,138	5 of 9	\$46,490	\$97,731
Fleet Mechanic	\$58,938	\$62,398	-5.5%	\$60,662	11 of 15	\$43,647	\$67,775
Geographic Information Systems Manager	\$91,432	\$103,677	-11.8%	\$97,825	9 of 14	\$71,464	\$120,989
Golf Course Superintendent	\$87,078	< 5 Responses			1 of 5	\$74,407	\$82,980
Graphics Specialist	\$61,885	\$68,609	-9.8%	\$65,007	7 of 11	\$46,613	\$81,890
Housing Codes Inspector	\$58,938	\$63,984	-7.9%	\$64,837	7 of 9	\$53,447	\$75,375
Human Resources (Personnel) Administrator	\$87,078	\$83,886	3.8%	\$86,945	4 of 9	\$64,282	\$120,989
Human Resources (Personnel) Assistant	\$56,131	\$54,820	2.4%	\$56,568	6 of 15	\$46,490	\$80,336
Lifeguard II	\$39,790	< 5 Responses			1 of 4	\$18,866	\$32,947

# Non-Represented Titles

## At Maximum



	Rockville	Median	Percent Difference	Average	Rockville's Rank	Lowest	Highest
Management and Budget Analyst	\$82,932	\$72,220	14.8%	\$75,474	2 of 9	\$64,282	\$94,798
Meter Services Technician	\$46,179	\$45,649	1.2%	\$48,795	4 of 7	\$39,125	\$67,725
Neighborhood Resources Coordinator	\$78,983	< 5 Responses			4 of 5	\$68,350	\$90,699
Network and PC Support Specialist I	\$68,228	\$81,782	-16.6%	\$77,609	10 of 14	\$58,964	\$99,806
Parking Enforcement Officer	\$48,488	\$41,512	16.8%	\$49,501	3 of 8	\$32,407	\$85,737
Planner III	\$78,983	\$85,121	-7.2%	\$87,461	11 of 13	\$60,222	\$109,741
Plans Examiner	\$75,221	\$81,912	-8.2%	\$81,772	8 of 11	\$72,693	\$104,515
Police Communications Operator	\$58,938	\$56,189	4.9%	\$57,138	4 of 10	\$46,490	\$65,558
Recreation Program Supervisor	\$82,932	\$79,808	3.9%	\$82,063	3 of 7	\$71,148	\$97,731
Secretary III	\$53,458	\$56,940	-6.1%	\$56,407	10 of 15	\$43,647	\$74,277
Senior Network Engineer	\$96,004	\$93,943	2.2%	\$95,349	6 of 12	\$68,626	\$119,995
Senior Swim Instructor	\$56,056	< 5 Responses			1 of 4	\$20,280	\$28,704
Supervisor of Inspection Services	\$87,078	\$81,161	7.3%	\$82,819	5 of 12	\$56,438	\$104,515
Utilities Crew Supervisor	\$64,979	\$68,952	-5.8%	\$71,618	5 of 7	\$61,002	\$92,456
Water Plant Operator	\$61,885	\$59,603	3.8%	\$57,161	1 of 6	\$47,103	\$61,002
Web Administrator	\$91,432	\$85,169	7.4%	\$90,465	5 of 13	\$67,622	\$125,957
Zoning Inspector II	\$64,979	\$69,339	-6.3%	\$66,586	6 of 9	\$51,049	\$75,375



## **Health Benefits**

# Premium Cost-Sharing (% of Premium)

## Highest Enrollment Plan



- Employees contribute to health insurance in all jurisdictions surveyed
- Rockville employees contribute 20% of premium cost for the lowest cost plan (Care First HMO) – regardless of dependent coverage – a rate which is within the mainstream of the comparable jurisdictions:
  - For single coverage, employee contribution rates varied between 5% (Baltimore County) to 25% (District of Columbia and Montgomery College); 20% employee contribution represents the mode
  - For family coverage, contribution rates varied between 5% (Baltimore County) to 36% (Prince William County)

Jurisdiction	Plan Year	Plan With Highest Enrollment	Plan Type	Single Coverage		Employee & Spouse		Employee & Child		Family	
				Employee %	Employer %	Employee %	Employer %	Employee %	Employer %	Employee %	Employer %
<b>Rockville</b>	<b>1/1/08-12/31/08</b>	<b>CareFirst BlueChoice</b>	<b>HMO</b>	<b>20%</b>	<b>80%</b>	<b>20%</b>	<b>80%</b>	<b>20%</b>	<b>80%</b>	<b>20%</b>	<b>80%</b>
Alexandria City	7/1/07-6/30/08	Optimum Choice	HMO	10%	90%	10%	90%	10%	90%	10%	90%
Annapolis City	Not Reported										
Anne Arundel County	1/1/07-12/31/07	EPO-MPOS	HMO	10%	90%	10%	90%	10%	90%	10%	90%
Arlington County	1/1/07-12/31/07	CIGNA	HMO	20%	80%	22%	78%	22%	78%	22%	78%
Baltimore City	1/1/07-12/31/07	CareFirst PPN	PPO	20%	80%	20%	80%	20%	80%	20%	80%
Baltimore County	9/1/07-8/31/08	Optimum Choice	HMO	5%	95%	5%	95%	5%	95%	5%	95%
Bowie City	Not Reported										
District of Columbia	1/1/07-12/31/07	Aetna	HMO	25%	75%	25%	75%	25%	75%	25%	75%
Fairfax County	1/1/07-12/31/07	BlueChoice	POS	15%	85%	25%	75%	25%	75%	25%	75%
Frederick City	Not Reported										
Gaithersburg	7/1/07 - 6/30/2008	United HealthCare	HMO	15%	85%	15%	85%	15%	85%	15%	85%
Howard County	7/1/07-12/31/07	Blue Choice	HMO	10%	90%	10%	90%	10%	90%	10%	90%
Loudoun County	9/1/07-8/31/08	CIGNA	POS	10%	90%	15%	85%	13%	87%	22%	78%
MCPS	1/1/07-12/31/07	United HealthCare	POS	10%	90%	10%	90%	10%	90%	10%	90%
M-NCPPC	1/1/07-12/31/07	Blue Cross Blue Shield	POS	15%	85%	15%	85%	15%	85%	15%	85%
Montgomery College	1/1/07-12/31/07	CIGNA	POS	25%	75%	25%	75%	25%	75%	25%	75%
Montgomery County	1/1/07-12/31/07	CareFirst High Option	POS	20%	80%	20%	80%	20%	80%	20%	80%
Prince George's County	1/1/07-12/31/07	Optimum Choice	HMO	20%	80%	20%	80%	20%	80%	20%	80%
Prince William County	7/1/07-6/30-08	Anthem (15)	PPO	18%	82%	36%	64%	36%	64%	36%	64%
State of Maryland	7/1/07-6/30-08	CareFirst BCBS	PPO	20%	80%	20%	80%	20%	80%	20%	80%
WSSC	1/1/07-12/31/07	Aetna	POS	22%	78%	22%	78%	22%	78%	22%	78%

# Employee Contribution to Health Premiums (\$ / Month)

## Highest Enrollment Plan



- Rockville employees contribute \$69.80 and \$209.40 monthly for single and family coverage, respectively
- These \$ amounts are well within the mainstream of comparable jurisdictions
  - For single coverage, employee contribution rates varied between \$20.99 (Montgomery Public Schools) to \$187.38 (Fairfax County)
  - For family coverage, employee contribution rates varied between \$55.93 (Montgomery Public Schools) to \$524.36 (Fairfax County)

Jurisdiction	Plan Year	Plan With Highest Enrollment	Plan Type	Single Coverage		Employee & Spouse		Employee & Child		Family	
				Employee \$	Employer \$	Employee \$	Employer \$	Employee \$	Employer \$	Employee \$	Employer \$
<b>Rockville</b>	<b>1/1/08-12/31/08</b>	<b>CareFirst BlueChoice</b>	<b>HMO</b>	<b>69.80</b>	<b>291.20</b>	<b>139.60</b>	<b>558.30</b>	<b>139.60</b>	<b>558.30</b>	<b>209.40</b>	<b>837.58</b>
Alexandria City	7/1/07-6/30/08	Optimum Choice	HMO	79.34	713.84	187.18	1,684.38	187.18	1,684.38	187.18	1,684.38
Annapolis City	Not Reported										
Anne Arundel County	1/1/07-12/31/07	EPO-MPOS	HMO	37.31	335.79	83.59	752.31	69.27	623.42	109.18	982.61
Arlington County	1/1/07-12/31/07	CIGNA	HMO	78.58	314.30	172.28	616.48	172.28	616.48	247.28	884.66
Baltimore City	1/1/07-12/31/07	CareFirst PPN	PPO	86.60	346.43	193.31	773.24	167.74	670.97	210.75	842.99
Baltimore County	9/1/07-8/31/08	Optimum Choice	HMO	22.20	362.67	47.01	774.66	33.13	529.28	66.33	1,094.07
Bowie City	Not Reported										
District of Columbia	1/1/07-12/31/07	Aetna	HMO	77.71	233.13	202.04	606.12	202.04	606.12	202.04	606.12
Fairfax County	1/1/07-12/31/07	BlueChoice	POS	83.94	400.50	252.60	696.94	252.60	696.94	376.90	1,030.36
Frederick City	Not Reported										
Gaithersburg	Not Reported										
Howard County	7/1/07-12/31/07	Blue Choice	HMO	46.00	363.00	105.00	835.30	87.00	688.90	137.00	1,088.00
Loudoun County	9/1/07-8/31/08	CIGNA	POS	53.35	480.13	160.04	906.94	94.70	662.87	300.09	1,033.65
MCPS	1/1/07-12/31/07	United HealthCare	POS	20.99	188.91	41.96	377.64	41.96	377.64	55.93	503.37
M-NCPPC	1/1/07-12/31/07	Blue Cross Blue Shield	POS	78.43	443.16	154.64	873.64	154.64	873.64	215.38	1,217.53
Montgomery College	1/1/07-12/31/07	CIGNA	POS	60.99	157.05	158.74	421.31	158.74	421.31	158.74	421.31
Montgomery County	1/1/07-12/31/07	CareFirst High Option	POS	103.91	415.65	183.32	733.29	183.32	733.29	300.54	1,202.15
Prince George's County	1/1/07-12/31/07	Optimum Choice	HMO	80.59	306.15	153.52	612.51	153.52	612.51	208.43	830.35
Prince William County	7/1/07-6/30-08	Anthem (15)	PPO	84.70	338.32	326.32	554.94	282.92	479.34	471.06	798.08
State of Maryland	7/1/07-6/30-08	CareFirst BCBS	PPO	130.98	501.84	232.08	884.11	217.99	833.47	311.35	1,183.27
WSSC	1/1/07-12/31/07	Aetna	POS	130.11	462.65	326.98	1,161.73	326.98	1,161.73	329.40	1,171.42

# Office Visit Co-Pays

## Highest Enrollment Plan



- Rockville employees pay the highest primary care (\$20) and specialist (\$30) office visit co-pays among jurisdictions surveyed
- At \$50, Emergency Room visit co-pays are within mainstream of the comparison group

Jurisdiction	Plan Year	Plan With Highest Enrollment	Plan Type	Doctor Office Visit	Specialist	Emergency Room
<b>Rockville</b>	<b>1/1/08-12/31/08</b>	<b>CareFirst BlueChoice</b>	<b>HMO</b>	<b>\$20</b>	<b>\$30</b>	<b>\$50</b>
Alexandria City	7/1/07-6/30/08	Optimum Choice	HMO	\$15	\$25	\$75
Annapolis City	Not Reported					
Anne Arundel County	1/1/07-12/31/07	EPO-MPOS	HMO	\$5	\$5	No Co-pay
Arlington County	1/1/07-12/31/07	CIGNA	HMO	\$10	\$20	\$100
Baltimore City	1/1/07-12/31/07	CareFirst PPN	PPO	\$10	\$15	20% Coinsurance
Baltimore County	9/1/07-8/31/08	Optimum Choice	HMO	\$15	\$20	\$50
Bowie City	Not Reported					
District of Columbia	1/1/07-12/31/07	Aetna	HMO	\$15	\$20	\$100
Fairfax County	1/1/07-12/31/07	BlueChoice	POS	\$10	\$10	\$50
Frederick City	Not Reported					
Gaithersburg	7/1/07-6/30/08	United Health Care	HMO	\$20	\$20	\$75
Howard County	7/1/07-12/31/07	Blue Choice	HMO	\$10	\$20	\$25
Loudoun County	9/1/07-8/31/08	CIGNA	POS	\$10	\$20	\$75
MCPS	1/1/07-12/31/07	United HealthCare	POS	\$10	\$10	\$50
M-NCPPC	1/1/07-12/31/07	Blue Cross Blue Shield	POS	\$10	\$10	\$35
Montgomery College	1/1/07-12/31/07	CIGNA	POS	\$15	\$20	\$50
Montgomery County	1/1/07-12/31/07	CareFirst High Option	POS	\$10	\$10	In Service Area: \$25 Out of Service Area: \$50
Prince George's County	1/1/07-12/31/07	Optimum Choice	HMO	\$15	\$20	\$50
Prince William County	7/1/07-6/30-08	Anthem (15)	PPO	\$15	\$25	\$100
WSSC	1/1/07-12/31/07	Aetna	POS	\$15	\$15	\$50

# Rx Drug Co-Pays



- At \$10/\$20/\$35, retail Rx co-pays for Rockville employees represent the multi-jurisdictional median

Jurisdiction	Rx Provider	Plan Type	Retail Rx Co-pays (30-34 days)			Mail Order Rx Co-pays (90-102 days)		
			Generic	Preferred	Brand	Generic	Preferred	Brand
Rockville	CareFirst BlueChoice	HMO	\$10	\$20	\$35	\$20	\$40	\$70
Alexandria City	Optimum Choice	HMO	\$10	\$25	\$40	\$20	\$50	\$80
Annapolis City	Not Reported							
Anne Arundel County	EPO-MPOS	HMO	\$5	\$15	\$25	\$10	\$30	\$50
Arlington County	CIGNA	HMO	\$10	\$20	\$40	\$20	\$40	\$80
Baltimore City	CareFirst PPN	PPO	\$10	\$20	\$30	\$15	\$25	\$35
Baltimore County	Optimum Choice	HMO	\$5	\$20	\$35	\$15	\$60	\$105
Bowie City	Not Reported							
District of Columbia	Aetna	HMO	\$10	\$25	\$40	\$20	\$50	\$80
Fairfax County	BlueChoice	POS	\$10	\$20	\$35	\$20	\$40	\$70
Frederick City	Not Reported							
Gaithersburg	United Health Care	HMO	\$10	\$25	\$50	\$30	\$75	\$150
Howard County	Blue Choice	HMO	\$10	\$20	\$35	N/A	N/A	N/A
Loudoun County	CIGNA	POS	\$5	\$20	\$40	\$10	\$40	\$80
MCPS	United HealthCare	POS	\$5	\$10	\$25	\$0	\$10	\$25
M-NCPPC	Blue Cross Blue Shield	POS	\$8	\$16	\$25	\$16	\$32	\$40
Montgomery College	CIGNA	POS	\$10	\$20	\$40	\$20	\$40	\$80
Montgomery County	CareFirst High Option	POS	\$10	\$20	\$35	\$10	\$20	\$35
Prince George's County	Optimum Choice	HMO	\$6	\$12	\$27	\$12	\$24	\$54
Prince William County	Anthem (15)	PPO	\$10	\$30	\$45	\$20	\$60	\$90
State of Maryland	CareFirst BCBS	PPO		Employees pay 20% of separate Rx premium + co-pays of \$5/\$15/\$25				
WSSC	Aetna	POS	\$5	\$10	\$25	\$5	\$10	\$10



## **Retirement Benefits**

# Vesting Schedule

## General Employee Titles



Jurisdiction	Vesting Schedule
Rockville	<p><b>Defined Benefit Plan: Employees hired prior to 4/14/86 have a graduated vesting period of after 5 years - 50%, then vesting percentage increases 10% with each additional YOS. Those hired on or after 4/14/86 have a 10 year vesting period with no graduated vesting period.</b></p> <p><b>Defined Contribution Plan: Graduated vesting period of 7 years.</b></p>
Alexandria City	100% vested with 5 YOS. As a vested member, eligible to receive a reduced retirement benefit from VRS at age 55 w 5 YOS. Or, receive reduced benefits at age 50 with 10 YOS.
Annapolis City	MD Pension: 100% vested after 5 YOS
Anne Arundel County	100% vested upon completion of actual plan service plus transferred service totaling 5 years.
Arlington County	Not Reported
Baltimore City	Not Reported
Baltimore County	100% vested at 5 years of membership. A member who is no longer an employee has the vested right to receive a pension at the age of 60.
Bowie City	Not Reported
District of Columbia	Not Reported
Fairfax City	Not Reported
Fairfax County	Ability to request a refund of all contributions prior to reaching age 65 or receiving retirement benefits.
Frederick City	Not Reported
Gaithersburg	Not Reported
Howard County	Not Reported
Loudoun County	VRS: 100% vested with 5 YOS. As a vested member, eligible to receive a reduced retirement benefit from VRS at age 55 with 5 YOS. Or, can receive reduced benefits at age 50 with 10 YOS.
MCPS	100% vested with 5 YOS. When vested eligible to receive benefits at age 62.
M-NCPPC	Effective 9/1/01: 100% vested with 5 YOS. Terminated prior to 9/1/01: Vested based on the following: 5yrs=50%, 6yrs = 60%, 7 yrs = 70%, 8 years = 80%, 9 years = 90%, 10 or more years = 100%.
Montgomery College	Not Reported
Montgomery County	100% vested with 3 YOS.
Prince George's County	<p><u>MD Pension</u> : 100% vested after 5 YOS. A vested monthly allowance is payable at age 62. Retiree may elect to receive their vested benefit as early as age 55 with 15 YOS</p> <p>County Supplemental Pension and State of Maryland Plan: 100% vested 5 YOS or has attained Normal Retirement Date.</p>
Prince William County	<u>VA Pension</u> : 100% vested after 5 YOS. Eligible to receive a reduced retirement benefit at age 55 with 5 YOS, or age 50 with 10 YOS
State of Maryland	100% vested after 5 YOS
WSSC	100% vested after 5 YOS

# Vesting Schedule

## Law Enforcement Titles



Jurisdiction	Vesting Schedule
<b>Rockville</b>	<b>100% vested after 10 YOS</b> <b>After 5 YOS, 50% vested. The vested percentage increases by 10% for each additional year of service</b>
Alexandria City	Hired on or after 1/1/2004: 100% vested after 5 or more years. Hired on or before: 12/31/2003 then the vesting plan is as follows: less than 1 yr = 0%, 1-2 years = 20%, 2-3 years = 40%, 3-4 years = 60%, 4-5 years = 80%, 5 or more years = 100%
Annapolis City	Not Reported
Anne Arundel County	If terminate employment before normal retirement date, entitled to a lump sum refund equal to contributions plus interest at 3%
Arlington County	Not Reported
Baltimore City	Not Reported
Baltimore County	100% vested after 5 years of membership. A vested member who is no longer an employee can receive a pension beginning at 60.
Bowie City	Not Reported
District of Columbia	Not Reported
Fairfax County	Ability to request a refund of all contributions prior to reaching age 55 or receiving retirement benefits.
Frederick City	Not Reported
Gaithersburg	33.33% vested after 3 YOS, 66.67% after 4 YOS, 100% after 5 YOS
Howard County	Not Reported
Loudoun County	100% vested with 5 YOS. As a vested member, eligible to receive a reduced retirement benefit at age 50 with 5 YOS.
M-NCPPC	Effective 9/1/01, employees are 100% vested with 5 years of credited service. Employees who terminated prior to 9/1/01 are vested based on the following: 5yrs=50%, 6yrs = 60%, 7 yrs = 70%, 8 years = 80%, 9 years = 90%, 10 or more years = 100%.
Montgomery County	100% vested after 3 YOS
Prince George's County	15+ YOS = 100% vested 5 YOS = 50% vested The vested percentage increases by 5% for each year between years 5 and 15
State of Maryland	Not Reported



**Paid Leave**

# Holiday Pay Policies

## General Employee Titles



Jurisdiction	Holiday Pay Provisions (General Employees)
Rockville	10 holidays annually. If an official holiday falls on the day off of an employee who has fixed scheduled days off other than Saturday and Sunday, that employee may choose either the next scheduled day after the holiday off with pay, or work the day after and be given the holiday pay plus pay for all hours worked
Alexandria City	11 holidays annually, plus Inauguration Day. If a holiday is worked, the employee may choose either 2 times their regular rate, or straight time pay plus compensatory time for those hours worked
Annapolis City	Not Reported
Anne Arundel County	11 holidays annually. If a holiday is worked, the employee receives 1.5x their regular rate for all hours worked in addition to holiday pay
Arlington County	13 holidays granted in 2007. Holiday Premium Hours shall be 8 hours of compensatory leave or 8 hours of base rate pay
Baltimore City	12 holidays annually. Employees required to work on a holiday shall be compensated at 1.5 times their base rate for hours worked in addition to their holiday pay
Baltimore County	11 holidays annually. An employee required to work a holiday will be paid for the holiday plus 1.5 times the regular rate (including differentials) for all hours worked
Bowie City	Not Reported
District of Columbia	11 holidays annually. If a holiday is worked, the employee is granted straight pay for those hours worked in addition to holiday pay
Fairfax County	11.5 holidays annually plus Inauguration Day. If a holiday is worked, the employee shall be granted holiday compensatory time or be paid holiday pay at the employee's hourly rate of pay
Frederick City	Not Reported
Gaithersburg	11.5 holidays annually. For each holiday, employees receive 1.5 days of holiday leave which they may use at the time of their choosing
Howard County	12 holidays granted annually. If an employee is required to work on a holiday, they receive their regular rate of pay for all hours worked on the holiday plus either 8 hours of pay at the regular rate of one day of leave
MCPS	If required to work on a holiday, the employee is paid 1.5 times the basic hourly straight time rate for each hour worked in addition to holiday pay
M-NCPPC	10 holidays annually. All hours worked on a holiday shall be compensated at the rate of 2.5 times the normal rate of pay
Montgomery College	14 holidays annually. If an employee works a holiday, they shall receive pay at 2.5 times their regular rate for hours actually worked
Montgomery County	9 holidays annually. If a holiday is worked, the employee receives their regular pay for those hours scheduled to be worked in addition to premium pay at a rate of 1.5 times the regular rate for each hour worked
Prince George's County	12 holidays annually, plus Inauguration Day. If a holiday is worked, the employee receives 2 times their regular base pay for all hours worked
Prince William County	12 holidays annually. Employees scheduled to work receive 1.5 times their regular rate for hours worked
State of Maryland	12 holidays annually. If a holiday is worked, the employee receives holiday compensatory time for up to 8 hours for those hours actually worked in addition to their regular rate of pay
WSSC	11 holidays annually, plus Inauguration Day and General Election Day. Employees who work on holidays will receive regular holiday pay plus overtime compensation in the form of either pay or compensatory time off for all hours worked

# Annual Leave and Personal Days

## General Employee Titles



Jurisdiction	Annual (Vacation) Leave	Personal Days
Rockville	1 to 24 months = 16 days per year 25 to 60 months = 19 days per year 61 to 96 months = 21 days per year 97 or more months = 23 days per year	None
Alexandria City	During first year, 12 days are accrued. The accrual rate increases with each year of continuous service up to a maximum of 24 days annually after 12 years of service	None
Annapolis City	Not Reported	Not Reported
Anne Arundel County	0-5 YOS = 10 days per year 5-10 YOS = 15 days per year 10-20 YOS = 20 days per year 20+ YOS = 25 days per year	None
Arlington County	Minimum = 104 hours per year Maximum = 208 hours per year	None
Baltimore City	< 6 YOS = 12 days annually 6-11 YOS = 15 days annually 11-14 YOS = 18 days annually 14-19 YOS = 21 days annually 19+ YOS = 24 days annually	3 days
Baltimore County	1-5 YOS = 96 hours per year 6-10 YOS = 120 hours per year 11-15 YOS = 160 hours per year 16+ YOS = 200 hours per year	48 hours annually
Bowie City	Not Reported	Not Reported
District of Columbia	< 3 YOS = 104 hours per year 3-14 YOS = 154 hours per year 15+ YOS = 208 hours per year	None
Frederick City	Not Reported	

# Annual Leave and Personal Days

## General Employee Titles



Jurisdiction	Annual (Vacation) Leave	Personal Days
Gaithersburg	0-3 YOS = 12 days annually 3-6 YOS = 15 days annually 6-9 YOS = 18 days annually 9-12 YOS = 21 days annually 12+ YOS = 24 days annually	May use up to 2 days of sick leave as personal leave
Howard County	0-5 YOS = 14 days per year 6-10 YOS = 16 days per year 11-20 YOS = 19 days per year 21+ YOS = 21 days per year	None
MCPS	Employee must be a 12-month employee to be eligible to receive leave 0-3 YOS = 15 days 4-15 YOS = 20 days 16+ YOS = 26 days	4 days
M-NCPPC	0-3 YOS = 120 hours per year 3-15 YOS = 160 hours per year 15+ YOS = 208 hours per year	1 day
Montgomery College	< 3 YOS = 120 hours per year 3-15 YOS = 160 hours per year 15+ YOS = 208 hours per year	1 day
Montgomery County	< 3 YOS = 120 hours per year 3-15 YOS = 160 hours per year 15+ YOS = 208 hours per year	1 day
Prince George's County	0-3 YOS = 104 hours per year 3-15 YOS = 160 hours per year 16+ YOS = 208 hours per year	28 hours annually
Prince William County	Minimum = 104 hours per year Maximum = 208 hours per year	None
State of Maryland	< 5 YOS = 10 days not to exceed 80 hours per year 5-10 YOS = 15 days not to exceed 120 hours per year 10-20 YOS = 20 days not to exceed 160 hours per year 20+ YOS = 25 days not to exceed 200 hours per year	None
WSSC	0-3 YOS = 104 hours per year 3-15 YOS = 160 hours per year 16+ YOS = 208 hours per year	None



## **Wage Trends**

# Wages vs. Cost-of-Living



*“Traditionally, the CPI was considered an upper bound on a cost-of-living index in that the CPI did not reflect the changes in buying or consumption patterns that consumers would make to adjust to relative price changes...*

*The C-CPI-U was created to more closely approximate a cost-of-living index by reflecting substitution among item categories.”*

- The Bureau of Labor Statistics (BLS) publishes various Consumer Price Index (CPI) measures of “market basket” price changes as indicators of cost of living
- BLS cites the **Chained CPI-U (C-CPI-U)** as their most accurate measure for cost-of-living. This index is available dating back to December 1999, produced on a national basis
- Excluding merit and step increments, wage gains by Rockville employees from December 1999 to December 2007 – the most recent data available – have outpaced changes in this index

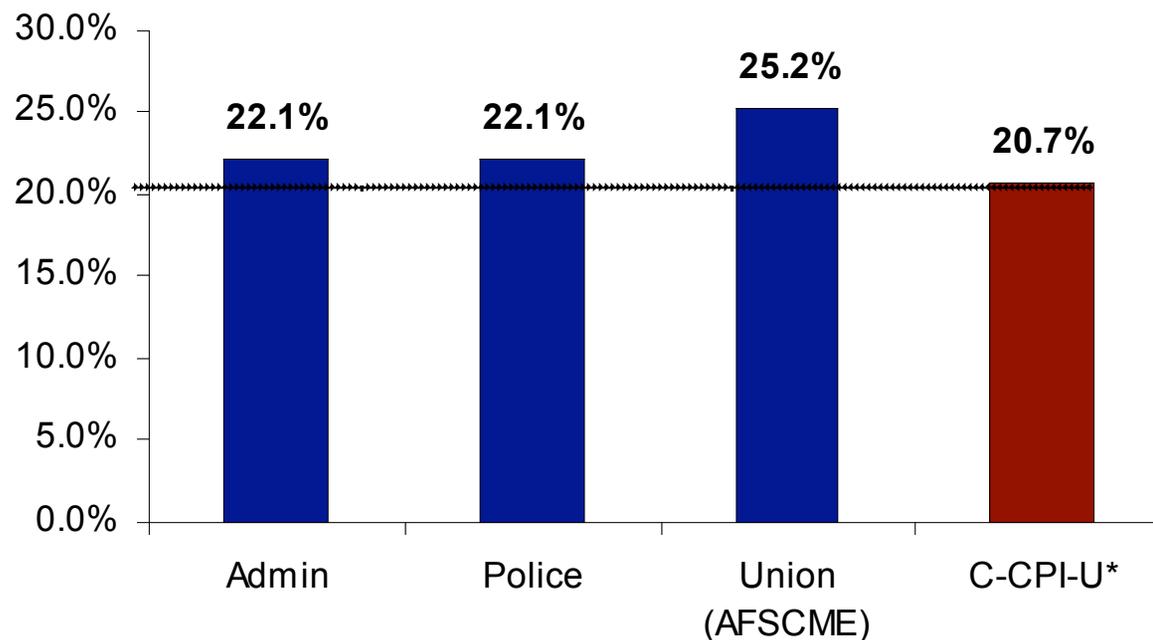
# Rockville vs. C-CPI-U\*

*Admin, Police, and Union (AFSCME): June 2000 – December 2007*



- Since December of 1999 – the beginning of the C-CPI-U index – wage increases for employees on the administrative, police, and union (AFSCME) pay scales have outpaced changes in the C-CPI-U
- These figures do not include merit increments, step increments, or merit-based performance awards also received by individual employees

**Rockville Wage Increases vs. C-CPI-U\***



\* - Note, C-CPI-U through December 2007. For complete year over year comparison, data should be through June 2008.

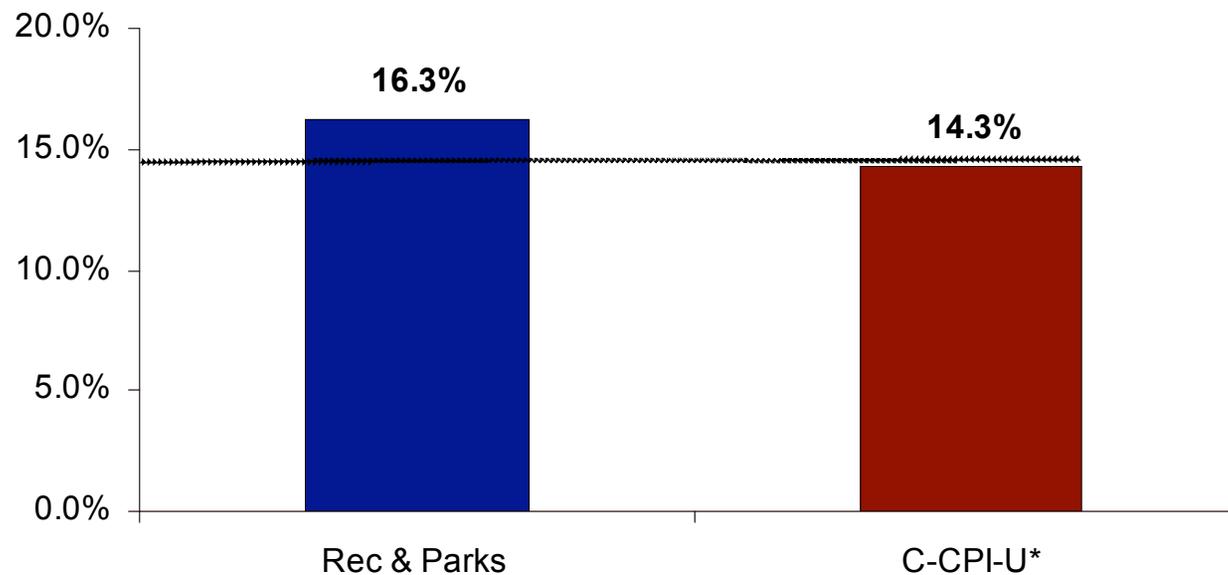
# Rockville vs. C-CPI-U\*

## Recreation & Parks: June 2001 – December 2007



- Since June 2001 – the beginning of Recreation and Parks pay scale – wage increases again have also outpaced changes in the C-CPI-U
- Again, these figures exclude merit increments or merit-based performance awards

### Rockville Wage Increases vs. C-CPI-U\*



\* - Note, C-CPI-U through December 2007. For complete year over year comparison, data should be through June 2008.

# Wages vs. Regional CPI



*“Metropolitan areas indexes have a relatively small sample size and, therefore, are subject to substantially larger sampling errors.*

*Metropolitan area and other sub-components of the national indexes (regions, sub-classes) often exhibit greater volatility than the national index.”*

- To provide insight into more localized changes, BLS also produces indexes for areas including the **Washington-Baltimore Metropolitan Area CPI**, covering all urban consumers (CPI-U) and urban wage earners (CPI-W). While available for a longer duration, the BLS advises that this series is less reliable due to sample size volatility
- Historical National CPI data is also available for decades, including both the CPI-U and CPI-W. While more reliable than the somewhat volatile Metro Area indexes, improvements to the BLS methodology in the late 1990s have not been applied to earlier index levels
- Both the Metro Area and National CPI-U series (non-Chained) are considered “upper bound” indicators, and less reflective of “true” cost-of-living than the C-CPI-U
- Looking at the CPI-W (again reflecting a wage earner’s market basket), Rockville’s wage increases have generally tracked the Washington-Baltimore Metropolitan Area CPI-W, ending somewhat lower as of 2007
- The City trend figures, however, do not account for increments (merit or step) or merit-based performance awards received by individual employees

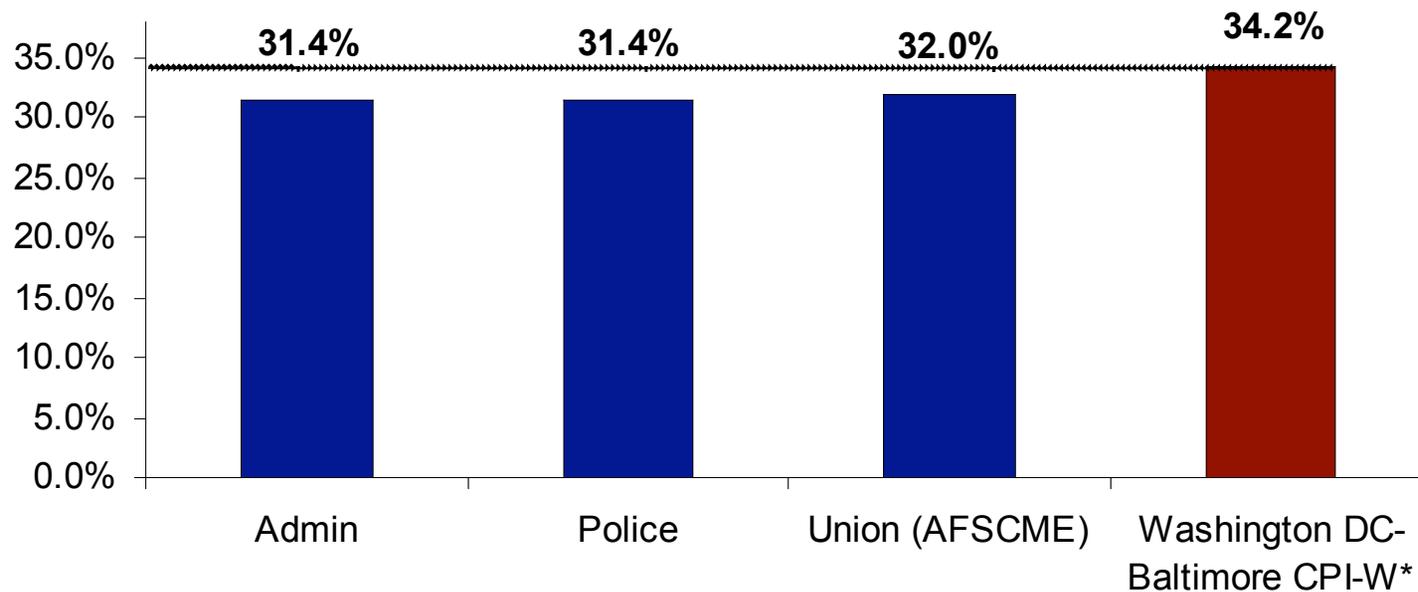
# Rockville vs. Washington-Baltimore Metro Area CPI-W\*

## Admin, Police, and Union (AFSCME): June 1997 – December 2007



- Since June 1997 – the beginning of the Washington DC-Baltimore Metro Area CPI-W index – Rockville wage increases have generally tracked the regional CPI-W index, ending the period slightly lower. Again, the Bureau of Labor Statistics considers this index an “upper bound” measure of the changes in consumer prices, and City figures do not include increments or lump sum bonuses

**Rockville Wage Increases vs. Washington DC-Baltimore Metro Area CPI-W\***



\* - Note, C-CPI-U through December 2007. For complete year over year comparison, data should be through June 2008.



# CPI Forecast

- Projected long-term CPI pressures remain around 2.5%

<b>Survey of Professional Forecasters 2008 Q1 CPI Projections % (2/12/08)</b>				
<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2008-2012</b>	<b>2008-2017</b>
<b>2.5</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>2.5</b>

*Source: Federal Reserve Bank of Philadelphia: Survey of Professional Forecasters, 2008 Q1 release (2/12/08)*



# National Wage Trends

- In the 2007 national labor market, median wage increases trended around 3.0%, moderated by:
  - modest long-term inflation expectations
  - an uncertain economy
  - cost pressures for health and retirement benefits

<b>2007 MEDIAN WAGE INCREASES (%)</b>		
	<b>All Settlements</b>	<b>State / Local Government</b>
Year 1	3.2	3.0
Year 2	3.0	3.0
Year 3	3.0	3.0

*Source: Bureau of National Affairs (1-17-08), lump sums excluded*



## Wage Trends

- Other indicators of wage pressures in the national labor market generally reflect continued salary structure (across-the-board) changes below 3.0 percent and salary budget containment below 4.0 percent. For example:
  - Mercer 2007/2008 U.S. Compensation Planning Survey of over 1,000 U.S. employers:
    - Salary structure increases of 3.0% for exempt employees and 2.9% for non-exempt in 2007, projected at 2.8% for both exempt and non-exempt employees in 2008
    - Salary budgets, inclusive of pay progression, of 3.8% for all employees in 2007 and expected to remain steady in 2008
  - WorldatWork 2007 survey of 2,500 large U.S. corporations:
    - Salary budgets, inclusive of pay progression, of 3.9% for all employees in 2007 and forecast to remain at that rate in 2008

# Settlement Trends

## General Employee Titles



	FY2008	FY2009	FY2010	FY2011
Rockville				
Alexandria City	1.50%			
Annapolis				
Anne Arundel County	2.00% + 1.00%	2.00% + 1.00%	2.00% + 1.00%	3.00%
Arlington County	1.50%			
Baltimore City	3.00% + 1.00%			
Baltimore County	3.00%			
Bowie				
District of Columbia	3.25%	4.00%*		
Fairfax County	2.92%			
Frederick				
Gaithersburg				
Howard County	3.00%			
Loudoun County	2.50%			
MCPS	5.80%			
M-NCPPC	3.25%	3.25%		
Montgomery College	4.75%	5.00%	5.30%	2.50%
Montgomery County, MD	4.00%	4.50%	4.50%	
Prince George's County <sup>1</sup>				
Prince William County	2.75%	2.50%	2.50%	
WSSC <sup>1</sup>				

<sup>1</sup> No new contract in place.

Note: Chart above shows across-the-board increases. Some governments have also adopted merit increases (generally equivalent to steps) and/or have adjusted top steps of their pay ranges.

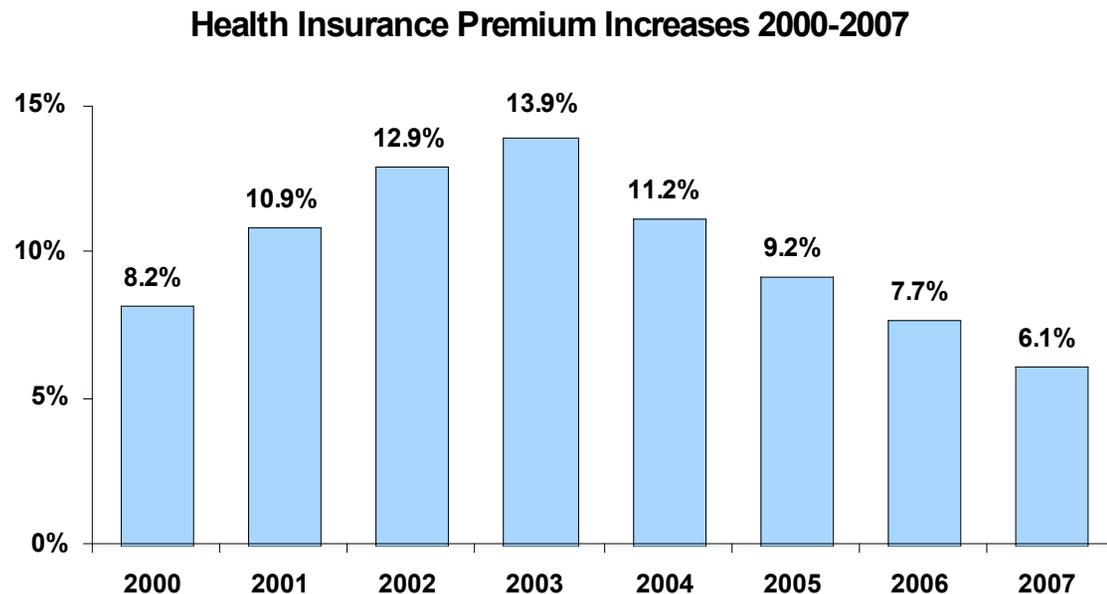


## **Benefit Trends**



# Healthcare Cost Pressures

- After plan redesign and other cost containment measures, average health insurance premiums across the general U.S. labor market increased by 6.1% in 2007
- While continuing a downward trend since 2003, such growth remains well above general inflation



*Source: Kaiser Family Foundation and Health Research and Educational Trust (Kaiser/HRET) 2007 Employer Health Benefits Survey; covers more than 2,100 public and private employers*



## Retiree Medical and GASB

- Retiree medical costs are also growing at double-digit rates, compounded by demographic trends
- Under new Governmental Accounting Standards Board (GASB) standards, public sector employers are now required to recognize and address these costs to a greater degree than in past years
- GASB is the accounting rule maker for the public sector

**N.Y. Times (12/11/05): “The (GASB) board has issued a new accounting rule that will take effect in less than two years. It has not yet drawn much attention outside specialists’ circles, but it threatens to propel radical cutbacks for government retirees and to open the way for powerful economic and social repercussions. Some experts are warning of tax increases, or of an eventual decline in the quality of public services. States, cities and agencies that do not move quickly enough may see their credit ratings fall. In the worst instances, a city might even be forced into bankruptcy if it could not deliver on its promises to retirees.”**



# GASB 45

## *Why GASB Is Making the Change*

- Currently, most governmental employers use a “pay-as-you-go” accounting method, which ignores the promise of future benefits
- OPEB promises are made in exchange for employee service (as compensation), and therefore should be recognized as cost systematically during active years of service
- The change will require employers to report OPEBs in a manner similar to how pensions are reported
- This will provide better information for taxpayers, bondholders, employers and plan participants about the cost of the benefits and the effect on the employer’s finances

**Standard & Poor’s (12/1/04):**  
*“The funding of these obligations is of an increasing credit concern, exacerbated by the rapid cost acceleration in many health-related areas... Close attention will be paid to the newly quantified OPEB unfunded liabilities.”*

**Fitch Ratings (6/22/05):** *“An absence of action taken to fund OPEB liabilities or otherwise manage them will be viewed as a negative rating factor.”*



# Decreasing Retirement Benefits: Pensions

- The percentage of full-time U.S private industry workers in medium and large private establishments participating in traditional defined benefit pensions has decreased steadily

– 1988:	63%
– 1993:	56%
– 1997:	50%
– 2000:	36%

- As of 2007 only 32% of U.S. private industry workers (establishments with 100+ employees) still participated in a defined benefit pension



## **Recommendations**

# City Staff Recommendations



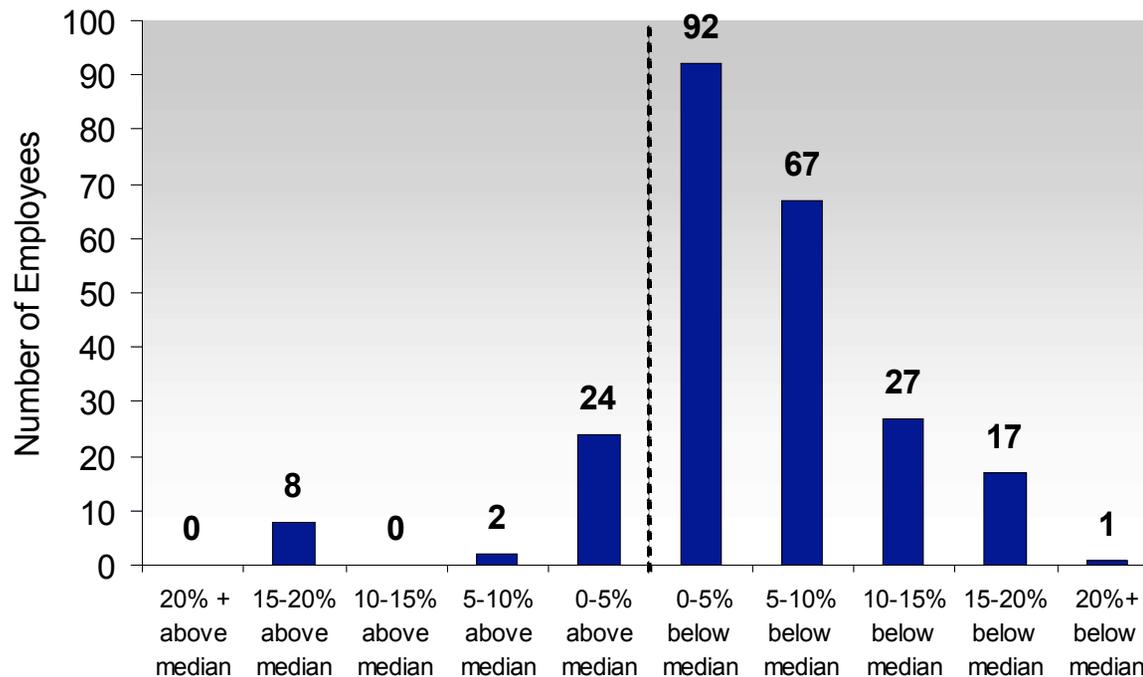
- FY 2009 across-the-board increase for City employees equal to 3.25%
- Recommend projected across-the board increases equal to 3.25% for FY 2010 and FY 2011
  - In line with wage trend data
  - Fair and reasonable
  - Sustainable
- Add 1 step or 3.5% (depending on the scale) to the maximum of the pay range or pay scale on July 1, 2008
  - Employees at the maximum or near the maximum of their pay scale could see additional pay growth on their anniversary date provided their performance is satisfactory
  - All employees could realize the additional pay growth over time
- Add and additional step or 3.5% (depending on the scale) to the maximum of the pay range or pay scale on July 1, 2009
  - Employees at the maximum or near the maximum to their pay scale could see additional pay growth on their anniversary date provided; however, performance is satisfactory
  - All employee could realize the additional pay growth over time

# Distribution of Employee Compensation

## By Number of Employees – Current Maximum Base



- The chart below shows a distribution of Rockville employees by variance in maximum base pay – in their respective titles – from the survey median
  - Approx. **14%** of Rockville employees are in titles where current maximum base pay is **above the median**
  - Approx. **53%** of Rockville employees are in titles where current maximum base pay is **within 5% of the median or higher**



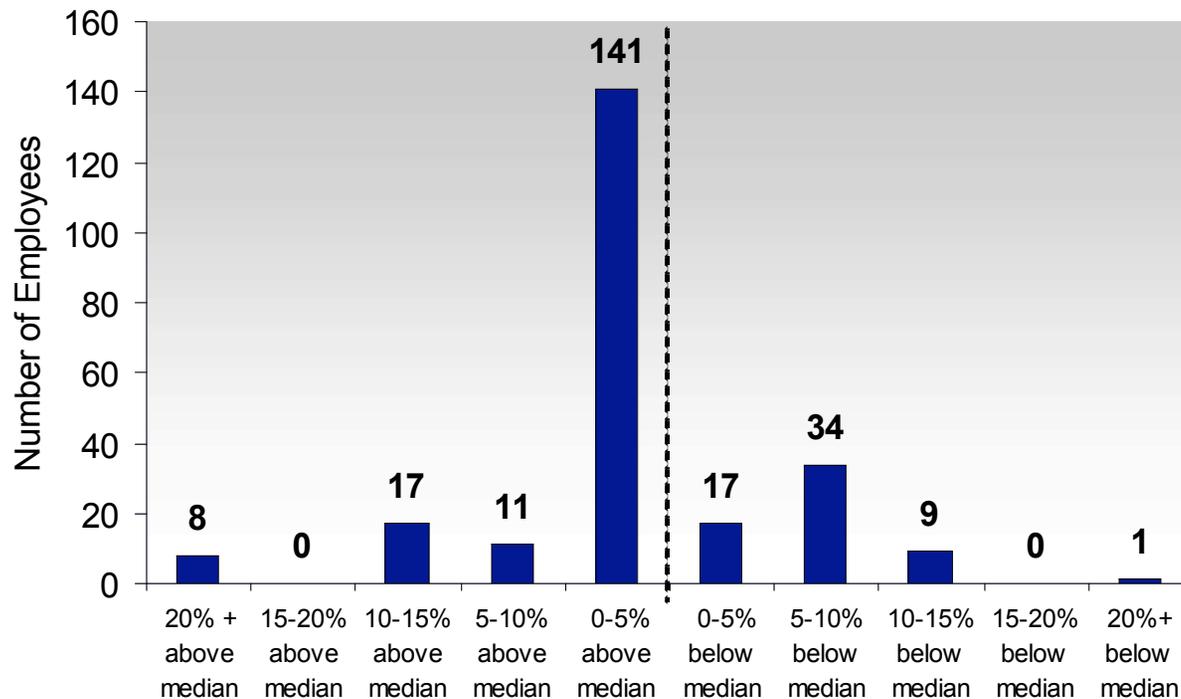
*N = 238. Analysis omits six titles (n = 13) with fewer than five survey responses*

# Distribution of Employee Compensation

*By Number of Employees – Increasing Maximum by 2 steps or expanding the end of pay scale by 7%*



- Approx. **73%** of Rockville employees would be in titles where maximum base pay is **above the median**
- Approx. **59%** of Rockville would be in titles where maximum base pay is **0 – 5% above the median**
- Approx. **82%** of Rockville employees would be in titles maximum base pay is **within 5% of the median or higher**



*N = 238. Analysis omits six titles (n = 13) with fewer than five survey responses*

# Additional City Staff Recommendations



- Conduct a more detailed analysis of positions still significantly below market (during FY 2009)
- Review job classifications to look for opportunities to broad band job classification in order improve flexibility and enhance market competitiveness (during FY 2009)
- Determine cost to city/employee of lowering co-pays for primary care providers and specialists
- Increase performance bonus for HPO pay system employees
  - Highest performing employees = 1.5% to 2.5%
  - Second tier = 1.0% to 1.25%
- Offer Health Retirement Savings accounts so employees can save during their working years to pay for post Medicare eligible retiree health care premiums
- Conduct actuarial study to determine fiscal impact of lowering vesting periods for DB and DC retirement plans



## Appendix



## **Health Benefits**

# Retiree Medical Premium Cost Sharing

## Pre-Medicare (% of Premium, Highest Enrollment Plan)



- Retirees contribute to pre-Medicare health insurance in 16 of 17 jurisdictions surveyed
  - Single pre-Medicare coverage in Loudoun County represents the lone exception
- Rockville retirees (pre-Medicare) contribute 20% of premium cost for the Care First HMO – regardless of dependent coverage – a very competitive rate relative to regional employers:
  - For single coverage, pre-Medicare retiree contribution rates varied between 0% (Howard County) to 100% (District of Columbia); 22% employee contribution represents the median
  - For family coverage, pre-Medicare retiree contribution rates varied between 5% (Baltimore County) to 100% (District of Columbia); 26% employee contribution represents the median

Jurisdiction	Plan Year	Plan With Highest Enrollment	Plan Type	Single Coverage		Employee & Spouse		Employee & Child		Family	
				Employee %	Employer %	Employee %	Employer %	Employee %	Employer %	Employee %	Employer %
<b>Rockville</b>	<b>1/1/08-12/31/08</b>	<b>CareFirst BlueChoice</b>	<b>HMO</b>	<b>20%</b>	<b>80%</b>	<b>20%</b>	<b>80%</b>	<b>20%</b>	<b>80%</b>	<b>20%</b>	<b>80%</b>
Alexandria City	7/1/07-6/30/08	Optimum Choice	HMO	35%	65%	66%	34%	66%	34%	78%	22%
Annapolis City	Not Reported										
Anne Arundel County	1/1/07-12/31/07	EPO-MPOS	HMO	20%	80%	20%	80%	20%	80%	20%	80%
Arlington County	1/1/07-12/31/07	CIGNA	HMO	20%	80%	22%	78%	22%	78%	22%	78%
Baltimore City	1/1/07-12/31/07	CareFirst PPN	PPO	50%	50%	50%	50%	50%	50%	50%	50%
Baltimore County	9/1/07-8/31/08	Optimum Choice	HMO	5%	95%	5%	95%	5%	95%	5%	95%
Bowie City	Not Reported										
District of Columbia	1/1/07-12/31/07	Aetna	HMO	100%	0%	100%	0%	100%	0%	100%	0%
Fairfax County	1/1/07-12/31/07	BlueChoice	POS	51%	49%	75%	25%	75%	25%	83%	17%
Frederick City	Not Reported										
Gaithersburg	7/1/07 - 6/30/2008	United HealthCare	HMO	15%	85%	15%	85%	15%	85%	15%	85%
Howard County	7/1/07-12/31/07	Blue Choice	HMO	0%	100%	51%	49%	41%	59%	63%	37%
Loudoun County	9/1/07-8/31/08	CIGNA	POS	10%	90%	15%	85%	13%	87%	22%	78%
MCPS	1/1/07-12/31/07	United HealthCare	POS	36%	64%	36%	64%	36%	64%	36%	64%
M-NCPPC	1/1/07-12/31/07	Blue Cross Blue Shield	POS	15%	85%	15%	85%	15%	85%	15%	85%
Montgomery College	1/1/07-12/31/07	CIGNA	POS	40%	60%	40%	60%	40%	60%	40%	60%
Montgomery County	1/1/07-12/31/07	CareFirst High Option	POS	30%	70%	30%	70%	30%	70%	30%	70%
Prince George's County	1/1/07-12/31/07	Optimum Choice	HMO	20%	80%	20%	80%	20%	80%	20%	80%
Prince William County	7/1/07-6/30-08	Anthem (15)	PPO	47%	53%	75%	25%	71%	29%	82%	18%
State of Maryland	7/1/07-6/30-08	CareFirst BCBS	PPO	20%	80%	20%	80%	20%	80%	20%	80%
WSSC	1/1/07-12/31/07	Aetna	POS	22%	78%	22%	78%	22%	78%	22%	78%

# Retiree Medical Premium Cost Sharing

## Pre-Medicare (\$ / Month, Highest Enrollment Plan)



- Rockville retirees (pre-Medicare) contribute \$69.80 and \$209.40 for single and family coverage, respectively
- These \$ amounts, again, compare very favorably with regional employers:
  - For single pre-Medicare coverage, retiree contribution rates varied between \$8.25 (Howard County) to \$269.25 (Montgomery County College); \$140.29 retiree contribution represents the median\*
  - For family coverage, contribution rates varied between \$66.33 (Baltimore County) to \$1,187.26 (Fairfax County); \$377.39 employee contribution represents the median\*

Jurisdiction	Plan Year	Plan With Highest Enrollment	Plan Type	Single Coverage		Employee & Spouse		Employee & Child		Family	
				Employee \$	Employer \$	Employee \$	Employer \$	Employee \$	Employer \$	Employee \$	Employer \$
<b>Rockville</b>	<b>1/1/08-12/31/08</b>	<b>CareFirst BlueChoice</b>	<b>HMO</b>	<b>69.80</b>	<b>291.20</b>	<b>139.60</b>	<b>558.30</b>	<b>139.60</b>	<b>558.30</b>	<b>209.40</b>	<b>837.58</b>
Alexandria City	7/1/07-6/30/08	Optimum Choice	HMO	138.93	260.00	504.38	260.00	504.38	260.00	938.81	260.00
Annapolis City	Not Reported										
Anne Arundel County	1/1/07-12/31/07	EPO-MPOS	HMO	98.95	318.42	218.71	678.30	180.77	568.54	275.44	878.23
Arlington County	1/1/07-12/31/07	CIGNA	HMO	78.58	314.30	172.28	616.48	172.28	616.48	247.28	884.66
Baltimore City	1/1/07-12/31/07	CareFirst PPN	PPO	224.06	224.06	499.67	499.67	425.71	425.71	542.24	542.24
Baltimore County	9/1/07-8/31/08	Optimum Choice	HMO	22.20	362.67	47.01	774.66	33.13	529.28	66.33	1,094.07
Bowie City	Not Reported										
District of Columbia	1/1/07-12/31/07	Aetna	HMO								
Fairfax County	1/1/07-12/31/07	BlueChoice	POS	264.44	220.00	729.54	220.00	729.54	220.00	1,187.26	220.00
Frederick City	Not Reported										
Gaithersburg	Not Reported										
Howard County	7/1/07-12/31/07	Blue Choice	HMO	8.25	400.19	487.35	452.05	325.10	450.95	770.84	453.97
Loudoun County	9/1/07-8/31/08	CIGNA	POS	53.35	480.13	160.04	906.94	94.70	662.87	300.09	1,033.65
MCPS	1/1/07-12/31/07	United HealthCare	POS	241.69	429.67	483.32	859.24	483.32	859.24	648.18	1,152.32
M-NCPPC	1/1/07-12/31/07	Blue Cross Blue Shield	POS	78.43	443.16	154.64	873.64	154.64	873.64	215.38	1,217.53
Montgomery College	1/1/07-12/31/07	CIGNA	POS	269.25	390.91	544.27	788.94	544.27	788.94	716.67	1,047.55
Montgomery County	1/1/07-12/31/07	CareFirst High Option	POS	154.22	359.84	275.92	643.81	275.92	643.81	450.17	1,050.41
Prince George's County	1/1/07-12/31/07	Optimum Choice	HMO	147.73	239.01	288.73	477.30	288.73	477.30	377.39	661.39
Prince William County	7/1/07-6/30-08	Anthem (15)	PPO	213.02	210.00	671.26	210.00	552.26	210.00	1,059.14	210.00
State of Maryland	7/1/07-6/30-08	CareFirst BCBS	PPO	130.98	501.84	232.08	884.11	217.99	833.47	311.35	1,183.27
WSSC	1/1/07-12/31/07	Aetna	POS	141.65	451.11	348.34	1,140.37	348.34	1,140.37	360.45	1,140.37

\* - District of Columbia did not report \$ amounts

# Retiree Medical Premium Cost Sharing

## Medicare Eligible (% of Premium, Highest Enrollment Plan)



- For Medicare-eligible retirees, however, Rockville is 1 of 3 jurisdictions that do not subsidize Medicare coverage or do not offer coverage for Medicare-eligible retirees
  - The District of Columbia offers group coverage, but Medicare-eligible retirees pay 100% of the premiums
  - Prince William County does not offer group coverage, but provides a flat \$ amount as a health care subsidy

Jurisdiction	Plan Year	Plan With Highest Enrollment	Plan Type	Single Coverage		2 Medicare Eligible		1 Medicare Eligible + 1 Non-Medicare		Family	
				Employee %	Employer %	Employee %	Employer %	Employee %	Employer %	Employee %	Employer %
<b>Rockville</b>	<b>1/1/08-12/31/08</b>	<b>CareFirst BlueChoice</b>	<b>HMO</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>No Family Plan</b>	
Alexandria City	7/1/07-6/30/08	Optimum Choice HMO	HMO	23%	77%	63%	37%	63%	37%	77%	23%
Annapolis City	Not Reported										
Anne Arundel County	1/1/07-12/31/07	Medicare Supplemental		20%	80%	20%	80%	20%	80%	No Family Plan	
Arlington County	1/1/07-12/31/07	CIGNA	HMO	6%	94%	7%	93%	15%	85%	No Family Plan	
Baltimore City	1/1/07-12/31/07	CareFirst BC/BS	Ind.	50%	50%	50%	50%	50%	50%	50%	50%
Baltimore County	9/1/07-8/31/08	Kaiser Medicare + HMO	HMO	25%	75%	25%	75%	15%	85%	No Family Plan	
Bowie City	Not Reported										
District of Columbia	1/1/07-12/31/07	Aetna	HMO	100%	0%	100%	0%	100%	0%	100%	0%
Fairfax County	1/1/07-12/31/07	BlueChoice	POS	30%	70%	65%	35%	71%	29%	82%	18%
Frederick City	Not Reported										
Gaithersburg	7/1/07 - 6/30/2008	United HealthCare	HMO	15%	85%	15%	85%	15%	85%	15%	85%
Howard County	7/1/07-12/31/07	BlueChoice	HMO	2%	98%	51%	49%	51%	49%	No Family Plan	
Loudoun County	9/1/07-8/31/08	CIGNA	POS	0%	100%	0%	100%	5%	95%	18%	82%
MCPS	1/1/07-12/31/07	Optimum Choice HMO	HMO	36%	64%	36%	64%	36%	64%	No Family Plan	
M-NCPPC	1/1/07-12/31/07	BS/BC Medicare Complement		15%	85%	15%	85%	15%	85%	100%	0%
Montgomery College	1/1/07-12/31/07	CIGNA	PPO	40%	60%	40%	60%	40%	60%	40%	60%
Montgomery County	1/1/07-12/31/07	Carefirst High Option	POS	30%	70%	30%	70%	30%	70%	30%	70%
Prince George's County	1/1/07-12/31/07	Optimum Choice	HMO	20%	80%	20%	80%	20%	80%	No Family Plan	
Prince William County	7/1/07-6/30-08	Anthem (15)	PPO	Once Medicare eligible, retirees are no long eligible to participate in any of the County health plans. They do however continue to receive a County subsidy which they may apply toward outside coverage							
State of Maryland	7/1/07-6/30-08	CareFirst BCBS	PPO	20%	80%	20%	80%	20%	80%	20%	80%
WSSC	1/1/07-12/31/07	Aetna	POS	22%	78%	22%	78%	22%	78%	No Family Plan	

# Retiree Medical Premium Cost Sharing

## Medicare Eligible (\$ / Month, Highest Enrollment Plan)



Jurisdiction	Plan Year	Plan With Highest Enrollment	Plan Type	Single Coverage		2 Medicare Eligible		1 Medicare Eligible + 1 Non-Medicare		Family	
				Employee	Employer	Employee	Employer	Employee	Employer	Employee	Employer
				\$	\$	\$	\$	\$	\$	\$	\$
<b>Rockville</b>	<b>1/1/08-12/31/08</b>	<b>CareFirst BlueChoice</b>	<b>HMO</b>	<b>421.32</b>	<b>0.00</b>	<b>870.63</b>	<b>0.00</b>	<b>842.64</b>	<b>0.00</b>	<b>No Family Plan</b>	
Alexandria City	7/1/07-6/30/08	Optimum Choice HMO	HMO	79.67	260.00	444.79	260.00	444.79	260.00	878.86	260.00
Annapolis City	Not Reported										
Anne Arundel County	1/1/07-12/31/07	Medicare Supplemental		88.20	275.43	186.85	550.86	187.10	593.85	No Family Plan	
Arlington County	1/1/07-12/31/07	CIGNA	HMO	27.00	329.60	58.40	694.02	114.93	636.55	No Family Plan	
Baltimore City	1/1/07-12/31/07	CareFirst BC/BS	Ind.	86.99	86.99	173.99	173.99	358.90	358.90	630.81	630.81
Baltimore County	9/1/07-8/31/08	CareFirst Supplemental	HMO	86.51	259.53	173.02	519.06	104.92	609.27	No Family Plan	
Bowie City	Not Reported										
District of Columbia	1/1/07-12/31/07	Aetna	HMO								
Fairfax County	1/1/07-12/31/07	BlueChoice	POS	128.04	220.00	472.47	220.00	608.88	220.00	1,098.76	220.00
Frederick City	Not Reported										
Gaithersburg	Not Reported										
Howard County	7/1/07-12/31/07	BlueChoice	HMO	15.77	462.00	493.27	465.58	493.27	465.58	No Family Plan	
Loudoun County	9/1/07-8/31/08	CIGNA	POS	0.00	480.13	0.00	960.27	53.35	960.27	246.74	1,087.00
MCPS	1/1/07-12/31/07	UnitedHealthcare	POS	125.72	223.50	251.38	446.90	387.64	689.14	No Family Plan	
M-NCPPC	1/1/07-12/31/07	UnitedHealthcare Indemnity	Ind.	69.39	391.91	138.26	780.79	138.26	780.79	974.56	254.23
Montgomery College	1/1/07-12/31/07	CIGNA	PPO	269.25	390.91	544.27	788.94	544.27	788.94	716.67	1,047.55
Montgomery County	1/1/07-12/31/07	Carefirst High Option	POS	104.31	243.40	196.79	459.19	196.79	459.19	255.13	595.30
Prince George's County	1/1/07-12/31/07	Optimum Choice	HMO	124.06	144.31	241.90	289.99	265.33	383.72	No Family Plan	
Prince William County	7/1/07-6/30-08	Anthem (15)	PPO	Once Medicare eligible, retirees are no long eligible to participate in any of the County health plans. They do however continue to receive a County subsidy which they may apply toward outside coverage							
State of Maryland	7/1/07-6/30-08	CareFirst BCBS	PPO	87.58	328.28	162.65	606.39	191.94	729.27	267.95	1,009.63
WSSC	1/1/07-12/31/07	Aetna	POS	135.51	429.33	264.77	844.06	275.02	880.44	No Family Plan	



## **Retirement Benefits**

# Standard Benefits Formula

## General Employee Titles



Jurisdiction	Standard Benefits Formula
Rockville	<p>Admin employees hired prior to 4/14/1986 Defined Benefit Option: 1.8% of FAE multiplied by YOS</p> <p>Defined Benefit Plan: Admin employees hired on or after 4/14/1986 – FAE x YOS prior to 4/1/1996 multiplied by 1% + FAE x YOS after 4/1/1996 multiplied by 1.2%</p> <p>Defined Contribution Plan: Admin employees hired on or after 4/14/1986 make an irrevocable contribution between 1-5% of their pay. There is a graduated vesting period of 7 years.</p>
Alexandria City	<p>VA Pension: 1.7% of AFC multiplied by YOS</p> <p>Supplemental Plan: 0.8% of Average Earnings multiplied by YOS served after December 31, 1987 (more for prior service)</p>
Annapolis City	MD Pension: 1.2% of AFC multiplied by YOS to 6/30/98, plus 1.4% of AFC multiplied by YOS after 6/30/98
Anne Arundel County	<p>Tier One (hired before 12/4/96): 2% of FAS multiplied by YOS, not to exceed 60% of AFS. Plus 2% of FAS multiplied by the sum of disability leave service and credited pre-plan military service</p> <p>Tier Two (hired on or after 12/4/96): 1% of FAS multiplied by YOS</p>
Arlington County	1.5% of FAS multiplied by YOS, up to a maximum of 30 years
Baltimore City	1.60% of AFC + 0.25% of AFC in excess of covered final compensation + 1.85% of AFC for each year of credited service in excess of 30 years
Baltimore County	<p>Hired before July 1, 2007: 1.8% of AFC multiplied by YOS served before July 1, 2007 plus 1.4% of AFC multiplied by YOS served after July 1, 2007</p> <p>Hired after July 1, 2007: 1.4% of AFC multiplied by YOS</p>
Bowie City	Not Reported
District of Columbia	Defined contribution plan for employees hired after 10/1/1987. The District funds this plan; there is no employee contribution. The current employer-paid contribution is 5% of the base salary
Fairfax County	<p>Plan A: 1.8% of AFC up to the Social Security Breakpoint multiplied by YOS, plus 2% of the portion of the AFC which exceeds the Social Security Breakpoint multiplied by YOS. The total is then increased by 3%.</p> <p>Plan B: 2% of AFC multiplied by YOS. The total is then increased by 3%</p> <p>For Plan A and Plan B, an additional pre-Social Security benefit applies if the retiree retires on a normal service retirement before eligible for unreduced Social Security benefits. This benefit is 1% of AFC up to the Social Security Breakpoint multiplied by YOS. The total benefit is then increased by 3%</p>

# Standard Benefits Formula

## General Employee Titles (cont.)



Jurisdiction	Standard Benefits Formula
Frederick City	30-Year Plan: 36% of final average earnings 25-Year Plan: 50% of final average earnings
Gaithersburg	Not Reported
Howard County	1.55% of AFC x YOS
Loudoun County	VA Pension: 1.7% of AFC x YOS
MCPS	Core Benefit: 1.8181% of AFC multiplied by YOS Supplemental Benefit: 0.18181% of AFC multiplied by YOS
M-NCPPC	2% of average annual earnings multiplied by YOS After the date of eligibility for full Social Security retirement benefits, the amount payable shall be 1.5% of average annual earnings up to the Social Security Covered Compensation Level, plus 2% of average annual earnings in excess of the Social Security Covered Compensation Level, multiplied by YOS.
Montgomery College	MD Pension (Alternate Contributory System): 1.2% of AFC multiplied by YOS to 6/30/08, plus 1.8% of AFC multiplied by YOS after 6/30/08
Montgomery County	Retirement Savings Plan: Defined contribution plan for employees hired after 10/1/1994 (employer contributes 6% of pay). Standard benefit is dependent upon investment performance. Employees' Retirement System: 2% of AFE multiplied by total YOS (up to 36 years) and sick leave credits (up to 2 years) if retire before the Social Security normal retirement age; or 1.25% of AFE up to the maximum SSCCL and 2% of AFE over SSCCL multiplied by total YOS (up to 36 years) and sick leave credits (up to 2 years) if retire after the Social Security normal retirement age
Prince George's County	<u>MD Pension Plan (Non-Contributory System)</u> : 0.8% of AFC up to the Social Security Integration Level, plus 1.5% of AFC above the Social Security Integration Level multiplied by YOS <u>Supplemental Plan</u> : 1% of Average Annual Compensation multiplied by YOS, up to 30 years
Prince William County	<u>VA Pension</u> : 1.7% of AFC multiplied by YOS.
WSSC	1.4% of YOS x the 36 consecutive month average salary which produces the highest results If the retirement date is prior to age 62, a Temporary Supplemental Benefit of sex-tenths of one percent of the average monthly salary is multiplied by the Open Version credited service until age 62 is reached

# Standard Benefits Formula

## Law Enforcement Titles



Jurisdiction	Standard Benefits Formula
Rockville	The retirement benefit payable to a police employee who retires on or after April 1, 1993 shall be equal to the lesser of: (a) 2.0% of FAE multiplied by YOS prior to April 1, 2004, plus 2.25% of FAE multiplied by YOS on or after April 1, 2004; or (b) 67.5% of FAE
Alexandria City	2.5% of Average Monthly Compensation multiplied by YOS up to 20 years, plus 3.2% of Average Monthly Compensation multiplied by YOS for years 20-30 Average Monthly Compensation is the average of the 48 consecutive highest months of compensation
Annapolis City	Not Reported
Anne Arundel County	2.5% of final average basic pay up to 20 YOS; plus 2% of final average basic pay multiplied by YOS in excess of 20 years. Final average basic pay in the highest 3 years out of the 5 years prior to termination of employment. Maximum benefits = 70%
Arlington County	Prior to full Social Security age: 2% of FAS multiplied by YOS, up to a maximum of 30 years FAS is an average of the 3 highest 26 consecutive pay periods. Once full Social Security age is reached: 1.5% of FAS multiplied by 1-10 YOS; plus 1.7% of FAS multiplied by 11-20 YOS; plus 1.7% of FAS multiplied by 21-30 YOS; plus 2.0% of FAS multiplied by 21-30 years of service
Baltimore City	For the first 20 YOS: 2.5% of FAS multiplied by YOS For service over 20 years: 2.0% of FAS multiplied by YOS FAS equals the average of the highest 18 consecutive months of regular annual earnable compensation
Baltimore County	2.5% of AFC multiplied by YOS up to 20 years, plus 2.0% of AFC multiplied by YOS in excess of 20 years. Beginning 7/1/07, 3% of AFC multiplied by YOS in excess of 25 years. The 3% rate does not apply to YOS earned prior to 7/1/07. Benefit is capped at 100% of AFC.
Bowie City	Not Reported
District of Columbia	Hired between 2/15/80 and 11/10/96: 2.5% of AFS multiplied by YOS up to 25 years, plus 3.0% of AFS multiplied by YOS in excess of 25 years, plus 2.5% of AFS multiplied by years of other credible service. Hired after 11/10/96: 2.5% of AFS multiplied by YOS. Benefit is capped at 80% of final salary (plus credit for unused sick leave)

# Eligibility for Normal Retirement

## General Employee Titles



Jurisdiction	Eligibility Requirement
Rockville	Age 60 (any # of YOS) or age 50 with 10 YOS
Alexandria City	VA Pension: Age 65 with 5 YOS, or age 50 with 30 YOS Supplemental Plan: Age 55 with 30 YOS, or age 65 regardless of total service
Annapolis City	MD Pension: Age 62 with 5 YOS, age 63 with 4 YOS, age 64 with 3 YOS, age 65+ with 2 YOS, or after 30 YOS regardless of age
Anne Arundel County	Hired before July 1, 1999: Age 60, or 30 YOS regardless of age Hired on or after July 1, 1999: Age 60 and completion of actual plans service plus transferred service totaling 5 YOS; or the completion of 30 YOS
Arlington County	Age of 62 with 5 YOS; or 30 YOS regardless of age; of Rule of 80: When age + YOS = 80
Baltimore City	Age 65 with 5 YOS, or 30 YOS regardless of age
Baltimore County	Hired before July 1, 2007: Age 60 with 5 YOS, or 30 YOS regardless of age Hired after July 1, 2007: Age 67 with 10 YOS, or 35 YOS regardless of age
Bowie City	Not reported
District of Columbia	Employees must have one year of continuous service to participate, and they are fully vested after five years of continuous service
Fairfax County	Age 65 with 5 YOS, or at least age 50 when age plus service sum to at least 80
Frederick City	30-Year Plan: 30 YOS regardless of age 25-Year Plan: 25 YOS regardless of age
Gaithersburg	Not reported
Howard County	30 YOS regardless of age or, when age and service sum to 67 and the retiree has reached at least age 62 and has at least 2 YOS
Loudoun County	VA Pension: Age 65 with 5 YOS; or age 50 with 30 YOS
MCPS	Age 60 with 5 YOS, or 30 YOS regardless of age
M-NCPPC	Age 60 with 5 YOS, or 30 YOS regardless of age
Montgomery College	MD Pension: Age 62 with 5 YOS, age 63 with 4 YOS, age 64 with 3 YOS, age 65 with 2 YOS, or 30 YOS regardless of age
Montgomery County	Retirement Savings Plan (RSP): Age 60 with 5 YOS, age 50 with 15 YOS, or age 45 with 20 YOS Employees' Retirement System: Age 60 with 5 YOS, or age 55 with 30 YOS
Prince George's County	<u>MD Pension</u> : Age 62 with 5 YOS, age 63 with 4 YOS, age 64 with 3 YOS, age 65+ with 2 YOS, or 30 YOS regardless of age <u>County Supplemental Pension</u> : Age 55 with 15 YOS, or whenever normal retirement is attained under the Maryland Retirement System
Prince William County	VA Pension: Age 65 with 5 YOS, or age 50 with 30 YOS
WSSC	Hired before March 31, 1994: Age 62 with 3 YOS, or anytime after 30 YOS if the sum of service and age totals to 85 Hired on or after March 31, 1994: Age 65 with 5 YOS, or anytime after 30 YOS if the sum of service and age totals to 85

# Eligibility for Retirement

## Law Enforcement Titles



Jurisdiction	Eligibility Requirement
Rockville	Effective July 1, 1984: Age 60, or after 25 YOS regardless of age
Alexandria City	Hired before 1/1/04: Age 55, or after 25 YOS regardless of age Hired after 1/1/04: Age 55 with 5 YOS, or after 25 YOS regardless of age
Annapolis City	Not reported
Anne Arundel County	Age 50 with 5 YOS or after 20 YOS regardless of age
Arlington County	Age 52 with 5 YOS; or 25 YOS regardless of age
Baltimore City	Age 50 with 10 YOS, or after 20 YOS with at least 10 YOS as a contributing F&P member regardless of age
Baltimore County	Hired before July 1, 2007: Age 55, or after 20 YOS regardless of age Hired after July 1, 2007: Age 60 with 10 YOS, or after 25 YOS regardless of age
Bowie City	Not reported
District of Columbia	Hired between 2/15/80 and 11/10/96: Age 50 with 25 YOS Hired after 11/10/96: After 25 YOS regardless of age Mandatory retirement occurs at age 60 (may apply for extension)
Fairfax County	Age 55 with 5 YOS, or after 25 YOS (including sick leave) regardless of age
Frederick City	22 YOS regardless of age
Gaithersburg	Not reported
Howard County	Age 62 with 5 YOS, or 20 YOS regardless of age
Loudoun County	VA Pension: Age 60 with 5 YOS, or age 50 with 25 YOS
M-NCPPC	Age 55 with 5 YOS, or 25 YOS regardless of age
Montgomery County	Age 55 with 15 YOS, or age 46 with 25 YOS
Prince George's County	Age 55, or after 20 YOS
State of Maryland	Age 50, regardless of service; or age 22 YOS, regardless of age

# Employee Contribution

## General Employee Titles



Jurisdiction	Employee Contribution
Rockville	<b>Admin Employees hired prior to 4/14/1986 must contribute 5.2% of their salary to defined benefit plan Admin Employees hired on or after 4/14/1986 must contribute 1% of their salary towards the defined benefit plan + an irrevocable election of 1-5% of their salary towards the defined contribution plan</b>
Alexandria City	VA Pension: 0%; Supplemental Plan: 2%
Annapolis City	MD Pension: 2%
Anne Arundel County	Tier One (hired before 12/4/96): No contribution; Tier Two (hired after 12/4/96): No contribution
Arlington County	4%
Baltimore City	Not reported
Baltimore County	Hired before July 1, 2007: Rate of contribution varies according to age when hired; Hired after July 1, 2007: 6%
Bowie City	Not reported
District of Columbia	0%
Fairfax County	Plan A: 4% of salary up to the Social Security Wage Base; 5.333% of salary over the Social Security Wage Base Plan B: 5.333% of salary
Frederick City	30-Year Plan: 0%; 25-Year Plan: 7%
Gaithersburg	Not reported
Howard County	2%
Loudoun County	0% - The County pays the 5% employee contribution to Virginia Retirement System on behalf of the employee
MCPS	Core Benefit: 4% Supplemental Benefit: 0.4%
M-NCPPC	3% of base pay for each pay period up to the maximum Social Security Wage Base for that year, and 6% of base pay in excess of the Social Security Wage Base
Montgomery College	MD Pension (Alternate Contributory System): 4%
Montgomery County	Retirement Savings Plan: 3% contribution, and 6% on any amounts made over the social security wage base Employees' Retirement System: 4% of regular earnings up to the maximum Social Security wage base, plus 6% of earnings above the wage base
Prince George's County	<u>MD Pension (Non-Contributory System): 5% of any portion of earnable compensation that exceeds the Social Security Wage Base (SSWB). The 2007 SSWB = \$97,500</u> Supplemental Plan: 3.08%
Prince William County	0% - The County pays the 5% employee contribution to the Virginia Retirement System on behalf of the employee
WSSC	3%

# Employee Contribution

## Law Enforcement Titles



Jurisdiction	Employee Contribution
Rockville	Effective on and after May 1, 1993 police employees contribute at a rate equal to 8.5% of earnings
Alexandria City	7.5% for retirement benefits 0.5% for disability benefits
Annapolis City	Not Reported
Anne Arundel County	6%
Arlington County	5%
Baltimore City	6%
Baltimore County	Hired before July 1, 2007: Rate of contribution varies according to age at enrollment Hired after July 1, 2007: 7%
Bowie City	Not Reported
District of Columbia	7% if hired before 11/10/96 8% if hired on or after 11/10/96
Fairfax County	12%
Frederick City	8%
Gaithersburg	Not Reported
Howard County	11.60%
Loudoun County	0% - The County pays the 5% employee contribution to Virginia Retirement System on behalf of the employee
M-NCPPC	8%
Montgomery County	Optional Non-Integrated Plan: 8.5% Optional Integrated Plan and Mandatory Integrated Plan: 4.75% of regular earnings up to the maximum Social Security wage base, plus 8.5% of earnings above that amount
Prince George's County	Hired before 7/1/95: 5.5% Hired after 7/1/95: 8% in first 5 YOS, 7% in 5-10 YOS, and 5.5% in all subsequent YOS.
State of Maryland	8%

# Standard Benefits Formula

## Law Enforcement Titles (cont.)



Jurisdiction	Standard Benefits Formula
Fairfax County	2.8% of AFC multiplied by YOS not to exceed the maximum benefit payable. The maximum benefit payable is 86.52% of AFC, which is reached after 30 YOS. The benefit is then increased by 3%.
Frederick City	60% of final average pay
Gaithersburg	Not Reported
Howard County	The retiree receives 50% of AFC after 20 YOS. This increases by 3,4,5,6, and 7% respectively over the next 5 YOS making the benefit 75% of AFC after 25 YOS. The benefit continues to increase by 1% per year until a maximum of 80% of AFC after 30 YOS.
Loudoun County	<u>VA Pension</u> : 1.7% of AFC multiplied by YOS
M-NCPPC	2.4% of Average Annual Earnings multiplied by YOS up to 25 years; plus 2% of Average Annual Earnings multiplied by YOS in excess of 25 years. The maximum annual benefit shall not exceed 70% of Average Annual Earnings
Montgomery County	<p>Retirement Savings Plan: 2.4% of Final Average Earnings multiplied by YOS up to 30 years, plus 2% of Final Average Earnings multiplied by sick leave credits used for credited service in excess of 30 years (up to 2 years)</p> <p>Employees Retirement System: Optional Non-Integrated Plan: 2.4% of Final Average Earnings multiplied by YOS up to 30 years, plus 2% of Final Average Earnings multiplied by sick leave credits used for credited service in excess of 30 years (up to 2 years). Optional Integrated and Mandatory Integrated Plans: Before Social Security Normal Retirement Age: 2.4% of Final Average Earnings multiplied by YOS up to 30 years, plus 2% of Final Average Earnings multiplied by sick leave credits used for credited service in excess of 30 years (up to 2 years)</p>
Prince George's County	3% of Average Annual Compensation multiplied by YOS up to 20 years; plus 2.5% of Average Annual Compensation multiplied by YOS in excess of 20 years but no more than 10 years. The maximum benefit is 85% of Average Annual Compensation
State of Maryland	2.55% of AFC multiplied by YOS up to 28 years. The maximum benefit is 71.4% of AFC. AFC is an average of the three highest years of salary during a career

# About PFM



Founded in 1975, Public Financial Management, Inc. (PFM) is ranked as the top municipal financial advisory firm in the United States. Along with debt and asset management services, the PFM Strategic Consulting practice has provided management and budget consulting services to state and local governments nationwide.

Given the labor-intensive nature of public service delivery, PFM Strategic Consulting advises actively on workforce issues in the public sector, and regularly conducts wage and benefit analyses.

National workforce clients include the City of New York (NY) Office of Labor Relations, New York Metropolitan Transportation Authority, Commonwealth of Pennsylvania, City of Philadelphia (PA), and City of Oakland (CA).

In the Baltimore-Washington Metro Area, the PFM Strategic Consulting group has advised Montgomery County, Anne Arundel County, and Baltimore County on employee compensation issues, and has worked with the City of Baltimore and District of Columbia on a broad range of management and budget concerns.