

**Written Public Testimony
FY 2014 Operating and CIP Budgets**

Testimony Received from April 30, 2013 (noon) to May 13, 2013

Exhibit	Name	Resident or Organization	Main Topic
63	Councilmember John Hall	Councilmember	Presentation: 12-point Draft Supplement for the FY 2014 City of Rockville Budget
64	Councilmember Mark Pierzchala	Councilmember	Presentation: Rockville FY 2014
65	Scott Robins	Human Services Advisory Commission	Requested that the Mayor and Council support human services, which are a combination of the Caregiver Agencies, Community Services Division, Senior Services, and other directed programs.
66	Robert Ekman	Rockville Science Center	Thanked the Mayor and Council for fully funding the Science Center.
67	Johanna Marshall	Community Ministries of Rockville	Requested additional funding for the Latino Outreach Program, Elderly Ministries, and Kaseman Health Clinic.
68	Ann Wallas	Association of Administrative Municipal Employees (AAME)	Requested that step/merit increases be added for FY 2014 and that the changes already made to the City's pension program in 2011 stay in place for sufficient time for the effects to be evaluated.



12-Point Draft Supplement for the FY 2014 City of Rockville Budget

Budget Blueprint Principles

- ◆ **NO increases in City tax rates**
- ◆ **Maintains Rockville's high-quality services**
- ◆ **Preserves Rockville's AAA bond rating**
- ◆ **Maintains greater-than-required budget reserves**
- ◆ **Assures adequate payments to debt service**
- ◆ **Provides 2% increase to all City Staff**
- ◆ **Provides 2 additional City Police officers**
- ◆ **Provides additional funds to caregivers and outside agencies serving Rockville residents**
- ◆ **An opportunity to fund overdue capital projects**
- ◆ ***Spending better, for ALL of Rockville***

12-point Budget Plan: Revenues

Revenue Adjustments		
1	Unobligated General Fund Revenues (Greensheets p.2)	+ \$367,000
2	Bring Reserves into-line with Budget Target (>16.9%) (OB p.4-4)	+ \$10,555
3	Achieve just a 1% reduction in the following cost areas (Greensheets p. A-19): <ul style="list-style-type: none"> A. Non-Police overtime B. Outside printing expenses C. Contractual (non-Police) services D. Dues, fees, publications E. Outside training expenses F. Data processing & service fees G. Non-departmental credit card charges H. Program supplies I. Consultants J. Electricity consumption K. City Manager's contingency 	+ \$53,405
	Subtotal of JFH revenue adjustments	+ \$430,960
4	Savings from City Manager's review of projected benefit costs	+ ≈\$110,000
	Subtotal of all Revenue Adjustments	+ ≈\$540,960

12-point Budget Plan: Investments

Proposed Revised Expenditures		
5	Provide all City Staff a 2.0% salary increase (Greensheets p.2)	- \$76,000
6	Provide 2 Additional Police Officers (Greensheets p. 2)	- \$238,000
7	Fully fund the Rockville Science Center (OB p. 14-40)	- \$15,000
8	Provide Additional Senior Center Outreach Services & Senior Center Call-n-Ride vouchers (OB pp. 14-26, 14-27)	- \$36,700
9	Fund Chamber of Commerce's "Rockville Rewards" Program, tied to \$5,000 base-funding for the Rockville Scholarship Foundation, with matching funding up to \$7,500, in-concert with the Rockville Chamber of Commerce – <i>with scholarships awarded to Rockville residents</i> (OB p. 14-40)	- \$17,500
10	Fund additional City tree pruning services (OB p. 14-62)	- \$33,000
11	Provide increases to Helping Hands, Interfaith Clothing Center, Rockville Primary Care, and the Kaseman Clinic – <i>targeted to serve just 25% Rockville residents</i> ; Provide \$5,000 for RockNet; Provide additional Police Station kiosk (OB p. 14-39)	- \$14,760
Subtotal of Proposed JFH Revised Expenditures:		- \$430,960
Balance		+ \$110,000

12-point Budget Plan: Funding Additional CIP Investments or Reserves

12	Potential Additional Investments	
A	\$1.7 million in unfunded Transportation and Recreation and Parks needs, including pedestrian safety improvements for the South Stonestreet and JWES areas, King Farm Farmstead, etc. (Greensheets p. C-1)	- \$110,000
	-- OR --	
B	\$110,00 to Reserves (Greensheets p. 2)	- \$110,000
	Subtotal (average) of additional CIP investment/Reserve impacts	- \$110,000

Mayor & Council Priorities

Item	Cost (over proposed FY 2014 Budget)	PM	JFH	BDN	TM	MP
2% City Staff Salary Increase	\$76,000					
2 Police Officers	\$236,000					
Rockville Science Center	\$15,000					
Senior Center Outreach	\$30,000					
Senior Center Taxi voucher	\$6,700					
Tree-pruning	\$75,000					
Rockville Scholarship Foundation (with RCC partnership)	(\$2,500)					
Rockville Rewards	\$20,000					
Restore Helping Hands Shelter to FY 2013 level	\$2,000					

Mayor & Council Priorities

Item	Cost (over proposed FY 2014 Budget)	PM	JFH	BDN	TM	MP
Augment Interfaith Clothing Center funding	\$2,000					
Provide \$10,000 for Rockville Primary Care	\$1,760					
Provide \$96,000 to Kaseman Clinic – \$1,000 earmarked for increasing service to Rockville residents	\$5,000					
RockNet	\$5,000					
Additional kiosk for RCPD	\$3,600					
\$1.7 million in CIP investments	\$110,000					
≥\$110,000 to Reserves	≥\$110,000					

Rockville FY 2014

Mark Pierzchala

Rockville History of Salary and Benefit Increases / City Expenditure Perspective / FY06 - FY13 Pierchala CPI revised												
Fiscal Year	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY06-13			
Administrative: Salary	53,959	55,308	56,690	59,766	63,026	63,026	63,656	64,929				
Benefits	30,889	31,424	32,300	36,920	37,935	40,776	42,334	44,415				
Total Compensation	84,848	86,732	88,990	96,686	100,961	103,802	105,990	109,344				
Salary increase / yr FY06-13		2.5%	2.5%	5.4%	5.5%	0.0%	1.0%	2.0%	20.3%			
Benefit increase / yr FY06-13		1.7%	2.8%	14.3%	2.7%	7.5%	3.8%	4.9%	43.8%			
Tot. comp. increase / yr FY06-13		2.2%	2.6%	8.6%	4.4%	2.8%	2.1%	3.2%	28.9%			
Police: Salary	59,778	61,272	62,804	66,230	69,862	69,862	70,561	71,972				
Benefits	33,423	33,959	34,864	40,054	40,941	43,995	53,572	49,266				
Total Compensation	93,201	95,231	97,668	106,284	110,803	113,857	124,133	121,238				
Salary increase / yr FY06-13		2.5%	2.5%	5.5%	5.5%	0.0%	1.0%	2.0%	20.4%			
Benefit increase / yr FY06-13		1.6%	2.7%	14.9%	2.2%	7.5%	21.8%	-8.0%	47.4%			
Tot. comp. increase / yr FY06-13		2.2%	2.6%	8.8%	4.3%	2.8%	9.0%	-2.3%	30.1%			
Union: Salary	36,233	37,139	38,711	40,768	42,885	42,885	43,314	44,181				
Benefits	24,181	24,801	25,807	29,081	29,996	32,315	33,572	35,089				
Total Compensation	60,414	61,940	64,518	69,849	72,881	75,200	76,886	79,270				
Salary increase / yr FY06-13		2.5%	4.2%	5.3%	5.2%	0.0%	1.0%	2.0%	21.9%			
Benefit increase / yr FY06-13		2.6%	4.1%	12.7%	3.1%	7.7%	3.9%	4.5%	45.1%			
Tot. comp. increase / yr FY06-13		2.5%	4.2%	8.3%	4.3%	3.2%	2.2%	3.1%	31.2%			
Senior Staff: Salary	115,560	118,449	121,410	125,356	129,430	129,430	130,724	132,032				
Benefits	65,961	71,889	73,452	82,115	82,601	87,166	89,844	93,310				
Total Compensation	181,521	190,338	194,862	207,471	212,031	216,596	220,568	225,342				
Salary increase / yr FY06-13		2.5%	2.5%	3.3%	3.2%	0.0%	1.0%	1.0%	14.3%			
Benefit increase / yr FY06-13		9.0%	2.2%	11.8%	0.6%	5.5%	3.1%	3.9%	41.5%			
Tot. comp. increase / yr FY06-13		4.9%	2.4%	6.5%	2.2%	2.2%	1.8%	2.2%	24.1%			
CPI Balt/Wash Index	130.7	134,442	142,065	140.81	141,966	147,747	149,838	152,188	← Mar-13			
http://www.bls.gov/ro3/fax		2.9%	5.7%	-0.9%	0.8%	4.1%	1.4%	1.6%	16.4%			

Source: October 15, 2012 session on City Employee Compensation, Attachment pages B5-B12, example employees

Productivity

A	B	C	D	E	F
Rockville	2000	2005	2010	2013	Pct
Total Population	47,388	53,710	61,209	62,000	30.8%
Miles of streets	138	150	156	156	13.0%
Staffing FTEs	605	611	648	597	-1.3%

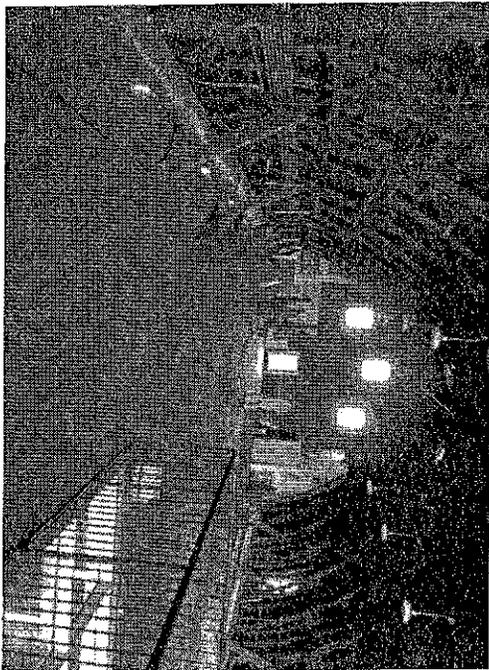
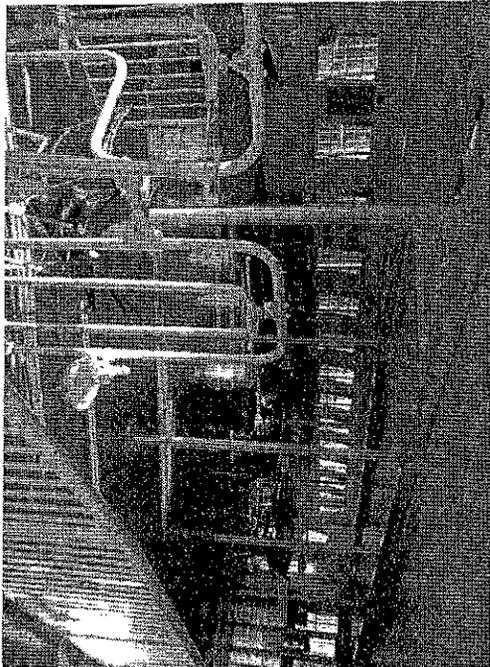
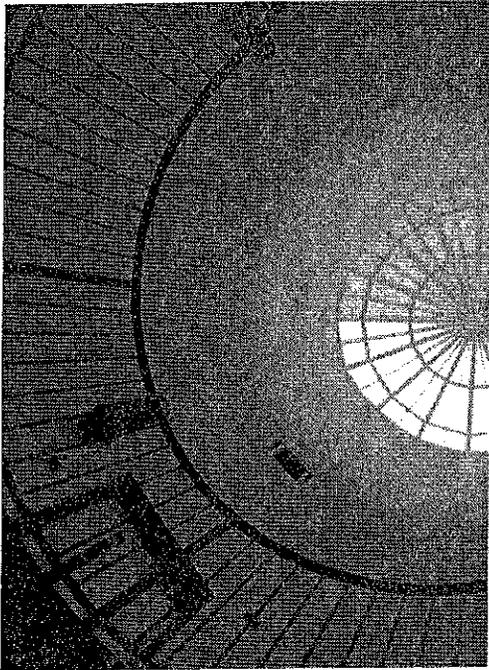
Unfinished Business

- Protecting the City's AAA bond rating going forward: Need to revise reserve percentage requirement from 15% to 20% over time.
 - Federal debt is most worrisome (16.7 Trillion \$)
- Anticipating CIP further out than 5 years
 - Bridges
 - King Farm Farmstead (need a Task Force)
- Compensation study
 - Full costs study with options on how to reward service
 - COLA + Merit needs to be studied

King Farm Farmstead

- \$17,000,000 used to be in the CIP books
 - Amount for basic stabilization, utilities, etc., but not accounting for City of Rockville uses
- Several buildings
 - Historic
 - Known to need work but amount unknown
 - Need water, sewer, and electricity
 - Need citizen and other input, including King Farm
- We have an obligation to preserve these buildings, we don't want big sudden surprises.
- Future ballet and other rec programs site?

Sugarloaf Citizens Association Barn





Re: 4/29/13 testimony

Doug Barber to: Scott Robins

05/03/2013 02:41 PM

Cc: Carlos Aparicio, mayorandcouncil, Gavin Cohen, Stacey Webster,
Erica Tompkins, Doug Barber

Mr. Robins,

On behalf of the Mayor and Council, thank you very much for your email. Your testimony presented to the Mayor and Council on April 29, 2013 on behalf of the Human Services Advisory Commission will be placed into the official record and considered by the Mayor and Council as they deliberate all matters regarding the FY14 Budget and Capital Improvements Program.

For your ready-reference, I have clipped the FY14 Budget schedule.

<http://www.rockvillemd.gov/budget>

Again, thank you again for taking the time to share your thoughts with us. The Mayor and Council appreciate the feedback they receive.

Doug Barber, CMC
City Clerk/Treasurer
City of Rockville
111 Maryland Ave., Rockville, MD 20850
240-314-8282 (Phone)
240-314-8289 (Fax)
dbarber@rockvillemd.gov

Scott Robins

Please submit to the public record the attached l...

05/03/2013 09:31:08 AM

From: Scott Robins <scottrobins@me.com>
To: mayorandcouncil@rockvillemd.gov
Cc: Carlos Aparicio <CAparicio@rockvillemd.gov>
Date: 05/03/2013 09:31 AM
Subject: 4/29/13 testimony

Please submit to the public record the attached testimony, which I presented to the Mayor and Council on 4/29/13 on behalf of the Human Services Advisory Commission.



Scott Robins testimony-2.docx

Good Evening Mayor Marcuccio and Members of the City Council.

My name is Scott Robins and I live at 404 Nina Place in Rockville. I am here representing the City of Rockville Human Services Advisory Commission as our chair, Cindy Cotte Griffiths could not attend.

The Commission would like to express its gratitude to the Mayor and Council for continuing to recognize the importance of human services to the people of the Rockville community. These services which are a combination of the Caregiver Agencies, the Community Services Division, Senior Services, and other directed programs, provide services that continue to demonstrate the City's commitment to every individual who lives in the City.

As a Commission that is focused on Human Services, we are proud of the City for this continued dedication.

The last several years have been difficult financially and elected officials have had to make very difficult budgetary decisions regarding the funding of programs that affect those that are most vulnerable in our community. Further, funding from private foundations that was previously available for nonprofits has decreased dramatically. These cuts in funding have only created more gaps in what is an increased need for service. The economy has affected all segments of our citizenry but the most vulnerable have been affected more seriously as evidenced by the increases in requests for food, health care and other services provided by the various human service agencies. It is our lower income residents that are often jobless, evicted from their homes, unable to pay utilities and dependent on the dwindling funds for human services.

For the last few fiscal years, the City of Rockville Mayor and Council have approved increases to the Caregivers' budget. This year, would mark the first time in the last 12 fiscal years that the City Council has not recommended an increase to the City's Caregiver budget. In following up on the Caregiver presentation at the April 15, 2013 public hearing, the Human Services Advisory Commission would like to advocate for an increase in funding for Human Services as a whole.

We understand that the economic climate continues to be difficult, but we should note that the non-profit community brings more to the table than helping those who most need assistance. On March 21, 2013 the Montgomery County Council held a meeting that discussed the role of nonprofits in the community. The presentation demonstrated how, in addition to providing valuable services to those less fortunate, non-profits also bolster the economic prosperity of the community by providing jobs and increased spending power. The impact of these organizations can be difficult to measure, but it is truly an important base for the community as at least 10% of the community's workforce is employed in nonprofit agencies.

Another area that we would like to comment on regards the youth in our community. We have been privileged to receive a great deal of information this fiscal year regarding the state of our youth including an impactful presentation on gangs. Multiple studies have demonstrated that teens are at the greatest risk of experimenting with drugs and alcohol, getting involved with gang related issues, and teen pregnancy during out-of school time. Although there are those who believe that these issues are not a part of life in Rockville, it would be irresponsible for us not to

acknowledge the gang related shooting at the Rockville Metro by the Richard Montgomery High School student, the increased use of social media for gang recruitment, and the teens that report the use of drugs by their peers. This includes use of drugs at the middle school level.

The fact that the proposed staffing in the City budget for FY 2014 will be at its lowest since 2002 may look good from a savings perspective, but is worrisome in terms of the services that are unavailable for at-risk individuals. Over the last few fiscal years this has included cuts in staffing related to the City's recreation services for teens and the Community Services Division at a time when the need is increasing. Many members of the Commission have served the City for several years and have witnessed Community Services change from a Department to a Division. This included a loss of staff and resources for our most needy including major cuts in the staffing for at risk families and children. Although City staff are trying to do more with less, it is inevitable that staff can only do so much with fewer resources. It is also true that cutting positions in these areas eventually adds up to less at-risk teens and families being helped. The City's average median income is high compared to other parts of the County, but we at the Commission firmly believe that the City cannot forget to care for those individuals whose parents often work multiple jobs at minimum wage, and represent a high percentage of the service workforce in the City of Rockville

Some may argue that this is a County issue, but we would counter by saying that the state of our youth is as important to the City as the services provided for our seniors, our homeless, and the patrons who visit the City's businesses.

We would also like to acknowledge the City Council's support of affordable housing by agreeing to assist Rockville Housing Enterprises with a loan to purchase Fireside Park Apartments. At a recent meeting, Ruth O'Sullivan, executive director of RHE, indicated that operations at Fireside are moving as planned. She indicated that there had been some issues at the state level due to recordation taxes, but that there is advocacy in place to try and limit the impact of this unexpected cost. At the Commission we plan to follow the Council's lead for affordable housing and advocate that these taxes not be assessed.

Finally, we would once again like to thank the Mayor and Council for their continued support of human services across all of the City's residents and neighborhoods.



Re: City Budget FY14: Funding for the Rockville Science Center

Doug Barber to: Bob Ekman

05/06/2013 04:06 PM

Cc: mayorcouncil, Brenda Bean, Gavin Cohen, Stacey Webster, Erica Tompkins, Doug Barber

Dear Mr. Ekman,

On behalf of the Mayor and Council, thank you very much for your note. Your comments will be placed into the official record and considered by the Mayor and Council as they deliberate all matters regarding the FY14 Budget and Capital Improvements Program.

For your ready-reference, I have clipped the FY14 Budget schedule.

<http://www.rockvillemd.gov/budget>

Again, thank you again for taking the time to share your thoughts with us. The Mayor and Council appreciate the feedback they receive.

Doug Barber, CMC
City Clerk/Treasurer
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111 Maryland Ave., Rockville, MD 20850
240-314-8282 (Phone)
240-314-8289 (Fax)
dbarber@rockvillemd.gov

"Bob Ekman" Dear Mayor Phyllis Marcuccio and Councilmem... 05/06/2013 03:31:07 PM

From: "Bob Ekman" <bob.ekman@att.net>
To: <mayorcouncil@rockvillemd.gov>
Date: 05/06/2013 03:31 PM
Subject: City Budget FY14: Funding for the Rockville Science Center

Dear Mayor Phyllis Marcuccio and Councilmembers John Hall, Bridget Newton, Mark Pierzchala and Tom Moore,

Thank you for your unanimous support of the Rockville Science Center through fully funding our requested grant amount for FY14. The annual grants from the City for the past few years have led to the development of a vibrant science program in Rockville. We appreciate your shared commitment to growing the science literacy of our community.

The FY14 grant will help us expand our programs while maintaining our office and promotion efforts. We have programs to reach all segments of our community. We invite you to enhance the grant through your personal participation in our programs. We are sure you will find them entertaining, informative, and helpful in your role as a community leader.

Respectfully Submitted,

Robert Ekman

Rockville Science Center, Trustee President



Rockville Science Center



City of Rockville
111 Maryland Avenue
Rockville, Maryland
20860-2364
www.rockvillemd.gov

240-314-5000
TTY 240-314-8197

May 9, 2013

Ms. Johanna Marshall
1935 Lewis Avenue
Rockville, Maryland 20851-2223

Dear Ms. Marshall:

On behalf of the Mayor and Council, thank you very much for your letter received on May, 6, 2013, regarding your support in increasing funding for three of our programs in the Caregivers Budget for FY14. Your letter will be placed in the official record and considered by the Mayor and Council as they deliberate all matters regarding the FY14 Budget and Capital Improvement Program.

For your ready-reference, I have attached the FY14 Budget schedule.

Again, thank you for taking the time to share your thoughts with us. The Mayor and Council appreciate the feedback they receive.

Sincerely,

A handwritten signature in cursive script that reads "Douglass A. Barber".

Douglass A. Barber, CMC
City Clerk/Treasurer

Attachment

cc: Mayor and Council
Barbara Matthews, City Manager
Gavin Cohen, Director of Finance
Stacey Webster, Budget and Finance Manager

MAYOR
Phyllis Marcuccio

COUNCIL
John F. Hall, Jr.
Tom Moore
Bridget Donnell Newton
Mark Pierzchala

CITY MANAGER
Barbara B. Matthews

CITY CLERK
Doug Barber

CITY ATTORNEY
Debra Yerg Daniel

Dear Rockville Mayor and Council Member:

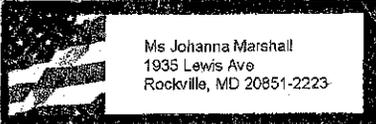
On behalf of the Board of Directors of Community Ministries of Rockville (CMR) and the Kaseman Health Clinic, I am writing to ask your support in increasing funding for three of our programs in the Caregivers Budget as follows:

Latino Outreach Program: we asked for \$84,400 and the recommendation is for \$75,000, which is \$3,400 less than FY13 or \$78,400. We ask your support to at least reinstate the funding of \$3,400 and more if possible to support English as a Second Language and Naturalization classes.

Elderly Ministries: we asked for \$86,250 and the recommendation is for \$75,000, same level funding as last year. We asked for your support in any increase possible closer to our request to support our senior clients with home care and home repairs and modification services.

Kaseman Health Clinic: we asked for \$100,800 and appreciate the recommendation of \$91,000 which represents an increase from FY13's \$88,940; however, we appreciate your support in any increase possible closer to our request to provide services to Rockville residents.

Name _____
Address _____
Signature Johanna Marshall



2013 MAY -6 PM 2: 24

RECEIVED
CITY CLERK'S OFFICE



Re: AAME Testimony on the FY2014 Budget

Doug Barber to: Ann Wallas

05/09/2013 04:35 PM

Alfred Thompson, Anita McCombs, Betty Wisda, Christeen Fabe,
Cc: David Levy, Doug Breisch, Janet Hare, Janet Kelly, John Davis,
Margaret Hall, Mark Eldridge, Om Thukral, Pat Colburn, Raymond

Dear Association of Administrative Municipal Employees (AAME),

On behalf of the Mayor and Council, thank you very much for your memorandum dated May 9, 2013. Your comments will be placed into the official record and considered by the Mayor and Council as they deliberate all matters regarding the FY14 Budget and Capital Improvements Program.

For your ready-reference, I have linked the FY14 Budget schedule.

<http://www.rockvillemd.gov/budget>

Again, thank you for taking the time to share your thoughts with us. The Mayor and Council appreciate the feedback they receive.

Doug Barber, CMC
City Clerk/Treasurer
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111 Maryland Ave., Rockville, MD 20850
240-314-8282 (Phone)
240-314-8289 (Fax)
dbarber@rockvillemd.gov

Ann Wallas

Doug: We spoke: here is a pdf copy of the AAME

05/09/2013 04:16:03 PM

From: Ann Wallas/RKV
To: Doug Barber/RKV@RKV
Cc: Doug Breisch/RKV@RKV, Pat Colburn/RKV@RKV, John Davis/RKV@RKV, Mark Eldridge/RKV@RKV, Christeen Fabe/RKV@RKV, Raymond Foreman/RKV@RKV, Margaret Hall/RKV@RKV, Janet Hare/RKV@RKV, Janet Kelly/RKV@RKV, David Levy/RKV@RKV, Anita McCombs/RKV@RKV, Timothy Millar/RKV@RKV, Rob Orndorff/RKV@RKV, Steve Sokol/RKV@RKV, Susan Straus/RKV@RKV, Alfred Thompson/RKV@RKV, Om Thukral/RKV@RKV, Betty Wisda/RKV@RKV
Date: 05/09/2013 04:16 PM
Subject: AAME Testimony on the FY2014 Budget

Doug:

We spoke: here is a pdf copy of the AAME testimony on the FY2014 Budget, for the public record.



AAME FY 2014 M&C_TestimonyMay9_2013x.pdf

Thank you
Ann
Ann Wallas
Planner III
Community Planning and Development Services
City of Rockville
111 Maryland Avenue

DATE: May 9, 2013
FROM: Association of Administration Municipal Employees (AAME)
TO: Mayor and Council
SUBJECT: Testimony on FY2014 Budget

This memo is on behalf of the members of Association Administrative Municipal Employees (AAME). We have been following the current budget discussions for FY2014 with great interest and have the following observations.

Merit Pay / Step Increase System

The Administrative employees respectfully request that the Mayor and Council fund a merit/step increase for our employees. Merit and step increases were suspended in the FY2010 budget due to the economic down turn. Employees understood that funding was constrained and did not protest the temporary suspension; further, employees understood that the budgets remained constrained through FY2013. However, we were concerned to hear several weeks ago, during one of the Mayor and Council Budget work sessions, that there is now "no step/merit system and no mechanism" to implement the system that is in the Policy and Procedures Manual (PPM). Rockville's PPM Policy 60-00; which was last updated in July, 2006 establishes the mechanism for both represented and non-represented salary-graded employees to receive salary increments (merit increments). One of the goals of the merit system is for the City to be able to recruit and retain qualified employees.

Salaries for staff have stagnated. Staff appreciates the COLAs that the Mayor and Council have provided over the last few years; however COLAs and step/merit increases are not the same. COLAs seek to maintain salary levels and typically have been based on, or below, CPI. Step/merit increases recognize the value of service provided by staff and recognize staff's increased value and responsibility to the City as they become more experienced and more knowledgeable in their respective jobs. As stated in PPM 60-00 "Non-represented employees will receive pay increases in accordance with the High Performance Organization Pay System. Payment of merit increments is dependent upon the availability of funding." The High Performance Organization Pay System, which is based on the employee's evaluation, provides for a range of salary increases (0% to 3.5% of the salary) with an additional lump sum payment (ranging from 1% to 1.5% of the salary) for particular high performance rating. Since the economic down turn, employees have not received merit pay increases and the lump sum payments for high evaluations have been replaced with an equivalent amount of annual leave.

Now, the economy is improving and the anticipated revenue for FY2014 has increased considerably. Information provided to the Mayor and Council indicates that Rockville's revenue for FY2014 will increase more than \$1.1 million over FY2013 based only on income

TO: Mayor and Council, City of Rockville
May 9, 2013
Page 2

and property taxes. On April 29, the Montgomery County Council voted to give their staff merit pay and COLA increases totaling between 6.75% and 9.75%. Additionally, all MNCPPC employees will receive a 2.5% COLA and 3.5% merit increases for eligible employees.

Rockville's Administrative employees therefore request that step/merit increases for FY2014 be reinstated, in addition to the proposed 2% COLA. Based on information provided to the Mayor and Council from the Budget Office and assuming that all employees would receive the maximum merit increase (3.5%, no lump sum payments) in FY14 and assuming that the increases are spread evenly throughout the fiscal year, the total cost is in the range of \$700,000, of which \$640,000 is General Fund.

City Retirement System

The retirement system was amended in 2011, meaning that the City now manages (at least) three different retirement systems: (1) a system for those hired prior to 1986 who elected to remain in the Defined Benefit system; (2) the "two part Thrift Plan" system (Defined Benefit and Defined Contribution) put in place in 1986; and (3) the system put in place in 2011 that retains the essential features of the "Thrift Plan" but with altered vesting periods, and a raised retirement age that was designed to ensure that the system remains viable for the future. We believe that changing the system now is premature, and that, barring unforeseen circumstances, no additional changes should be made until recent changes made in 2011 are in place for sufficient time for the effects to be evaluated. We understand that, at some point in the future, it may be necessary to amend the system again; but that such amendments must only be in full consultation with all staff.

Summary

Thank you for your consideration of our requests to fund the merit system that is currently in place. We look forward to having the opportunity to work with the City Manager to develop fair and balanced approaches and solutions that meet the needs of all concerned.