

Town of Poolesville, Maryland Compensation & Capacity Study



Town Commission Presentation
February 22, 2022





Purpose & Methodology of the Study

► PURPOSE

- Acknowledging that salaries vary by market, depending generally on worker availability and local employment conditions, ensure (to a *reasonable* standard) that Poolesville is offering competitive pay and benefits to its employees

► METHODOLOGY

- Survey employees on attitudes towards compensation and benefits (among other related data collected)
- Collect current salary and benefit data from local governments of similar scale or of geographic interest
- Review private sector opportunities for similar work
- Given that a smaller staff exposes the Town to a greater possibility of disruption through turnover, worker injury, etc., seek to match pay and benefits with operational needs
- Identify potential areas for improvement in compensation, benefits and/or conditions of employment



Relationship to Employee Survey

- Staff attitudes toward existing compensation and benefit programs were included in the recent employee survey
- As expected, pay was a frequently mentioned area of dissatisfaction
- Some of the information gathered in the survey relates directly to staffing levels (capacity), including –
 - Issues with on call policies
 - The “paradox” of overtime compensation vs. additional staff
- Other responses indicated general satisfaction with the workplace, especially relationships with co-workers, but also a high likelihood of leaving for higher pay



Current Town Staffing

- The Town currently has 19 authorized positions
 - Assistant Town Manager is a work in progress – currently vacant
- Additional hourly/part-time help is employed seasonally
- Salary schedule is adopted annually by the Commission
 - Individual positions are assigned grades
 - There is no “step” system within the grades (as indicated in the budget document), nor any longevity accommodation
- Frequent, beneficial collaboration and crossover between teams
- Some positions have multiple roles and/or unique titles
- All staff except Town Manager are non-exempt: uncommon
- “Benchmarking” between staff, teams, peers: very common



Total Compensation Package

- Base hourly compensation, plus overtime
 - All staff except Town Manager are hourly
- On-call pay (select staff)
- Uniform and shoe allowance (select staff)
- Health Insurance plan (15% employee contribution)
- Dental and Vision plans (100% employee contribution)
- Employer-funded 401 (a) Retirement Plan @10% of pay
 - Defined Contribution plan
- Employee funded (pre-tax) 457 Retirement Plan
 - NO current participation
- Employer-funded Life and AD&D insurance plan
- Paid annual leave (tenure schedule; no carryover)
- Paid sick leave (1 day per month w/ unlimited accrual)
 - 25% of accrued sick leave payable at retirement

Comparative Data - Benefits

| Municipality | Poolesville | Chevy Chase | Sykesville | Berwyn Heights | Oakland | Frederick |
|--|------------------|-------------|----------------------|----------------|---------------------|-------------------------------|
| Population | 5,800 | 3,000 | 4,500 | 3,200 | 2,000 | 77,000 |
| Retirement (% contributed by employer) | 10% | 10% | 7% | 7% | up to 10% | avg. 5% *** |
| Sick Leave (days) | 12 | 12 | 12 | 12 | 12 | 12 |
| Annual Leave (days per tenure) | 5,10,15,20,25,30 | 11,17,20,25 | 10,15,16,17,18,19,20 | 10,15,20 | 5-20 (tenure based) | 10, 13, 18, 23 (tenure based) |
| Paid Holidays (days) | 12 | 10 | 12.5 | 15 1/2 | 14-16 | 10 |
| % Medical Paid by Employer * | 85 | 75 | 90 | 100s/85d ** | 100s/50d | 75% |
| % Dental Paid by Employer * | 0 | 75 | 90 | 100s/85d | 100s/50d | 0% |
| % Vision Paid by Employer * | 0 | 75 | 90 | 100s/85d | 100s/50d | 0% |
| Life Insurance & AD&D Max | 2x Salary | 1x salary | 1x salary | 50k | 25k | 1x salary |

*Employee + Dependent(s) unless noted

** \$\$2,000 incentive for opt-out

*** Defined Benefit



Town Benefits - Review

- ▶ Benefit program is generally sound and appreciated by staff, but lacking in some areas
- ▶ No dental or vision support is a glaring omission
 - Dental care, especially, integral to overall health care
 - Poor dental health is associated with worsened cardiovascular outcomes
 - Vision care/protection is especially important for outdoor labor
- ▶ Lacks acknowledgement of health benefits as a vehicle to *control* costs vs. add to them
 - ▶ The Town is self insured through the LGIT pool
 - Poor outcomes/claims experience cost *real money*
 - ▶ Town's experienced work force, while providing many benefits, has an inherently greater risk of injury
 - Related absenteeism, workers compensation and medical claims costs
- ▶ No benefit for waiving coverage

Comparative Data – Salary & Staffing Levels

| Municipality | Poolesville | Hampstead | Middletown | Sykesville | Berwyn Heights | Oakland | Frederick | MML |
|--|-------------|-------------|-------------|-------------|----------------|---------|-----------|---------|
| P | 5,800 | 6,500 | 4,700 | 4,500 | 3,200 | 2,000 | 77,000 | |
| # of Employees (incl vacancies) | 19 | 23 | 13 | 24 | 27 | 24 | 847 | N/A |
| # of Job Titles | 9 | 9 | 12 | Unavailable | 23 | 15 | 307 | N/A |
| Salary Floor | \$14.78 | Unavailable | Unavailable | \$16.00 | \$14.25 | \$16.83 | \$12.50 | N/A |
| Job Titles-Hourly Floor* | | | | | | | | |
| Water and Street Laborer | \$14.78 | N/A | N/A | N/A | N/A | N/A | \$17.20 | \$15.80 |
| Laborer Parks and Streets | \$14.78 | N/A | N/A | \$16.00 | \$14.25 | \$18.29 | \$17.20 | \$15.27 |
| Crew Leader Parks and Streets | \$24.43 | N/A | N/A | \$23.37 | N/A | \$29.76 | \$21.67 | \$22.70 |
| Director of Parks and Streets | \$27.46 | N/A | N/A | \$36.43 | \$25.67 | N/A | \$43.33 | \$24.14 |
| Superintendent of Water & Sewer | \$27.46 | N/A | N/A | \$36.43 | \$25.67 | N/A | \$31.85 | \$28.45 |
| Superintendent of WasteWater TP | \$27.46 | N/A | N/A | \$36.43 | N/A | N/A | \$31.85 | \$25.21 |
| Events Coordinator | \$24.43 | N/A | N/A | \$27.46 | \$21.76 | \$17.68 | \$25.27 | \$25.07 |
| Deputy Town Clerk | \$24.43 | N/A | N/A | \$19.31 | \$25.67 | N/A | N/A | \$20.01 |
| Town Clerk/Treasurer | \$28.83 | N/A | N/A | \$37.70 | \$31.44 | \$31.17 | N/A | \$27.42 |
| Town Manager | \$48.96 | N/A | N/A | \$52.89 | \$46.02 | \$35.90 | \$47.86 | \$43.07 |

*Data from FY22 Budgets



Salary & Staffing Levels - Review

- ▶ Comparison data is useful, but “Apples to Apples” comparisons are still quite difficult
 - Information is supplied directly by participants; some did not participate
 - Salaries tend to be minimums, with few actual employees at that rate
 - Will not directly correlate to another “system”
 - You can always find an example to support any position!
- ▶ Several peer municipalities have larger staffs serving similar populations
 - Lower staffing level correlates with stated issues re: on-call status in survey
 - Town experiences high overtime expenses relative to overall budget
- ▶ Pay disparities occur across all positions; most evident at middle management level
- ▶ Some longer-tenured staff are well above established minimums; current job market conditions will result in “compression”



Determination of Budgetary Impact -Estimates

- Funding requirements are dependent upon future Commission action, however, certain aspects may be quantified as part of the decision-making process –
- Expected *increases* may include –
 - Salary costs
 - Health care expenses
 - Health care waiver benefits
- Expected *decreases* may include –
 - Reduction of overtime expenses
 - Reduction of on-call expenses
 - Potential health care and workers compensation claims



Upcoming Employee Handbook discussion/recommendations

- ▶ Tentatively scheduled for March 7, 2022
- ▶ Generally propose amendments to bring several employment policies in line with basic/common provisions of other local governments.
- ▶ *Examples*
 - Annual leave carry over (to a defined maximum)
 - Annual leave exceeding year-end maximum accruing to sick leave
 - Benefit for non-participation in health benefits
- ▶ All proposed changes subject to Commission review and approval



Short-Term Recommendations

- ▶ Gather *additional* competitive salary data prior to committing to changes
 - Can be done in-house
 - Local counties should be included
 - Making assumptions regarding tenures will suggest scale of *actual* issue (pay for the person vs. the job?)
- ▶ Emphasize salary (\$ = quantifiable) first, then capacity (productivity = subjective)
- ▶ Establish a more precise salary schedule to be adopted with each annual budget
 - Make the process transparent to employees by using a standard, annual COLA benchmark
- ▶ Consider creation of a defined grade & step system within the schedule
- ▶ Create individual job descriptions
 - Formalize “on-call” status, as needed, within the descriptions
- ▶ Contribute to dental and vision coverage (incl. dependents)
- ▶ Engage employees with *active* retirement planning/counseling
- ▶ Better communicate the value of the benefit package with an annual “statement”