



Takoma Park City Council Meeting – June 5, 2019

Agenda Item 5

Work Session

Personnel Compensation Overview

Recommended Council Action

Receive overview

Context with Key Issues

During the deliberations of the FY20 City Budget, questions were raised about how personnel compensation is calculated since personnel costs comprise approximately 59.7% of the General Fund expenditures.

There are a number of factors involved which will be reviewed at the Work Session. These include:

- Number and types of positions determined to be needed to provide City services
- Provisions of labor laws, the City Code, Council Resolutions, and collective bargaining agreements with the City's two unions regarding wages, benefits and working conditions
- Wage scales of entities with whom the City competes to attract and retain employees
- Costs and array of employee benefits, including retirement plans
- Impact of accidents and illness on health insurance and Workers Compensation costs

Council Priority

- Fiscally Sustainable Government
- Engaged, Responsive, Service-oriented Government

Environmental Considerations

Implementation of activities that advance the Council's goals regarding sustainability and addressing climate change requires skilled staff to oversee programs, staff committees, and adhere to safety standards and environmental laws. Fair compensation is needed to attract and retain such staff.

Fiscal Considerations

Employee compensation represents 59.7% of General Fund expenditures, and the compensation amount per employee will continue to increase each year, as the cost of market wages and benefits increase. City management has worked for years to keep average wage increases to a moderate level, despite the much greater wage increases made by Montgomery County for its employees.

Racial Equity Considerations

The racial breakdown of the 237 full and part time City employees is below. The City Council directive to not pay any full time position less than \$40,000 per year primarily benefits employees of color. The provision of full employee health care benefits and 80% of dependent health care benefits is particularly helpful to employees of color, due to historic disparate health impacts based on race.

White (not of Hispanic Origin)	107 or 45.1%
Black (not of Hispanic Origin)	97 or 40.9%
Hispanic	25 or 10.5%
Asian/Pacific Islander (not of Hispanic Origin)	7 or 3.0%
Two or More Races (not of Hispanic Origin)	1 or 0.4%
Native American or Alaskan Native (not of Hispanic Origin)	0

Attachments and Links

[Budget FAQ](#) – See item number 8.