

Mary H. Talley

FROM	NAME & TITLE	Mary H. Talley, Director & Chief Human Capital Officer
	AGENCY NAME & ADDRESS	Department of Human Resources 201 E. Baltimore Street, Baltimore, Maryland 21202
	SUBJECT	City of Baltimore Council Bill, 16-0634 Employees' Retirement System

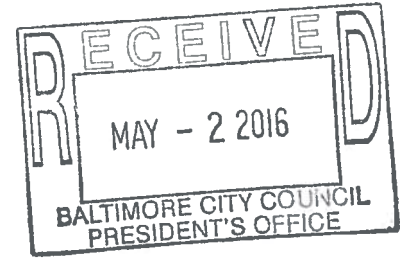
CITY of  
BALTIMORE  
**MEMO**



DATE:

April 28, 2016

**TO** The Honorable Bernard "Jack" Young  
and Members of the Baltimore City Council  
City Hall  
100 N. Holliday Street, Room 409  
Baltimore, Maryland 21202



Dear Council President Young and Members of the City Council:

**Recommended Position**

The Department of Human Resources ("DHR") reviewed the above captioned City Council Bill and opposes the proposed changes to Baltimore City Code, Article 22, Retirement Systems regarding Employees' and Elected Officials' Retirement Systems ("ERS/EOS" Board") right to create new staff positions and to set compensation levels of existing staff members. DHR takes no position to the remainder of the modifications in the proposed bill.

**Comments and Analysis**

As proposed, City Council Bill 16-0634 (the "Bill") impedes the authority granted under the Baltimore City Charter (the "Charter") to the Civil Service Commission and the DHR. The Baltimore City Charter vests in the Civil Service Commission the power to "review and approve the different groupings of positions having similar duties, responsibilities and qualifications ("classifications") that are used by the Department." See Art. VII § 95 (c). Similarly, the Charter grants DHR the authority to "propose to the Board of Estimates appropriate salaries and wages for each classification." See Art. VII § 97 (h). In exercising this granted authority, DHR is responsible for establishing and maintaining job classifications according to state and federal guidelines and changing job requirements; reviewing and maintaining salary data; and using data to assist in making salary recommendations to the City's compensation structure. Consequently, through DHR's Classification and Compensation system, all positions within the City, both civil service and non-civil service, are grouped into classifications and each classification is then assigned to the appropriate salary range.

The proposed language is in conflict with the Charter. Specifically, the Bill proposes that the ERS/EOS Board of Trustees, "have exclusive authority over: (1) creation of new system staff positions; and (2) hiring and setting the compensation of system staff." While it is in the ERS/EOS Board of Trustees purview to select employees for the positions within its system, it is within DHR's authority to evaluate the merit of the employees and assign positions to the proper classification and salary. See Art. VII § 96. Granting the ERS/EOS Board of Trustees the authority to set compensation of system staff, contravenes the purpose of the Civil Service Commission which was established, in part, to ensure appointments in the Civil Service are made based on merit and salaries are established without undue influence. See Art. VII § 96. DHR is

opposes / no position

responsible for the development and maintenance of equitable classification and salary plans for all City employees and to allow the very important function of salary setting be assigned to ERS/EOS Board of Trustees violates the Charter. DHR's trained Classification and Compensation professionals are best poised to perform the significant analysis of workforce changes and labor market trends necessary to make appropriate recommendations to the Board of Estimates ("BOE") for salary administration and for adjustments in the City's compensation structure that are fair and equitable in design, application and delivery.

Moreover, the Charter vests in the BOE the authority to "formulate and execute the fiscal policy of the City." See Art. VI § 2. Inherent in that authority, is the BOE's power to approve the City's compensation structure including the salary ranges for City employees. As proposed, the Bill would allow the ERS/EOS Board of Trustees the authority to set the salaries for its positions in any amount it sees fit, and obligates the City to support the salary requests whether it agrees or not and regardless of the budget implications. This type of salary setting discretion, uncontrolled by City financial process, rules and regulations impedes the authority granted under the Charter to the Board of Estimates, the Civil Service Commission and DHR and is likely to have a detrimental impact on the City and its budget.

For these reasons, DHR opposes this section of the bill. DHR does not have a position on the remainder of the proposed modifications.