

December 8, 2006

TO: Members of the County Board

FROM: Ron Carlee, County Manager

SUBJECT: County Board Salaries

In the 2006 session of the Virginia General Assembly, legislation was adopted that repealed the statute, unique to Arlington County, establishing the salaries of the Arlington County Board. This results in pay for the Arlington County Board being set in the same manner as other county boards in Virginia. Previously, Arlington County was the only board that had the salary established by state statute, requiring legislative action to change the salary other than by application of a recognized measure of inflation. Now the Arlington County Board sets its salary in the same manner as other boards.

Because of the change in statute, it is the advice of the County Attorney that the County Board take action to establish its pay under the new provisions, whether the County Board changes the level of pay or not. In establishing its level of pay, the County Board should be aware of the following parameters:

- The Board may set its maximum salary only once every four years. The Board's maximum salary must be established prior to July 1 of the year in which 40% (two) of the County Board seats are up for election.¹ Any such approval becomes effective as of January 1 of the following year. The County Board must take action to set its maximum salary prior to July 1, 2007, or there can be no changes before 2012.
- How much of the maximum salary that the County Board actually funds is subject to annual appropriation.
- Any differential pay for Chair of the County Board must be set in the same manner as that of the other members, as outlined above. There is no required or prescribed differential.
- The County Board is not required to advertise or hold a public hearing on a change in pay.

Methodology for Setting Pay. There are basically two ways for the County Board to set its maximum salary for the next four years. One is to determine, based on its best judgment, what the salary should be. Another way is to establish a methodology for regularly considering the pay of the County Board relative to the pay of other elected officials in the Washington or Northern Virginia region. The latter approach is used to establish pay for other County employees. The major policy difference between pay for elected officials and other County employees is the absence of cross-jurisdictional competition. The similarity is that the scope of work for local county/city boards and councils is essentially the same. The only significant difference is the Washington, D.C. City Council which has responsibility for both local and state issues (such as Medicaid, utility regulation, healthcare regulation, etc.). The D.C. City Council is currently the highest paid local legislative body in the region at \$92,520, and the Council is currently considering an increase up to \$140,000.

¹ Arlington County has one County Board seat expire every year for three consecutive years and two seats expire in the fourth year. Calendar year 2007 is the year in which two seats expire; therefore, a pay increase cannot take effect earlier than January 2008. Any action after July 1, 2007, could not take effect until 2012.

The continuing debate in establishing pay for boards and councils is over whether the positions are part-time or full-time. For the head of a board or council it should be clear that the positions are full-time regardless of the form of government. The responsibilities for organizing and representing the Board are consuming literally every day and evening. In Northern Virginia, where the chief executives are appointed, the heads of the boards and councils serve as a jurisdiction's chief elected official and as such have statutory requirements that extend beyond the board and council meetings. They are the primary contacts to the elected chief executives in D.C., Maryland, and other levels of government, including Congressional Members, Legislative Delegation, and the Governor's Office.

Responsibilities of the other members of councils and boards, also extend well beyond regular legislative meetings and work sessions. The intricacies of local government in the Washington region are especially demanding for local officials because of the regional and state bodies. County Board members represent Arlington on the following:

- Metropolitan Washington Council of Governments Policy Committees, including:
 - Board of Directors
 - Chesapeake Bay Policy Committee
 - Committee on Noise Abatement and Aviation at National & Dulles Airports
 - Metropolitan Washington Air Quality Committee
 - Human Services Policy Committee
 - Public Safety Policy Committee
 - Metropolitan Development Policy Committee
 - Transportation Planning Board
- Washington Metropolitan Area Transit Authority
- Northern Virginia Regional Commission
- Northern Virginia Transportation Commission
- Northern Virginia Transportation Authority
- National Capital Region Emergency Policy Committee
- Virginia Railway Express Operations Board

County Board Members also represent the County of the following state and national bodies:

- Virginia Association of Counties
- National Association of Counties
- Virginia Municipal League
- National League of Cities
- Various task forces, boards, and commissions established by the Governor of Virginia

In addition, in Arlington there are 39 statutory and citizen advisory bodies that require liaison with County Board members. There are also 63 civic associations and numerous homeowner associations that expect to have on-going contact with County Board Members.

Membership in the bodies on which County Board Members sit almost exclusively consists of other locally elected officials. Substituting administrative staff, even if permitted, would be significantly less effective and would require an increase in executive staff with salaries much higher than elected officials.

Approaches to Determining Pay

The way we benchmark pay for the overall pay scale for County employees is to determine the organizations that we consider comparable and determine where we think Arlington needs to be in the market in order to be competitive. We are reviewing our methodology and I expect to make recommendations for modifications as part of the Fiscal Year 2008 Compensation Plan.

Currently, Arlington benchmarks itself in the upper quartile (top 25%) of the following jurisdictions: Fairfax, Alexandria, Montgomery, and Prince Georges. This is not, however, a position-by-position analysis, but a complex statistical analysis across the entire pay plan based on a subset of positions common across the localities. It has been Arlington's policy for over 20 years to be in the upper quartile in order to be competitive as a smaller, inner urban location with fewer housing options than that of larger suburbs.

For senior executives that report to the County Manager, however, position-by-position analysis is conducted. The benchmark that I use as a guide is pay for similar positions in Fairfax, Prince William, and Alexandria. We all have similar forms of government and fully developed professional agencies.² I discount the Loudoun data, as explained in the footnote and, similarly, I discount the high data from Maryland even though the positions are comparable. We also do not typically use data from the District of Columbia because of its city/state status.

Generally, I do not find it defensible to pay less than Alexandria and Prince William or more than Fairfax. For executives, actual pay is based on performance. The benchmark, however, provides an important point of reference.

Potential Guides for Establishing County Board Pay

Whether the County Board establishes a methodology for determining pay or merely exercises its best judgment, the analysis in Illustration A provides some reference points that may be useful. The statistical calculations essentially establish a range for consideration. This is the analysis I use in making administrative decisions on employee pay.

Regarding the pay for the chairman, based on the data, the Arlington's current premium of 10% seems reasonable.

Because the Board can only change the salary once every four years, I would also recommend that the Board consider a maximum salary, based on an appropriate benchmark, and then implement the pay incrementally in annual adjustments subject to appropriation and generally equal to the minimum received by the average of all other County employees.

² Loudoun lags in development of its government, but is expected to be comparable in the future. Currently Loudoun still has a large contingent of volunteer fire service, the Sheriff still provides law enforcement, and the human services system is far less developed than other major Northern Virginia jurisdictions.

ILLUSTRATION A.

Jurisdiction	Member	Chair	Chair Premium Pay
Arlington	\$30,723	\$33,805	10%
Alexandria	\$27,500	\$30,500	11%
Fairfax*	\$75,000	\$75,000	0%
Prince William	\$38,768	\$44,153	14%
Loudoun	\$22,400	\$40,000	79%
Montgomery**	\$84,721	\$93,194	10%
Prince Georges	\$75,307	\$80,307	7%
Average All	\$53,949	\$60,526	12%
75th percentile All	\$75,230	\$78,980	5%
Average Alex, FF, PWC	\$47,089	\$49,884	6%
75th percentile Alex, FF, PWC	\$56,884	\$59,577	5%

*The Fairfax County Board's pay is currently \$59,000. The \$75,000 amount used in the table is effective January 2008.

**Montgomery County pay became effective December 4, 2006.