

Council looks to cut employee salaries, benefits

By: **BRIAN HUGHES**
Examiner Staff Writer
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Montgomery County Council members, after another round of sobering budget news Tuesday, touted a fiscal solution long considered political suicide: slashing salaries and benefits for county employees.

The hard-line tone comes as County Executive Ike Leggett projects \$145 million in new funding commitments next fiscal year -- and after the county's primary election, when most incumbents relied on strong union support to keep their jobs.

A growing number of council members now say that salaries, or at least benefits, should be curbed to avoid funding shortfalls that have become commonplace.

"Asking departments to continue to cut around the edges is never going to get us where we need to go," said Councilwoman Valerie Ervin, D-Silver Spring. "This isn't just talk. We have no other choice but to turn to compensation."

And while he called salary reductions unlikely, Councilman Marc Elrich, D-at large, said limiting benefit packages "might actually happen this time."

Health care is one of the largest costs for the county, as more than 90 percent of the bill for school employees is picked up by taxpayers. In comparison, the county pays three-fourths of the cost for general government employees.

According to estimates for this fiscal year, the price for group insurance will rise \$40 million and the tab for retirement benefits will increase by \$19 million.

The scope of benefit packages certainly will dominate negotiations with public employees unions this fall, when executive officials will be reminded about cost-of-living adjustments and pay increases that were promised but never awarded during the budget crisis.

Union leaders are already blasting the focus on wages.

"What they're doing is taking the path of least resistance," said Gino Renne, president of the Municipal and County Government Employees Organization. "That approach will be disastrous for them. If they continue to think that this work force will sit idly by and allow them to continue to make them out to be the scapegoats, they're mistaken."

Instead, Renne said officials should focus on money doled out to the school system, which accounts for 57 percent of county spending -- a higher percentage than at any point during the last decade.

However, some question Leggett's ability to stand up to the unions.

"The executive has yet to show that he wants to really engage in negotiations with the unions," said outgoing Councilman Mike Knapp, D-Germantown.

About 80 cents of every dollar in the county's \$4.3 billion budget is spent on compensation and benefits. Leggett is calling on department heads to plan for 10 to 15 percent reductions in their budgets next fiscal year.