

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 16, 2018

TO: MARK JINKS
CITY MANAGER

FROM: POLICE PUBLIC SAFETY WORKGROUP

SUBJECT: WORKGROUP COMPENSATION RECCOMENDATION

The intent of the City's compensation philosophy is to maintain a competitive compensation program in order to attract, retain, and motivate qualified employees. Unfortunately, over the last few decades, our department's pay has consistently lagged behind the midpoint of our comparator jurisdictions. The most recent benchmarking study completed by the City's Human Resources Department confirms this fact (See Attachment A). All increases in police pay over this time have been accomplished only through political action by sworn employees.

Although the City has taken steps in the past to address pay issues, it was always a short-term solution without the necessary long-term planning. The overall result is excessive turnover which must be met by increased expenditures in recruitment, training, outfitting, and coaching. This creates a Police Department where many officers with fewer than five years of service leave for employment to other higher paying local jurisdictions. This attrition results in a high cost to the city for training, recruitment, and retention of highly-qualified and exemplary police officers. The cost to hire and train each new Police Officer is approximately \$100,000. Over the last three years, the Police Department has lost an average of 2.4 officers per month through attrition. This continued lack of consideration by the City to its Police Department has undoubtedly caused mistrust and frustration of officers and is most likely the primary incentive for officers to leave the organization to neighboring jurisdictions. Our investment is lost because other local governments demonstrate how much they value their officers by keeping compensation high on budget priority lists.

The Police PSWG contends that the root cause of the recruitment and retention issues within the Police Department is inadequate compensation when compared to the City's identified comparator jurisdictions. As such, the Police PSWG offers the following short and long term proposals to address compensation and thereby improving the Department's recruitment and retention of sworn employees.

SHORT TERM

The Police PSWG is seeking \$2,444,500 in FY 2019 to be applied to sworn police employee salary and benefits. If this sum is applied starting in October 2018, it would result an 8.15% increase in sworn police personnel salaries. This adjustment would bring the City into compliance with the aforementioned pay philosophy for FY 2019 and place Alexandria sworn police personnel at 100% of the midpoint of comparator jurisdictions. While additional information will be obtained as time passes, it would also allow the City to begin the FY2020 budget process in a better position to meet its stated policy for FY2020.

This additional funding will have an immediate impact on recruitment and retention efforts. Alexandria will no longer have the lowest starting pay of comparator jurisdiction; a fact that can be used by recruiters seeking out new, highly qualified candidates in an increasingly tightening labor market. Additionally, all sworn personnel will see the impact in their paychecks helping to meet the goal of retaining employees with valuable training and experience. An Alexandria employee will be less likely to leave employment in the short term when the difference in salary has been dramatically reduced or eliminated.

LONG TERM

The Police PSWG contends that the aforementioned proposal will provide needed short term relief to allow the group to study, develop and recommend long term structural changes that will have a lasting impact on the recruitment and retention issues. At this stage, the Police PSWG is unwilling to advise as to which proposal or combination of proposals, outlined below, will have the greatest effect on improving recruitment and retention. However, the group is committed to examining each idea and to providing analysis and recommendations to the City Manager's Office in the course of FY 2019.

Inclusion in annual budget guidance – The Police PSWG recommends conducting benchmarking analysis prior to the preparation of the annual budget guidance. This will allow for the inclusion of preliminary needs in the base budget and help to keep the City in line with its stated pay philosophy.

Focus on early career retention – The Police PWSG will explore the idea of exceeding the salary midpoint for police employees early in their careers. By placing Alexandria ahead of its competitors at this stage, employees will be less likely to seek employment in other jurisdictions and leave with valuable training and experience. These early career departures account for the vast majority of the Police Department's preventable separations. There may also be recruiting benefits here as well, as recruiters would be able to compare not only starting salaries but those one, three or five years in the future and show prospective employees that Alexandria is a leader. Through regular and consistent benchmarking, these advantages can be maintained in the annual budget process.

Shortening the pay scale – The Police PWSG will explore the idea of shorting the pay scale to allow employees to reach maximum pay earlier in their careers and therefore have significantly

higher total career earnings. This proposal may also provide an opportunity to leverage the parts of the pay scale that experienced the most beneficial impact from any short term improvements. The PSWG previously examined the total career earnings model when addressing compression issues in 2015 and found it to be a different and valuable way to look at compensation. The recruitment and retention impacts would likely be similar to the previous early retention idea and a hybrid model involving both ideas may prove the easiest to implement. Consistent benchmarking and inclusion in the budget process will also allow the City to sustain this proposal.

Re-establish the “skills based” Incentive Pay Program – The Police Department’s Incentive Pay Program has over time based less of an emphasis on skill based incentives. The Police PSWG would work with the Department’s Incentive Pay Committee in an effort to develop career advancement that emphasizes job knowledge and skill. These incentives will encourage our most skilled and knowledgeable employees to remain with the Department and may help to attract candidates who already possess the knowledge and skills most valuable to the Police Department.

Annual Market Rate Adjustment (MRA) – The Police PSWG has opined that one of the causes of the current salary deficiencies is the lack of an annual adjustment of police sworn salaries. The PSWG will explore the possibility of identifying one (or more) objective measures to serve as indicators for the need for a MRA. These could include economic indicators such as the Consumer Price Index or more specific indicators such as regional benchmarks. These measures would serve as a “trigger” and would allow both the City and its employees to have a clear expectation of what MRA would be needed (or not needed) in an upcoming budget process. MRAs based upon objective measures would have a high degree of impact upon retention efforts. Employees would become familiar with the design of the system and would have a clear understanding of how an MRA for a given year was identified. They would be able to review the numbers for themselves and see that the policy was being followed. As such, distrust in salary related matters would decrease and employees would be more likely to remain with the City knowing their salary is in line with City policies and consistently being reviewed and adjusted.

Non-fiscal ideas – The Police PSWG is also committed to examining proposals that are indirectly related to salary and benefits but may have a positive impact on recruitment and retention. These include a discussion of recruitment strategies and ways to improve workplace conditions.

CONCLUSION

It is critical to note that the short term and long term proposals rely on each other in order to be maximally effective. Acting on short term solutions without a long term roadmap and commitment for sustained competitiveness will place us back in the same situation several years from now. Committing to a long term strategy without addressing the critical short term deficiencies will render the long term strategy ineffective. The current recruitment and retention problems will be significantly exacerbated by a lack of immediate action and will significantly impact service delivery and officer safety going forward.

ATTACHMENT (A)

FY18 BENCHMARK SURVEY - SUMMARY OF POLICE RESULTS							
Deviation for all surveyed classifications							
Classification Group	# of Classifications Surveyed	Average - FY18			Average - FY19 Projected		
		Min	Midpt	Max	Min	Midpt	Max
Police - Comparator Jurisdictions	12	-9.38%	-6.22%	-4.44%	-10.50%	-7.04%	-5.43%
Police - NOVA Only	12	-6.70%	-3.57%	-1.81%	-8.15%	-4.97%	-3.17%

Jurisdiction Surveyed	Survey Response	FY19 Proposed Increase
Fairfax County	Y	2.25%
Arlington County	Y	2.50%
Loudoun County	N	3.00%
Montgomery County	N	2.00%
Prince George's County	Y	None
Prince William County	Y	None