



Legislation Details (With Text)

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Attachments:	1. 19-1021_Attachment 1 - PSWG Report - Fire Proposal, 2. 19-1021_Attachment 2 - PSWG Report - Police Proposal, 3. 19-1021_Attachment 3 - PSWG Report - Sheriff, 4. 19-1021_Attachment 4- Public Safety Findings and Comparison Charts: Adopted Comparators, 5. 19-1021_Attachment 5- Public Safety Findings and Comparison Charts: Northern Virginia		

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 5, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:
Consideration and Approval of Pay Increases for Certain Public Safety Classifications.

ISSUE: Regional competitiveness of the City's public safety salaries.

RECOMMENDATION: In order to improve the City's regional competitiveness, thereby increasing the City's ability to recruit and retain quality public safety personnel that City Council:

1. Increase the pay for Police Officers by 6.22 percent;
2. Increase the pay for Firefighters and Medics by 5.0 percent;
3. Increase the grade level for four classifications in the Sheriff's Office as listed below:
 - i. Deputy Is and IIs from a grade 9 to a grade 10
 - ii. Lieutenants from a grade 16 to a grade 17

- iii. Captains from a grade 20 to a grade 21
- 4. Allocate the \$3.6 million held in the public safety pay contingent in the FY 2019 approved budget to the Police, Fire and Sheriff's departmental budgets.
- 5. Implement the proposed salary increases above with an effective date of September 22, 2018; and
- 6. Defer consideration until FY 2020 of the request to move the Sheriff's Office uniformed employees from the Virginia Retirement System general pension plan into the Virginia Retirement System for Law Enforcement Officers.

BACKGROUND: Over the last few years, the issue of public safety pay competitiveness has been one that the City has needed to address. In the public safety arena there has been and continues to be a high degree of hiring competitiveness among federal, state and local public safety agencies that can lead to excessive turnover, as well as difficulty in recruitment and retention of qualified personnel. This is a national trend that is exacerbated by the presence in the Washington metropolitan area of a sizeable cadre of federal law enforcement agencies.

In large part, competitiveness was why in FY 2016 City Council approved a 4% increase in Police Officer salaries, and in FY 2017 approved a 2% increase for Firefighters and a 5% regrading of Fire Officers. This is in addition to annual merit increases for most public safety employees that ranged from 5% to 2.3%. These increases above the merit increases were approved after benchmark studies showed that the City compensation in the Police and Fire Departments fell short of the City's stated goal of having its employee salaries (using salary scale midpoints as the measurement tool) at the salary scale midpoint average of our comparator jurisdictions. Even though the City increased police and fire salaries in FY 2016 and FY 2017, our regional public safety competitors did as well, thereby eroding the value of the City's pay increases and putting the City in a position of not achieving its stated policy goal.

A Public Safety Salary Benchmark Study was initiated in December 2017 to review the regional competitiveness of City public safety pay. The results of the study were finalized in January 2018 and showed that Firefighters, Medics, Police Officers and Deputy Sheriffs were behind the regional market in regard to salary competitiveness.

To address the pay concerns that were identified in this study, I charged the PSWGs for Fire, Police and Sheriff with identifying ways that the City can improve recruitment and retention in public safety. These groups are three labor-management advisory groups that the City has created in association with the labor organizations who represent public safety personnel. In February, I included \$1.5 million in the FY 2019 proposed budget to begin to address public safety pay. From February through May, the groups met to address concerns that pay was behind and that the gap between the City and local jurisdictions would increase at the start of the new fiscal year due to additional increases that were proposed in the FY 2019 budgets. At the start of FY 2019, the City finalized its benchmarking study using updated data based on the FY 2019 approved budgets in comparator local jurisdictions; those results are shown in Attachment 4 and depict the percentage that the City is behind or ahead in comparison to the average of the approved comparator jurisdictions.

During the FY 2019 budget process, during the compensation work session with City Council, PSWG representatives presented the Work Groups' recommendations to Council (Attachments 1, 2 and 3). Council took these recommendations under consideration, and then in early May increased the \$1.5 million public safety pay contingent to a \$3.6 million contingent level and agreed with my recommendation that the pay increases be targeted for October implementation which resulted in the annualized buying power and cost of the \$3.6 million amount increasing to \$4.8 million in value.

Firefighters and Medics: It is proposed that all Firefighters and Medics receive a salary increase of 5.0%. As indicated (Attachment 4), the City lags at the midpoint for all Firefighter salaries ranging from about -14% to -1%. The average midpoint lag for Firefighters is 4.6%. The disparities are greatest among the Fire officers, and less so among the Fire rank and file. However, the comparisons do not adjust for hours worked. The average hours worked per week in the Washington metropolitan area for Firefighters range from 56 to 42 hours. Given Alexandria is a 56 hour average workweek for Firefighters, on an hourly basis the midpoint pay differential widens significantly when compared to jurisdictions whose firefighters work less hours per week.

It is recommended that remaining single role Medics also receive the 5% increase. Although the Fire Department is shifting to a dual Firefighter-Medic service model, national scarcity and high demand for dual role firefighters and certified medics is such that retaining the current 28 individuals in the single role medic positions to recognize their continued value and skill is a departmental goal. A 5% increase for the medics would also be viewed as equitable and be a morale booster. The regional comparison of Medics salaries (as shown on Attachment 4) is not statistically meaningful, as few entities in this region still employ single role medics, as most jurisdictions deploy the firefighter/medic dual role model. The 5.0% increase is the amount recommended by the Fire PSWG (Attachment 1) for FY 2019. The estimated cost for the Firefighter and Medic pay increase is \$1.2 million in FY 2019 and \$1.6 million in subsequent fiscal years.

Police Officers: It is proposed that all Police Officers receive a salary increase of 6.22%. As indicated on Attachment 4, nearly all Police Officer classifications are significantly below the regional midpoint benchmark. On average, the lag behind the midpoint is over -9%, with the Police supervisory and command staff lagging the most. For the rank and file Detectives and Police Officers, the average lag is -7%. By approving a 6.22% increase, much of the disparity will be addressed for the rank and file, but not be fully addressed for the supervisory and command staff. Hours worked by Police Department staff in comparison to other regional police departments is generally not an issue. The 6.22% is the amount recommended by the Police PSWG (Attachment 2) for FY 2019. The estimated cost of the pay increase for Police Officers is \$1.9 million in FY 2019 and \$2.5 million in subsequent fiscal years.

Sheriff: It is proposed that four classifications (Deputy I's and II's, Lieutenants and Captains) in the Sheriff's Office be increased by one grade on the Sheriff's Officer salary scale, which will equate to a 5.0% increase for these Sheriff's employees. The benchmark survey indicates that overall the Sheriff's officer's salaries midpoint lags by -7%. While the lag differs among the various officer classifications, in order to keep pay compression to a minimum, it is recommended that the uniform 5% increase provided via classification grade changes be approved. The four classification grade change increases were recommended by Sheriff Lawhorne, (Attachment 3) in consultation with the Sheriff's PSWG. The estimated cost of the pay increase for Sheriff's employees is \$0.4 million in FY 2019, and \$0.5 million in subsequent fiscal years.

In addition to pay increases, the PSWG Sheriff's Office members proposed moving from the Virginia Retirement System pension plans for general scale employees to the Virginia Retirement System (VRS) for Law Enforcement Officers (LEOs). This would change the eligibility for Deputy Sheriff retirement from 30 years to 25 years at age 50, which would align the City's retirement plan for the Sheriff's Office with other jurisdictions in Virginia. In April of 2018, the City's Retirement Office submitted a request to VRS to conduct a cost study; VRS has provided an estimated completion date of September 2018. As we do not have enough information at this time regarding the cost of moving to VRS LEOs, it is my recommendation that we consider retirement enhancement as a part of the FY 2020 budget process.

NEXT STEPS: It is intended that the PSWGs remain active in FY 2019 in preparation for FY 2020 budget recommendations in that the City will be continuing to conduct benchmark studies and keeping a close watch on our comparator jurisdictions in regard to the public safety pay actions. It is expected that the VRS LEOS costs will become available this fall and that the policy change of reducing the required

years of service from 30 to 25 years of service at age 50 will become a FY 2020 budget decision. I consider moving to 25 years at age 50 desirable, given that Alexandria is the only Sheriff's Office in the Commonwealth of Virginia with a 30 year service requirement for Sheriff's Deputies. Other law enforcement personnel in the City and the Commonwealth are able to retire earlier with full benefits than 30 years in recognition of the more challenging physical requirements of law enforcement positions.

With the approval of these recommendations, the work of the PSWGs will not be complete. Public safety pay continues to be highly competitive in our region and is constantly changing; and, as a result, the City's pay will need to be reviewed on an annual basis. In addition to near-term pay strategies, the PSWGs have been charged with developing long-term strategies for recruitment and retention. The groups will begin meeting in September 2018 to initiate the next phase of their work.

Comparator Jurisdictions: In order to determine pay competitiveness, the adopted City Council pay philosophy cites the five jurisdictions in the Washington metropolitan area to be used as "comparators" for salary comparisons. Comparators are intended to be jurisdictions with which the City competes with for employees. These have long been: Prince Georges and Montgomery Counties in Maryland, and Arlington, Fairfax and Prince William Counties in Virginia. Since the adoption of these comparator jurisdictions, Loudoun County (with substantial growth of its population and governmental workforce) has become more of a comparator for Alexandria. Montgomery and Prince Georges Counties have become less of a comparator. Also, these two Maryland jurisdictions have collective bargaining agreements with their labor unions, which is not the case in Virginia. The City has been talking about updating its comparator list, but City staff is not at the point yet to make a recommendation to formally change the comparator list by dropping Montgomery and Prince Georges Counties and adding Loudoun County. Further discussion with the PSWGs and the General Scale Employees Work Group is needed.

Irregardless, staff have run the public safety salaries against this potential revised list of comparator jurisdictions (Loudoun, Arlington, Fairfax and Prince William) and have included the results in Attachment 5. While the percentages change from the normal comparators shown on Attachment 4, the bottom line differences do not change significantly. In part that is due to the fact that Montgomery County is a higher paying jurisdiction and Prince Georges County is a lower paying jurisdiction, hence these two Maryland jurisdictions tend to cancel each other out when calculating average regional comparator salaries.

FISCAL IMPACT: The partial year cost (given the September 22 start) of the proposed salary increases for the Firefighters, Medics, Police Officers and Sheriff's employees is some \$3.5 million in FY 2019. That will grow to about \$4.6 million in FY 2020 when it is paid out over 12 months. By waiting until September to start the pay increase, the economic benefit over the long term is greater than it would have been with a July 1 start. The remaining \$0.1 million in contingent funds not needed for the recommended salary increases will be rolled over into FY 2020 to help support the increased full-year costs in FY 2020.

ATTACHMENTS:

1. Public Safety Work Group Report (Fire)
2. Public Safety Work Group Report (Police)
3. Public Safety Work Group Report (Sheriff)
4. Public Safety Pay Study Findings and Comparison Charts: Adopted Comparators
5. Public Safety Pay Study Findings and Comparison Charts: Northern Virginia Comparators

STAFF:

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