

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 21, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: MARK B. JINKS, CITY MANAGER *mj*

FROM: MORGAN ROUTT, ACTING DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET *MR*

SUBJECT: BUDGET MEMO #27: RESPONSE TO LETTERS TO CITY COUNCIL FROM ALEXANDRIA FIRE DEPARTMENT EMPLOYEES

Attached are two responses from City Manager Mark Jinks which respond to letters received by City Council regarding employee compensation in the Fire Department from Alexandria's International Association of Fire Fighters (IAFF) Local 2141 and from the Alexandria Medics Association.

ATTACHMENTS:

Attachment 1 – Letter to IAFF Local 2141 dated April 20, 2015

Attachment 2 – Letter to Mr. Lonnie Phillips dated March 20, 2015



OFFICE OF THE CITY MANAGER
301 King Street, Suite 3500
Alexandria, Virginia 22314-3211

MARK JINKS
Acting City Manager

703.746.4300
Fax: 703.838.6343

April 20, 2015

To the members of the IAFF Local 2141:

RE: Compensation of Employees in the Alexandria Fire Department

Mayor Euille has asked that I respond to your letter dated April 7, 2015, regarding the City's competitiveness with comparator jobs in the Alexandria Fire Department (AFD) and the Years of Service Alignment Model (YOSAM). However, before responding to your letter, I want to thank the members of Fire Department in providing the quality and reliable service that makes Alexandria a safe and secure community. Your dedication and service to our community are deeply appreciated.

While I would agree with some of your conclusions in your letter about the current Fire salary scale, I would not agree with the statement in your letter that firefighters were "left out of the FY 2016 proposed budget". The FY 2016 budget includes: (1) Merit step increases for all City employees, including merit steps (\$0.4 million) for Fire employees, (2) Funding for the expanded career ladder step (\$0.2 million), (3) Substantially increased funding for Fire pension costs (\$1.1 million), and (4) Maintenance of full funding of all existing 276 Fire Department positions. Given that City budget resources overall grew by only \$11 million or 1.7%, these three Fire compensation changes alone equate to 15% of all available new General Fund monies.

As indicated in the compensation budget work session materials (slide 11) presented to City Council on March 12th, I and the Human Resources Department would agree with your organization and its members that the five jurisdiction comparator compensation analysis does indicate that there are Fire pay scale issues that need to be addressed. The pay issue as indicated in your letter is primarily one of maximum salaries and officer pay, and not beginning salary for firefighters and medics which was increased in FY 2014. Also, as indicated in our discussions with Council, and in my employee budget briefings in March, I indicated that these Fire salary scale issues would be addressed as a part of the FY 2017 budget process. They would not be addressed in the FY 2016 budget due to limited resources and the need to immediately address Police compensation issues where our recent ability to recruit and retain officers (compared to Fire and other City positions) has eroded significantly.

In regard to YOSAM, limited revenue growth in the City budget discussed earlier in this letter made funding the \$1.7 million cost of YOSAM not possible. In budget discussions, Council has asked for options to phase-in YOSAM, and we have provided those to Council (Budget Memo #21). While options to phase-in funding of YOSAM over a three or four-year period have been presented to Council, how to phase-in YOSAM (if Council decides to start funding a phase-in) will be determined only after thorough consultation with the members of the various public safety work groups.

I am sure that Council will thoughtfully consider your letter in making its challenging FY2016 budget decisions. Thank you for your letter and ongoing participation in the dialogue to make the City a better place to work.

Sincerely,

A handwritten signature in black ink, appearing to be 'm' followed by a horizontal line and a vertical stroke, positioned above the typed name.

Mark B. Jinks
City Manager

cc: The Honorable Mayor and Members of City Council
Debra Collins, Deputy City Manager
Robert Dubé, Fire Chief
Morgan Routt, Acting Director, Office of Management and Budget

April 7th, 2015

Mayor Bill Euille
301 King St.
Alexandria, Va 22314

Dear Mayor Euille,

We, IAFF Local 2141 are writing to express our concerns to you about the firefighters of Alexandria being left out of the FY 2016 budget. Our members are not being fairly compensated compared to our five comparator jurisdictions. According to the City's Office of Human Resource's Firefighter Pay Comparison of the five surrounding jurisdictions, we are well below the market average and nearly every jurisdiction at every rank. Being below the market average at every rank goes against the City's pay philosophy of paying employees at least the market average. At our lowest rank of firefighter our members are .3% below market average on the low end of the scale and 5% below market average at the top end of the scale. Our lieutenants are 6% below market average on the low end of the scale and 5% below market average on the high end of the scale. Our captains are 10% below market average on the low end of the scale and 11% below market average at the high end of the scale. Our battalion chiefs are 4% below market average on the low end of the scale and 5% below market average at the top of the scale.

We sent a survey to 22 of our newest members from Fire Recruit School 40 and EMS Recruit School 28. Of the eleven firefighters that responded from Recruit School 40, 10 have applications in surrounding jurisdictions, citing better pay/benefits as their top reason for looking elsewhere. Of the eight medics that responded, seven have applications elsewhere, citing the EMS service model delivery change and pay/benefits as their #1 reason for looking elsewhere. Three members did not respond to the survey. Our newest members are exploring options elsewhere. If we do not act now to improve our competitiveness, we could very soon see as many as 18 members leave as soon as other jurisdictions make recruit school selections. This exodus creates added cost to the City due to increased overtime, and it means millions of dollars in trained personnel going elsewhere, as each paramedic costs about \$60,000-\$90,000 to train and each Firefighter costs around \$100k to train.

We are asking that you work with the Office of Human Resources to include a Market Rate Adjustment for our members in this year's budget to bring our members to the Market Average in accordance with the City's pay philosophy. Many of our competitor jurisdictions are recommending raises for their employees in FY16, increasing the salary ranges for their workers. If the same does not hold true for Alexandria firefighters, we will fall further behind, making the decision for our younger members to leave for another jurisdiction that much easier.

Another issue that has been going on for decades and needs to be addressed in this budget year is Years of Service Alignment Model. (YOSAM) YOSAM aligns employees to the step of their pay grade based upon years of service. This affects 88 of our members throughout the firefighter, paramedic and fire marshal ranks. These 88 members have been held back on the pay scale for two reasons. The first reason was the City's former promotional pay policy. Under this policy, when employees were promoted they went down to their new grade on the pay scale and back in steps. This policy was corrected in last year's budget for all employees promoted after last year. However those employees promoted prior to last year were not corrected to their correct years of service. This created another problem; officers promoted last year are now making more than officers promoted before them. The second reason our 88 members are not at the correct years of service are several years of pay freezes which kept these employees stagnant. These two scenarios have collectively cost our members hundreds of thousands of dollars in pay annually.

One example of how our members are affected is a 17 year lieutenant who should be topped out at Step 17, and making \$96,387.20 annually. The lieutenant is actually at Step 9 making \$80,354.56. This is a difference of \$16,032.64 annually this lieutenant should be earning but is not receiving. This particular officer's earnings are well below a comparable lieutenant in the Washington Metro Area but is even farther behind due to not being at the correct years of service. Another example of an officer that has been held back is a 9 year veteran who should be making \$88,589.28 at Step 9, but is only at Step 5 making \$77,199.20. This officer is missing out on \$11,930.08 annually that he should be earning. We have four captains that have been here 14 years. They are at Step 8 making \$88,592.00, instead of Step 14 making \$99,255.52. These four captains miss out on \$10,663.52 annually due to not being at the correct years of service. We have another lieutenant that has been here 13 years and is currently a Step 7 making \$75,011.04, instead of \$88,006.88 at Step 13. This lieutenant loses \$12,995.84 annually based on his years of service not being correct. This lieutenant is also paid less than lieutenants that have been promoted after him due to the City's promotional pay policy being corrected for newly promoted officers only. City Human Resources estimates the full cost of righting this wrong is \$753,352.00 for our 88 employees. We realize this is a large sum of money and would place a heavy burden on the City. Our goal would be to have this issue corrected 100% in FY16. However, due to the large sum of money we are recommending the corrections be phased in over 1-3 years to lessen the burden on the City. We feel as many Councilmembers stated at the Public Safety budget work session, that this is the "right thing to do" and the "fair thing to do."

It is our opinion if the City does not take steps in FY 16 to bring our members' salaries to the Market Average as set forth by City Human Resources Firefighter Pay Comparison, we will see many new members leave the City for better pay and benefits in surrounding jurisdictions and suffer from plaguing morale issues among the members who stay with AFD. As stated earlier, data gathered from surveys of our newest member's show they are already looking elsewhere due to our noncompetitive pay/benefits in the City. We believe the City needs to begin correcting years of service issues in FY16 as these veteran employees have been neglected for too long. Under current compensation models, the salaries of our 88 members affected by YOSAM are not competitive with surrounding jurisdictions. They are also not competitive with their colleagues within the pay scale due to not being at the correct years of service.

We look forward to hearing your opinion on these two important compensation issues affecting our members across all disciplines (Fire Suppression, EMS, Fire Marshals), and all ranks from firefighter to battalion chief. We remain committed to serving the citizens of Alexandria while these issues are investigated and would very much like to meet with you to further assist in working out a plan to get corrective action enacted for this budget year.

Thank you very much for your consideration.

Respectfully,

IAFF Local 2141



OFFICE OF THE CITY MANAGER
301 King Street, Suite 3500
Alexandria, Virginia 22314-3211

MARK JINKS
Acting City Manager

703.746.4300
Fax: 703.838.6343

April 20, 2015

Mr. Lonnie Phillips
EMS Supervisor
City of Alexandria Fire Department
900 Second Street
Alexandria, VA 22314

RE: Pay for Employees in the Alexandria Fire Department

Lonnie
Mr. Phillips,

I have been asked to respond to your e-mail to the City Council dated March 12, 2015, regarding the City's competitiveness with comparator jobs in the Alexandria Fire Department (AFD). However, before responding to your letter, I want to thank the members of Fire Department in providing the quality and reliable service that makes Alexandria a safe and secure community. Your dedication and service to our community are deeply appreciated.

In 2013, the Human Resources Department (HRD) met with the various Public Safety Work Groups (PSWG) regarding compensation issues for sworn and uniform employees. HRD and the Fire PSWGs agreed that in order to help address pay alignment issues for experienced employees in the Fire Department, two additional levels to the existing career ladder should be added. However, no agreement was reached in 2013 on the qualifications or experience necessary for an employee to rise into one of these levels. In 2014, Chief Dubé made completing the career ladder a priority and aligned it to the dual-role firefighter/medic model to which the Department is transitioning. HRD continues to work with the Department and the PSWGs to finalize the specific details regarding requirements for advancement into each level and we expect this work to be completed by summer of 2015.

The FY 2016 Proposed budget includes funding to complete the final phase of the Fire Department career ladder. All who are qualified for a career ladder advancement will be paid at that level once determined qualified, and there are no slot limits due to funding constraints. The initial estimate in 2013 to complete this ladder was a cost of \$0.7 million, however that was an initial estimate since the career ladder had not yet been fully developed and approved. As implementation of the career ladder became closer, AFD performed a more specific and up-to-date analysis, recalculated the costs and revised the figure to \$0.3 million. Firefighters and medics who meet the certifications and requirements for career ladder advancement into Level 3

or 4 will be elevated and the "PAL" pay they currently receive will no longer be paid. As a result, the cost of implementation is defrayed somewhat by reducing the "PAL" pay budget making the net cost for the expanded career ladder \$0.2 million for FY 2016.

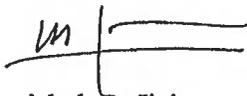
Expanding the career ladder program has been the top priority of the Fire PSWG. Funding this initiative in the FY 2016 Proposed budget allows HR staff and the PSWG to begin to focus on analyzing other market comparability issues. Data does indicate that the salary ranges for supervisory firefighter and medic jobs are behind the market. These preliminary findings were discussed during recent budget work sessions with City Council. The full analysis of compensation issues beyond the expansion of the career ladder was not completed in time for a recommendation to be considered for the FY 2016 Proposed budget.

As indicated in the compensation budget work session materials (slide 11) presented to City Council on March 12th, I and the Human Resources Department would agree with your organization and its members that the five jurisdiction comparator compensation analysis does indicate that there are Fire pay scale issues that need to be addressed. The pay issue as indicated in your letter is primarily one of maximum salaries and officer pay, and not beginning salary for firefighters and medics which was increased in FY 2014. Also, as indicated in our discussions with Council, and in my employee budget briefings in March, I indicated that these Fire salary scale issues would be addressed as a part of the FY 2017 budget process. They would not be addressed in the FY 2016 budget due to limited resources and the need to immediately address Police compensation issues where our recent ability to recruit and retain officers (compared to Fire and other City positions) has eroded significantly.

I want to stress my continued support to review our pay practices and policies on an ongoing basis to ensure Alexandria is in line with our compensation philosophy.

I am sure that Council will thoughtfully consider your letter in making its challenging FY 2016 budget decisions. Thank you for your letter and ongoing participation in the dialogue to make the City a better place to work.

Sincerely,



Mark B. Jinks
City Manager

cc: The Honorable Mayor and Members of City Council
Debra Collins, Deputy City Manager
Robert Dubé, Fire Chief
Morgan Routt, Acting Director, Office of Management and Budget
Bill Mitchell, Acting Director, Department of Human Resources
Ryan Touhill, Acting Assistant Director, Department of Human Resources

Attachment: March 12, 2015 Message from the Alexandria Medics Association to City Council

From: Alexandria Medics

Date: March 12, 2015 at 12:30:54 PM EDT

To: Justin Wilson, Paul Smedberg, Allison Silberberg, Mayor Euille, Timothy Lovain, John Chapman, Del Pepper

Subject: Tonight's compensation meeting

As you enter tonight's compensation meeting I'd like for you to consider increasing the money for the Fire Department pay issues from the City Manager's proposed \$300,000 to \$750,000. As you may remember, Alexandria Medics', FMs' and Firefighters' Labor organizations worked with City Staff over two years ago on pay parity and agreed that there was a significant issue with AFD pay versus our comparators' average. The estimated cost to address the issue was \$1,412,000 and was to be split into two parts:

- 1) A market rate adjustment at a cost of \$749,000 to be effective July 1, 2013 and
- 2) A career ladder at a cost of \$663,000 to be effective July 1, 2014

Due to many factors not under the control of the FMs, Medics and Firefighters, such as changes in the Fire Chief, City Manager and Human Resources Director, the second phase was never implemented. Although we appreciate the \$300,000 set aside for "Enhancement of Fire Department Career Ladder", we know it is not going to cover even half of the money needed to correct the gap between AFD and our comparator average. And we know that gap is widening.

I realize this is another tight budget year. However one doesn't have to look long into the council meeting archives to find volumes of examples where Council realized there was a growing problem and that it was going to need to be addressed but "just not this year". I remember often hearing them mentioning "kicking the can down the road". This year's significant investment in APD is an example of where failure to address a pay issue resulted in a recruitment and retention issue and then the need for a multi-million dollar correction. AFD is experiencing the same problem with hiring and retaining our Medics. We have been unable to fill the needed ALS seats in our last couple of recruit classes and we've been unable to retain a large enough portion of these new employees to eliminate "holdovers" and save the City overtime. At a cost of \$60,000 to \$90,000 to recruit, hire and train a new medic, it is fiscally responsible to increase the pay to retain these employees.

It is prudent of me to mention that City HR has recently begun and will soon complete, a comprehensive study to determine the pay parity issue with AFD officers and EMS Supervisors. It is our hope that by setting aside this money now, when these studies are complete in the next couple of weeks, the Fire Department Public Safety Work Group can prioritize the best way to address the significantly growing pay issue that exists in all our ranks.

Please don't "kick the can down the road" again.

Thank you for your consideration of this important matter.

Lonnie Phillips, President
Alexandria Medics Association