

Response to Questions on the FY 2007 Advertised Budget Plan

Request By: Supervisor Frey

Question: Provide historical information on Public Safety pay increases, including the FY 2007 comparators used and summary of data. What would the cost be to provide a 2 percent increase to Police, consistent with the increase to Fire and Rescue which is included in the FY 2007 Advertised Budget Plan?

Response:

Across the board increases for Public Safety since FY 2003 have been as the result of the Market Rate Adjustment (MRA). In FY 2002, the County adopted a Market Index to maintain pay competitiveness in the future and avoid the need for large-scale adjustments to catch up with the market. The Market Index consists of the following components: the Consumer Price Index (CPI) for the Washington-Baltimore area, which represents 70 percent of the index; the Employment Cost Index, which measures the rate of change in employee compensation (private sector, state and local government employees) and accounts for 20 percent of the index; and the Federal Wage Adjustment for the Washington-Baltimore area, which accounts for 10 percent of the index.

It should be noted that the MRA for FY 2007 is higher than previous years. Due to the significant spike in energy costs after the natural disasters last year, the CPI data for September, the month used by the County for the CPI factor as it is generally the last month available before the decisions on the upcoming budget are made, reflected the substantial short-term jump in the cost of gasoline as a result of damaged refineries in the Gulf of Mexico.

FY	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
MRA	2.67%	2.10%	2.98%	3.07%	4.25%

In addition to the across the board increases, the Board of Supervisors approved a compensation policy in 1996 to align pay at the market average (using the midpoint pay rate) of Metropolitan Washington area comparators. As a result of both the MRA and the other pay adjustments, Police, Sheriff and Fire and Rescue received the following increases (not including merit increases for those eligible):

	FY 2003	FY 2004	FY 2005 ¹	FY 2006 ²	FY 2007 ³
Police	2.67%	2.10%	2.98%	7.07%	4.25%
Sheriff	2.67%	2.10%	2.98%	3.07%	4.25%
Fire and Rescue	2.67%	2.10%	7.25%	7.07%	6.25%

¹**FY 2005** - Phased in adjustment for Fire and Rescue in place of across the board MRA and focused adjustments for three classes which Fire and Rescue opposed citing the negative impact of compression of a limited number of classes: (2.5% effective the first full pay period in July 2004; an additional 2.5% effective the first full pay period of Jan 2005; and an additional 2.25% effective the first full pay period in April 2005)

²**FY 2006** - 4% for Police and Fire and Rescue effective the first full pay period in July 2005

³**FY 2007** - Focused adjustments for certain Police classes, 2% for Fire and Rescue effective the first full pay period in July 2006

For FY 2007, the review of public safety compensation was performed to ensure salaries remain competitive with neighboring jurisdictions and it indicated that certain adjustments were necessary in order to attract and retain highly qualified staff.

As directed by the Board this review was coordinated closely with public safety staff including a review and agreement of comparator jurisdictions which are competitors of the County for recruitment of public safety staff. The jurisdictions are Arlington County, City of Alexandria, District of Columbia, Loudoun County, Montgomery County, Prince Georges County and Prince William County.

Based on the survey data, the midpoint for all classes within the Police Officer and Deputy Sheriff series were within 5 percent (above or below) the average annual salary paid for these positions of the comparable jurisdictions with the exception of Police Major. As a result of staff review both Police Major and Deputy Chief of Police classes were adjusted to be aligned with the Deputy Fire Chiefs and Assistant Fire Chiefs. The results of the survey for the hourly midpoint for classes within the Fire and Rescue series demonstrated that of the 5 of the 8 classes were more than 5 percent below the average hourly wage of the comparable jurisdictions, thereby resulting in the recommendation to increase Fire and Rescue salaries by 2 percent across the board. It should be noted that, consistent with Board policy, the comparison of Fire and Rescue salaries is based on the hourly rate not the annual rate given the differences in shift structures among the comparable jurisdictions. When compared on the basis of annual pay rates, Fire and Rescue salaries are very competitive and would not warrant an increase.

The cost of providing a 2 percent across the board increase to the Police Officer series would be \$2.7 million, including fringe benefits.