

Station 4

# **Report and Recommendations on City of Raleigh Fire Fighter Salaries**



Prepared by the Raleigh Professional Fire Fighters Association

Spring 1999

# Contents

Introduction .....	1
Response to the HayGroup Study .....	2
Response to the Administration's Report .....	5
Cost of Living Chart .....	9
Explanation of Graphical Analyses .....	10
Fire Fighter Salary Chart .....	12
1 <sup>st</sup> Class Fire Fighter Salary Chart .....	13
Service Required for 1 <sup>st</sup> Class Eligibility .....	14
Senior Fire Fighter Salary Chart .....	15
Service Required for Senior Fire Fighter Eligibility .....	16
Lieutenant Salary Chart .....	17
Service Required for Lieutenant Eligibility .....	18
Captain Salary Chart .....	19
Service Required for Captain Eligibility .....	20
District Chief Salary Chart .....	21
Service Required for District Chief Eligibility .....	22
Battalion Chief Salary Chart .....	23
Service Required for Battalion Chief Eligibility .....	24
Text Summary of Graphical Analyses .....	25
Raleigh vs. HayGroup Median: Salary and Promotion Comparison .....	26
Raleigh vs. HayGroup Mean: Average Annual Increases .....	27
Considerations .....	28
Number of Fire Department Applicants, 1991-1999 .....	29
Conclusion .....	30
Fiscal Budget, 1990-91 through 1998-99 .....	33
Annual Calls for Service, 1991-1998 .....	34
Increase in Service Area, 1991-1998 .....	35
Housing Price Article from <i>The News and Observer</i> , January 13, 1999 .....	36
Explanation of Developmental and Proficiency Ranges .....	Attachment 1
Standard Procedure 300-4 .....	Attachment 2

# Introduction

Since the late spring of 1998, the Raleigh Professional Fire Fighters Association has been involved in an ongoing process to gain salary parity with other fire departments that are of similar size and provide similar services in the South and southeast. In the fall of 1998, the Raleigh Professional Fire Fighters Association presented the Raleigh City Council with a salary comparison revealing that starting salaries for fire fighters in Raleigh are 16% below the mean and 13% below the median of like cities in the region. In January, the Raleigh City Council was presented with a study conducted by the HayGroup that showed fire fighter salaries as much as 12% low. Following this presentation, City Administration made its case for why fire fighters are perhaps not as underpaid as was once believed, and that only minor adjustments need to be made at the bottom of the pay scale. The Raleigh Professional Fire Fighters Association would like to take the opportunity to respond to the reports of both the HayGroup and City Administration. The evidence will clearly show that the original request by the Raleigh Professional Fire Fighters Association in July of 1998 for a 20% pay increase is easily justified. At its conclusion, this report will make suggestions for how to implement salary adjustments.

# Response to the HayGroup Study

In January, Hay Management Consultants (HayGroup) presented the members of the Raleigh City Council with a compensation analysis of selected positions within the City of Raleigh. This study was sanctioned and paid for by the City of Raleigh. It is not the objective of the Raleigh Professional Firefighters Association to degrade the thoroughness of the HayGroup researchers; however, the HayGroup compensation analysis has several weaknesses that must be considered.

The primary piece of information left out of the HayGroup study is the cost of living in each responding city. The average cost of living among the surveyed cities, according to *Money Magazine*, is 98.8. Raleigh's index is 106.1. If Raleigh, Cary, Durham, and Chapel Hill are left out, the average for the cities in the study drops to 96.6. Raleigh's high cost of living serves to further erode the limited buying power afforded by low salaries.

A second piece of information omitted by the HayGroup is the number of years of service required before a candidate is eligible for the next higher rank in the Fire Department's rank structure. With few exceptions, The City of Raleigh requires several more years of service before one is eligible for promotion to the next rank. So, it stands to reason that in some instances, Raleigh has a higher base pay in some positions. These positions are filled by longer-term employees who have more experience than their peers in other cities. Longer-term employees are supposed to earn more. This answers the question of how to boost pay at lower ranks without causing turmoil in higher ranks. The adjustment should be made at all positions.



In the HayGroup overview, on page 1 of their report, the researchers describe how accuracy and precision were attained by thoroughly matching job descriptions among responding cities, admitting "precise job matching is the foundation of a quality survey." However, researchers for the HayGroup lack a working knowledge of the fire service that is required to discern between seemingly like positions. To a civilian, it may appear that positions in different cities have the same job responsibility and may even have the same title. But, when terms and technicalities are explained, it becomes clear that the positions in question are charged with entirely different tasks. This lack of knowledge by the HayGroup presents itself when they try to match other cities' positions to the City of Raleigh Fire Department's rank of Senior Fire Fighter. The HayGroup found 7 of the 16 cities (excluding Raleigh) surveyed to have positions equal to Senior Fire Fighter. After close scrutiny of job descriptions and telephone conversations with the surveyed cities, the Raleigh Professional Fire Fighters Association found only 2 cities to have an equivalent rank.

On page 2 of the HayGroup study, researchers reveal that "extreme variances of company size can have a direct impact on the relevance of survey results." Raleigh currently has a population of 270,000. Yet, the HayGroup survey includes the Town of Chapel Hill with a population of 44,000. The HayGroup also surveyed the City of Charlotte and Davidson County, Tennessee, each having populations in excess of 500,000. By their own admission, some of the HayGroup data is irrelevant.

On page 6, the HayGroup study discusses pay adjustments related to special unit assignment and special training or certifications. The researchers claim that Raleigh provides "additional pay when employees obtain certification

beyond requirements.” This is not true for the City of Raleigh Fire Department. The City of Raleigh provides no incentives to fire personnel who are certified beyond requirements. The City of Raleigh pays an additional 5% for personnel assigned to hazardous materials response units or fire investigation units, but personnel are **required** to hold special certifications when assigned to these units. This affects no more than 22 personnel on each of 3 shifts. Many personnel hold certifications and attend technical training classes **required** by the City of Raleigh. These include:

- NC Emergency Medical Technician-Defibrillation
- NC Emergency Vehicle Driver
- NC Driver/Operator
- NC Hazardous Materials Operations Plus
- Confined-Space Rescue
- High-Angle Rescue
- Trench Rescue
- Swiftwater Rescue
- Collapsed-Structure Rescue

The City of Raleigh provides no compensation to fire personnel who undergo any of this technical training. In addition, many personnel hold 2 and 4-year college degrees for which they receive no compensation.

On page 8, in defining *percent difference*, the HayGroup researchers elude to comparing the average data of one company to the median of the market. This means comparing data derived from two different statistical processes and hardly seems valid.

It is evident that the salary comparison performed by the HayGroup was anything but thorough. The information contained in this document will fill in the voids left by the HayGroup.

# Response to the Administration's Report

As with the response to the HayGroup study, it is not the intent of the Raleigh Professional Fire Fighters Association to demean the opinions of the City of Raleigh Administration. However, because the issue of salary levels has such direct impact on a fire fighter's livelihood, limited comment cannot be avoided.

The City Administration begins its report by addressing average salaries and suggesting that the relatively large number of new personnel in the Fire Department creates only the appearance that Raleigh underpays fire personnel. This is not true; the primary issue is starting pay. It has no dependence on how many are earning starting pay; all new fire fighters on shift earn the same wage, \$7.57 per hour. In the case of starting pay, average salary equals actual salary. The fact is, Raleigh Fire Fighters start out low, and struggle for years to catch up because it takes so long to be eligible for promotions.

The Administration's report goes on to admit that range adjustments are not made until an employee's anniversary date. This is correct and means **some personnel still have not received the 5% range adjustment approved by the Council in July of 1998.** Let us call the range adjustment what it is: a cost-of-living adjustment. The City calls the cost-of-living adjustment a range adjustment and includes it as one of two components that make up annual merit raises. The second component is a performance adjustment, which is based on an employee's annual evaluation. Combining these two components into a single percentage that is awarded on the employee's anniversary date allows the City to

do two things. First, because most fire personnel have anniversary dates in the winter and spring, it allows the City to wait until well into the fiscal year before wage increases are awarded. Second, it allows the City to award the performance adjustment and the range (cost-of-living) adjustment as a single percentage, not as one percentage on top of the other. For a starting fire fighter, this saves the City as much as \$2.13 per pay period in the current fiscal year.

The Administration's report continues, and concludes that Raleigh's maximum pay levels compare favorably with and exceed the maximum pay levels of other cities. While this is true, the Administration makes no mention that it takes years longer to reach maximum pay in Raleigh than in other cities. Again, the reason pay range maximums are higher in Raleigh is because personnel are required to have several more years of service prior to promotion than their peers in other cities. **Worthy of noting, on page 6 of the Administration's report, is the top salary figure for a fire fighter of \$41,744.00. This number is not correct. This figure is actually the top pay for a Senior Fire Fighter who also receives an additional 5% for being assigned to a hazardous materials or fire investigation unit. Senior Fire Fighter is the third step in the Fire Department's rank structure. One is not eligible for this rank until after serving 6½ years. Top pay for a fire fighter is actually \$36,939.97. The top pay percentages, compared to Raleigh, in the bottom right column on page 6 of the Administration's report should actually read: +4.1%, -13.7%, -6.7%, +5.9%, and -15.8%.**



Item 2 in the Administration's report is the merit salary program. It is suggested that public safety employees are eligible for up to 10% as a merit advancement. This is not entirely true. Only those employees in developmental pay ranges who receive an outstanding evaluation are eligible for 10%. Those in proficiency ranges are only eligible for a maximum of 7.5% (see Attachment 1 for an explanation of developmental and proficiency pay ranges). These figures would be reduced to 7.5% and 5.0%, respectively, if not for the Council's approval of an increase from 2.5% to 5.0% in the range (cost-of-living) adjustment for 1998-99. It is important to remember that in the examples on page 2 of the Administration's report, the advancement claims are only possible if the City Council approves a range (cost-of-living) adjustment of 5%. The usual maximum range (cost-of-living) adjustment is only 2.5% as outlined in Standard Procedure 300-4, Revision E. Standard Procedure 300-4 is included in this report as Attachment 2.

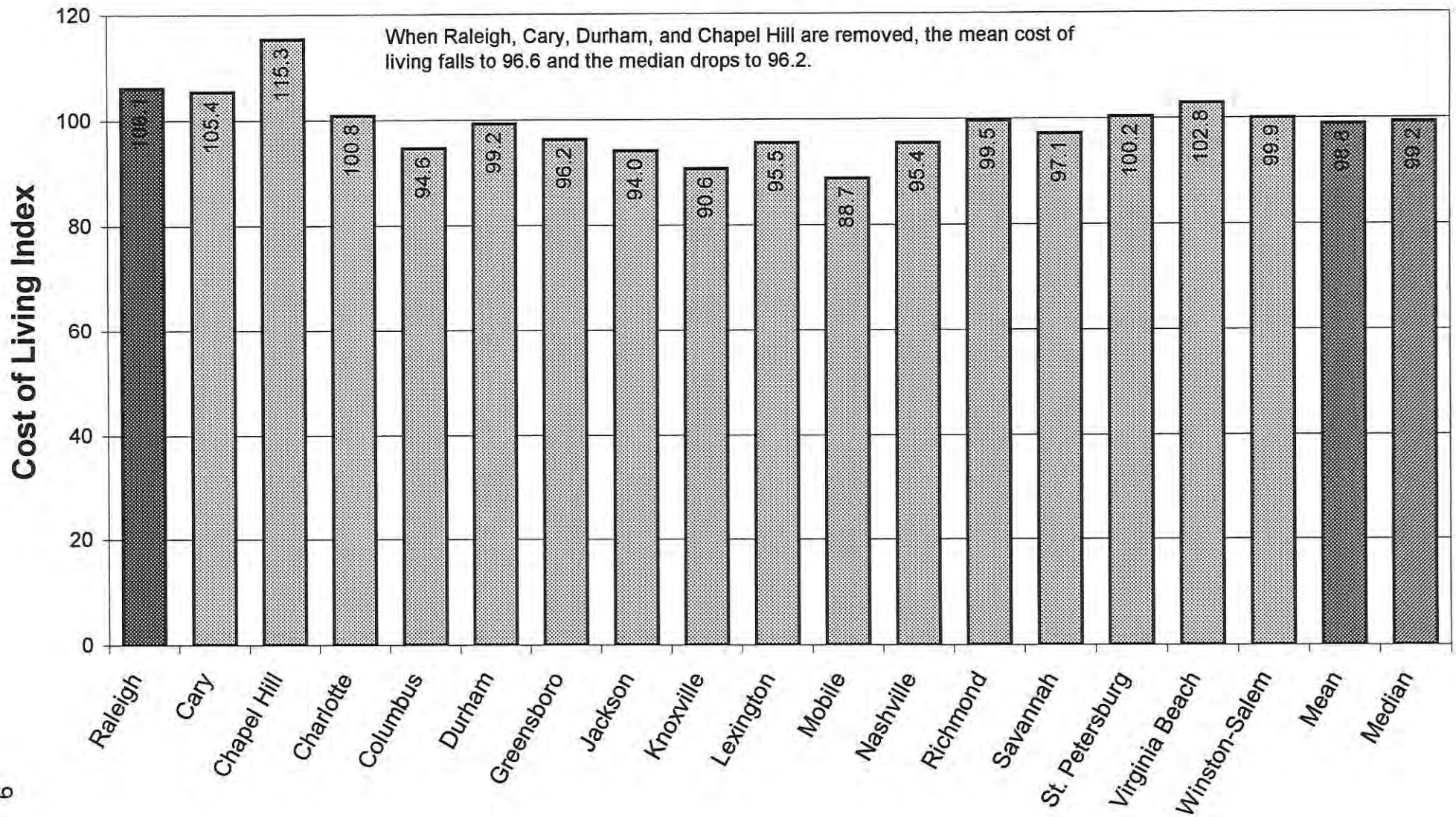
Next, the Administration attacks the cost-of-living issue by claiming that other cities also have high cost-of-living indices. While some may be high, only 7 of 17 cities (including Raleigh) surveyed by the HayGroup have an index that exceeds the national average--4 of those 7 are in the Triangle. Chapel Hill is the only surveyed city with a cost of living higher than Raleigh. The City Administration suggests that because fire fighters are not required to live in the very city they protect, it is easier to deal with an exorbitant cost of living. The fact is, high consumer prices are not confined to the Raleigh City Limits. The Triangle's explosive growth has driven up prices on items ranging from groceries

to real estate in all of east central North Carolina. Fire personnel are required to live within 50 miles of the Municipal Building. One can leave the Municipal Building, drive 11 miles West on US 70, and still be in the City Limits of Raleigh. The point to be taken here is that the City of Raleigh and Wake County comprise a large part of the 50-mile radius from the Municipal Building. And, a 50-mile commute can hardly be described as convenient or economical, especially considering the region's traffic woes.

Finally, the Administration gives options. In Option 1, described in Attachment 4, on page 8 of its report, the Administration recommends giving employees hired between January 1997 and August 1997 an increase of 5.91%. This will bring the average actual annual salary for graduates of the 1997 Fire Academy up to \$27,869.00. This figure will be within \$243.00 of the **maximum** of what a graduate of the 1996 Fire Academy earns. Option 1 recommends the lowest percentage increase, so Options 2 and 3, with their higher percentages will upset the bottom of the pay scale even further. Adjustments must be made equally across all ranks.

All of the Administration's options are based on salary levels of other jurisdictions in the market. The Raleigh Professional Fire Fighters Association believes this to be the wrong approach. Raleigh is the capitol of the 11<sup>th</sup> most populous state in the country. Others look to us for example, not vice-versa. The elected and appointed Administration of the City of Raleigh must commit to demonstrating to other cities Raleigh's dedication to protecting the public's safety by taking the lead in fairly compensating fire fighters.

# Cost of Living



# Explanation of Graphical Analyses

The graphs on the following pages are included to show exactly how Raleigh compares with the other cities polled by the HayGroup. Base salaries and service time required prior to promotional eligibility are included for each rank in the City of Raleigh Fire Department up to and including Battalion Fire Chief. For the reader's convenience when making comparisons, a text summary of all graphs is included on page 25.

Job matching was performed on the basis of what the responsibilities of each rank are. For example, the highest ranking on-shift chief in Raleigh is a Battalion Chief. If another fire department calls the highest ranking on-shift chief a Deputy Chief or Division Chief, so long as duties are equivalent, that position is translated into Battalion Chief.

Although two cities have equal positions that have the same job tasks, the scale of the cities must also be considered. For example, Raleigh and Chapel Hill each have Battalion Chief positions. Both positions supervise all personnel on a given shift. However, a Battalion Chief in Raleigh supervises personnel at 21 fire stations; the entire Chapel Hill Fire Department is only comprised of 4 stations. A District Chief in Raleigh, the rank below Battalion Chief, supervises personnel at 7 stations. Whether we choose to admit it or not, Raleigh is a large municipal fire department.

Occasionally, cities allow personnel to promote into higher ranks with fewer years of service than for lower ranks. This is the case in Virginia Beach with Fire Lieutenant and Fire Captain. It takes longer to qualify for Lieutenant than Captain. It is the employee's choice as to which job path he or she chooses to take: fire equipment operator (Lieutenant) or company officer (Captain).

It is important to understand the difference between mean and median. More often than not, the HayGroup chose to use the median in their report.

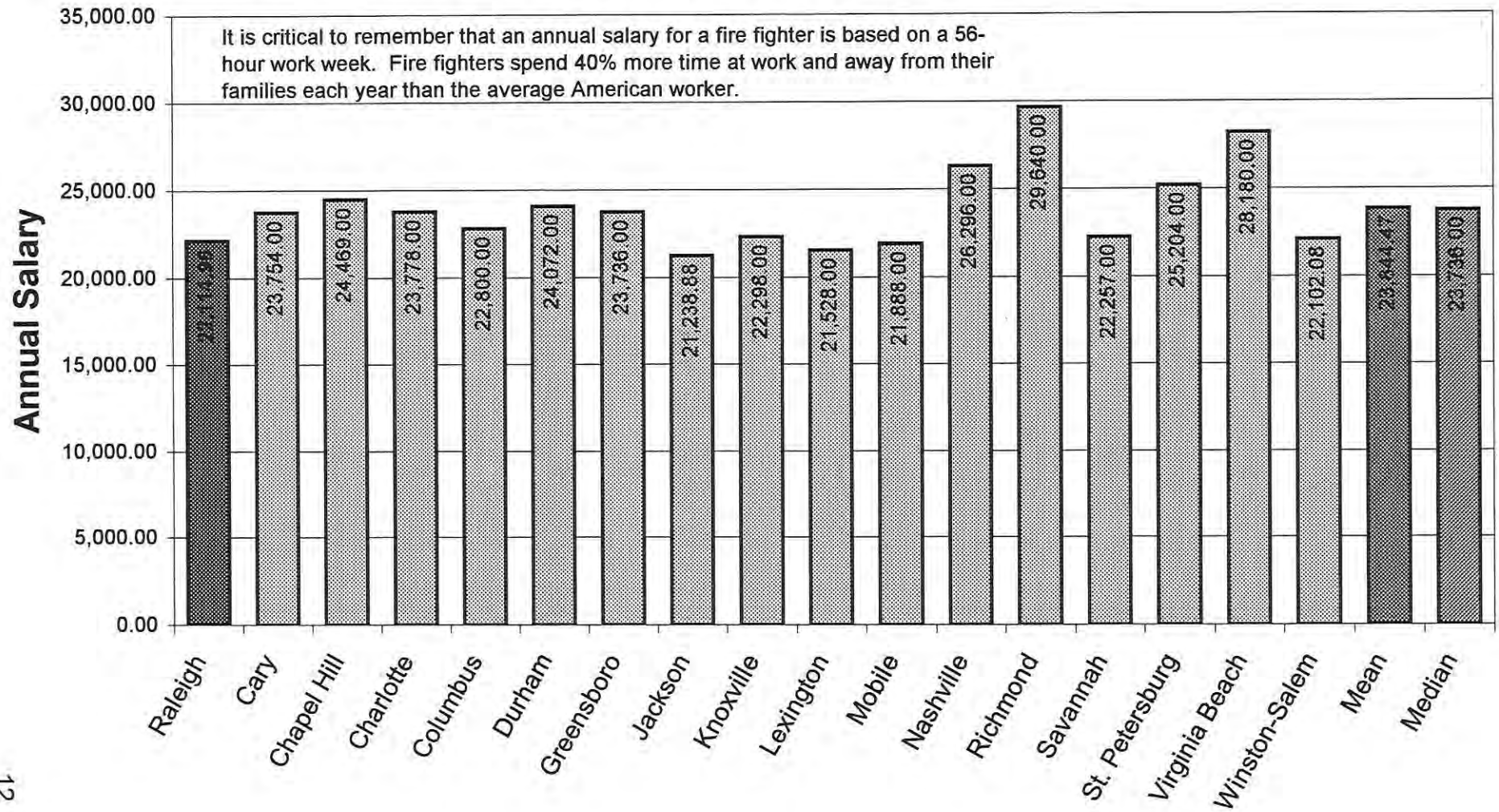
The mean is the statistical average of a set of numbers. For example, if 5 fire departments pay new hires \$21,000.00, \$22,000.00, \$23,000.00, \$24,000.00, and \$30,000.00 annually, the mean would equal the sum of all five salaries, divided by 5: \$24,000.00.

The median is the middlemost item in a set of numbers. For example, if City A has 5 fire engines, City B has 7, City C has 12, City D has 4 and City E has 18, the median is the number in the middle after all entries

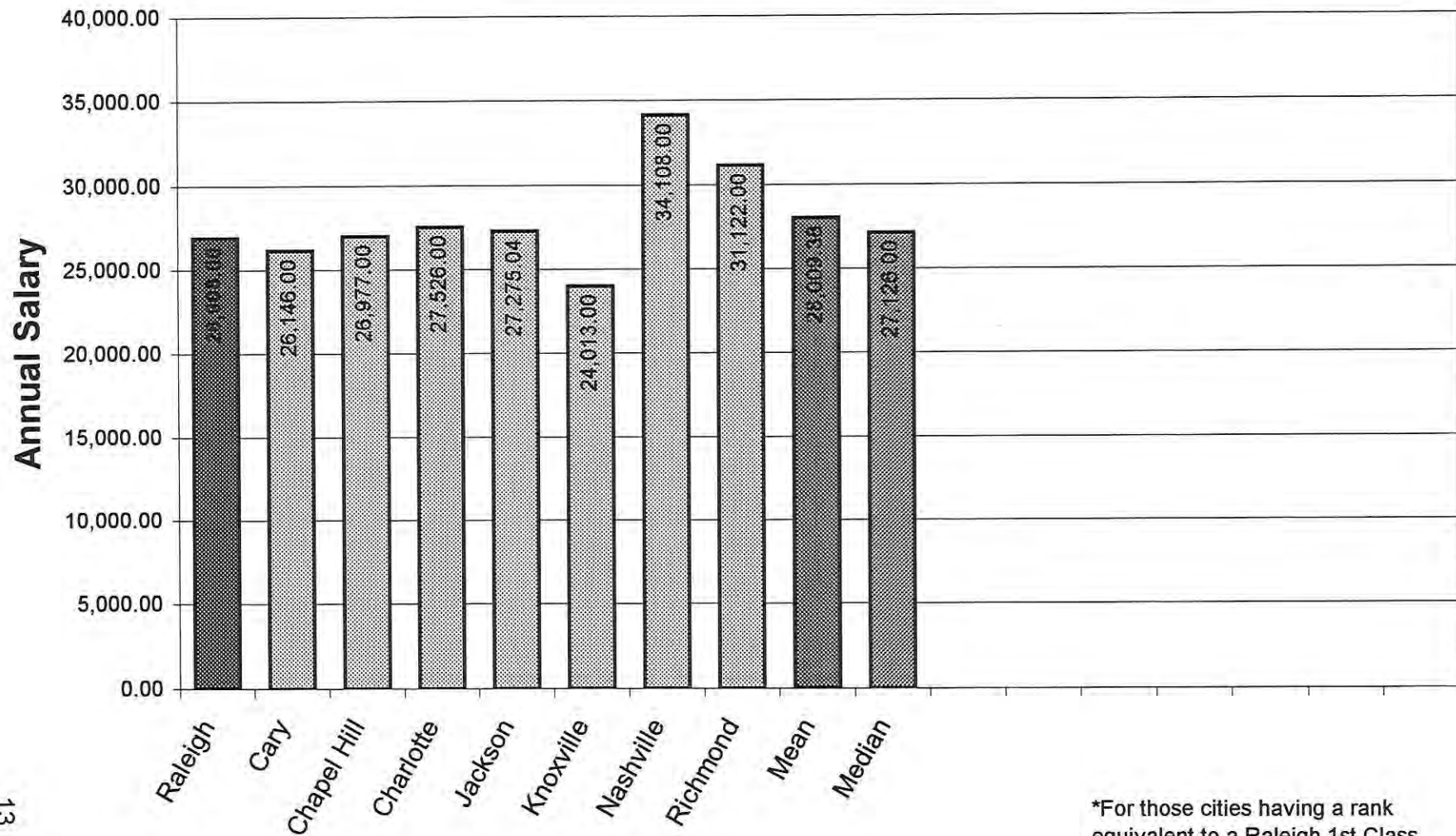


have been arranged in descending order (4, 5, 7, 12, 18). In this case, the median is 7. Had there been an even number of entries, the median would have been calculated by adding the two middle numbers and dividing by two. When the median is used,  $\frac{1}{2}$  of all data points are higher and  $\frac{1}{2}$  of all data points are lower.

## Fire Fighter Base Salary

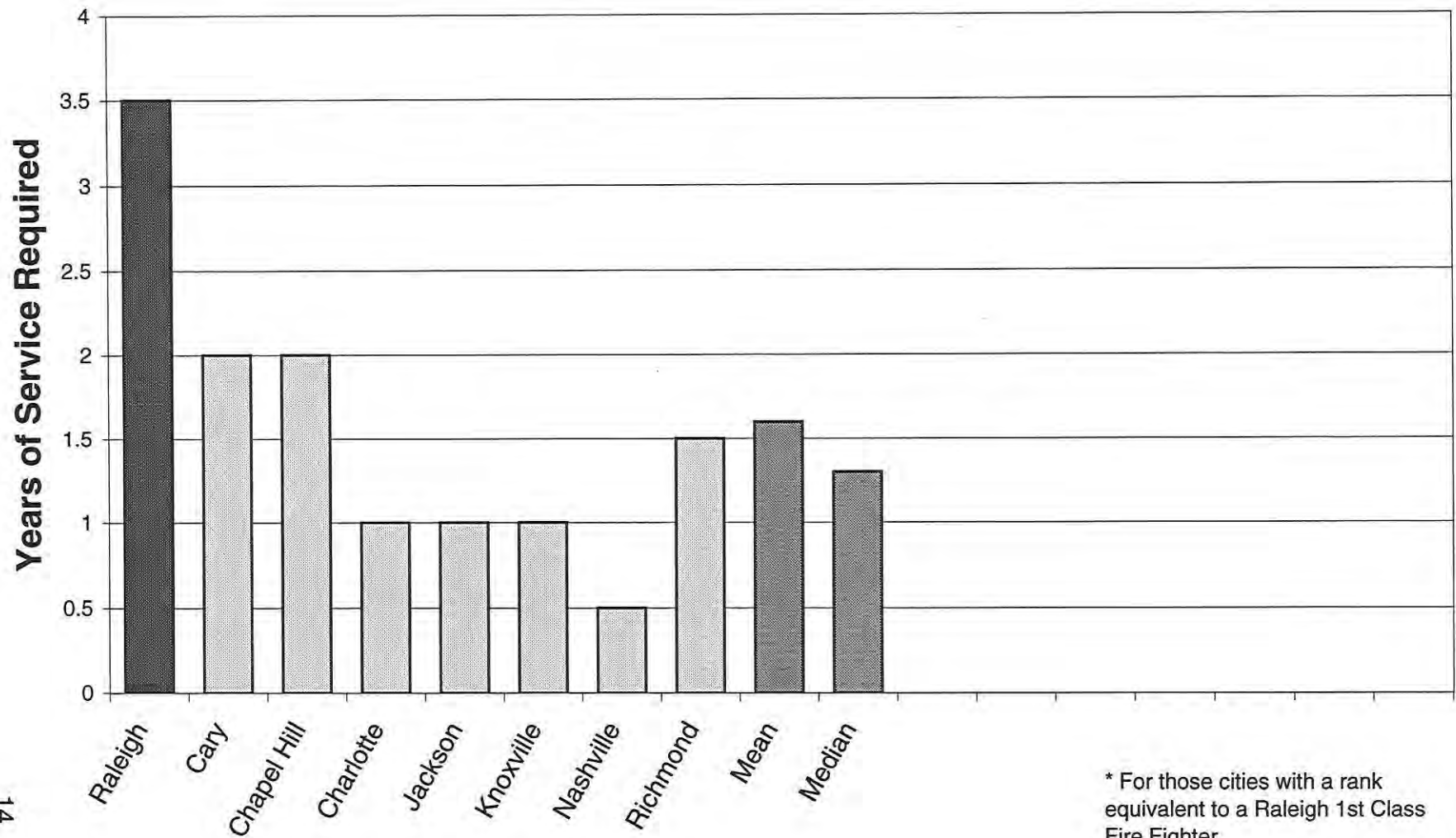


## 1st Class Fire Fighter Base Salary\*



\*For those cities having a rank equivalent to a Raleigh 1st Class Fire Fighter

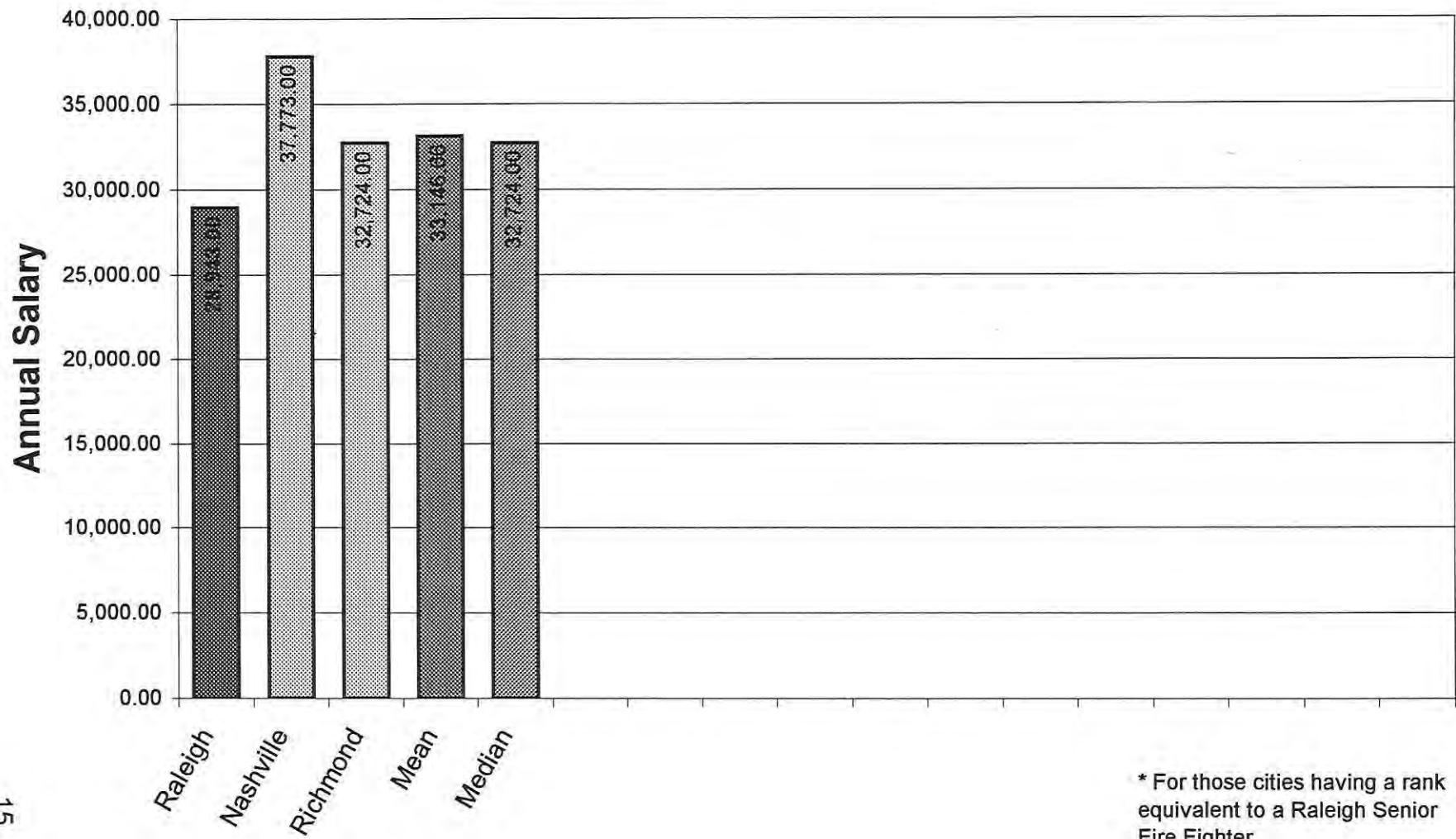
## Service Required for 1st Class Eligibility\*



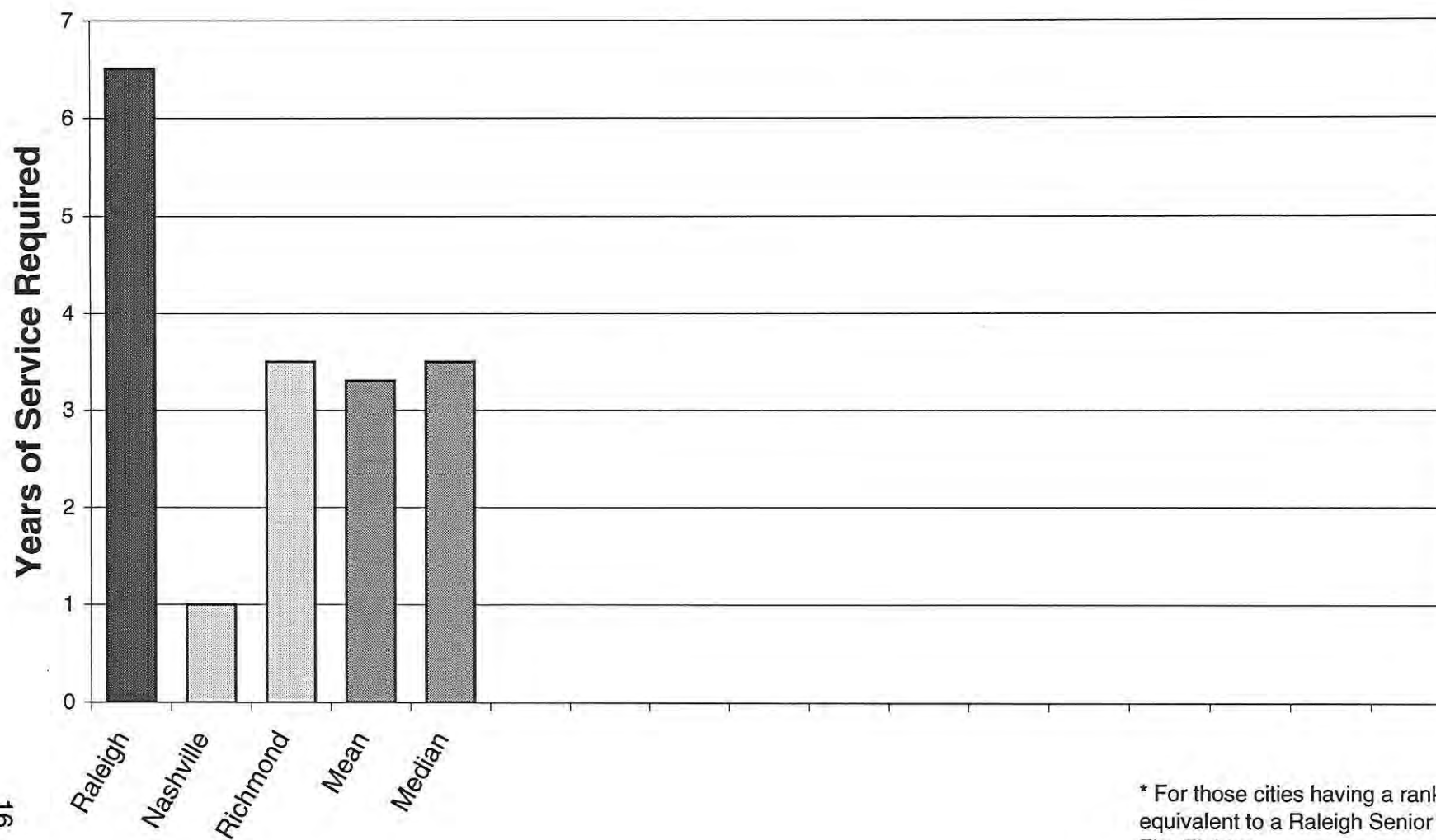
\* For those cities with a rank equivalent to a Raleigh 1st Class Fire Fighter



## Senior Fire Fighter Base Salary\*

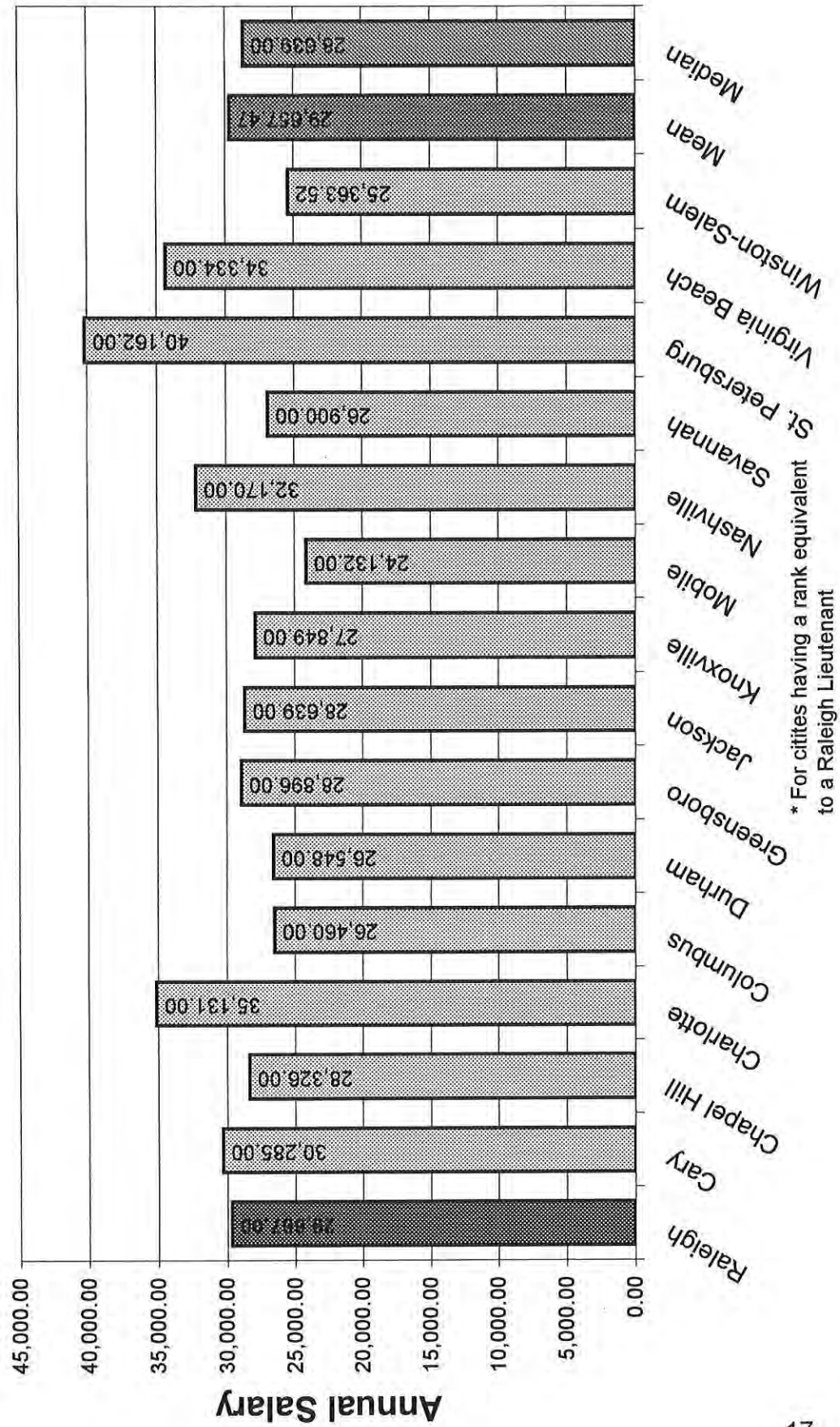


## Service Required for Senior FF Eligibility\*

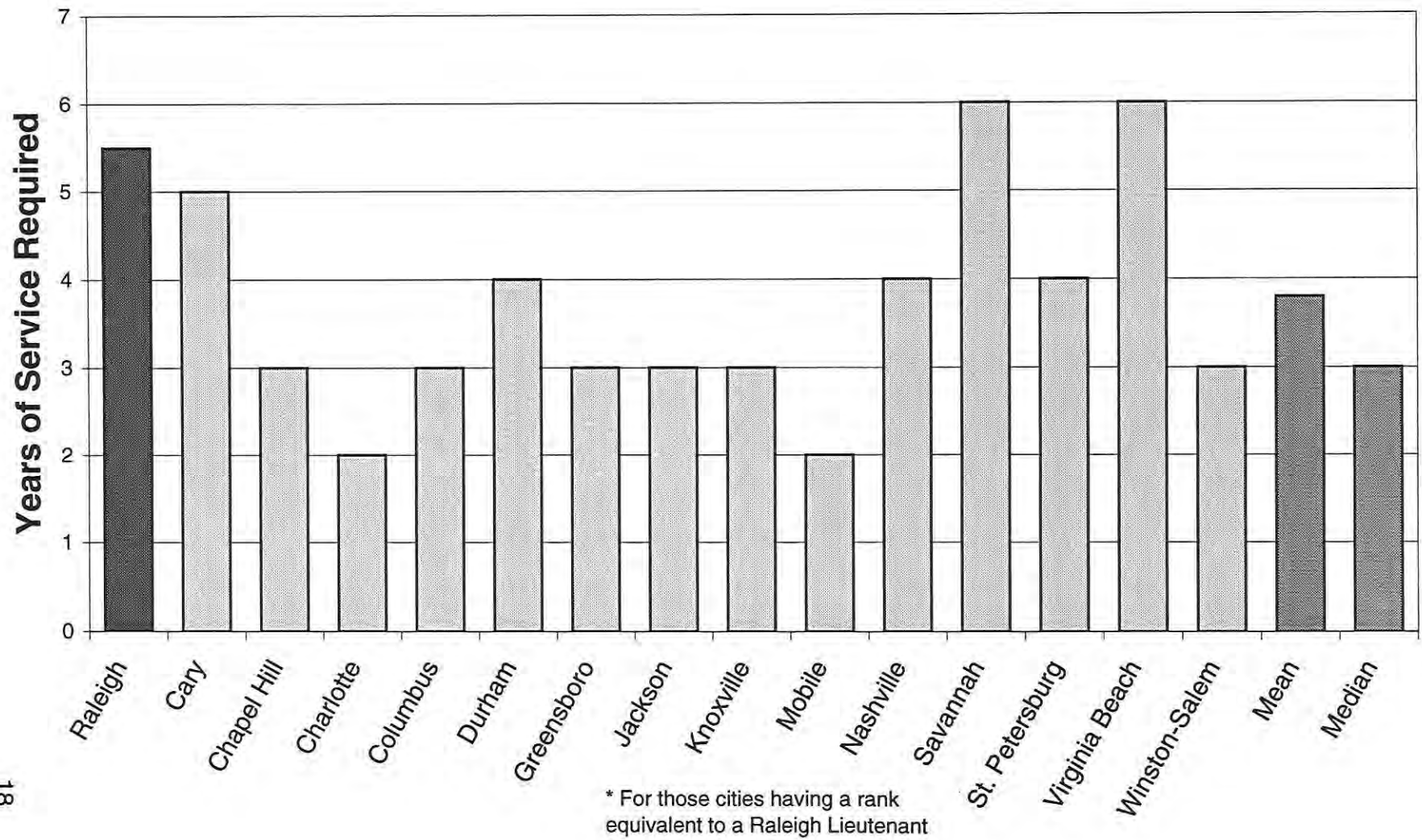


\* For those cities having a rank equivalent to a Raleigh Senior Fire Fighter

## Lieutenant Base Salary\*

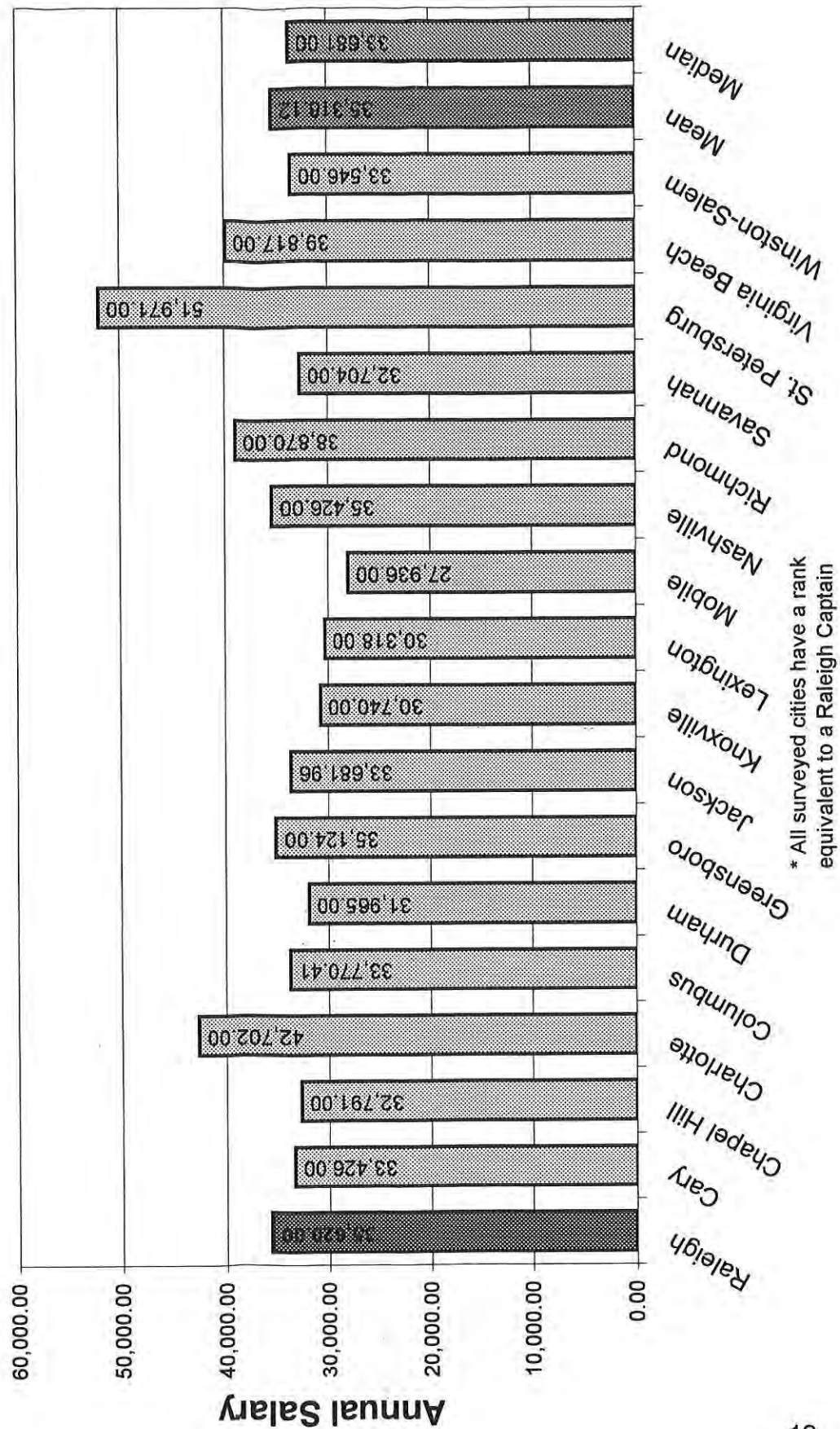


## Service Required for Lieutenant Eligibility\*

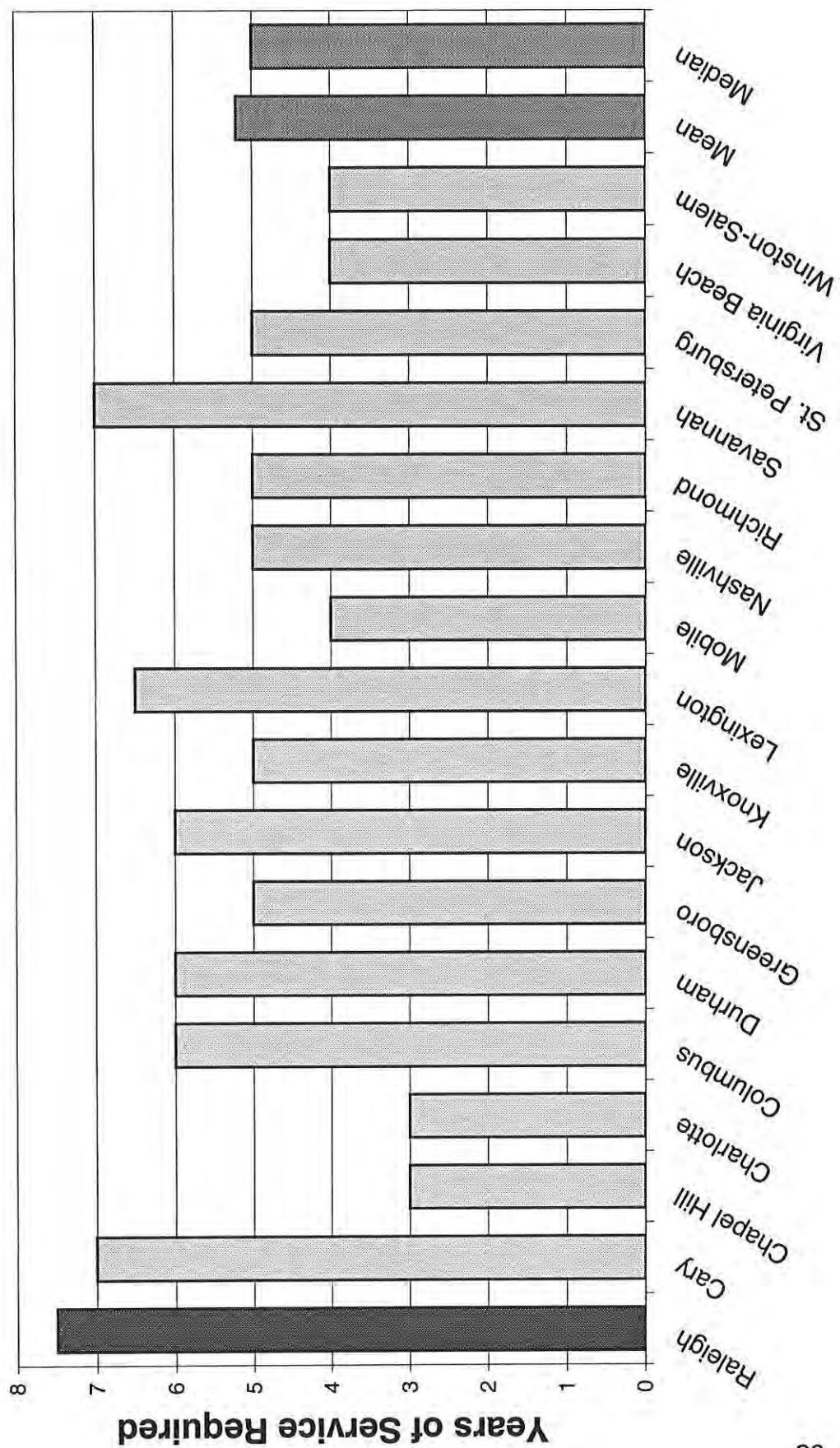




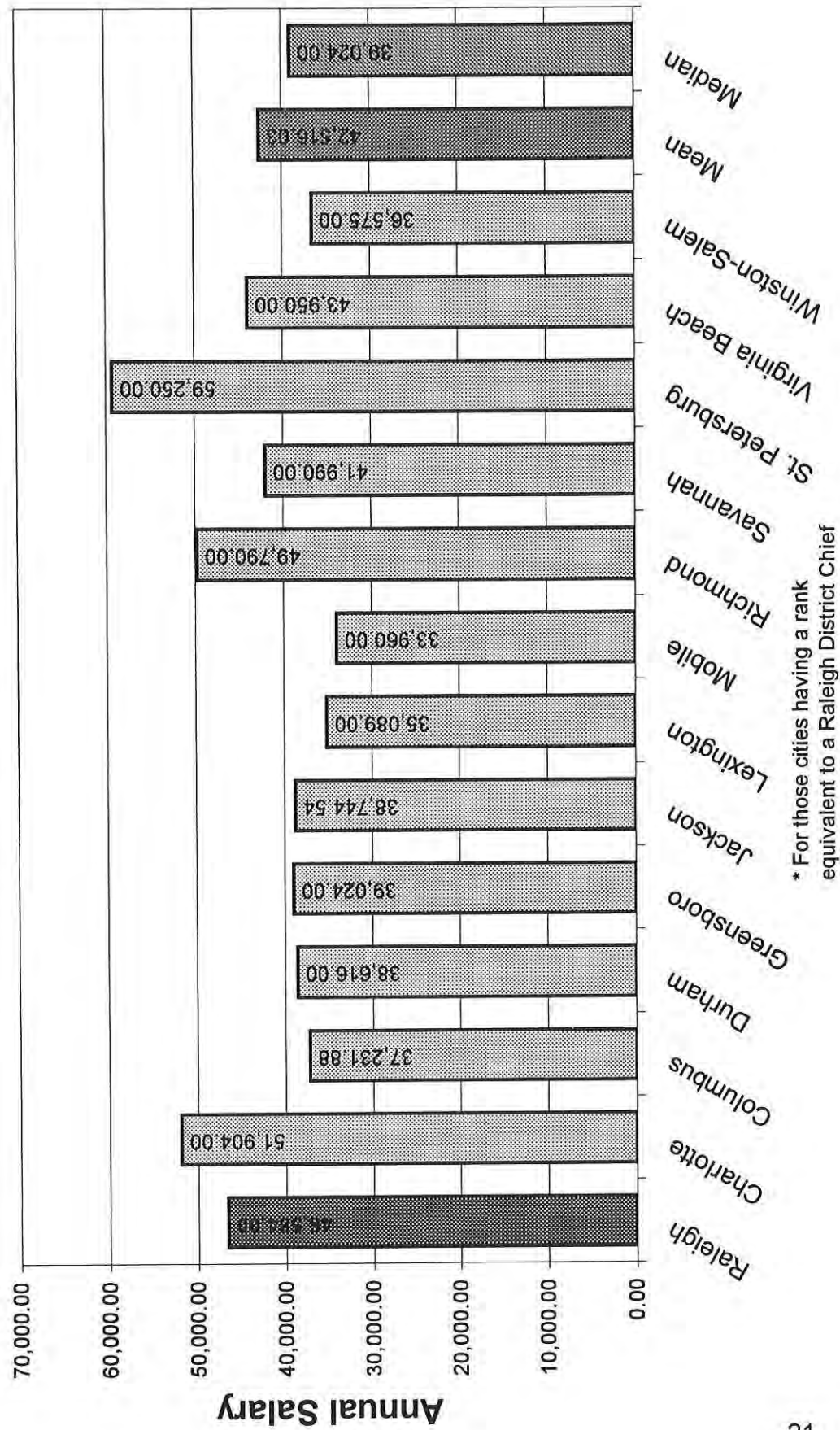
## Captain Base Salary\*



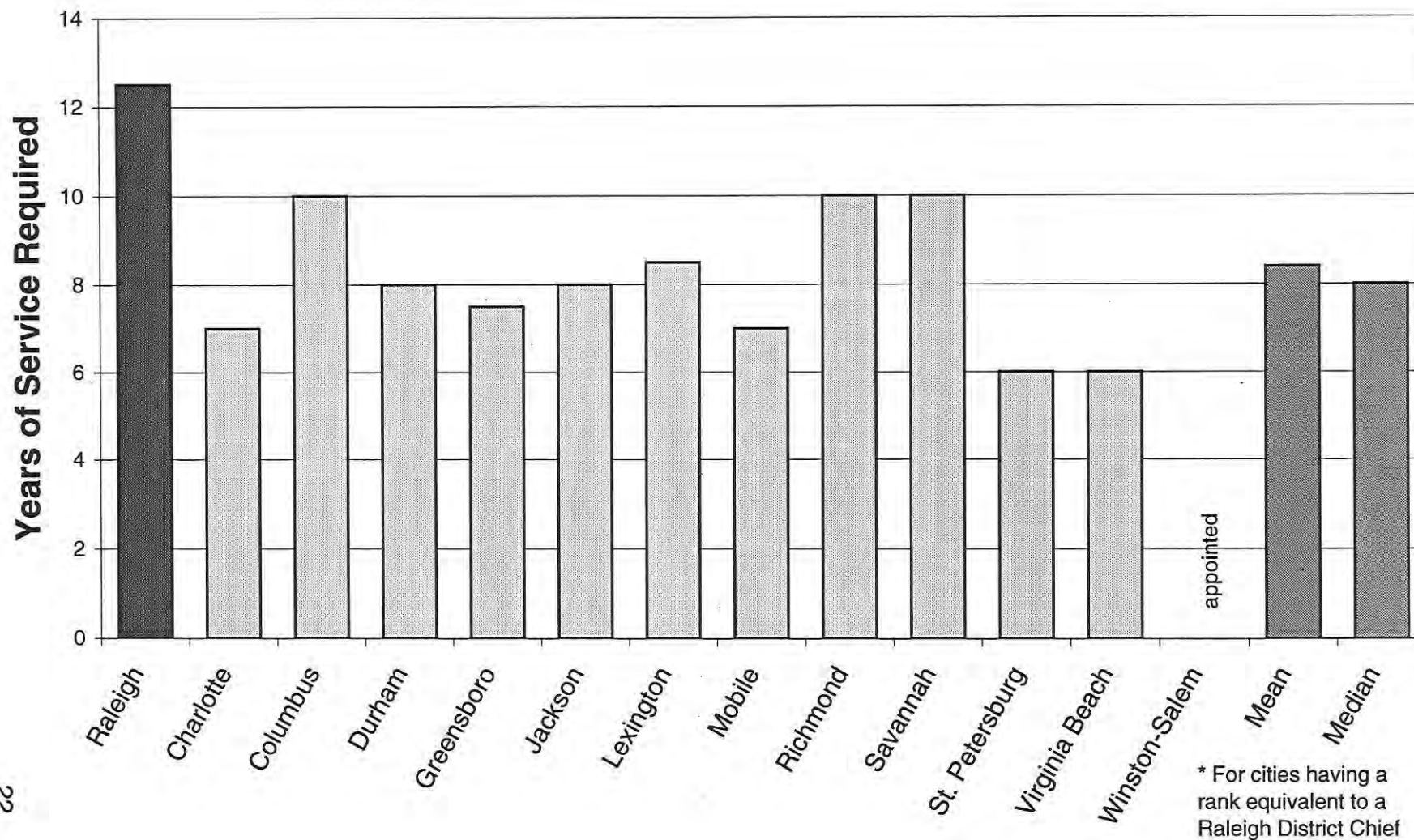
## Service Required for Captain Eligibility



## District Chief Base Salary\*

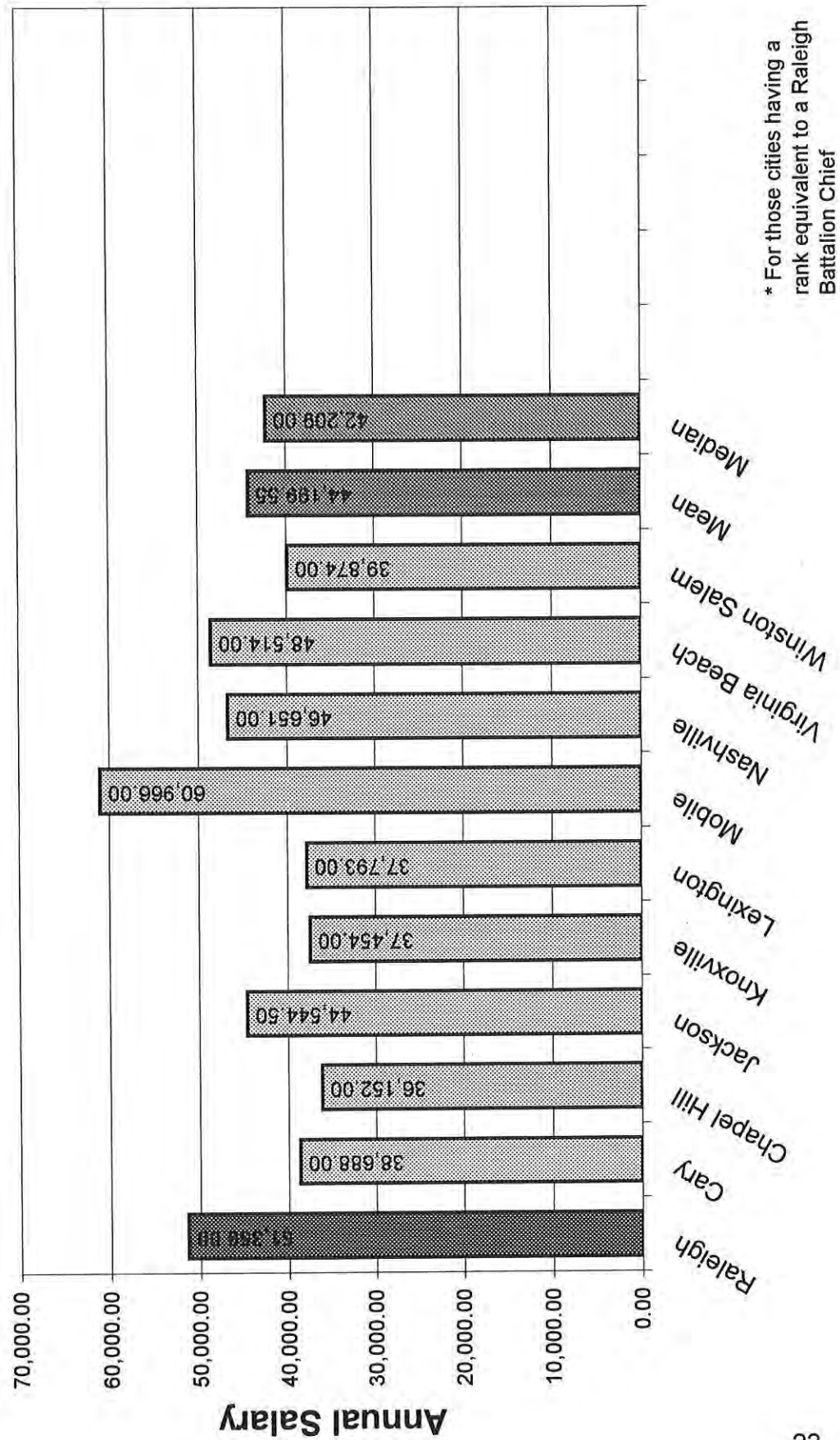


## Service Required for District Chief Eligibility\*

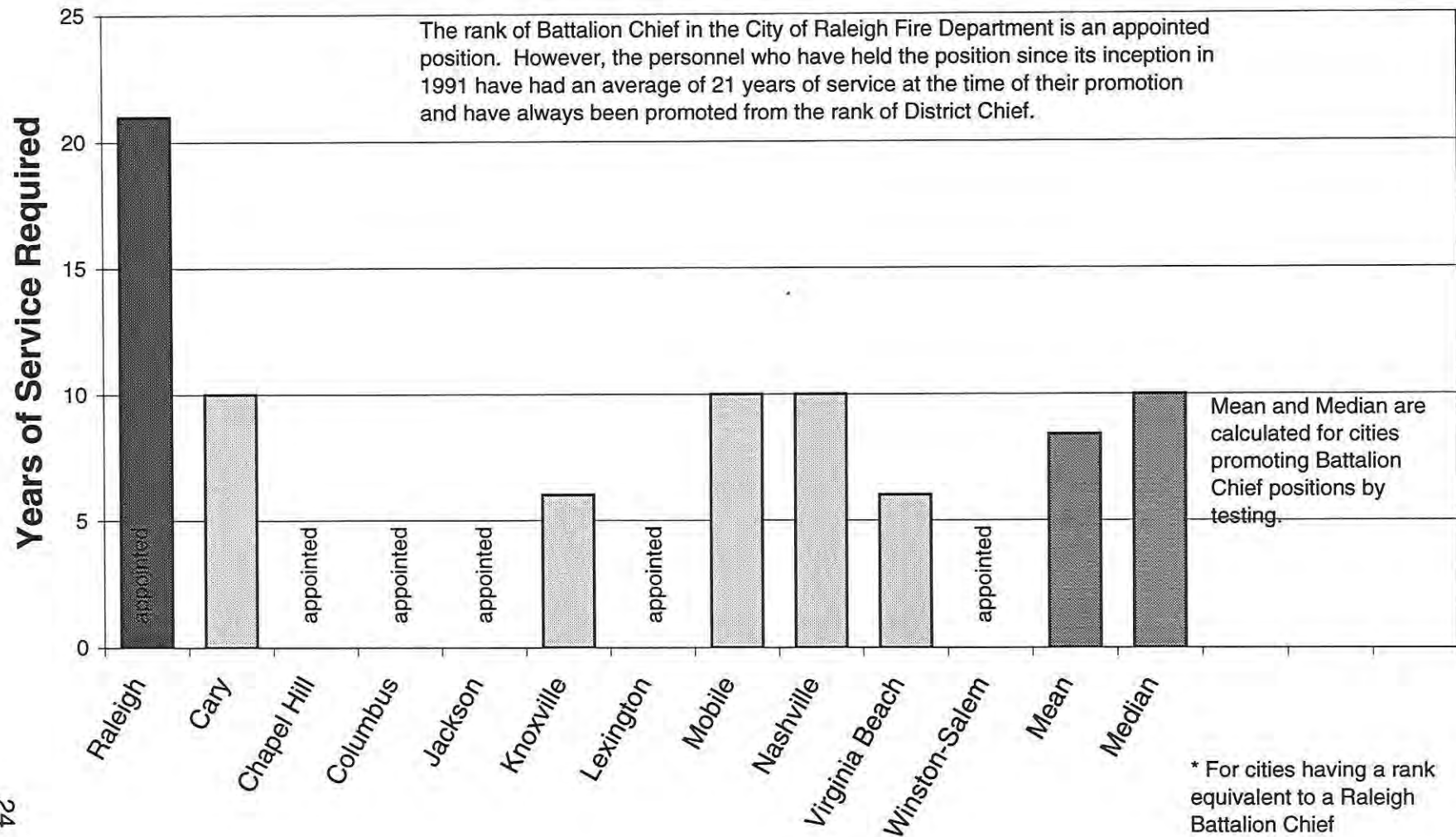




## Battalion Chief Base Salary\*



## Service Required for Battalion Chief Eligibility\*



**Fire Fighter**

	<u>Base Salary</u>	
<b>Raleigh</b>	<b>\$22,114.96</b>	
Mean	\$23,844.47	(-7%)
Median	\$23,736.00	(-7%)

**1<sup>st</sup> Class Fire Fighter**

	<u>Base Salary</u>		<u>Years to Eligibility</u>
<b>Raleigh</b>	<b>\$26,908.00</b>		<b>3.5</b>
Mean	\$28,009.38	(-4%)	1.6
Median	\$27,126.00	(-1%)	1.3

**Senior Fire Fighter**

	<u>Base Salary</u>		<u>Years to Eligibility</u>
<b>Raleigh</b>	<b>\$28,943.00</b>		<b>6.5</b>
Mean	\$33,146.66	(-13%)	3.6
Median	\$32,724.00	(-12%)	3.5

**Lieutenant**

	<u>Base Salary</u>		<u>Years to Eligibility</u>
<b>Raleigh</b>	<b>\$29,667.00</b>		<b>5.5</b>
Mean	\$29,657.47	(0%)	3.8
Median	\$28,639.00	(+3%)	3.0

**Captain**

	<u>Base Salary</u>		<u>Years to Eligibility</u>
<b>Raleigh</b>	<b>\$35,620.00</b>		<b>7.5</b>
Mean	\$35,318.12	(+1%)	5.2
Median	\$33,681.00	(+5%)	5.0

**District Chief**

	<u>Base Salary</u>		<u>Years to Eligibility</u>
<b>Raleigh</b>	<b>\$46,584.00</b>		<b>12.5</b>
Mean	\$42,516.03	(+9%)	8.4
Median	\$39,024.00	(+16%)	8.0

**Battalion Chief**

	<u>Base Salary</u>		<u>Years to Eligibility</u>
<b>Raleigh</b>	<b>\$51,359.00</b>		<b>appointed*</b>
Mean	\$44,199.55	(+14%)	8.4
Median	\$42,209.00	(+18%)	10

\* Those who have held the rank of Battalion Chief since its inception in 1991 have had an average of 21 years of service in the City of Raleigh Fire Department at the time of their promotion. Battalion Chiefs have always been promoted from the rank of District Chief.

The following is a theoretical analysis of a fire fighter's movement through the ranks and salaries of the Fire Department from his or her starting date until he or she has achieved the rank of District Chief and served 15 years in the Department. The left column depicts the current promotional times and pay increases in the City of Raleigh Fire Department, and the right column depicts the median corresponding data for the cities in the HayGroup survey. Each year, it is assumed that the employee receives an outstanding evaluation and the Council approves the maximum range (cost-of-living) adjustment of 2.5%. It is also assumed that the employee is promoted on the day he or she is eligible for each rank. In parentheses is the rank achieved in the respective year. The median was chosen because it gives the City the benefit of the doubt—the mean would have started the right column at 23,844.47.

Note that the median service time for promotional eligibility in the survey cities is faster than in Raleigh. Also, note the salaries at respective ranks in each column. This serves to further explain why Raleigh appears overpaid at higher ranks in the HayGroup study.

<u>Raleigh</u>		<u>HayGroup Median</u>	
Year 1	22,114.96	Year 1	23,736.00
Year 2	23,733.58	Year 1.3	25,516.20 (1 <sup>st</sup> Class)
Year 3	25,556.60	Year 2	26,792.01
Year 3.5	27,473.35 (1 <sup>st</sup> Class)	Year 3	28,801.41 (Lieutenant)
Year 4	28,847.01	Year 4	32,509.59
Year 5	31,010.54	Year 5	34,947.81 (Captain)
Year 5.5	33,336.33 (Lieutenant)	Year 6	41,325.79
Year 6	35,003.15	Year 7	44,425.23
Year 7	37,628.39	Year 8	47,757.13 (Dist. Chief)
Year 7.5	40,450.18 (Captain)	Year 9	56,472.80
Year 8	44,495.57	Year 10	60,708.26
Year 9	47,832.73	Year 11	63,743.67
Year 10	51,520.19	Year 12	66,930.86
Year 11	53,991.20	Year 13	70,277.40
Year 12	56,690.76	Year 14	73,791.27
Year 12.5	59,525.30 (Dist. Chief)	Year 15	77,480.83
Year 13	65,477.83		
Year 14	68,751.72		
Year 15	72,189.31		

Note: The Year 15 figure of \$72,189.31 will be impossible to attain until the year 2009, based on how maximum salary is currently adjusted (salary maximums are advanced by an amount equal to each year's range (cost-of-living) adjustment). For 1998-99, top pay for a District Chief is \$57,306.03, and there are only 10 of these positions. **In the above scenario, this employee will not reach top pay until the 22<sup>nd</sup> year of his or her career.**

The City of Raleigh claims to give an average annual salary increase of 4.9%. The HayGroup documents that the average annual salary increase in the surveyed cities is 3.6%. Even with the higher percentage increase, it takes a fire fighter in Raleigh 8 years just to catch up to his or her peer in other cities. By the time a Raleigh fire fighter has caught up, his or her counterpart has earned \$6,177.38 more. This comparison is based solely on the respective percentages and does not consider the cost-of-living or promotional increases that serve to further suppress Raleigh's salaries.

	<u>Raleigh</u>	<u>HayGroup Mean</u>
Year 1	22,114.96	23,844.47
Year 2	23,198.59	24,702.87
Year 3	24,335.32	25,592.17
Year 4	25,527.75	26,513.49
Year 5	26,778.61	27,467.98
Year 6	28,090.76	28,456.83
Year 7	29,467.21	29,481.27
Year 8	30,911.10	30,542.60



# Considerations

When contemplating adjusting fire fighter salaries, consider the following:

- Fire fighter salaries are based on a 56-hour workweek. In order for the typical 40-hour-per-week employee to accumulate equal hours in a year, he or she would have to work 8 hours a day, every day of the year.
- According to Regional Financial Associates, the cost of living in the Raleigh Metropolitan Area has increased 23% since 1991. Starting fire fighter salaries in Raleigh have increased only 10.25% in the same period of time.
- According to MDC, Incorporated, a Chapel Hill-based think tank that tracks economic trends in the southeast, a southern family must earn \$29,500.00 annually to be in the middle class. It takes at least 5 years to reach this salary level in the City of Raleigh Fire Department.
- In the City of Raleigh Fire Department, there are only 17 positions above the rank of Captain. This means 96% of the personnel are in salary ranges that have a **top pay** of less than \$50,000.00 per year.
- The 1999 *Jobs Rated Almanac* rates 250 jobs from best to worst in several categories. A score of **1 is best**, and **250 is worst**. Here is how a fire fighter ranks:
  - 216<sup>th</sup> overall
  - 249<sup>th</sup> for work environment
  - 249<sup>th</sup> for physical exertion
  - 249<sup>th</sup> for stress
  - ties for 2<sup>nd</sup> with 7 other occupations for longest work week

# Fire Department Applicants, 1990-1999

The following demonstrates how closely starting salary and the number of applicants are correlated.

<u>Year</u>	<u>Starting Salary</u>	<u>Number of Applicants</u>
1990	19,988.67	166
1991	19,988.67	289
1992	20,738.22	388
1993	21,256.69	606
1994	21,575.55	439
1995	21,575.55	247
1996	22,114.96	308
1997	22,114.96	146
1998	22,114.96	40*
1999	22,114.96	145

What would compel a fire fighter to apply in Raleigh, when in Chapel Hill, he or she can begin earning \$2,350.00 more and be eligible for promotion to the rank of Captain in 3 years, compared to 7½ years in Raleigh?

\* 1998 Fire Academy recruits were required to be NC Level II Fire Fighter and NC Emergency Medical Technician-Basic certified prior to their first day at work.

# Conclusion

For the final time, it cannot be stressed enough how large a role the high cost of living and the length of time before one is eligible for promotions plays in determining what a Raleigh Fire Fighter can afford to provide for his or her family. A Captain in The City of Raleigh Fire Department does earn 5% more than the HayGroup median. But, it takes 2½ years longer to reach that rank in Raleigh. **In fact, based on annual salary increase percentages provided to the HayGroup by the City, a Raleigh Fire Captain should be making 9.75% more (Raleigh claims to give an average of 1.3% more as an annual raise than other HayGroup cities).**

Here is what the Raleigh Professional Fire Fighters Association proposes:

- The RPFFA study found Raleigh's starting fire fighter base salary to be 13% below the median of the 11 other cities. The HayGroup found starting base pay to be 10% below the median. In a compromise, let us agree that starting salaries are 11.5% below the median.
- The RPFFA study found the median cost-of-living index to be 97.3. The median cost-of-living index in the HayGroup cities is 99.2. Raleigh's index is 106.1. Again in a compromise, let us agree that Raleigh's cost-of-living index

is 8 points above the median. The cost-of-living index is based on a value of 100 as the national average, so Raleigh is 8% high.

- Add the 11.5% that we agreed salaries are low and add a cost of living that we agreed is 8% high, and we arrive at 19.5%. The Personnel Department likes to work in percentages that are multiples of 1.25 (a "step"). So, adjust starting salaries up 20%. This results in an adjustment to starting salaries of \$4,422.99.
- To keep those in lower ranks from moving ahead of those in higher ranks, adjust all salaries up by a percentage to move all personnel ahead approximately \$4,423.00. Based on average actual salaries in all ranks, the percentages (to the nearest multiple of 1.25%, or 1 pay "step") are as follows:

➤ Fire Fighter	17.5%
➤ 1 <sup>st</sup> Class Fire Fighter	15%
➤ Senior Fire Fighter	11.25%
➤ Lieutenant	11.25%
➤ Captain	10%
➤ District Fire Chief	8.75%
➤ Battalion Fire Chief	7.5%

The RPPFA is not in the habit of making requests that are not justified. It is imperative that the Raleigh City Council approves the recommended percentages. Catching up this year will facilitate keeping up in the future with much more modest adjustments. Raleigh is so far behind now because starting salaries have not been adjusted since July of 1996. The above increases will result in an expense to the City of approximately \$1.9 million, or 0.7% (seven tenths of one percent) of the 1998-99 operating budget.

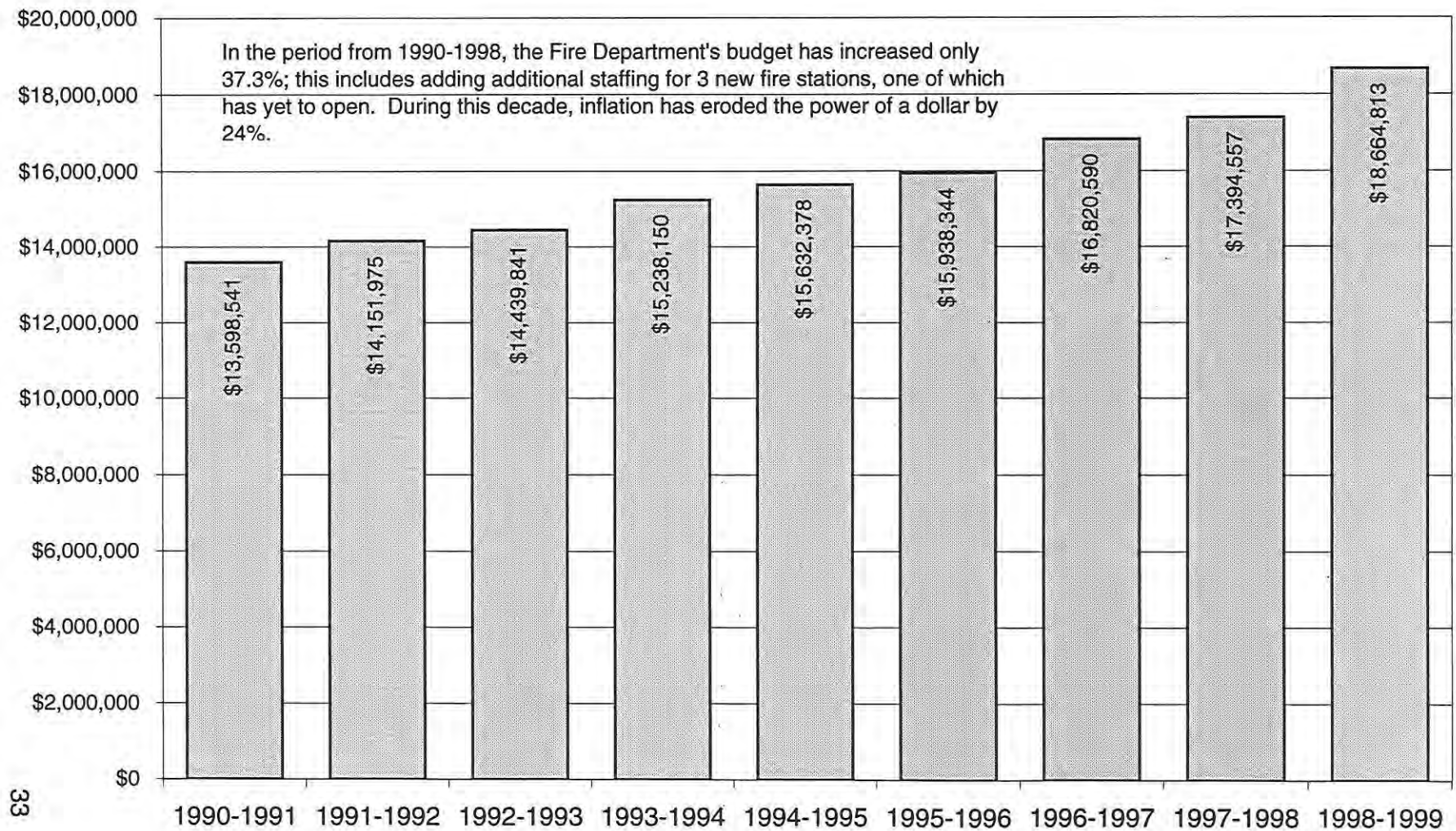
Additionally, the Raleigh Professional Fire Fighters would like to make the following recommendations in order to make the salary advancement program more employee friendly and to help attract more quality recruits.

- Make range (cost-of-living) adjustments take effect on July 1, instead of on an employee's anniversary date; some employees do not get the range (cost-of-living) adjustment until near the end of the fiscal year.
- Double the maximum range adjustment the council has the option to approve to 5% from 2.5%.
- Award 5% annually to all certified EMT-Ds.
- Award 2½% annually to those having a 2-year degree that is not fire operations or management related.
- Award 5% annually to those having a 2-year fire operations or management related degree.
- Award 5% annually to those having a 4-year degree that is not fire operations or management related.
- Award 10% annually to those having a 4-year fire operations or management related degree.

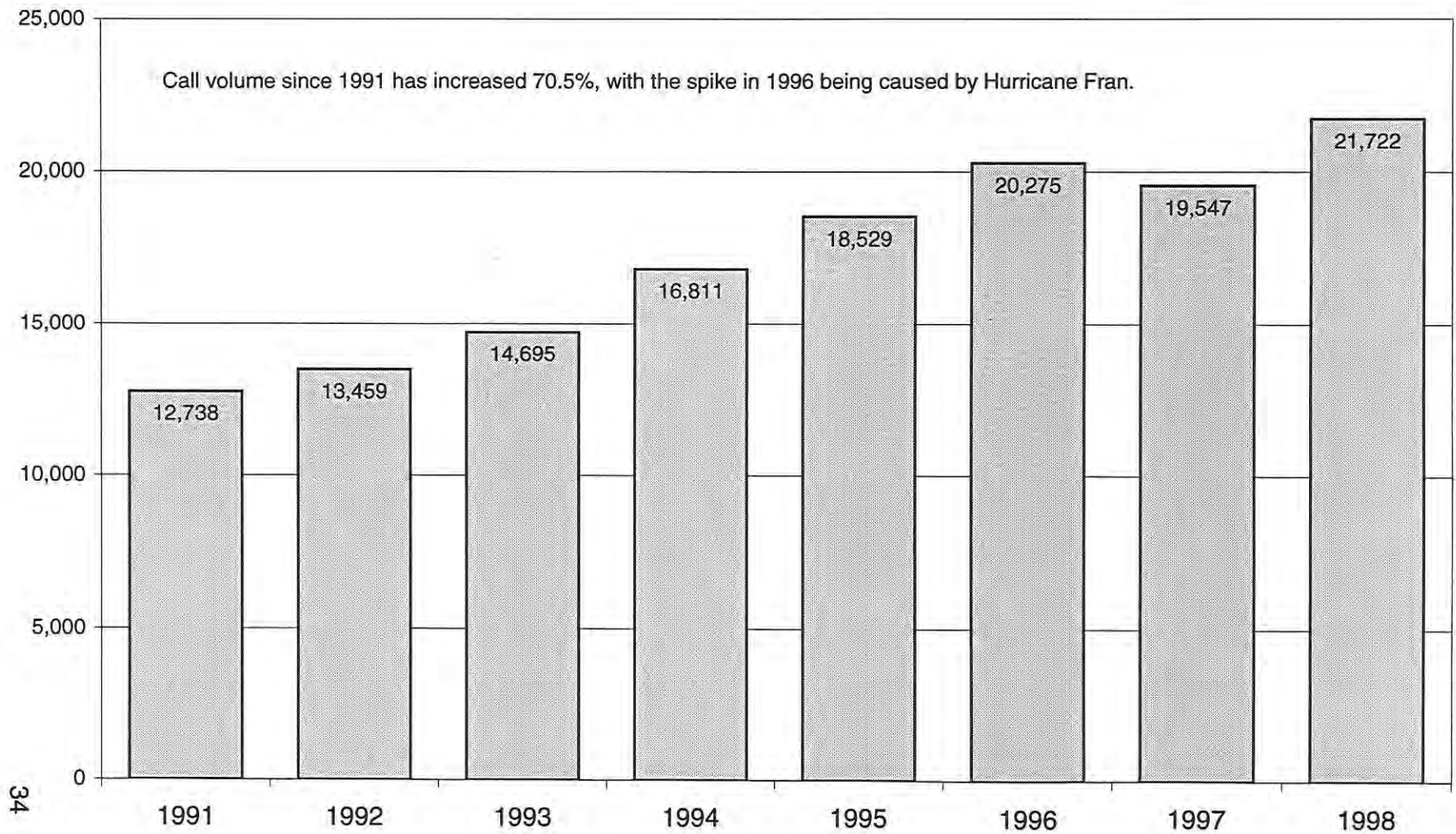
\*\*\*\*\*The maximum awarded as an education incentive should not exceed 10%.



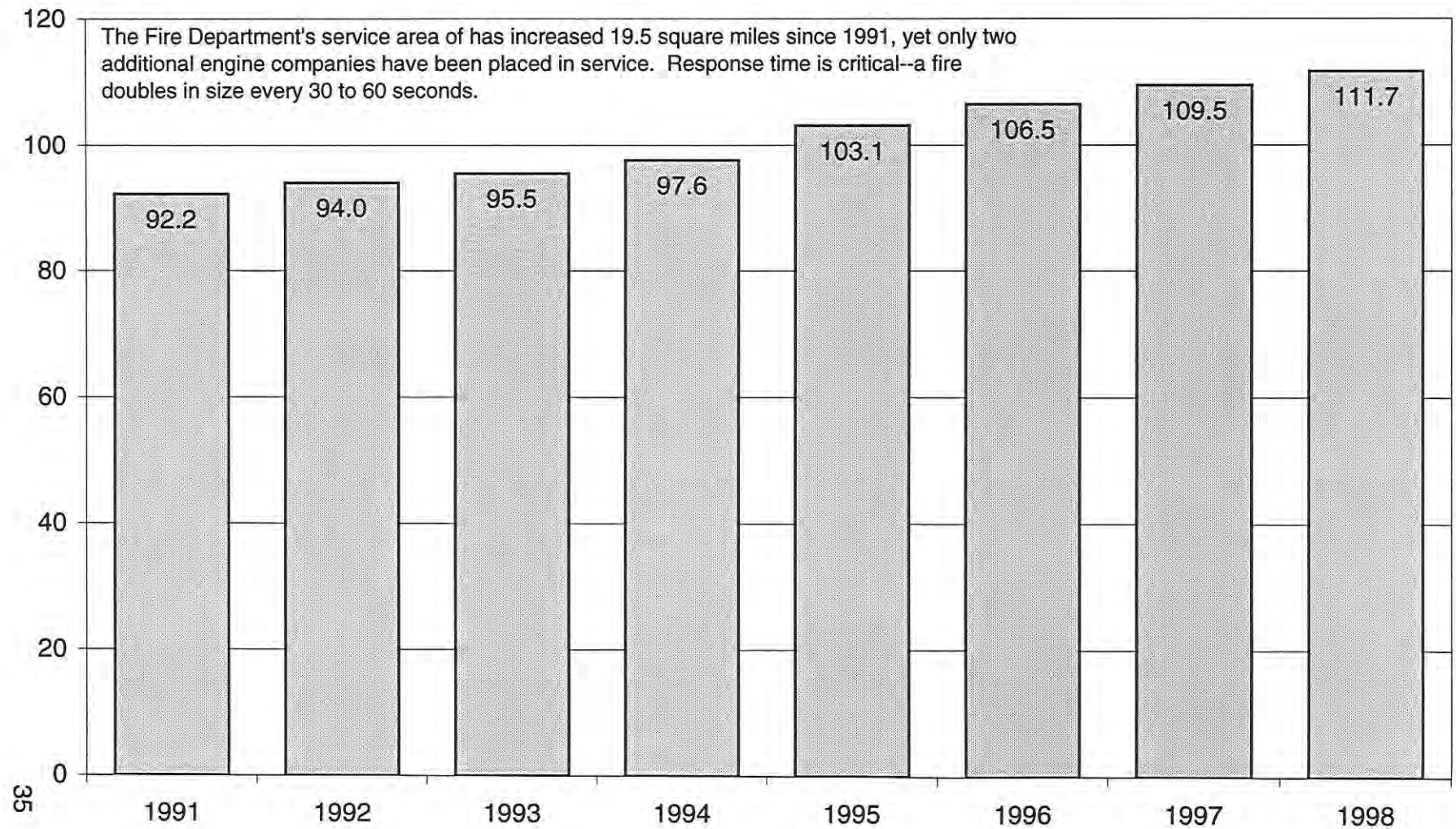
## Fiscal Budget, 1990-91 through 1998-99



## Annual Calls for Service



## Square Miles of Service Area



January 13, 1999

## Wake's New-Home Average Tops \$200,000

By DUDLEY PRICE, Staff Writer

**RALEIGH -- The average price of a new single-family detached house in Wake County topped \$200,000 late last year, a milestone that's good for homeowners and bad news for buyers.**

**During the fourth quarter, the average price of a new home sold in Wake was \$200,540, according to Rocky Mount analyst Bernard Helm, whose company, Market Opportunity Research Enterprises, tracks residential construction trends in the Carolinas.**

**That's up nearly 7 percent from the \$187,424 average price in the county during the same period a year earlier.**

**Helm said last year's fourth-quarter sales figure was the first of more than \$200,000 in Wake, further evidence that the county has become one of the most expensive places to live in the state.**

For example, the average price of a new single-family home in Mecklenburg County during the fourth quarter of last year was \$191,684.

Still, Wake's new-home prices are not the highest in the Triangle, which is in the midst of a record housing boom. That distinction belongs to Orange County, which in recent years has had some of the highest home prices in the state.

Helm is still compiling fourth-quarter sales figures for the other five counties in the Triangle area. But in the third quarter of last year, the average price of a new home in Orange County was \$235,768.

Prices in Chatham County weren't far behind those in Orange, largely because the county has little residential development and nearly all of it is in the pricey Governors Club subdivision. The average price of a new home in Chatham during the third quarter was \$221,200.

Other Triangle counties had lower average new-home prices during the third quarter. In Johnston, new homes sold for an average of \$127,451; in Franklin, the average price was \$113,308; and in Durham, it was \$149,376.

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# Explanation of Developmental and Proficiency Pay Ranges

The City of Raleigh Personnel Department uses two ranges in determining the performance-based portion of annual merit raises (remember: the second portion is the range or cost-of-living adjustment approved by the council). The first range is the developmental range and occurs lower in each pay grade. The second is the proficiency range which occurs higher in each grade. Those personnel who earn a salary falling in the developmental range are eligible for up to 5% as the performance-based portion of their annual merit raise. Personnel who earn a salary that is in the proficiency range are only eligible for up to 2.5% as the performance-based portion of their annual salary increase.

Here is an example.

The 1999 minimum salary for fire fighter is \$22,114.96 and the maximum is \$36,939.97. The maximum developmental salary is \$31,910.13.

Fire Fighter A received gross earnings of \$1,057.80 bi-weekly in 1998. This salary of \$27,502.80 places Fire Fighter A in the developmental part of the salary range. He receives an above standard evaluation in January 1999. He is eligible for 3.75% as the performance-based portion of his merit raise for 1999. Reference page 8 of Standard Procedure 300-4, included with this report as Attachment 2.

Fire Fighter B received gross earnings of \$1,269.23 bi-weekly in 1998. This salary of \$32,999.98 places Fire Fighter B in the proficiency part of the salary range. Like Fire Fighter A, she also receives an above standard evaluation in January 1999. Because she is in the proficiency part of the salary range, she is only eligible for 1.25% as the performance-based portion of her merit raise for 1999.




The following page lists pay ranges for all City of Raleigh Fire Department ranks. Salaries are shown from left to right as range minimum, maximum developmental salary, and range maximum. **It is interesting to note that the letter designations that formerly determined at what step one was in a pay grade have been dropped. Thus, it is nearly impossible to determine where an employee is in a pay grade.**



**EXCEPTIONAL PAY-FIRE****JULY 1, 1998**

<b>CODE</b>	<b>JOB CLASS</b>	<b>GRADE</b>	<b>MINIMUM 1998-99</b>	<b>MAX DEV 1998-99</b>	<b>MAXIMUM 1998-99</b>
3301	<i>Firefighter</i>	28X	\$22,114.96	\$31,910.13	\$36,939.97
3331	<i>FF/Hazmat</i>	28Y	\$23,523.17	\$31,910.13	\$38,786.78
3341	<i>FF/Inv Spec</i>	28Z	\$23,523.17	\$31,910.13	\$38,786.78
3303	<i>Fr Class Ffighter</i>	29U	\$26,908.86	\$33,505.64	\$38,786.97
3332	<i>Fr Cl FF/Hazmat</i>	29V	\$26,908.86	\$33,505.64	\$40,726.32
3342	<i>Fr Cl FF/Inv Spec</i>	29W	\$26,908.86	\$33,505.64	\$40,726.32
3305	<i>Sr Ffighter</i>	29X	\$28,943.43	\$33,505.64	\$39,756.64
3333	<i>Sr FF/Hazmat Tec</i>	29Y	\$28,943.43	\$33,505.64	\$41,744.48
3343	<i>Sr FF/Inves Spec</i>	29Z	\$28,943.43	\$33,505.64	\$41,744.48
3302	<i>Fire Lieutenant</i>	30X	\$29,667.02	\$35,180.92	\$41,744.48
3335	<i>Fr Lieu/Hazmat</i>	30Y	\$29,667.02	\$35,180.92	\$43,831.70
3345	<i>Fr Lieut/Inv Spec</i>	30Z	\$29,667.02	\$35,180.92	\$43,831.70
3306	<i>Fire Captain</i>	33X	\$35,620.69	\$42,762.64	\$49,503.10
3336	<i>Fr Capt/Hazmat</i>	33Y	\$35,620.69	\$42,762.64	\$51,978.26
3346	<i>Fr Capt/Inv Spec</i>	33Z	\$35,620.69	\$42,762.64	\$51,978.26
3307	<i>Dist Fr Chief</i>	36X	\$46,584.55	\$49,503.10	\$57,306.03
3317	<i>Fire Train Off</i>	36T	\$46,584.55	\$49,503.10	\$57,306.03
3312	<i>Battalion Chief</i>	38X	\$51,359.47	\$57,306.03	\$66,338.90
3313	<i>Fire Marshall</i>	40X	\$56,623.82	\$63,179.90	\$73,138.64
3308	<i>Asst Fire Chief</i>	40Z	\$56,623.82	\$63,179.90	\$73,138.64
3309	<i>Fire Chief</i>	45X	\$60,171.33	\$80,635.35	\$93,345.50

# STANDARD PROCEDURE

<b>CITY OF RALEIGH, N. C.</b> 		<b>MANUAL</b>  <b>PERSONNEL</b>			
<b>SUBJECT</b>  ADMINISTRATION OF THE COMPENSATION PLAN	<b>NUMBER</b> 30C-4	<b>REV</b> E	<b>EFFECTIVE DATE</b> 10/1/94	<b>PAGE</b> 1	<b>OF</b> 11
<b>SUPERSEDES</b>  300-4 (Rev D)		<b>PREPARED BY</b>  Personnel Director		<b>APPROVED BY</b>  City Manager	

## 1.0 PURPOSE:

To establish the procedure for administering the City of Raleigh's Compensation Plan.

## 2.0 ORGANIZATIONS AFFECTED:

All Departments/Division

## 3.0 REFERENCES:

3.1 Standard Procedure 300-1, "Manual for Personnel Administration"

3.2 Standard Procedure 300-8, "Performance Evaluation System"

3.3 Standard Procedure 300-14, "Disciplinary Action, Suspension, and Dismissal"

3.4 Standard Procedure 300-22, "Recruitment/Selection Procedure"

3.5 Standard Procedure 300-24, "Layoff and Recall"

3.6 Classification and Salary Schedule (Current Pay Plan)

## 4.0 PROCEDURE:

4.1 Pay Plan Structure - The pay plan is comprised of pay grades, pay ranges, pay steps, and pay rates. Each job classification is assigned to a pay grade with its associated range, steps, and rates.

4.1.1 Pay Grade (Grade) is a numerical designation (19, 20, 21, etc.). All classes are assigned to a grade which reflects the relationship of the class to all other classes.

4.1.2 Pay Range (Range) - Each pay grade is assigned a pay range which is comprised of a minimum step/rate, a maximum step/rate, and several steps/rates in between. Each pay range is comprised of two parts:

# CITY OF RALEIGH, N.C.

SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	2 11

- Developmental Range - the lower steps/rates of the pay range as follows:

Pay grades 19-30	Hiring Rate + steps 1-21
Pay grades 31-36	Hiring Rate + steps 1-25
Pay grades 37 & Above	Hiring Rate + steps 1-29

- Proficiency Range (formerly the half-step range) - The upper steps/rates of the pay range as follows:

Pay grades 19-30	Steps 22 & above
Pay grades 31-36	Steps 26 & above
Pay grades 37 & Above	Steps 30 & above

- 4.1.3 Pay Steps and Pay Rates - Each pay range has a hiring rate and sequentially numbered pay steps as described in 4.1.2 above, with a specific pay rate associated with each step. Rates in the pay plan are listed in hourly, weekly, bi-weekly, monthly, and annual amounts.

- 4.1.4 Range Adjustment - All pay steps and pay rates may be adjusted periodically by Council action to maintain a competitive salary program. Such adjustments up to a maximum of 2.5%, become a part of the merit salary program described below in 4.3. The range adjustment portion of a merit salary increase cannot exceed 2.5%.

## 4.2 Starting Pay Rates

- 4.2.1 Starting Rate on Initial Appointment. Upon initial appointment to any position in the City, an employee shall be paid at the hiring rate of the pay range for the position except as hereinafter provided.

- 4.2.2 The City Manager may approve starting salaries at any step within the appropriate pay range when justified to meet the City's personnel needs.

- 4.2.3 Starting Rate on Reinstatement. When an employee is reinstated in a position of the same class after separation from the City of not more than one year, where separation

# CITY OF RALEIGH , N.C.

SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	3 11

was not due to discreditable circumstances, such employee may receive the rate in the pay range at the time of separation upon recommendation of the Department Head and approval of the Personnel Director, and shall subsequently serve there for at least one year before advancement to higher step rates.

4.2.4 Starting Rate on Recall from Layoff.  
Employees recalled within one year from date of layoff may be reinstated at a pay level consistent with their prior service, provided funds are available. The anniversary date will be delayed on a work-day for work-day basis, and continuity of service will be determined in the same manner as if the employee had been on authorized leave without pay (see 4.5 below).

4.2.5 Starting Rate on Return from Military Service.  
Any employee who leaves or has left the City service to enter the active military service of the Armed Forces of the United States and has been granted a leave of absence and who subsequently returns to a position of the class previously held shall be entitled to receive a rate of pay at a step equivalent to a relative position at the time the employee entered on active service; provided that, such employee's military discharge was not less than honorable in character, and further provided that such employee has not taken any action that would preclude being reemployed by the City of Raleigh. The employee must be physically able to perform the duties of the position.

4.2.6 Starting Rate After Transfer.

4.2.6.1 Whenever an employee is transferred permanently to duty in a position not previously held, and such change is not in the nature of a promotion or demotion, the employee shall receive the hiring rate in the pay range established for such class, or such other rate within the applicable



SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	4 11

range as the employee may be entitled to by reason of crediting the employee in a new position with such prior service that is found to meet the following conditions:

- (a) The character and nature of the duties of the position to which the employee was previously assigned are similar to those of the new position;
- (b) The service in the former position provided experience valuable to the performance of the new position.

4.2.6.2 If the employee transfers to a position having the same classification, the salary and the increment anniversary date shall remain unchanged.

4.2.7 Starting Rate After Promotion (Exceptions to this provision are listed in 4.1.7.1 and 4.1.7.2 below). When an employee receives a one grade promotion to another class, the entrance rate shall be the lowest rate at the higher grade that provides an increase of approximately 5%. In the case of a two grade or more promotion, the entrance rate shall be the minimum rate or the lowest rate of the higher grade that provides an increase of approximately 10%, whichever is greater.

When an employee is promoted to an entry level position of sworn Police Officer or uniformed Firefighter, the entrance rate will be determined based on related experience and qualifications as recommended by the Department Head and approved by the Personnel Director.



# CITY OF RALEIGH, N.C.

SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	5 11

4.2.7.1 Exceptional Promotional Rates - Public Safety (See exceptional pay ranges in the Classification and Pay Plan). These exceptional situations exist because certain job classifications and unique pay ranges were created to provide non-competitive promotion, career progression, and salary advancement opportunities for Police and Fire personnel. In order to maintain equity in the salary advancement process, exceptional promotion rates are required as follows:

- (a) Promotion from First Class Firefighter, grade 29, to Senior Firefighter, grade 29X, is approximately 2.5%.
- (b) Promotion from Senior Firefighter, grade 29X, to Fire Lieutenant, grade 30X, is approximately 2.5%.
- (c) Promotion from Master Police Officer, grade 32X, to Senior Police Officer, grade 32Y, is approximately 2.5%.
- (d) Promotion from Senior Police Officer, grade 32Y, to Police Investigator I or Police Training Officer, grade 32, is approximately 2.5%.
- (e) Promotion from Police Investigator I, grade 32, to Police Investigator II, grade 32Z, is approximately 2.5%.

4.2.7.2 Exceptional Promotional Rates - Pay Grade 19. Effective July 6, 1992 the City's Salary Plan included an additional rate adjustment for pay grade 19 only, of approximately 2.5%. This places that pay grade approximately 7.5% from the next

CITY OF RALEIGH, N.C.

**SUBJECT**

ADMINISTRATION OF THE COMPENSATION PLAN

**NUMBER**

300-4

**REV**

E

**EFFECTIVE DATE**

10/1/94

**PAGE OF**

6 11

highest utilized pay grade (21) in the plan. In the event of either a promotion or a reclassification for any classifications in pay grade 19, the pay increase would be approximately 7.5% if the new position is in pay grade 21. If the new position is in a pay grade above 21, the employee would receive an increase of approximately 10%.

4.2.7.3 Exception. If the competitive recruitment process (Standard Procedure 300-22) is waived in order to place an employee scheduled for layoff, and the placement is into a position at a higher grade level than his/her current classification, the employee will receive no initial increase in pay in the new position. The starting rate will be set at a level at or below the employee's most recent salary level. The exact level shall be determined according to the degree to which the employee's experience has prepared him or her for the duties of the new position. The determination of job relatedness will be the responsibility of the Personnel Director upon recommendation by the appointing authority. If the starting rate is set at a level below Step 1, an established plan of progression to the minimum step shall be defined.

4.2.8 Starting Rate After Demotion.

4.2.8.1 If the demotion of an employee is not for just cause as identified in Standard Procedure 300-14, "Disciplinary Action, Suspension, and Dismissal," the employee shall receive his/her present rate or, if such rate is not included in the lower pay range, the employee shall receive the rate which provides the smallest decrease in pay.

# CITY OF RALEIGH, N.C.

SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	7 11

4.2.8.2 If demotion is for just cause, or at the request of the employee, the rate of pay shall be at any lower step in the range deemed appropriate by the appointing authority involved and approved by the Personnel Director. Such pay adjustment shall be a part of the demotion action.

4.2.9 Starting Rate After Reallocation of Position.  
(Reallocation is assignment of a position from one job classification to a different job classification, based on position review and approved by the City Manager and City Council.)

4.2.9.1 In the event that a position is reallocated to a higher class, the provisions herein concerning the starting rate of pay on promotion shall apply.

4.2.9.2 In the event that a position is reallocated to a class of the same grade, the provisions herein concerning the starting rate of pay on transfer shall apply.

4.2.9.3 In the event that a position is reallocated to a lower class, and the incumbent is demoted to such lower class, the provision herein concerning the starting rate of pay on demotion shall apply.

4.2.9.4 Until any formal action to promote, transfer, or demote the incumbent is taken, the employee shall continue to receive his/her present rate of pay and may have his/her pay advanced in the normal manner within the range of the grade of the class to which the position is reallocated.

SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	8 11

4.2.10 Starting Rate After a Grade Change. In the event of a change in the pay grade of a class based on a change in prevailing wage rates only (labor market considerations), the incumbent of each position of such class shall be paid at the same relative step of the new range corresponding to the step at which paid in the former range; provided that, if the application of this provision would cause undue burden on the salary appropriation, pay adjustment may be made on a lesser basis; and further provided that in no case shall any such pay adjustment be below the step which provides an increase of approximately 5%.

4.2.11 Trainee Appointment. Initial appointment to a position may be made at an established pay rate below the entrance rate when established plan of progression to the minimum salary of the range is defined.

4.3 Merit Based Salary Advancement Within a Pay Range. Each permanent employee shall have his/her performance reviewed at least annually, and in the case of re-evaluation in six months, in conjunction with the anniversary date and in accordance with the Performance Evaluation System (SP 300-8). Merit salary increases recommended by supervisors and approved by appointing authorities may be granted in accordance with performance ratings achieved as follows:

CRITERIA FOR SALARY ADVANCEMENT

<u>RATING</u>	<u>DEVELOPMENTAL RANGE % INCREASE (APPROX)*</u>	<u>PROFICIENCY RANGE % INCREASE (APPROX)*</u>
UNSATISFACTORY	0%-Re-evaluate in 6 months - Award Range Adjustment if rated STANDARD or better	0%-Re-evaluate in 6 months - Award Range Adjustment if rated STANDARD or better
IMPROVEMENT REQUIRED	0%-Re-evaluate in 6 months - Supervisor may award Range Adjustment plus up to 2.5% (Range Adjustment plus 1.25% or 2.5%)	0%-Re-evaluate in 6 months - Award Range Adjustment if STANDARD or better



## CITY OF RALEIGH, N.C.

SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	9 11

STANDARD	Award Range Adjustment plus 2.5%	Award Range Adjustment
ABOVE STANDARD	Award Range Adjustment plus 3.75%	Award Range Adjustment plus 1.25%
OUTSTANDING	Award Range Adjustment plus 5%	Award Range Adjustment plus 2.5%

\*Percentage amounts are not exact due to rounding

NOTE: RANGE ADJUSTMENT is a percentage increase applied to all Steps/Rates in the Pay Plan as a part of the budget process, and which may be granted as a salary increase during the annual review or reevaluation process to employees on their anniversary dates, or re-evaluation date, if performance standards are met. If no range adjustment is implemented during the fiscal year, the range adjustment portion of the merit increase is NOT APPLICABLE during that year.

- 4.3.1 Advancement to the top step of the Developmental Range is governed by the Developmental Range criteria. Advancement beyond the Developmental Range maximum to any step in the Proficiency Range is governed by Proficiency Range criteria. The maximum allowable advancement into the Proficiency Range cannot exceed the amount provided for the same rating under Proficiency Range criteria if the amount of merit increase to be awarded based on Developmental Range criteria would exceed the top step of the Developmental Range.
- 4.3.2 Once the employee has reached the maximum rate of pay for his/her position, no further merit salary increases can be granted.
- 4.3.3 Effective dates for the advancement shall be the first day of the pay period following or concurrent with the anniversary date or reevaluation date if applicable.



SUBJECT	NUMBER	REV	EFFECTIVE DATE	PAGE OF
ADMINISTRATION OF THE COMPENSATION PLAN	300-4	E	10/1/94	10 11

4.3.4 An employee whose rate of pay is above the top of assigned pay range (Step X) shall not receive any anniversary increments unless and until the employee is assigned a pay grade affording a rate higher than his/her current rate.

4.3.5 Off-Step Employees - Any employee whose rate of pay is off-step (between steps) may be advanced in accordance with service and performance criteria defined herein to the step which would provide an increase closest to, but not exceeding, the amount that would have been received if on-step.

4.3.6 Promotions that do not change anniversary dates do not affect eligibility for merit increases.

4.3.7 The Personnel Action Form submitted to process the salary increase must include a copy of the Report of Performance Evaluation.

#### 4.4 Requirements as to Continuity of Service.

4.4.1 Service requirements for advancement within pay ranges and for other purposes as specified in this procedure, shall have the implication of continuous service, which means employment by the City without break or interruption as defined in Standard Procedure 300-1, "Manual for Personnel Administration."

#### 4.5 New Increment Anniversary Dates will be Established when:

4.5.1 An employee first enters on duty or former employee is reemployed following an interruption in continuous service.

4.5.2 An employee is reinstated following an authorized leave without pay in excess of 10 work days. The anniversary date will be delayed on a work-day for work-day basis. (Exceptions: Periods of Worker's Compensation and Military Leave do not affect anniversary dates.)

The Raleigh Professional Fire Fighters Association would like to thank the following organizations and people without whom the thoroughness and accuracy of this report would not have been possible.

Alethia Williamson, City of Durham Personnel Office  
Angela Chavis, City of Savannah Personnel Office  
Assistant Chief Bob Bosworth, Chapel Hill Fire Department  
Brandy Austin, Chapel Hill Personnel Office  
Bunny Spidaro, Chapel Hill Personnel Office  
Captain John Hinant, City of Richmond Department of Fire and Emergency Services  
Chief Dave Evans, City of Savannah Fire Administration  
Chris Yountz, City of Greensboro Personnel Office  
Clyde Helmer, City of Mobile Personnel Office  
Deputy Chief David Taylor, City of Charlotte Fire Administration  
Deputy Chief Jerry Grubbs, Winston-Salem Fire Administration  
Deputy Chief Victor Schmidt, City of Columbus Fire Administration  
Dot Watson, City of Durham Fire Administration  
Essie "Pete" Johnson, City of Jackson Fire Administration  
Ken Wallace, City of Charlotte Human Resources  
Lieutenant Bart Thompkins, St. Petersburg Fire Administration  
Lieutenant Scott Hickey, City of Lexington Fire Administration  
Maryland Gilliam, City of Winston-Salem Personnel Office  
Melissa Mitchell, City of Knoxville Personnel Office  
*Money Magazine and Money.com*  
Peggy McEneaney, St. Petersburg Personnel Office  
Regional Financial Associates  
The City of Lexington Payroll Department  
The City of Nashville  
The City of Raleigh Budget Office  
The City of Raleigh Personnel Office  
*The News and Observer*  
The Virginia Beach Fire Department  
*The Wall Street Journal*