



Presentation to the City of Houston Budget and Fiscal Affairs Committee

Financial Impact of Proposed Charter Amendment

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Disclaimer

This presentation is based on assumptions about the possible operation and fiscal impact of the proposed Charter Amendment that would require pay “parity” for Houston Firefighters whose pay classifications or titles, but not job duties, are the same or like those of Houston police officers with the same or a similar pay classifications or titles.

The estimated magnitude of the fiscal impact on the City’s budget and solvency may change if uncertainties about the operation of the proposed Charter Amendment are clarified.



Overview

- In FY2014 firefighters received pay raises totaling 3% valued at \$8.8 million
- In FY2015 firefighters received a one time uniform allowance with a total value of \$3.64 million
- In June 2014 firefighters voted against a 4% across the board pay increase that would have been effective January 2015 valued at \$12.4 million
- In January 2018 the HPFFA walked away from a 9.5% pay increase over 3 years valued at \$69 million
- In May 2018, petition from Houston Professional Fire Fighters Association (HPFFA) validated by City Secretary
- The City is currently under a property tax cap and facing a budget deficit of approximately \$200 million by FY2023

Proposed Charter Amendment



PETITION FOR A CITY OF HOUSTON CHARTER AMENDMENT TO REQUIRE PARITY IN THE COMPENSATION PROVIDED TO HOUSTON FIREFIGHTERS COMPARED TO THE COMPENSATION PROVIDED TO HOUSTON POLICE OFFICERS

To the Mayor and City Council of the City of Houston (“City”): We, the undersigned registered voters of the City of Houston, Texas, under Section 9.004 of the Texas Local Government Code, hereby petition for an election to amend the Charter of the City of Houston to add the following as a separate section of our Charter, to read as follows:

The City of Houston shall compensate City firefighters in a manner and amount that is at least equal and comparable by rank and seniority with the compensation provided City police officers including:

- a. Persons employed in the following firefighter classifications shall receive the same base pay as persons of like seniority employed in the following, similarly numbered police officer classifications:

<u>Firefighters</u>	<u>Police Officers</u>
1. Probationary Firefighter	1. Probationary Police Officer
2. Firefighter	2. Police Officer
3. Engineer/Operator	3. Senior Police Officer
4. Captain, Inspector, Investigator, Communications Captain, Mechanic	4. Sergeant
5. Senior Captain, Senior Inspector, Senior Investigator, Communications Senior Captain, Shop Supervisor	5. Lieutenant
6. District Chief, Assistant Arson Investigator, Chief Inspector, Chief Communications Officer, Master Mechanic	6. Captain
7. Deputy Chief, Arson Investigator, Assistant Fire Marshal, Deputy Chief Communications Officer	7. Captain (with an additional 15% for parity)
8. Assistant Fire Chief, Fire Marshal	8. Assistant Police Chief
9. Executive Assistant Fire Chief	9. Executive Assistant Police Chief

- In the event the title of any of the above classifications shall be changed, the new classification most similar in terms of qualifications and duties to the old shall be substituted therefore, to achieve pay parity.
- b. Firefighters employed in fire suppression shall receive the same incentive pay as police officers, of like seniority, employed as patrol officers.
- c. Firefighters shall receive the same training pay as police officers of like seniority.
- d. Firefighters employed as arson investigators shall receive the same investigative incentive pay as police officer investigative personnel of like seniority and investigative experience.
- e. Firefighters who serve as Field Training Officers shall receive the same Field Training Officer training pay as police officers who serve as Field Training Officers.
- f. Firefighters shall receive mentoring pay in the same amount and on the same basis as police officers.
- g. Firefighters classified as arson investigators, inspectors, communications captain, senior inspectors, senior investigators, communications senior captain, assistant arson investigator, chief inspector or chief communications officer shall receive the same weekend premium and shift differential pay in the same amount and on the same basis as police officers qualified to receive such pay.
- h. Firefighters shall receive educational incentive pay in the same amount and on the same basis as police officers entitled to receive such pay.
- i. Firefighters shall receive college tuition reimbursement in the same amount and on the same basis as police officers entitled to receive such reimbursement.
- j. Firefighters shall receive the same clothing allowance (or similar benefit) paid to police officers, in addition to any protective clothing and equipment provided by the City.
- k. Firefighters shall receive the same equipment allowance (or similar benefit) paid to police officers.
- l. The City shall make the same contribution to the Houston Professional Firefighters Association Medical Trust that it does to the Texas Police Trust.
- m. To the extent that the names of any of the forms of pay or benefits identified above are changed, the requirement of parity for firefighters to police officers shall continue to apply. In addition, if any new form of pay or benefit is provided to police officers, the same shall also be provided to firefighters.



Classification Comparison

- Based on the proposed Charter Amendment language, persons employed in the following firefighter classifications shall receive the same base pay as persons of like seniority and rank employed in the following, police officer classifications:
- The proposed Charter Amendment is silent on job qualifications and duties including supervision exercised or received, employee scope of authority, working conditions, physical demands, etc.
- There is **NO** market analysis available that will show these positions are “comparable.”

	FIRE RANK(S)	# of HFD Personnel	POLICE RANK(S)	# of HPD Personnel
1	Probationary Firefighter	36	Probationary Police Officer	158
2	Firefighter	1,802	Police Officer	2,302
3	Engineer/Operator	1,089	Senior Police Officer	1,468
4	Captain, Inspector, Investigator, Communications Captain, Mechanic	646	Sergeant	959
5	Senior Captain, Senior Inspector, Senior Investigator, Communications Senior Captain, Shop Supervisor	237	Lieutenant	210
6	District Chief, Assistant Arson Investigator, Chief Inspector, Chief Communications Officer, Master Mechanic	125	Captain	44
7	Deputy Chief, Arson Investigator, Assistant Fire Marshal, Deputy Chief Communications Officer	13	Captain (with an additional 15% for parity)	
8	Assistant Fire Chief, Fire Marshal	7	Assistant Police Chief	8
9	Executive Assistant Fire Chief	3	Executive Assistant Police Chief	2
	TOTAL RANKED PERSONNEL	3,958		5,151

Count as of July 16, 2018

Special Pays



- Based on the proposed Charter Amendment, firefighters shall receive the same incentive pay as police officers, of like seniority and rank. This has the effect of adding nine (9) special pays/other benefits to fire with a budgetary impact of approximately \$17.2 million in the first year

Health Trust	Weekend Premium Pay
Investigative Incentive Pay	Tuition Reimbursement
Education Incentive Pay	Physical Agility Pay
Mentoring Pay	Patrol Pay
Shift Differential Pay	



Specific Special Pays

- Below are the special pays that are specific to fire or police:

<u>Fire</u>
• Paramedic Restricted
• Paramedic Non Restricted
• Paramedic Officer Program Pay
• EMT Suppression
• EMT Assignment Pay
• Hazmat Pay

<u>Police</u>
• SWAT Pay
• Bomb Squad Pay
• Dive Team Pay
• Helicopter Pay
• Canine Pay
• Motorcycle Pay

Assumptions and Financial Impact



- Assumptions on the financial impact is based on:
 - Base pay and special pay comparison as indicated on the petition for Charter Amendment
 - Based on headcount as of July 16, 2018
 - Includes cost for pension, FICA, overtime and higher class pay

- The financial impact of the proposed Charter Amendment, the equivalent of up to a **25%** average increases in both base pay and special pays in the first year
 - 20% increase in base pay and 5% increase in special pays
 - First year costs range from \$79 million up to \$98 million
 - Assuming no future pay raises for Police over three years, the cumulative cost will be up to \$295.8 million
 - With future pay raises for Police in year 2 and year 3, the annual and cumulative cost will be more

- Other potential financial impact
 - Pension Reform
 - Cost of Service



QUESTIONS



Appendix



Position requirements

	HFD	HFD REQUIREMENT	HPD	HPD REQUIREMENT
1	Probationary Firefighter	<ul style="list-style-type: none"> - Minimum age to apply is 18 and must not reach his/her 36th birthday before receiving the oath of office - Education & Certifications <ul style="list-style-type: none"> – Certified cadets 15 college hours with a grade of ‘C’ or higher, and active Fire and EMT certifications - Education – Non Certified cadets 24 college hours with a grade of ‘C’ or higher, or 2 years of full time active duty military service with an honorable discharge 	Probationary Police Officer	<ul style="list-style-type: none"> - At least 48 semester hours of credit from an accredited college or university with at least a 2.0 grade point average; OR - A minimum of 18 months active duty in the United States armed forces and received an honorable discharge; OR - At least five years of full-time employment as a peace officer licensed by TCOLE or an equivalent licensing entity in another state.
2	Firefighter	-Automatic title after successfully completing the probationary period	Police Officer	-Automatic title after successfully completing the probationary period
3	Engineer/Operator	<ul style="list-style-type: none"> - Exam - 2 years in the previous rank 	Senior Police Officer	<ul style="list-style-type: none"> - No Exam - At least 12 years of service(experience) w/training or - At least 17 years of service (experience)
4	Captain, Inspector, Investigator, Communications Captain, Mechanic	<ul style="list-style-type: none"> - Exam - 2 years in the previous rank 	Sergeant	<ul style="list-style-type: none"> -Exam -4.5 years of service

Position requirements



	HFD	HFD REQUIREMENT	HPD	HPD REQUIREMENT
5	Senior Captain, Senior Inspector, Senior investigator, Communications Senior Captain, Shop Supervisor	- Exam - 2 years in the previous rank	Lieutenant	- Exam - 2 years in previous rank - Associate's Degree or higher or 65 hours of coursework
6	District Chief, Assistant Arson Investigator, Chief Inspector, Chief Communications Officer, Master Mechanic	- Exam - 2 years in the previous rank - 4 years in the department	Captain	- Exam - 2 years in previous rank - Bachelor's degree
7	Deputy Chief, Arson Investigator, Assistant Fire Marshal, Deputy Chief Communications Officer	-Exam -2 years in the previous rank	Captain (with additional 15% for parity)	No Equivalent
8	Assistant Fire Chief, Fire Marshal	-Appointed Position - AFC – 5 years as certified firefighter	Assistant Police Chief	-Appointed Position -Master's degree -At least 5 years from sworn date with HPD
9	Executive Assistant Fire Chief	-Appointed Position	Executive Assistant Police Chief	-Appointed Position -Master's degree -At least 5 years from sworn date with HPD