

Minutes

Audio Tape No. 681

The City Council of the City of Leawood, Kansas, met for a Special Call Meeting at City Hall, 4800 Town Center Drive, at 6:30 P.M., on Monday, June 9, 2007. Mayor Peggy Dunn presided.

Councilmembers present: Debra Filla, Jim Rawlings, Gary Bussing, Gregory Peppes, and Mike Gill.

Mayor/Councilmembers absent: Scott Gullede, Lou Rasmussen, and James Azeltine.

Staff present: Scott Lambers, City Administrator
Chief Ben Florance, Fire Department
Deputy Chief Randy Hill, Fire Department
Colleen Browne, Human Resources Director
Christy Wise, Deputy City Clerk

Others present: Sheri Baker-Rickman, *Johnson County Sun* reporter

1. Opening Remarks

Mayor Dunn called the Work Session to order at 6:50 P.M.

City Administrator Scott Lambers stated the Work Session this evening is an offshoot of the June 25th Budget Session, where discussion took place regarding the salary ranges of firefighters. Included in the informational packet are statistics with the titles and salaries of the current positions, which are all a matter of public record, and wage comparisons with Overland Park and Lenexa. The proposed wage increases are revealed in Attachment 2 with an effective date of January 1, 2008. The fiscal impact of the adjustments will be minimal to the City. Four positions will be affected by a maximum increase of up to 6%. Mayor Dunn has indicated that she would also desire further discussion concerning Fire Chief Ben Florance's request for three lieutenant positions.

2. Discuss Fire Department Pay & Range Levels

Mr. Lambers clarified that in order to bring salaries of the current positions to the proposed minimum range, a maximum increase of 6% will take place on January 1, 2008. The impact on the budget will be limited to the entry level of lower positions as firefighters are typically above this range as they move up through the ranks. There would be more of an impact upon the budget if outside recruitment took place for these positions; however, quite frequently, fire departments promote within. An increase of up to 10% is now given for promotions, but the minimum range doesn't usually come into play.

Chief Florance corrected that the 10% increase is given only for promotions within the officer ranks and not in the career development ranks. For example, a Firefighter I moving to a Firefighter II position is a 3% increase; a Master Firefighter I moving to a Master Firefighter II position is a 5% increase; and the promotion to Captain is up to 10%. The requested lieutenant positions, which are above a Master Firefighter III and below a Captain, will be eligible for the up to 10% increase. There are current personnel within rank who are likely candidates for these positions.

Mr. Lambers confirmed for Councilmember Rawlings that the two current Firefighter I positions were hired at the entry level range of \$11.02. These employees will see a modest increase on January 1st to the proposed minimum of \$11.68. Chief Florance stated there is currently one vacancy in this position with thirty potential candidates who have submitted applications.

Human Resources Director Colleen Browne reviewed that there are eight positions within the first three levels that will be affected by the proposed increase: two Firefighter I positions; one Firefighter II position; and five Master Firefighter II positions.

Councilmember Filla asked if the increases would solve the issue of retaining middle-management positions. Chief Florance stated the majority of employees who have left the City had 5-6 years of service. He stated of the 14 fire departments within Johnson County, Overland Park and Lenexa provide good comparisons to Leawood. Since 2000, two employees have been lost to Overland Park, none to Lenexa, and nine to Consolidated Fire District No. 2.

Chief Florance extended appreciation to Staff and the Council for organizing and attending the meeting; however, he stated the Fire Department wages as a whole is the main issue versus the lower ranking positions only. Focusing on the lower ranking positions is only a piecemeal response to the bigger problem of not being competitive within the market. First admitting that he should have been more vociferous on the topic in the past, Chief Florance informed that a soon to retire Battalion Chief, who has been with the City for 27 years, is still \$7,000 below the minimum range for the same position at Consolidated Fire District No. 2.

To Councilmember Rawlings' comment that Leawood will never be able to compete with Consolidated Fire District No. 2, Chief Florance stated this is not expected. Mayor Dunn noted that District No. 2 no longer deducts Social Security from their employees' wages, which automatically offers them a higher rate of pay. The question is acquiring the right level of competitiveness against the various departments and municipalities within Johnson County for the array of different positions. Chief Florance stated that other cities, excluding rural departments, are not losing personnel to District No. 2 on the same level that Leawood has experienced.

Chief Florance relayed information obtained from a reliable source that a department south of Leawood just provided all of their personnel with a \$5,000 increase that will be compounded year-to-year in order to remain competitive. Before the increase, entry level wages in this department were already higher than Leawood's.

Ms. Browne stated one of the variables that affect comparisons is the fact that Leawood classifies Battalion Chief positions as non-exempt, which means that overtime is earned. Some of the other cities pay this position a flat salary. She informed Councilmember Bussing that the provided annual salary statistics do not include overtime pay.

Chief Florance advised Councilmember Gill that the amended budget for 2007 allocates \$300,000 for overtime pay with the annual actual just under \$100,000. Overtime compensation accounts for approximately 12% of total wages. Chief Florance stated he does not know how Leawood's overtime usage compares to other departments.

Chief Florance reiterated that he is pleased with the prospect of increasing the salary ranges for the proposed three ranks, however he recommends an across the board figure increase for the entire department. He stated that inconsistency will breed discontent in a paramilitary organization.

Ms. Browne confirmed for Mayor Dunn that data exists regarding the minimum and maximum salary wage comparisons of other positions (i.e. Captain, Master Firefighter III). The proposed increases for a Firefighter I, Firefighter II, and Master Firefighter II will place Leawood in the middle range between Lenexa and Overland Park for these titles.

Discussion took place regarding the spreads between the minimum and maximum ranges that are exemplified on the hand-out. Councilmember Rawlings stated that a 40% spread is not unusual.

Ms. Browne and Chief Florance noted that some departments have step grade operations in which a raise is allotted after a certain amount of time in addition to performance evaluation increases. Consolidated Fire District No. 2 offers the first step grade after six months and another at one year in addition to the annual cost-of-living increase, which is a flat rate for all members.

Although Leawood does not have step grades, career development incentives are offered. In order to simplify the process, Chief Florance suggested having a minimum annual salary range that begins with a Firefighter I position and a maximum range ending with a Master Firefighter III. Step levels could be available to obtain the maximum range rather than having differing salary levels for each career development position.

Mr. Lambers reminded that each position is structured with the various ranges due to the assumption that recruitment from an outside department could take place. He stated that he does not disagree with Chief Florance that the City will continue to lose people in the 3-5 year range because individuals will look for opportunities to move up within an organization that provides a higher ceiling. Lenexa and Overland Park are bigger organizations and clearly provide more opportunity for officer positions. In terms of exempt versus non-exempt status, the individual ultimately makes the decision to lose overtime benefits when they choose to embark upon a management position. It is common to find that employees do not wish to advance in positions that do not offer overtime pay even though it may be a higher base salary. Leawood offers an annual lump sum payment based upon merit increases to employees who have reached the top of their salary ranges. The department heads, however, have the ability to request adjustment of the ranges to allow continuation of the compounding effect.

Councilmember Peppes confirmed with Chief Florance that certain criteria such as training, education, and certifications must be met prior to advancement. Most new employees begin at the Firefighter I level.

Chief Florance reiterated that the question of whether to increase salary levels is not a new issue as it has been discussed in prior years during meetings with Mr. Lambers and Ms. Browne. He stated that although Leawood is not one of the biggest departments in Johnson County, it is one of the most professional organizations with a significant amount of money spent on training. Not only is there money and time invested in the firefighters, there is also a bond created with each employee. Most employees who leave state that they don't want to leave Leawood, but they have to consider their families first and foremost by going to another department where they can make more money. The ability to earn a higher salary is also a huge factor in terms of retirement.

Chief Florance continued that contributing to the spread in salary comparisons is the fact that Leawood no longer compounds time-in-service awards. Mr. Lambers explained that the awards were changed to a 5% lump sum payment for tax purposes. Leawood offers the payment on an every five year basis while some cities do so more frequently, albeit at a lower percentage. Generally, personnel will seek alternative employment between 3-5 years of service, thus the five year award was put in place for incentive measures.

Chief Florance stated more competitive factors include benefits offered by other cities such as a no-cap on education and the buying back of sick leave. The latter would provide a huge incentive for employees to not use their sick leave and would avoid the incurrance of overtime. Mr. Lambers stated sick leave buy-back programs are also effective in preventing the misuse of such to a certain extent. Some cities offer the opportunity to convert unused sick time to a lesser amount of vacation leave or pay on an annual basis.

Chief Florance stated there are not many cases of sick leave misuse within the Fire Department, but it is monitored. Counseling sessions have occurred in the past with certain individuals. However, occasionally there are individual and family illnesses that prevent employees from reporting to work that equates to overtime hours for someone else.

Another difficult comparison involves the fact that firefighters do not work a usual 40-hour work week. Rather than the typical 2,080 hours worked per year, a firefighter's annualized shift schedule in Leawood includes 2,756 hours. Other fire departments may have differing shift rotations.

Deputy Fire Chief Randy Hill stated the figure is based upon an average 53-hour week. All personnel obtains overtime hours in addition to the yearly salary figure. Firefighters are scheduled on a 27-day work period, which means that overtime occurs after 204 hours have been completed. During the 27-day period, personnel are typically scheduled to work nine shifts, or 216 hours, which equates to twelve hours of pay at a premium rate.

Chief Florance informed Councilmember Rawlings that Leawood follows a standard schedule of allowing four consecutive days off after three shifts have been worked. Councilmember Rawlings suggested providing staff with some type of soft benefit that would increase our competitive advantage. Deputy Chief Hill stated a sick leave buy-back program would be a tremendous benefit.

In terms of existing soft benefits, Chief Florance reported that six firefighters were just sent to Arkansas for swift water rescue training. The training was incidentally utilized in the recent flooding situation in Coffeyville, Kansas. Other areas of specialized training have included high angle rescue. He suggested some type of incentive pay to recognize employees who take the initiative to voluntarily continue training efforts as this would aid in retaining individuals at this level. The career development increase for individuals moving between the Firefighter I to Firefighter III levels could be raised to 5% rather than just 3%. There are a number of things that could be done to help retention efforts in the lower ranks.

Councilmember Bussing stated the distributed packet information does not really address the perceived problems of Chief Florance. Rather than making a decision this evening, he requested that Mr. Lambers, Ms. Browne, and Fire Department Staff collaborate on a comprehensive program that focuses on the problems stated this evening. He stated that he is interested in understanding: why there are so many commanding officers in the paramilitary organization, the impact of Social Security when compared to Lenexa and Overland Park, the soft benefits, and the overall impact of overtime upon the salary structures. A comprehensive overview of the entire department is needed before an informed decision can be made. He stated concern that if wage increases are done in the proposed fashion, other departments within the City will follow suit with similar requests.

Regarding the three requested lieutenant titles, Councilmember Bussing stated it is his position to rely upon Mr. Lambers' recommendation as he is tasked with managing the overall human resource functions of the City with the aid of Ms. Browne. Mr. Lambers stated in addition to not being convinced that the titles are needed, the recommendation to not include the positions within the 2008 Budget also rested with the overall financial decision of maintaining certain parameters. In reviewing the independent needs of each department, it was also felt that the requested Fire Prevention Specialist position was of higher priority in order to provide backup for the Fire Marshal.

Chief Florance asked that the Governing Body keep in mind that there is only one truck without a company officer. Adding lieutenants to the ranks would not only benefit Leawood, but would also assist the mutual aid company that is deployed to various locations including Overland Park and Kansas City, Missouri.

Councilmember Gill stated review of the supplied data regarding the current salary ranges of the three compared positions reveals that there is significant distribution skewed towards the low end. He implored fellow-Councilmembers to heed the concerns expressed by Chief Florance and Deputy Chief Hill. Mayor Dunn noted that years of service must also be taken into account with some personnel having only 0.70, 0.80, and 1.20 years. Ms. Browne exemplified the Master Firefighter II positions, which exhibits time in service ranges from 4.7 to 9.9 years.

Mayor Dunn stated another Work Session can be held following the completion of a comprehensive review of the entire Fire Department. It was noted that any changes must be put in place by August 1st in order to meet timelines concerning the 2008 Budget.

Councilmember Bussing left the meeting at 7:40 P.M.

Councilmember Filla stated she agrees with the idea of a sick leave buy-back option program. Further discussion ensued regarding the liability effects that such a benefit would place upon the budget.

In terms of soft benefits, Mayor Dunn stated adding lieutenant titles to the roster would fall under this category. The associated costs of doing so would be approximately \$20,000 per year and it would create an extra level of advancement opportunity. Chief Florance noted that the cost is less than training and equipping a first year firefighter.

Chief Florance explained for Councilmember Rawlings the current twelve levels within the Fire Department, which is the standard structure in all departments; however, Leawood is one of the smaller departments with fewer employees. For example, there is only one administrative position versus multiple employees to perform these duties.

Councilmember Rawlings stated that he too needs more understanding in regards to the categorization of the 52 employees, the nuances of career development, and other internal workings related to the department. Ms. Browne likened the ranking system to a broadband spectrum broken down into smaller increments.

Councilmember Filla asked Chief Florance to entertain answering the question of how he would reorganize the allocation of salaries if a certain amount of funding was provided. He responded that this approach would be unusual in the fire service.

Mr. Lambers concluded that there is not enough time for another Work Session prior to the budget publication deadline. As increases cannot take place following publication, a budget amendment will have to occur if changes are agreed upon at a future date. The specified amended amount will be taken from contingency funds.

There being no further business, the Work Session adjourned at 7:50 P.M.

Christy Wise, Recording Deputy City Clerk