


MEMORANDUM

March 13, 2018

TO: Government Operations and Fiscal Policy Committee

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Worksession:** Expedited Bill 40-17, Personnel – Merit System – Salary and Wage Plans – Police Leadership Service

Expected attendees:

Shawn Stokes, Human Resources Director
Luther Reynolds, Assistant Police Chief
Dave Anderson, Police Captain
Kameron Coefield, Human Resources

Expedited Bill 40-17, Personnel – Merit System – Salary and Wage Plans – Police Leadership Service, sponsored by Lead Sponsor Council President at the request of the County Executive, was introduced on December 12, 2017. A public hearing was held on January 16 at which the lone speaker, Shawn Stokes testified on behalf of the County Executive.

Background

Bill 40-17 would permit the uniform salary plan for sworn police managers to include a salary schedule for a Police Leadership Service (PLS) like the Management Leadership Service. The Bill would authorize the Chief Administrative Officer to establish the PLS for lieutenants and captains in the Department of Police by method 1 regulation.

The Bill would also establish the following guidelines for operation of the PLS. The PLS must:

- (1) be established within the Merit System;
- (2) include only lieutenants and captains in the Department of Police;
- (3) provide a compensation system designed to attract and retain highly competent senior police managers and compensate lieutenants and captains on the basis of individual and organizational performance (including success in improving efficiency, productivity, quality of work or service, cost efficiency, and timeliness and complying with anti-discrimination and equal employment opportunity requirements);
- (4) ensure that senior police managers are accountable and responsible for the effectiveness and productivity of the employees they supervise;
- (5) ensure accountability for honest, economical, and efficient police service;

- (6) recognize exceptional accomplishment;
- (7) enable the Police Chief reasonably to reassign senior police managers to promote the mission and goals of the Department of Police;
- (8) protect senior police managers from arbitrary and capricious actions and maintain a Merit System free of prohibited personnel practices;
- (9) ensure compliance with applicable personnel laws, including those related to equal employment opportunity, political activity, and conflicts of interest;
- (10) enhance the management and leadership skills of highly competent senior police managers through professional development; and
- (11) appoint career police managers to fill PLS positions to the extent practical, consistent with the effective and efficient implementation of Department of Police policies and responsibilities.

The Police Leadership Service is designed to reduce wage compression between the compensation received by police officers and the compensation received by lieutenants and captains and establish a pay for performance module for these managers to enhance the recruitment of senior sworn police managers.¹

Public Hearing

The lone speakers, Human Resources Director Shawn Stokes and Police Chief Thomas Manger, speaking on behalf of the Executive, supported the Bill. See ©19-20. Ms. Stokes and Chief Manger stated that the Bill was necessary to enhance the salary of lieutenants and captains in the Police Department to encourage more eligible sergeants to apply for a promotion to lieutenant.

Issues

1. What is the fiscal and economic impact of the Bill?

The Bill would authorize the CAO to establish, by method 1 regulation, a Police Leadership Service for lieutenants and captains, but would not require it. OMB prepared a fiscal impact statement anticipating that the PLS would be established and based upon the proposed PLS salary schedule submitted by the Executive. See ©14-16. The Executive proposed aligning the PLS salary schedules with the current Management Leadership Service salary bands. See ©18.

The County currently has 58 police managers at the rank of lieutenant or captain. The PLS would provide employees with a potential performance bonus of up to 6% of salary each year. OMB estimated that each 1% performance bonus would cost \$94,220 per year. The maximum payout if each employee received a 6% bonus in a year would be \$565,317. Due to higher salaries, employees would earn higher retirement benefits. OMB estimated that the maximum increase in the County annual contribution for these employees to the retirement plans would be \$71,450 per year.

2. What evidence do we have that this Bill is necessary?

¹ Lieutenants and captains are not members of the Police bargaining unit. Therefore, this Bill does not touch upon a mandatory subject of bargaining with the FOP.

Both the number and percentage of eligible sergeants taking the lieutenant's promotional exam has decreased in recent years. In 2009, 35 eligible sergeants took the exam, or 28%. In 2016, only 22 sergeants took the exam, or only 16% of those eligible. Interim years show a straight-line decline. The Executive retained PFM Group Consulting, LLC to investigate the reasons for this drop and compare the County's experience with other local jurisdictions. See the PFM report at ©21-42.

PFM found:

1. The salary differential between sergeant and lieutenant, including variable compensation, such as overtime, was the lowest between any of the ranks in the Department.
2. Most sergeants who take and pass the exam immediately approach the maximum pay for a lieutenant.
3. The loss of opportunities for overtime is a significant factor for the decline in sergeants seeking promotion.
4. A smaller proportion of eligible sergeants take the promotional exam in Montgomery County compared to other local jurisdictions.
5. Although the County permits a lieutenant or captain to accrue compensation time up to 2 years and convert it to sick leave for retirement benefits, most lieutenants and captains are already at the 2-year maximum.

3. Should the Bill be enacted?

Both the findings of the PFM study and the testimony of the Police Chief make a strong argument for enacting the Bill. The County has a strong interest in encouraging police officers to enter police management. The PLS would enhance the position and may encourage more sergeants to apply for a promotion. The PLS would be like the MLS for other departments in the County. The Council would have the opportunity to review and approve the regulation creating the PLS and would have to approve the PLS salary schedule each year in the operating budget. **Council staff recommendation:** approve the Bill as introduced.

This packet contains:

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Expedited Bill No. 40-17
Concerning: Personnel – Merit System –
Salary and Wage Plans – Police
Leadership Service
Revised: 12/7/2017 Draft No. 3
Introduced: December 12, 2017
Expires: June 12, 2019
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the request of the County Executive

AN EXPEDITED ACT to:

- (1) modify the uniform salary plan for police sworn managers to include a salary schedule for a Police Leadership Service;
- (2) authorize the Chief Administrative Officer to establish a Police Leadership Service under the merit system for lieutenants and captains in the Department of Police;
- (3) establish guidelines for the Police Leadership Service; and
- (4) generally amend the law governing salary schedules for County employees under the merit system.

By amending

Montgomery County Code
Chapter 33, Personnel and Human Resources
Section 33-11

Boldface

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

* * *

Heading or defined term.

Added to existing law by original bill.

Deleted from existing law by original bill.

Added by amendment.

Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 33-11 is amended as follows:

33-11. Classification; salary and wage plans.

(a) Classification.

(1) The Chief Administrative Officer must apply the classification standards in this Chapter and the Personnel Regulations to:

(A) establish and abolish occupational classes as necessary for effective and economical operation of the County government;

(B) assign all positions in the merit system to proper classes;

(C) assign pay grades to classes; and

(D) establish a procedure for the administrative review of an employee's objection to an assignment action that downgrades the employee's position.

The Board must have a reasonable opportunity to review and comment on any proposed new classes except new classes proposed for the Management Leadership Service under paragraph (2).

(2) The CAO may establish by amendment to the Personnel Regulations under method (1) a Management Leadership Service (MLS) to ensure that the senior management of the County government is responsive to the needs, policies, and goals of the County and is the highest quality possible. The MLS must:

(A) be established within the Merit System;

(B) provide a compensation system designed to attract and retain highly competent senior managers and compensate employees on the basis of individual and organizational performance (including success in improving efficiency, productivity, quality of work or service, cost efficiency, and

- timeliness and complying with anti-discrimination and equal employment opportunity requirements);
- (C) ensure that senior managers are accountable and responsible for the effectiveness and productivity of the employees they supervise;
 - (D) ensure accountability for honest, economical, and efficient government;
 - (E) recognize exceptional accomplishment;
 - (F) enable the CAO reasonably to reassign senior managers to promote the mission and goals of the County government;
 - (G) protect senior managers from arbitrary and capricious actions and maintain a Merit System free of prohibited personnel practices;
 - (H) ensure compliance with applicable personnel laws, including those related to equal employment opportunity, political activity, and conflicts of interest;
 - (I) enhance the management and leadership skills of highly competent senior managers through professional development; and
 - (J) appoint career managers to fill MLS positions to the extent practical, consistent with the effective and efficient implementation of agency policies and responsibilities.
- (3) The CAO may establish by amendment to the Personnel Regulations under method (1) a Police Leadership Service (PLS) to ensure that the senior management of the Department of Police is responsive to the needs, policies, and goals of the County and is the highest quality possible. The PLS must:

- 55 (A) be established within the Merit System;
- 56 (B) include only lieutenants and captains in the Department of
57 Police;
- 58 (C) provide a compensation system designed to attract and
59 retain highly competent senior police managers and
60 compensate lieutenants and captains on the basis of
61 individual and organizational performance (including
62 success in improving efficiency, productivity, quality of
63 work or service, cost efficiency, and timeliness and
64 complying with anti-discrimination and equal employment
65 opportunity requirements);
- 66 (D) ensure that senior police managers are accountable and
67 responsible for the effectiveness and productivity of the
68 employees they supervise;
- 69 (E) ensure accountability for honest, economical, and efficient
70 police service;
- 71 (F) recognize exceptional accomplishment;
- 72 (G) enable the Police Chief reasonably to reassign senior police
73 managers to promote the mission and goals of the
74 Department of Police;
- 75 (H) protect senior police managers from arbitrary and capricious
76 actions and maintain a Merit System free of prohibited
77 personnel practices;
- 78 (I) ensure compliance with applicable personnel laws,
79 including those related to equal employment opportunity,
80 political activity, and conflicts of interest;

(J) enhance the management and leadership skills of highly competent senior police managers through professional development; and

(K) appoint career police managers to fill PLS positions to the extent practical, consistent with the effective and efficient implementation of Department of Police policies and responsibilities.

(4) The CAO must determine by written finding that a reclassification is necessary for the efficient and effective operation of County government before approving an upward reclassification of a position between July 1 and December 31 of any year in which the County Executive is elected.

(b) *Uniform salary plan.*

(1) The uniform salary plan consists of:

(A) salary schedules for employees represented by certified employee organizations;

(B) a minimum wage/seasonal salary schedule;

(C) a salary schedule for sworn police managers and positions included in the Police Leadership Service;

(D) a salary schedule for uniformed fire/rescue managers;

(E) a salary schedule for sworn deputy sheriff managers;

(F) a salary schedule for uniformed correctional managers;

(G) a salary schedule for medical doctors;

(H) a salary schedule for employees in positions included in the Management Leadership Service; and

(I) a general salary schedule for all other employees.

- 107 (2) The Chief Administrative Officer may recommend to the County
108 Council amendments to the uniform salary plan.
- 109 (3) The Council must approve the uniform salary plan and any
110 amendments by resolution.
- 111 (4) In approving the salary plan or amendments, the Council may
112 consider such factors as:
- 113 (A) experience;
- 114 (B) prevailing salary rates for comparable services in both the
115 public and private sectors;
- 116 (C) County collective bargaining agreements;
- 117 (D) living costs; and
- 118 (E) other employee benefits.
- 119 (5) A salary schedule must include grades and a salary rate or salary
120 range for each grade.
- 121 (6) The Chief Administrative Officer must assign each occupational
122 class to an appropriate grade under an approved salary schedule.
- 123 (7) The minimum wage/seasonal salary schedule must identify each
124 occupational class assigned to the salary schedule. The Chief
125 Administrative Officer may assign an occupational class to the
126 minimum wage/seasonal salary schedule only if all employees in
127 the class:
- 128 (A) are paid the federal minimum wage; or
- 129 (B) work for the County fewer than:
- 130 (i) 20 regularly scheduled hours per week on a
131 continuing year- round or school-year basis; or
- 132 (ii) 1040 hours in a 12-month period; or

(C) are participants in the County's Conservation/Service Corps job training program.

(8) The Chief Administrative Officer must base any recommendation to amend the police management salary schedule on:

(A) police management salary rates in neighboring jurisdictions;

(B) County collective bargaining agreements that establish the pay and benefits of police officers;

(C) other pay and benefits available to police management;

(D) availability of funds; and

(E) any other relevant factors.

(9) The Chief Administrative Officer must base any recommendation to amend the fire/rescue management salary schedule on:

(A) fire/rescue management salary rates in neighboring jurisdictions;

(B) County collective bargaining agreements that establish the pay and benefits of uniformed fire/rescue employees;

(C) other pay and benefits available to fire/rescue management;

(D) availability of funds; and

(E) any other relevant factors.

(10) The Chief Administrative Officer must base any recommendation to amend the sworn deputy sheriff management salary schedule on:

(A) salary rates of sworn deputy sheriff managers in neighboring jurisdictions;

(B) County collective bargaining agreements that establish the pay and benefits of deputy sheriffs;

- 160 (C) other pay and benefits available to sworn deputy sheriff
161 managers;
162 (D) availability of funds; and
163 (E) any other relevant factors.
- 164 (11) The Chief Administrative Officer must base any recommendation
165 to amend the uniformed correctional management salary schedule
166 on:
167 (A) salary rates of uniformed correctional managers in
168 neighboring jurisdictions;
169 (B) County collective bargaining agreements that establish the
170 pay and benefits of correctional officers;
171 (C) other pay and benefits available to uniformed correctional
172 managers;
173 (D) availability of funds; and
174 (E) any other relevant factors.
- 175 (12) The Chief Administrative Officer must base any recommendation
176 to amend the medical doctors' salary schedule on:
177 (A) salaries of medical doctors employed in the public and
178 private sectors in Montgomery County;
179 (B) salaries of medical doctors employed in the public and
180 private sectors in neighboring jurisdictions;
181 (C) other pay and benefits available to medical doctors;
182 (D) availability of funds; and
183 (E) any other relevant factors.
- 184 (13) The Chief Administrative Officer must ensure that all occupational
185 classes that require comparable experience and have comparable
186 duties, responsibilities, and authority are paid comparable salaries

that reflect the relative value of the services performed, except occupational classes on the salary schedules for:

- (A) sworn police managers included in the Police Leadership Service;
- (B) uniformed fire/rescue managers;
- (C) sworn deputy sheriff managers;
- (D) uniformed correctional managers;
- (E) deputy sheriffs in the Office, Professional, and Technical bargaining unit;
- (F) the police bargaining unit;
- (G) the fire/rescue bargaining unit;
- (H) medical doctors;
- (I) Management Leadership Service; and
- (J) minimum wage/seasonal employees.

(14) The Chief Administrative Officer may recommend compensation policies for overtime, pay differentials, and other salary and wage benefits to the County Council. The County Council must approve any such policy or benefit.

(15) Any plan, policy, or schedule approved by the County Council under this subsection is subject to the provisions of this Chapter regarding employees who are represented by a certified employee organization.

(c) *Salary policies.* Employees must be paid on a biweekly basis. Except as expressly provided by federal, state, or County law, the Chief Administrative Officer must determine any applicable payroll deductions and charges for deductions, including state income tax withholding for any state where an employee resides. The Chief Administrative Officer

may deduct from an employee's salary, without written authorization, any amount specified under any automatic enrollment provision of the Deferred Compensation Plan established under Section 33-142 and of a deferred compensation plan established under Section 33-146B to the extent permitted by a collective bargaining agreement if the employee is a member of an applicable bargaining unit. When an employee leaves County employment, any debts the employee owes to the County may be deducted from any unpaid salary, accrued annual or compensatory leave, or retirement contributions due to the employee.

- (d) *Other compensation policies.* The chief administrative officer may establish other compensation policies to recognize employees who perform in an extraordinary manner either on a sustained performance basis or in recognition of a specific act or service. These compensation policies may include monetary awards to employees making suggestions which result in better public service, cost savings or more efficient operations. Compensation policies may be in the form of cash awards or be part of the uniform salary plan.

Sec. 2. Expedited Effective Date.

The Council declares that this legislation is necessary for the immediate protection of the public interest. This Act takes effect on the date on which it becomes law.

Approved:

Hans D. Riemer, President, County Council

Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 40-17

Personnel – Merit System – Salary and Wage Plans – Police Leadership Service

DESCRIPTION: The requested legislation amends Section 33-11, *Classification; salary and wage plans*, of the Merit System Law to authorize the Chief Administrative Officer to establish, by method 1 regulation, a Police Leadership Service for lieutenants and captains in the Department of Police.

PROBLEM: The County has had difficulty in recruiting police managers due to wage compression between the officer and manager ranks and the inability to award police managers higher wages based upon performance. The 19.3 percent difference between sergeants' and lieutenants' average total salary (base plus longevity) and the 15.7 percent difference between the salary schedules themselves (at longevity maximum) is diminished due to the availability of variable compensation, such as overtime and other elements of compensation. A new salary schedule for Police Leadership Service is needed to properly align the salaries of lieutenants and captains with the market for these services and other management leaders in the County.

GOALS AND OBJECTIVES: To address recruitment and retention issues for lieutenants and captains created by not aligning these management positions with the Management Leadership service salary schedule.

COORDINATION: Office of Human Resources and Department of Police

FISCAL IMPACT: Office of Management and Budget

ECONOMIC IMPACT: Department of Finance

EVALUATION: n/a

EXPERIENCE ELSEWHERE: n/a

SOURCE OF INFORMATION: Lori O'Brien, OHR (7-5032), and David Anderson, POL (3-6072)

APPLICATION WITHIN MUNICIPALITIES: n/a

PENALTIES: n/a




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

December 1, 2017

TO: Roger Berliner, President, Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Expedited Bill to add Police Leadership Service (PLS) to Sworn Police Manager Salary Schedule

I am attaching for Council introduction an Expedited Bill that would create a new Police Leadership Service schedule in the Sworn Police Manager Salary Schedule. The amended schedule would create a new Police Leadership Services (PLS) salary schedule that includes the practice of aligning salary increases with performance and would improve the Police Department's ability to attract, retain, and motivate qualified applicants to move through the ranks to management.

Under administrative direction, the Sworn Police Managers in the County are responsible for planning, directing, managing, supervising and coordinating the activities and operations of an assigned service area within the Police Department. This level of management responsibility is consistent with the tenets of the Management Leadership Service (MLS) structure in which MLS employees have responsibility for managing County programs and services, or developing and promoting public policy for major programs and management functions, or both. Major components of the MLS program include a broadband classification system, performance accountability with performance-based pay, professional development opportunities, and a County-wide focus in program and policy development. Adopting the MLS' salaries and structure for the Sworn Police Managers in the County would appropriately reflect the salaries that are paid management ranks in comparable jurisdictions.

The Police Department has identified a number of issues resulting from the current police management compensation plan. Foremost among those is that the department has not been able to improve the rate at which Sergeants take the Lieutenant assessment, enabling the department to choose from among a large pool of qualified candidates. Testing most recently occurred in 2009, 2012, 2014, and 2016, and the number of officers taking the exam were 35, 31, 30, and 22, respectively. As there are currently 151 active Sergeants, the relative level of interest is very low. Further, as detailed in a PFM Group report, the proportion of eligible Sergeants who take the Lieutenant promotional exam is lower in Montgomery County than in the regional police departments surveyed. This issue continues to exist despite extensive outreach and training.

Roger Berliner, President
Amendment of Police Management Salary Schedule
December 1, 2017
Page 2 of 2

By aligning the police leadership schedule with the MLS schedule, we will improve oversight and recruitment into the management ranks, allowing us to continue to maintain the highest standards of public safety for the citizens and guests of Montgomery County. The proposed Police Leadership Service Salary Schedule both provides an incentive for Sergeants to enter management ranks and also provides continuous alignment of pay with performance, through the management performance-based compensation system. A fiscal impact statement and a legislative request report for the bill are also attached.

If you have any questions concerning this correspondence, please contact Lori O'Brien, Lead Compensation Analyst, in the Office of Human Resources at 240.777.5032 or by email at lori.obrien@montgomerycountymd.gov.

Attachments:

Expedited Bill XX-17 Personnel – Salary Schedules
Legislative Request Report
Fiscal Impact Statement
Economic Impact Statement
PLS Salary Schedule (Attachment 1)

cc: Fariba Kassiri, Assistant Chief Administrative Officer
Kameron Coefield, Office of Human Resources
Lori O'Brien, Office of Human Resources
Luther Reynolds, Police Department
Tom Jordan, Police Department
David Anderson, Police Department
Jelani Newton, Office of Management and Budget
Corey Orlosky, Office of Management and Budget

Fiscal Impact Statement
Expedited Bill 40-17 Personnel – Salary Schedules

1. Legislative Summary.

Expedited Bill 40-17 would enable executive action to develop and implement changes to the Police Management Salary Schedule. In order to improve the Police Department's ability to attract, retain, and motivate qualified applicants to move into its management ranks¹, the County Executive is considering a recommendation that the County make changes to align the Police Management Salary Schedule with the existing Management Leadership Service (MLS) Salary Schedule, including the practice of aligning salary increases with performance. The level of police management responsibility tracks MLS and adopting those salaries and structure would appropriately reflect the salaries paid management ranks in comparable jurisdictions.

Similar to the MLS pay for performance program, the parameters of the performance awards for Police Management would be determined annually by the Chief Administrative Officer in the context of current fiscal conditions. These awards have not been a given to MLS employees in every year; due to fiscal conditions from FY 2010 to FY2013, no MLS pay for performance awards were provided.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

In the event the County Executive approved the recommended schedule and the CAO approved pay for performance awards, the increased cost to the County could include pay for performance awards that would not have occurred absent the changes. These costs could include an element of ongoing cost, for the portion of the awards added to the base salaries of officers affected. Again, the range of these annual awards would be determined by the CAO in the context of current fiscal conditions. Affected police managers would then not be eligible for service increments.

This change could affect 58 police managers, making them eligible for pay for performance awards when funded. Each 1% award would have an estimated cost of \$94,220, with a total estimated cost of each 1% being \$565,317 over the next six fiscal years. The maximum impact, if the full 6% was awarded to all affected police managers, is estimated to be \$565,317, with a maximum impact over six fiscal years of an estimated \$3.4 million. Some of this cost would be ongoing, but there is an unknown amount that may be one-time, as some police managers may be at the top of grade in a new schedule at some point in the next six fiscal years and would thus receive their performance award

¹ The department has had difficulty improving the rate at which Sergeants take the Lieutenant assessment. Testing most recently occurred in 2009, 2012, 2014, and 2016, and the number of officers taking the exam were 35, 31, 30, and 22, respectively. There are currently 151 active Sergeants. This issue endures despite extensive outreach and training.

as a bonus rather than increase to their salary. Any portion of an award that is provided as a bonus, rather than an increase to base pay, would not incur retirement costs.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

See #2.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

The maximum estimated cost in #2 includes retirement contributions of up to approximately \$71,450 and 6-year retirement contribution costs of up to approximately \$428,700. The actual amount of retirement contributions is dependent on the portion of awards that are increases to base pay as opposed to bonuses, as retirement contributions are required for increases to base pay only. It is expected that, especially by the end of the next six years, that many of the affected police managers would be at the top of any new salary schedule, and any awards would be primarily bonuses. In this case, the actual retirement contributions would be expected to be much lower than the estimated amount above. As mentioned in #2, this estimated increase in cost would be contingent on availability of funding for pay for performance awards. Life insurance coverage costs may be affected, but the impact would be minimal.

5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Expedited Bill 40-17 is enabling legislation for future executive action. All of the costs presented in #2 are representative of potential future executive action.

6. An estimate of the staff time needed to implement the bill.

If this enabling legislation passed and executive action occurred, there would be slightly more staff time involved in administering pay for performance in the initial years of implementation.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

If this enabling legislation passed and executive action occurred, the Police Department, OHR, ERP, and MCtime would utilize existing staff to absorb the additional workload. The additional responsibility to implement and administer the new salary schedule and the pay for performance program may minimally impact the existing workload of each department, primarily in the initial years of implementation.

8. An estimate of costs when an additional appropriation is needed.

See #2.

9. A description of any variable that could affect revenue and cost estimates.

The actual performance ratings received and the availability of pay for performance funding may impact the amount and form (base salary increase or lump sum payment) of performance awards.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

See #9.

11. If a bill is likely to have no fiscal impact, why that is the case.


Not applicable.

12. Other fiscal impacts or comments.

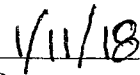
Not applicable.

13. The following contributed to and concurred with this analysis:

Kameron Coefield, Office of Human Resources
Lori O'Brien, Office of Human Resources
Jelani Newton, Office of Management and Budget
Corey Orlosky, Office of Management and Budget



Jennifer A. Hughes, Director
Office of Management and Budget



Date

**Economic Impact Statement
Bill #-17, Concerning Personnel – Salary Schedule**

Background:

This legislation would modify the uniform salary plan for police sworn managers to include a salary schedule for Police Leadership Service, and establish factors on which the Chief Administrative Officer must base any recommended amendment to these salary schedules.

1. The sources of information, assumptions, and methodologies used.

The source of information is the Office of Human Resources (OHR). There are no assumptions and methodologies used in the preparation of the economic impact statement.

2. A description of any variable that could affect the economic impact estimates.

There are no variables that could affect the economic impact estimates.

3. The Bill's positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.

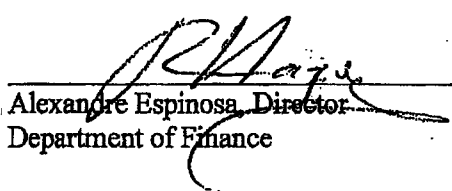
According to OHR, the legislation will affect 56 police sworn managers. Bill #-17 would have no economic impact on employment, spending, savings, investment, incomes, and property values in the County.

4. If a Bill is likely to have no economic impact, why is that the case?

Please see item #3.

5. The following contributed to or concurred with this analysis:

Kameron Coefield, Office of Human Resources
Lori O'Brien, Office of Human Resources
David Platt, Department of Finance
Rob Hagedoorn, Department of Finance

FOR


Alexandre Espinosa, Director
Department of Finance

11/29/2017

Date

**MONTGOMERY COUNTY GOVERNMENT
POLICE MANAGEMENT
SALARY SCHEDULE
FISCAL YEAR 2018
EFFECTIVE JULY 9, 2017**

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
A2	POLICE LIEUTENANT	\$81,473	\$122,718	\$127,013
A3	POLICE CAPTAIN	\$92,787	\$140,186	\$145,092

* Completion of 20 Years of Service.
Longevity is 3.5% for Police Management.

FY18 Notes:

- FY17 GWA is 2.0% on July 9, 2017, for Police Management.

**MONTGOMERY COUNTY GOVERNMENT
POLICE LEADERSHIP SERVICE
SALARY SCHEDULE
FISCAL YEAR 2018
RECOMMENDED**

<u>GRADE</u>	<u>PLS LEVEL</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>CONTROL POINT</u>	<u>MAXIMUM</u>
A2	POLICE LIEUTENANT ¹	\$75,934	\$107,362	\$132,504	\$138,790
A3	POLICE CAPTAIN ²	\$88,388	\$124,421	\$153,247	\$160,454

¹ Department policy to determine actual minimum, based on established increases over similarly situated Sergeants.

² Commander receives a pay differential on top of the Captain's salary, as is current practice.

Please note that the Assistant Chiefs, appointed non-merit positions, are currently paid a salary roughly equivalent to an MLS I.

**MONTGOMERY COUNTY GOVERNMENT
MANAGEMENT LEADERSHIP SERVICE
SALARY SCHEDULE
FISCAL YEAR 2018
EFFECTIVE AUGUST 6, 2017**

<u>PAY BAND</u>	<u>MLS LEVEL</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>CONTROL POINT</u>	<u>MAXIMUM</u>
M1	MANAGEMENT LEVEL I	\$101,077	\$140,300	\$171,678	\$179,523
M2	MANAGEMENT LEVEL II	\$88,388	\$124,421	\$153,247	\$160,454
M3	MANAGEMENT LEVEL III	\$75,934	\$107,362	\$132,504	\$138,790

FY18 Notes:

- FY18 GWA is 2.0% on August 6, 2017, for Management Leadership Service employees.

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**TESTIMONY ON BEHALF OF COUNTY EXECUTIVE ISIAH LEGGETT
ON BILL 40-17E, PERSONNEL - MERIT SYSTEM - SALARY AND WAGE PLANS**

January 16, 2018

Good afternoon President Riemer and Members of the Council. I am Shawn Stokes, the Director for the Office of Human Resources (OHR), and I am joined today by Chief of Police Tom Manager to testify on behalf of County Executive Isiah Leggett in support of Bill 40-17E and the proposed changes to the Sworn Police Manager salary schedule.

The Police Department has identified many issues resulting from the current police management compensation plan. Foremost among those is that the department has not been able to improve the rate at which Sergeants take the Lieutenant assessment, enabling the department to choose among a large group of qualified candidates. Testing most recently occurred in 2009, 2012, 2014, and 2016, and the number of officers taking the exam were 35, 31, 30, and 22, respectively out of approximately 150 active Sergeants.

We believe potential candidates for promotion compare the level of increased responsibility of being an executive officer to a relatively small increase, or in some instances a decrease, in annual income as a police executive. Candidates for promotion understand that their new role will require them to manage more officers, have a less predictable schedule, and have work assignments based primarily upon the needs of the department, rather than their interests alone. These responsibilities are compared with several compensation benefits for sergeants. For instance, sergeants may earn the following types of additional compensation: roll call pay, which is 30 minutes of straight pay each workday; overtime for any hours worked beyond their shift or beyond their workweek; and the ability to receive an annual cash-out for all compensatory leave beyond a balance of 80 hours. These items alone can, and do, amount to thousands or tens of thousands of dollars for an individual sergeant each year. There is no doubt that these factors play a significant role in an officer's final decision to remain a sergeant and not pursue the opportunity to become a police executive.

To address the issues raised by the department, in the Spring of 2017, the Executive engaged Public Financial Management, Inc. (PFM) to evaluate our police management compensation practices. PFM interviewed senior police managers and Office of Management and Budget staff, and reviewed police department promotional and payroll data. PFM also reviewed pay practices and promotional data for the largest Maryland police departments in the Baltimore/DC region. The study was completed in August 2017 and found that the proportion of eligible Sergeants who take the Lieutenant promotional exam is lower in Montgomery County than the regional police departments surveyed. The study also found that while Lieutenant and Captain base pay levels are competitive with regional departments surveyed, Montgomery County Police Managers have comparatively fewer opportunities to earn variable compensation compared to Lieutenants in other departments surveyed, as well as Police Officers and Sergeants within the Montgomery County Police Department. This leaves the opportunity for pay compression between the officer and manager ranks and does not incentivize Sergeants to apply for leadership positions.

The OHR proposal to reallocate and rename Sworn Police Manager salary schedule to the Police Leadership Services (PLS) schedule would align Police Executives with the existing Management Leadership Service (MLS) salary schedule. The goal of this proposal is to include Police Leadership in the practice of aligning salary increases with performance and would improve the Police Department's ability to attract, retain and motivate qualified applicants to move through the ranks to management.

County Executive Leggett transmitted the proposed amendment to the Sworn Police Manager schedule to the Council on December 1, 2017. Any pay for performance awards associated with the new PLS would be subject to Chief Administrative Officer approval, and that decision would be made in the context of the current fiscal conditions. I look forward to further discussing and clarifying any concerns that the Council may have.

Thank you for the opportunity to be here today. I am happy to answer any questions.



Montgomery County, MD

Police Management Compensation Analysis

August 20, 2017

PFM Group Consulting
LLC

1735 Market Street
43rd Floor
Philadelphia, PA 19103

www.pfm.com



Findings

- PFM analyzed Montgomery County police management compensation and recent promotional exam data. Key findings included:
 - The number and percentage of eligible sergeants taking the lieutenants' promotional exam have been declining in recent years
 - The differential between ranks in average compensation (including variable compensation, such as overtime) was lowest between sergeant and lieutenant
 - The vast majority of sergeants and lieutenants who take and pass promotional exams immediately approach the pay range maximum upon promotion, limiting opportunities for future wage growth
- PFM also evaluated police management compensation practices and promotional exam data among large Maryland police departments within the Baltimore/DC region, as well as Fairfax County, Virginia. Key findings included:
 - Relative to other departments surveyed, a smaller proportion of eligible Montgomery County sergeants take the promotional exam for lieutenant
 - Relative to other departments surveyed, Montgomery County police management have fewer opportunities to earn variable cash compensation (e.g., overtime and holiday pay). In particular, Montgomery County is the only Maryland jurisdiction surveyed where lieutenants do not receive 1.5x pay in overtime for all hours worked excess of a regular workweek
 - While the County has a relatively generous comp time policy – police management may convert up to two years of comp time into sick leave, which can be applied to pension calculations – many lieutenants, captains, and assistant chiefs are reported to be at or near the two-year cap
 - Lieutenant and captain maximum base + longevity pay levels exceed the survey group median, though Montgomery County compensation does not rank at the top of the regional employers surveyed



Methodology

- PFM interviewed senior police management and Office of Management and Budget (OMB) personnel in Montgomery County. As a result of these interviews, and subsequent discussions with police management and OMB personnel, PFM identified several key issues and compensation practices to evaluate and benchmark
- Areas of focus included: promotional exam participation, rank differentials, variable compensation practices (e.g., overtime and holiday pay), as well as comp time payout formulas
- To evaluate Montgomery County police management compensation and positions within pay schedules, PFM evaluated a data set effective 12/31/2016. The Office of Human Resources (OHR) generated the raw data, and PFM developed analyses based on these raw figures
- Additionally, the Montgomery County Police Department provided promotional data from its most recent four exams for police lieutenant
- To evaluate Montgomery County police management compensation practices and promotional experiences, PFM reviewed collective bargaining agreements, compensation schedules/policies, and issued follow-up questionnaires to six jurisdictions chosen by OHR. Comparable data presented in this report reflects responses received by PFM from each jurisdiction. Additionally, PFM reviewed prior research developed and obtained by the Association of Police Supervisors (AOPS) for inclusion in this report



Promotional Schedule – Montgomery County

- Police Officer III is the highest, non-competitive non-supervisory rank in the Montgomery County Police Department
- Master Police Officer (lead, non-supervisory) and Sergeant are contained within the FOP bargaining unit, while the ranks of Lieutenant, Captain, and Assistant Police Chief are non-represented classifications

Montgomery County Supervisory/Managerial Pay Schedules FY 2017 (6/30/2017)

	Member of Bargaining Unit	Max Base + Longevity	Rank Differential*	Pay Structure
PO III	✓	\$93,220	-	15-Step Pay Schedule + Longevity Step at 20 YOS
Master Police Officer	✓	\$97,879	5.0%	
Sergeant	✓	\$107,665	10.0%	
Lieutenant	-	\$124,523	15.7%	Min/Max Pay Band + Longevity Step at 20 YOS
Captain**	-	\$142,247	14.2%	
Assistant Police Chief	-	Appointed ("Question A")		

* - Rank Differential expressed as difference in maximum base + longevity between each rank

** - District Commanders receive a 10% assignment pay differential, not reflected in the table above



Promotional Exams

- In 2009, 35 eligible sergeants took the lieutenant exam. By 2016, this number fell to 22 eligible sergeants
- Over the same period, the percentage of eligible sergeants who took the lieutenant exam fell from 28% to 16% in 2016

Lieutenant Exam	2009	2012	2014	2016
Sergeants Eligible for Exam	124	113	135*	135*
Sergeants Who Took Exam	35	31	30	22
Percentage of Eligible Sergeants	28%	27%	22%	16%

- Additionally, the Department loosened the eligibility requirements for promotion from two-years of service to one-year of service in grade

* - Number of eligible sergeants for 2014 and 2016 not readily available; data points shown represent estimates provided by Montgomery County Police Department



Average Earnings and Variable Compensation

Calendar Year 2016

- The table on the following slide presents average actual earnings data for uniform employees (all ranks) in the Police Department in calendar year 2016
 - Summarizes actual base pay earnings + variable compensation (e.g., overtime)
- With the exception of Lieutenant and District Commander (Captain), each rank has a differential in total cash compensation of at least 14%
- Between sergeant and lieutenant, however, the difference in cash compensation is 5.5%
- The principal difference is a reduction in overtime average earnings – from approximately \$11,000 as a sergeant to approximately \$3,500 as a lieutenant



Average Earnings and Variable Compensation Calendar Year 2016

- The table below summarizes average earnings for calendar year 2016 by rank
- Multiple factors may influence earnings amounts for uniform employees. For example:
 - Differences in base pay – and base-pay related premiums – may vary according to years of service and date of promotion
 - Many employees can sign up for voluntary overtime, resulting in a large spread in overtime earnings and overtime hours worked
 - Additionally, differences in overtime may fluctuate year-to-year based on collective bargaining, staffing configurations, extraordinary events requiring additional personnel hours, and other factors

Rank [1]	Headcount	Base Pay	Longevity	OT	Holiday Premium	Other Pay [2]	Total	% Differential
Police Officer (I-III) [3]	925	\$74,431	\$571	\$7,956	\$1,258	\$1,720	\$85,937	-
Master P.O.	68	\$91,748	\$1,366	\$10,811	\$1,364	\$1,296	\$106,586	24.0%
Sergeant	134	\$105,821	\$1,831	\$11,024	\$1,737	\$1,261	\$121,673	14.2%
Lieutenant	30	\$119,746	\$3,263	\$3,545	\$1,210	\$613	\$128,377	5.5%
Captain	10	\$137,428	\$4,503	\$6,125	\$1,591	\$364	\$150,012	16.9%
District Commander	7	\$136,698	\$4,774	\$5,929	\$1,182	\$12,050	\$160,632	7.1%
Assistant Chief	4	\$173,999	\$0	\$2,837	\$251	\$6,096	\$183,183	14.0%

[1] – Table excludes all personnel who were promoted in CY 2016

[2] – Excludes officers in academy

[3] – "Other Pay" includes shift differential, multilingual pay, standby pay, field training officer pay, lump sum payments, educational differentials, and Police District Commander differentials

Source: Montgomery County Department of Human Resources



Overtime and Compensatory Time Practices

- Police Management (i.e., ranks including lieutenants and above) do not receive cash compensation for hours worked above a regular shift schedule. They receive compensatory time (comp time)
- Police managerial ranks can convert comp time into sick leave, and up to two years of sick leave may be applied as years of creditable service for pension purposes
- AOPS, however, reports that many police managers have already "banked" two years of sick leave/comp time. As a result, some police managers do not receive compensation for additional hours worked

Average Leave Balances by Rank (Hours)
as of 12/31/2016

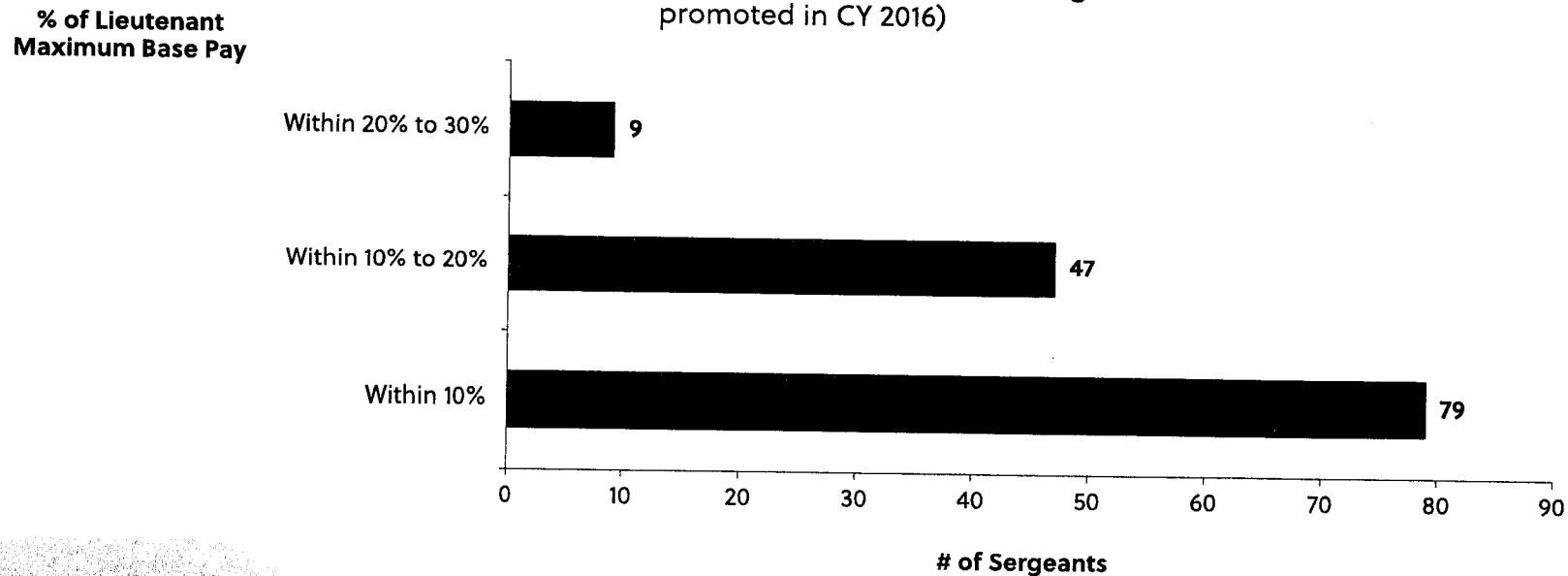
	Comp Leave	Sick Leave
Lieutenant	167	2,339
Captain	218	3,246
Assistant Chief	44	3,674



Promotions & Pay Range Maximum – Lieutenants

- ◆ When promoted from sergeant to lieutenant, officers receive an automatic increase of up to 15% in base pay
- ◆ As of 12/31/2016, 110 of 135 sergeants (approx. 81%) are within 15% of the lieutenant maximum
- ◆ Accordingly, more than 8 in 10 lieutenants will hit the pay range maximum when promoted

Distribution of Sergeants' Base Pay by % of Lieutenant Maximum
(Effective 12/31/2016; excluding officers and sergeants promoted in CY 2016)





Promotions & Pay Range Maximums – Captains

- When promoted from lieutenant to captain, officers receive an automatic increase of up to 15% in base pay
 - As of December 31, 2016, 29 of 30 lieutenants were within 15.0% of the captain maximum
- Accordingly, 97% of lieutenants will reach the pay range maximum when promoted to captain



Regional Comparisons



Comparison Group

- PFM surveyed the largest local government employers in the State of Maryland, located within the Washington-Baltimore-Northern Virginia Combined Statistical Area (CSA):
 - Anne Arundel County
 - Baltimore City
 - Baltimore County
 - Howard County
 - Prince George's County
- Additionally, PFM surveyed Fairfax County, Virginia, per the request of OHR given the similarities in size, operations, and demographics with Montgomery County



Comparison Group

- Comparisons across employers are often imprecise due to differences in organizational structure, working conditions, types of duties assigned, qualification and skill requirements, and other relevant factors that may vary for similar jobs
 - The best job match across employers is often not a perfect match, and such variations may contribute to some reported differences in relative compensation
- Further, different employers may provide greater weight to benefits, paid leave, and/or premium pay and longevity within their overall compensation packages
- Job matches are based on an officers' responsibility (e.g., a Sergeant is typically a first-level supervisor, a Lieutenant is often the rank for second-level supervisors, etc.)



Police Supervisors and Union Representation

- Second line supervisors (lieutenants) are represented by unions in four of seven jurisdictions
- No third line supervisors (captains) are represented by unions in any of the jurisdictions surveyed

	Lieutenant	Captain
Montgomery County	-	-
Anne Arundel County	✓	-
Baltimore City	✓	-
Baltimore County	✓	-
Fairfax County	-	-
Howard County	-	-
Prince George's County	✓	-



Job Matches – Level of Supervision

- The table below summarizes law enforcement officer promotional opportunities in each jurisdiction by level of supervision
- Montgomery County is one of four jurisdictions that offers a competitive, non-supervisory classification (Master Police Officer)

	Non-Competitive Rank & File	Competitive, Non-Supervisory	1st Level Supervisor	2nd Level Supervisor	3rd Level Supervisor	Executive Ranks		
Montgomery County	Police Officer I - III	Master Police Officer	Sergeant	Lieutenant	Captain	-	Assistant Chief	-
Anne Arundel County	PO, PFC, Corporal	--	Sergeant	Lieutenant	Captain	Major	Deputy Chief	-
Baltimore City	Police Officer	--	Sergeant	Lieutenant	Captain	Major	Lt. Colonel & Colonel	Deputy Commissioner
Baltimore County	PO, PFC	Corporal	Sergeant	Lieutenant	Captain	Major	Colonel	Deputy Chief
Fairfax County	Police Officer I - II	Master Police Officer	Sergeant and 2 nd Lt.	1 st Lieutenant	Captain	Major	Deputy Chief	-
Howard County	PO, PFC	Corporal	Sergeant	Lieutenant	Captain	Major	Deputy Chief	-
Prince George's County	PO, PFC, Corporal	--	Sergeant	Lieutenant	Captain	Major	Lieutenant Colonel	-



Promotional Exams

- In Montgomery County, the percentage of eligible sergeants who have taken the lieutenants exam has ranged between 27% and 16% since 2012
 - These are the lowest percentages across the survey group
- As detailed in the table to the right, jurisdictions surveyed tend to have a higher proportion of eligible sergeants test for promotional exams (Baltimore City did not provide information), though the percentage may fluctuate year-to-year

Eligible Sergeants Taking Lieutenant Exam	
Montgomery County	27% (2012) 22% (2014) 16% (2016)
Anne Arundel County	40% (2015) 28% (2017)
Baltimore County*	39% (2015) 31% (2016)
Fairfax County	79% (2 nd LT, 2015) 45% (1 st LT, 2015)
Howard County	33% to 45% (prior three exams)
Prince George's County	70% (2014) 67% (2016)

* - Baltimore County: # of eligible sergeants not available; percentages based on total number of sergeants in each year



Lieutenant and Captain Pay Comparisons

- Montgomery County Lieutenant and Captain pay at maximum base + longevity ranks 3rd of 7, exceeding the survey group median

Maximum Base + Longevity As of 6/30/2017

	Lieutenant	Captain
Montgomery County	\$124,523	\$142,247
Anne Arundel County	\$118,890	\$138,422
Baltimore City*	\$110,618	\$117,200
Baltimore County	\$141,642	\$148,637
Fairfax County	\$116,841	\$138,212
Howard County	\$140,275	\$167,648
Prince George's County	\$114,749	\$140,568
Median (excluding MontCo)	\$117,866	\$139,495
Montgomery County Variance	5.6%	2.0%
Rank	3 of 7	3 of 7

* - reflects wages effective 6/30/2016, most recent data available



Rank Differentials

- Montgomery County base pay rank differentials for supervisory titles – as measured by the difference in maximum base + longevity – are consistent with the survey group
- The table below, however, does not account for differences in variable compensation practices across jurisdictions

	Montgomery County Classification	Montgomery County	Anne Arundel County	Baltimore City	Baltimore County	Fairfax County	Howard County	Prince George's County
Journey Level Police Officer	PO III	-	-	-	-	-	-	-
Competitive, Non-Supervisory	Master PO	5.0%	-	-	9.9%	4.8%	7.2%	-
1st Level Supervisor (vs. Journey Level, PO III)	Sergeant	10.0%	13.4%	16.0%	10.3%	5.0%	10.8%	10.0%
2nd Level Supervisor	Lieutenant	15.7%	11.2%	13.7%	15.8%	16.6%	12.3%	10.0%
3rd Level Supervisor	Captain	14.2%	16.4%	6.0%	4.9%	18.3%	19.5%	22.5%



Overtime Practices

- Montgomery County is one of two jurisdictions in the survey group – and the only jurisdiction surveyed within Maryland – that does not provide 1.5x pay for lieutenants for all hours worked in excess of a regular workweek

	Lieutenant	Captain
Montgomery County	Comp time w/some exceptions at 1.5x pay (e.g., callback, court time, and callouts)	
Anne Arundel County	1.5x pay	No additional pay or leave
Baltimore City	1.5x pay	Comp time
Baltimore County	1.5x pay	No additional pay or leave
Fairfax County	Straight time (admin) 1.5x pay (police work)	Straight time pay or leave
Howard County	1.5x pay	Comp time
Prince George's County	1.5x pay	Comp time



Compensatory Time Practices

- Montgomery County is the only jurisdiction that allows comp time to be banked and put towards pensionable service

	Lieutenant	Captain
Montgomery County	Police supervisors can convert comp time into sick leave, and up to two years of sick leave may be applied as years of creditable service for pension purposes	
Anne Arundel County	May bank up to 480 hours at which point excess hours worked must be paid at 1.5x pay; 240 hours may be rolled over to following year	Not eligible for comp time or additional pay for additional hours worked
Baltimore City	No Response	May bank up to 400 hours of comp time; though cannot be cashed out at retirement, departmental practice is to use banked comp time in final 2 months of service
Baltimore County	May bank up to 480 hours, at which point excess hours worked must be paid at 1.5x pay	Not eligible for comp time or additional pay for additional hours worked
Fairfax County	May bank up to 240 hours; unused comp time is forfeited at end of year	
Howard County	May bank up to 240 hours, at which point excess hours worked must be paid at 1.5x pay; only 80 hours may be cashed out at retirement	May bank up to 80 hours of comp time
Prince George's County	Comp time can be banked for use, but may not be cashed out at retirement	



Holiday Leave and Pay Practices

- Montgomery County police management employees have fewer opportunities to earn holiday pay relative to subordinate ranks
- Montgomery County is the only jurisdiction surveyed that does not offer the same holiday pay/leave structures to lieutenants as subordinate ranks

	Lieutenant	Captain
Montgomery County	Holiday pay is only offered to lieutenants and captains who work in district stations. Only one executive per station is allowed to work on a holiday. In practice, executives rotate these opportunities for holiday pay	
Anne Arundel County	Same holiday compensation as subordinate ranks (leave only, no cash compensation)	
Baltimore City	Same holiday compensation as subordinate ranks	Eligible for holiday comp time only (no cash compensation)
Baltimore County	Same holiday compensation as subordinate ranks	
Fairfax County	Same holiday compensation as subordinate ranks	
Howard County	Same holiday compensation as subordinate ranks (holiday pay only on 3 holidays, if worked)	Eligible for holiday comp time only (no cash compensation)
Prince George's County	Same holiday compensation as subordinate ranks	



Summary

- The Montgomery County Police Department has seen a decline in the percentage of sergeants applying to enter managerial ranks. The percentage of eligible sergeants who applied for the lieutenant promotional exam has fallen steadily from 28% in 2009 to 16% in 2016. Relative to jurisdictions surveyed, Montgomery County rates are the lowest in the comparison group based on data provided by human resources contacts in each jurisdiction
- An analysis of payroll data indicates that the average compensation differential – when including variable compensation, such as overtime – between sergeant and lieutenant is approximately 5.5%. This differential is the lowest among the Montgomery County police ranks, and may serve as a disincentive for prospective applicants seeking promotion
- From an external market perspective, Montgomery County Police Management base pay levels are competitive with large Maryland police departments and Fairfax, Virginia. However, Montgomery County is the only jurisdiction that does not provide lieutenants with 1.5x pay for all hours worked in excess of a regular workweek – which affects opportunities to earn additional take-home cash compensation
- If the County decides to change the police management compensation structure, with a goal to increase the proportion of employees who apply for managerial positions in the Department, any potential changes should focus upon the lieutenant rank, and ensure that subsequent changes apply to the rank of captain as well to avoid potential pay compression