



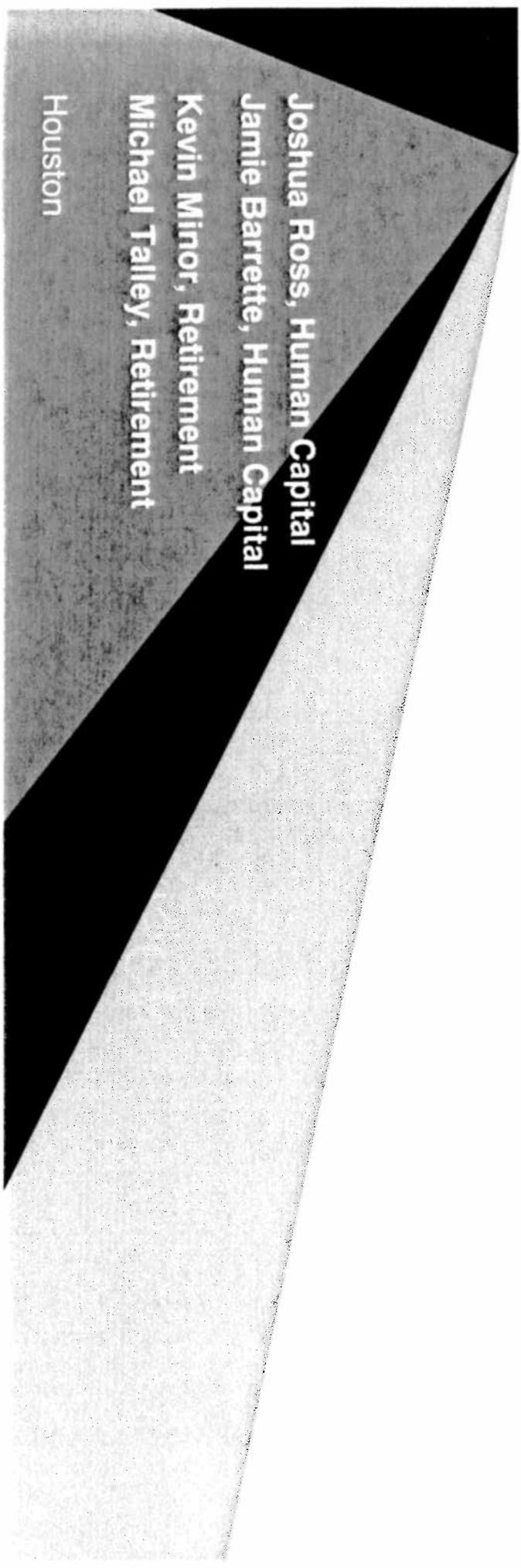
CONSULTING. OUTSOURCING. INVESTMENTS.



# COMPENSATION AND RETIREMENT BENEFITS

## CITY OF HOUSTON FIRE DEPARTMENT

OCTOBER 3, 2011



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Houston



# COMPENSATION COMPARISON

# Methodology

## Compensation Comparison

For this 2011 study, Mercer has updated the data to reflect the 2011-2012 fiscal years of the fire departments. Note that because El Paso is still in negotiations over their CBA, that city is still working under the fiscal year 2010-2011 rates.

The compensation comparison includes base pay, overtime and longevity payments.

Mercer's compensation comparison represents research findings on pay practices at each peer city on regular work schedules, overtime calculations and longevity payments.

The following pay practices were found while researching base pay and overtime pay for the peer group:

- All peer cities pay overtime after fire suppression personnel accumulate more than 53 hours/week over the scheduled cycle. Although the scheduled cycle may vary from a 19 to 28 day cycle at individual peer cities, the above rule remains constant.
- Fire suppression personnel only accrue overtime for hours worked; time off work does not apply towards the accrual of overtime.
- All peer cities employ fire suppression personnel with the agreement that employment is based on a regular work schedule that ranges between 53 hours/week (2,756 hours/year) and 56 hours/week (2,912 hours/year). Any regular work schedule that includes more than 53 hours/week includes scheduled overtime.

## Methodology (Continued) Compensation Comparison (Continued)

- Dallas, Fort Worth and El Paso guarantee a portion of scheduled overtime. In these cases, fire suppression personnel are guaranteed all scheduled overtime to be paid at their regular rate, regardless if those hours are actually worked. This is referred to as guaranteed overtime, because the overtime hours are already included in the fire suppression personnel's annual base pay.
- If fire suppression personnel actually work the guaranteed overtime hours, they are compensated an additional amount equal to one-half times the regular rate of pay. Thus, the department remains compliant with the federally mandated overtime rate of one and one-half times the regular rate of pay.

Due to the variance in scheduled hours and methods for the calculation of overtime for each peer city, Mercer compared compensation for each rank at HFD to their peer group based upon the following three methodologies:

- 1) hourly compensation at the straight time regular rate including base pay and longevity,
- 2) annual compensation including base pay, longevity and overtime assuming a 53 hour work week,
- 3) and annual compensation including base pay, longevity and overtime assuming a 56 hour work week.

Note that the amounts in the tables reflect hourly compensation rates subsequent to the specified years of service.

## Methodology (Continued)

### Base Pay

Base pay reflects the scheduled annual compensation provided for each rank based upon years of service.

Each city maintains local rules and civil service requirements for advancement to the next highest rank. For all ranks above Fire Fighter, Mercer assumed promotions occur at the earliest promotional opportunity.

In addition to their civil service requirements, Dallas also requires a 4.5% promotional increase for all promotions in rank. Therefore, pay steps within Dallas's pay schedule not achievable based upon their specifications for promotion were excluded from the analysis. These pay steps have been highlighted in red on the Dallas Step Structure.

## Methodology (Continued) Overtime Calculations

Below is a description of how each city calculates overtime.

**Austin** – Works **53 hours/week**. Base pay is based on **2,756 hours annually**. All hours worked above 53 hours/week are paid at one and one-half times the regular rate of pay.

**Dallas** – Works **54 hours/week**. Base pay is based on **2,808 hours annually**. Therefore, in addition to their base pay, if employees work 54 hours/week, they are also paid an additional hour at one-half the regular rate of pay. All hours worked above 54 hours/week are paid at one and one-half times the regular rate of pay.

**El Paso** – Works **56 hours/week**. Base pay is based on **2,912 hours annually**. Therefore, in addition to their base pay, if employees work 56 hours/week, they are also paid an additional three hours at one-half the regular rate of pay. All hours worked above 56 hours/week are paid at one and one-half times the regular rate of pay.

**Fort Worth** – Works **56 hours/week**. Base pay is based on **2,912 hours annually**. Therefore, in addition to their base pay, if employees work 56 hours/week, they are also paid an additional three hours at one-half the regular rate of pay. All hours worked above 56 hours/week are paid at one and one-half times the regular rate of pay.

**Houston** – Works **46.7 hours/week**. Base pay is based on **2,428 hours annually**. All hours worked above 46.7 hours/week are paid one and one-half times the regular rate of pay for each additional hour.

**San Antonio** – Works **56 hours/week**. Base pay is based on **2,756 hours annually**. All hours worked above 53 hours/week are paid at one and one-half times the regular rate of pay for each additional hour.

## Methodology (Continued) Longevity Payments

Below is an explanation of each peer's system for delivering their longevity payments:

**Austin** – \$80/year for each year, up to 25 years of service. Paid on an annual basis.

**Dallas** – \$4/month for each year, up to 25 years of service. In addition, fire personnel also receive \$100/month for more than six years of service, \$125/month for more than eight years of service and \$150/month for more than ten years of service.

**El Paso** – \$5/month for each year, up to 25 years of service.

**Fort Worth** – \$4/month for each year, up to 25 years of service. Note that in addition to the longevity payment, Fort Worth also offered a longevity *supplement* for fiscal year 2011-2012 that augmented the salary increases for fire fighters by the following percentages: 3% for completion of 5 to 10 years of employment, 6% for completion of 10 years of service.

**Houston** - \$2/bi-weekly payment for each year, up to 25 years of service.

**San Antonio** – Base pay is increased by 3% above the pay schedule for every five years of service up to a maximum of 30 years, (i.e. a thirty year veteran would receive an additional payment not to exceed the pay schedule by more than 18%). On each anniversary date, which is not a multiple of five, fire personnel also receive an additional \$8/month increase in longevity pay.

# FIRE FIGHTER

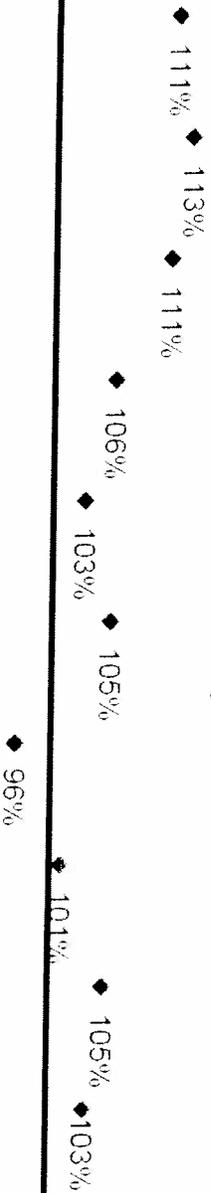
# Compensation Comparison Fire Fighter

The table below represents Mercer's comparison of hourly compensation for a Fire Fighter at the straight time regular rate including base pay and longevity.

## Fire Fighter Hourly Regular Rate of Pay with Longevity By Years of Service

City	Regular Work Schedule	Probation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25
Austin	2,756	\$17.33	\$18.86	\$20.49	\$22.39	\$22.42	\$22.45	\$24.88	\$27.54	\$29.04	\$30.61
Dallas	2,808	\$14.68	\$14.69	\$15.44	\$16.22	\$17.05	\$17.92	\$22.98	\$24.21	\$24.29	\$24.38
El Paso	2,912	\$12.47	\$13.11	\$13.79	\$14.50	\$15.24	\$16.02	\$19.55	\$19.65	\$19.75	\$19.86
Fort Worth	2,912	\$16.98	\$17.84	\$18.75	\$19.70	\$20.70	\$21.75	\$22.47	\$23.40	\$23.48	\$23.57
San Antonio	2,912	\$16.76	\$16.79	\$18.66	\$18.70	\$18.73	\$19.52	\$20.49	\$21.49	\$22.08	\$22.68
Average		\$15.64	\$16.26	\$17.43	\$18.30	\$18.83	\$19.53	\$22.07	\$23.26	\$23.73	\$24.22
Houston	2,428	\$17.40	\$18.33	\$19.31	\$19.33	\$19.35	\$20.57	\$21.26	\$23.43	\$24.90	\$25.01
% of Average		111%	113%	111%	106%	103%	105%	96%	101%	101%	103%

### Houston as a Percent of the Average of Other Cities



Probation Year 1 Year 2 Year 3 Year 4 Year 5 Year 10 Year 15 Year 20 Year 25

# Compensation Comparison Fire Fighter

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Fire Fighter based upon each peer city working a 53 hours/week schedule.

## Annual Compensation Assuming 53 Hour Schedule with Longevity and Overtime By Years of Service

City	Assumed Work Schedule	Probation	Fire Fighter																						
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25														
Austin	2,756	\$47,755	\$51,979	\$56,474	\$61,707	\$61,787	\$61,867	\$68,566	\$75,912	\$80,044	\$84,366														
Dallas	2,756	\$41,209	\$41,257	\$43,345	\$45,550	\$47,887	\$50,312	\$64,540	\$67,971	\$68,211	\$68,451														
El Paso	2,756	\$36,305	\$38,183	\$40,147	\$42,213	\$44,372	\$46,639	\$56,925	\$57,225	\$57,525	\$57,825														
Fort Worth	2,756	\$49,433	\$51,964	\$54,600	\$57,364	\$60,276	\$63,336	\$65,432	\$68,146	\$68,386	\$68,626														
San Antonio	2,756	\$48,792	\$48,888	\$54,348	\$54,444	\$54,540	\$56,844	\$59,670	\$62,588	\$64,310	\$66,033														
Average		\$44,699	\$46,454	\$49,783	\$52,256	\$53,772	\$55,800	\$63,026	\$66,368	\$67,695	\$69,060														
Houston	2,756	\$50,802	\$53,506	\$56,368	\$56,430	\$56,493	\$60,061	\$62,067	\$68,414	\$72,708	\$73,020														
% of Average		114%	115%	113%	108%	105%	108%	98%	103%	107%	106%														

### Houston as a Percent of the Average of Other Cities

◆ 114% ◆ 115% ◆ 113%

◆ 108% ◆ 105% ◆ 108%

◆ 98% ◆ 103% ◆ 107% ◆ 106%

Probation Year 1 Year 2 Year 3 Year 4 Year 5 Year 10 Year 15 Year 20 Year 25

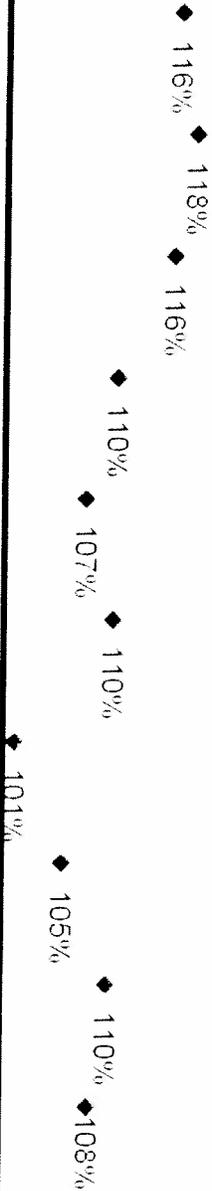
# Compensation Comparison Fire Fighter

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Fire Fighter based upon each peer city working a 56 hours/week schedule.

## Fire Fighter Annual Compensation Assuming 56 Hour Schedule with Longevity and Overtime By Years of Service

City	Assumed Work Schedule	Probation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25
Austin	2,912	\$51,810	\$56,392	\$61,269	\$66,946	\$67,033	\$67,120	\$74,388	\$82,357	\$86,840	\$91,529
Dallas	2,912	\$43,880	\$43,931	\$46,154	\$48,502	\$50,991	\$53,573	\$68,723	\$72,377	\$72,632	\$72,888
El Paso	2,912	\$37,277	\$39,206	\$41,222	\$43,344	\$45,561	\$47,888	\$58,450	\$58,758	\$59,066	\$59,374
Fort Worth	2,912	\$50,757	\$53,356	\$56,062	\$58,900	\$61,891	\$65,033	\$67,185	\$69,972	\$70,218	\$70,465
San Antonio	2,912	\$52,713	\$52,817	\$58,715	\$58,819	\$58,923	\$61,411	\$64,464	\$67,617	\$69,478	\$71,339
Average		\$47,287	\$49,140	\$52,685	\$55,302	\$56,880	\$59,005	\$66,642	\$70,216	\$71,647	\$73,119
Houston	2,912	\$54,873	\$57,794	\$60,885	\$60,953	\$61,020	\$64,875	\$67,041	\$73,897	\$78,535	\$78,872
% of Average		116%	118%	116%	110%	107%	110%	101%	105%	110%	108%

### Houston as a Percent of the Average of Other Cities



Probation Year 1 Year 2 Year 3 Year 4 Year 5 Year 10 Year 15 Year 20 Year 25

ENGINEER/OPERATOR

# Compensation Comparison Engineer/Operator

The table below represents Mercer's comparison of hourly compensation for an Engineer/Operator at the straight time regular rate including base pay and longevity.

## Engineer/Operator Hourly Regular Rate of Pay with Longevity By Years in Rank

City	Regular Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Max
Austin	2,756	\$22.13	\$24.17	\$24.20	\$24.23	\$25.46	\$25.49	\$25.52	\$26.82	\$28.23	\$33.00
Dallas	2,808	\$17.02	\$17.88	\$18.79	\$19.75	\$20.78	\$21.83	\$22.94	\$24.09	\$26.60	\$26.83
El Paso	2,912	\$14.46	\$15.20	\$15.97	\$16.79	\$17.65	\$18.54	\$19.49	\$20.47	\$21.55	\$21.84
Fort Worth	2,912	\$22.54	\$23.68	\$23.70	\$23.71	\$23.73	\$23.75	\$23.76	\$23.78	\$23.83	\$24.01
San Antonio	2,912	\$20.52	\$21.00	\$21.17	\$21.20	\$21.23	\$21.66	\$22.02	\$22.32	\$23.31	\$24.86
Average		\$19.33	\$20.39	\$20.77	\$21.14	\$21.77	\$22.26	\$22.75	\$23.50	\$24.71	\$26.11
Houston	2,428	\$24.57	\$24.84	\$24.86	\$24.88	\$24.90	\$24.92	\$25.19	\$25.21	\$25.28	\$25.78
% of Average		127%	122%	120%	118%	114%	112%	111%	107%	102%	99%

### Houston as a Percent of the Average of Other Cities

- ◆ 127%
- ◆ 122%
- ◆ 120%
- ◆ 118%
- ◆ 114%
- ◆ 112%
- ◆ 111%
- ◆ 107%
- ◆ 102%
- ◆ 99%

Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Max

# Compensation Comparison Engineer/Operator

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for an Engineer/Operator based upon each peer city working a 53 hours/week schedule.

## Engineer/Operator Annual Compensation Assuming 53 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2.756	\$60,979	\$66,624	\$66,704	\$66,784	\$70,181	\$70,261	\$70,341	\$73,907	\$77,802	\$90,955
Dallas	2.756	\$47,791	\$50,216	\$52,762	\$55,458	\$58,349	\$61,298	\$64,408	\$67,658	\$74,706	\$75,330
El Paso	2.756	\$42,093	\$44,252	\$46,519	\$48,896	\$51,389	\$54,003	\$56,745	\$59,621	\$62,758	\$63,598
Fort Worth	2.756	\$65,632	\$68,957	\$69,005	\$69,053	\$69,101	\$69,149	\$69,197	\$69,245	\$69,389	\$69,917
San Antonio	2.756	\$59,760	\$61,157	\$61,637	\$61,733	\$61,829	\$63,087	\$64,134	\$64,998	\$67,881	\$72,395
Average		\$55,251	\$58,241	\$59,326	\$60,385	\$62,170	\$63,560	\$64,965	\$67,086	\$70,507	\$74,439
Houston	2.756	\$71,743	\$72,519	\$72,581	\$72,644	\$72,706	\$72,769	\$73,554	\$73,617	\$73,804	\$75,284
% of Average		130%	125%	122%	120%	117%	117%	114%	110%	105%	101%

### Houston as a Percent of the Average of Other Cities

- ◆ 130%
- ◆ 125%
- ◆ 122%
- ◆ 120%
- ◆ 117%
- ◆ 114%
- ◆ 113%
- ◆ 110%
- ◆ 105%
- ◆ 101%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

# Compensation Comparison Engineer/Operator

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for an Engineer/Operator based upon each peer city working a 56 hours/week schedule.

## Engineer/Operator Annual Compensation Assuming 56 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,912	\$66,156	\$72,281	\$72,368	\$72,454	\$76,140	\$76,227	\$76,313	\$80,182	\$84,408	\$98,678
Dallas	2,912	\$50,889	\$53,471	\$56,182	\$59,053	\$62,131	\$65,271	\$68,583	\$72,043	\$79,548	\$80,213
El Paso	2,912	\$43,220	\$45,437	\$47,765	\$50,206	\$52,765	\$55,450	\$58,265	\$61,218	\$64,439	\$65,302
Fort Worth	2,912	\$67,390	\$70,804	\$70,854	\$70,903	\$70,952	\$71,002	\$71,051	\$71,100	\$71,248	\$71,790
San Antonio	2,912	\$64,562	\$66,072	\$66,590	\$66,694	\$66,798	\$68,157	\$69,288	\$70,221	\$73,336	\$78,212
Average		\$58,444	\$61,613	\$62,752	\$63,862	\$65,757	\$67,221	\$68,700	\$70,953	\$74,596	\$78,839
Houston	2,912	\$77,493	\$78,331	\$78,398	\$78,466	\$78,533	\$78,601	\$79,449	\$79,516	\$79,719	\$81,318
% of Average		133%	127%	125%	123%	119%	117%	116%	112%	107%	103%

### Houston as a Percent of the Average of Other Cities

- ◆ 133%
- ◆ 127%
- ◆ 125%
- ◆ 123%
- ◆ 119%
- ◆ 117%
- ◆ 116%
- ◆ 112%
- ◆ 107%
- ◆ 103%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

# CAPTAIN

# Compensation Comparison Captain

The table below represents Mercer's comparison of hourly compensation for a Captain at the straight time regular rate including base pay and longevity.

## Captain Hourly Regular Rate of Pay with Longevity By Years in Rank

City	Regular Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Max
Austin	2,756	\$26.13	\$26.16	\$27.49	\$27.52	\$27.55	\$28.94	\$28.97	\$29.00	\$30.52	\$35.58
Dallas	2,808	\$22.74	\$23.90	\$25.11	\$26.37	\$27.70	\$29.09	\$29.11	\$29.13	\$29.18	\$29.33
El Paso	2,912	\$19.45	\$20.43	\$21.47	\$22.56	\$23.70	\$23.72	\$23.74	\$23.76	\$23.82	\$24.03
Fort Worth	2,912	\$24.87	\$26.13	\$26.14	\$26.16	\$26.18	\$26.19	\$26.21	\$26.23	\$26.28	\$26.44
San Antonio	2,912	\$24.20	\$24.24	\$24.27	\$24.71	\$25.00	\$25.53	\$25.56	\$25.60	\$26.37	\$27.34
Average		\$23.48	\$24.17	\$24.90	\$25.46	\$26.03	\$26.70	\$26.72	\$26.74	\$27.23	\$28.55
Houston	2,428	\$25.80	\$25.82	\$25.84	\$25.86	\$26.78	\$26.80	\$26.83	\$26.85	\$26.91	\$28.59
% of Average		110%	107%	104%	102%	103%	100%	100%	100%	99%	100%

◆ 110% Houston as a Percent of the Average of Other Cities

◆ 107%

◆ 104%

◆ 102%

◆ 103%

◆ 100%

◆ 100%

◆ 100%

◆ 99%

◆ 100%

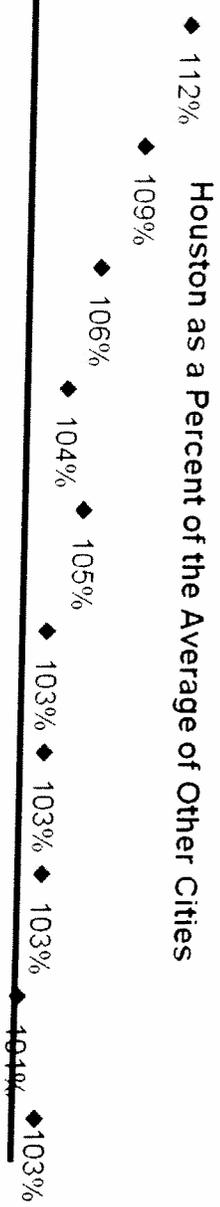
Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Max

# Compensation Comparison Captain

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Captain based upon each peer city working a 53 hours/week schedule.

## Annual Compensation Assuming 53 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,756	\$72,015	\$72,095	\$75,757	\$75,837	\$75,917	\$79,762	\$79,842	\$79,922	\$84,109	\$98,072
Dallas	2,756	\$63,859	\$67,101	\$70,506	\$74,045	\$77,791	\$81,697	\$81,745	\$81,793	\$81,937	\$82,369
El Paso	2,756	\$56,625	\$59,501	\$62,518	\$65,683	\$69,003	\$69,063	\$69,123	\$69,183	\$69,363	\$69,963
Fort Worth	2,756	\$72,421	\$76,086	\$76,134	\$76,182	\$76,230	\$76,278	\$76,326	\$76,374	\$76,518	\$76,998
San Antonio	2,756	\$70,484	\$70,580	\$70,676	\$71,944	\$72,808	\$74,342	\$74,438	\$74,534	\$76,803	\$79,612
Average		\$67,081	\$69,073	\$71,118	\$72,738	\$74,350	\$76,228	\$76,295	\$76,361	\$77,746	\$81,403
Houston	2,756	\$75,326	\$75,389	\$75,451	\$75,514	\$78,201	\$78,264	\$78,326	\$78,389	\$78,576	\$83,472
% of Average		112%	109%	106%	104%	103%	103%	103%	103%	103%	103%



Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

# Compensation Comparison Captain

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Captain based upon each peer city working a 56 hours/week schedule.

## Annual Compensation Assuming 56 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,912	\$78,129	\$78,216	\$82,189	\$82,276	\$82,363	\$86,534	\$86,621	\$86,708	\$91,250	\$106,399
Dallas	2,912	\$67,998	\$71,450	\$75,076	\$78,844	\$82,833	\$86,992	\$87,043	\$87,094	\$87,248	\$87,708
El Paso	2,912	\$58,142	\$61,095	\$64,193	\$67,442	\$70,851	\$70,913	\$70,975	\$71,036	\$71,221	\$71,837
Fort Worth	2,912	\$74,361	\$78,124	\$78,173	\$78,223	\$78,272	\$78,321	\$78,371	\$78,420	\$78,568	\$79,061
San Antonio	2,912	\$76,148	\$76,252	\$76,355	\$77,726	\$78,659	\$80,316	\$80,419	\$80,523	\$82,974	\$86,010
Average		\$70,956	\$73,027	\$75,197	\$76,902	\$78,596	\$80,615	\$80,686	\$80,756	\$82,252	\$86,203
Houston	2,912	\$81,363	\$81,431	\$81,498	\$81,566	\$84,468	\$84,536	\$84,604	\$84,671	\$84,874	\$90,162
% of Average		115%	112%	108%	106%	107%	105%	105%	105%	103%	105%

◆ 115% Houston as a Percent of the Average of Other Cities

◆ 112%

◆ 108%

◆ 106%

◆ 107%

◆ 105%

◆ 105%

◆ 105%

◆ 105%

◆ 103%

◆ 105%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

# SENIOR CAPTAIN

# Compensation Comparison Senior Captain

The table below represents Mercer's comparison of hourly compensation for a Senior Captain at the straight time regular rate including base pay and longevity.

## Senior Captain Hourly Regular Rate of Pay with Longevity By Years in Rank

City	Regular Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Max
Austin	2,756	\$29.67	\$29.70	\$29.73	\$31.24	\$31.26	\$31.29	\$32.87	\$32.90	\$34.61	\$38.37
Dallas	2,808	\$26.16	\$27.48	\$28.86	\$30.32	\$31.84	\$31.86	\$31.88	\$31.90	\$31.95	\$32.08
El Paso	2,912	\$21.43	\$22.51	\$23.65	\$24.85	\$26.11	\$26.13	\$26.15	\$26.17	\$26.23	\$26.44
Fort Worth	2,912	\$27.73	\$29.13	\$29.15	\$29.16	\$29.18	\$29.20	\$29.21	\$29.23	\$29.28	\$29.43
San Antonio	2,912	\$27.67	\$27.70	\$28.24	\$28.53	\$28.57	\$29.17	\$29.20	\$29.62	\$30.11	\$31.25
Average		\$26.53	\$27.31	\$27.93	\$28.82	\$29.39	\$29.53	\$29.86	\$29.96	\$30.44	\$31.51
Houston	2,428	\$28.83	\$28.85	\$29.88	\$29.90	\$29.92	\$29.94	\$29.97	\$29.99	\$31.68	\$31.86
% of Average		109%	106%	107%	104%	102%	101%	100%	100%	104%	101%

◆ 109% Houston as a Percent of the Average of Other Cities

◆ 106% ◆ 107%

◆ 104%

◆ 102% ◆ 101%

◆ 100% ◆ 100%

◆ 104%

◆ 101%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Max

# Compensation Comparison Senior Captain

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Senior Captain based upon each peer city working a 53 hours/week schedule.

## Senior Captain Annual Compensation Assuming 53 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,756	\$81,779	\$81,859	\$81,939	\$86,086	\$86,166	\$86,246	\$90,588	\$90,668	\$95,396	\$105,757
Dallas	2,756	\$73,448	\$77,170	\$81,049	\$85,146	\$89,420	\$89,468	\$89,516	\$89,564	\$89,708	\$90,092
El Paso	2,756	\$62,398	\$65,563	\$68,883	\$72,367	\$76,021	\$76,081	\$76,141	\$76,201	\$76,381	\$76,981
Fort Worth	2,756	\$80,763	\$84,826	\$84,874	\$84,922	\$84,970	\$85,018	\$85,066	\$85,114	\$85,258	\$85,690
San Antonio	2,756	\$80,567	\$80,663	\$82,222	\$83,086	\$83,182	\$84,932	\$85,028	\$86,250	\$87,690	\$90,997
Average		\$75,791	\$78,016	\$79,793	\$82,321	\$83,952	\$84,349	\$85,268	\$85,559	\$86,887	\$89,903
Houston	2,756	\$84,188	\$84,250	\$87,244	\$87,307	\$87,369	\$87,432	\$87,494	\$87,557	\$92,512	\$93,012
% of Average		111%	108%	109%	106%	104%	104%	103%	102%	106%	103%

◆ 111% Houston as a Percent of the Average of Other Cities

◆ 108% ◆ 109%

◆ 106%

◆ 104% ◆ 104%

◆ 103% ◆ 102%

◆ 106%

◆ 103%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

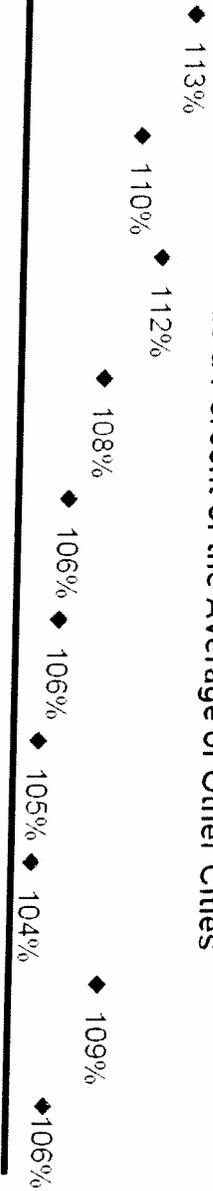
# Compensation Comparison Senior Captain

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Senior Captain based upon each peer city working a 56 hours/week schedule.

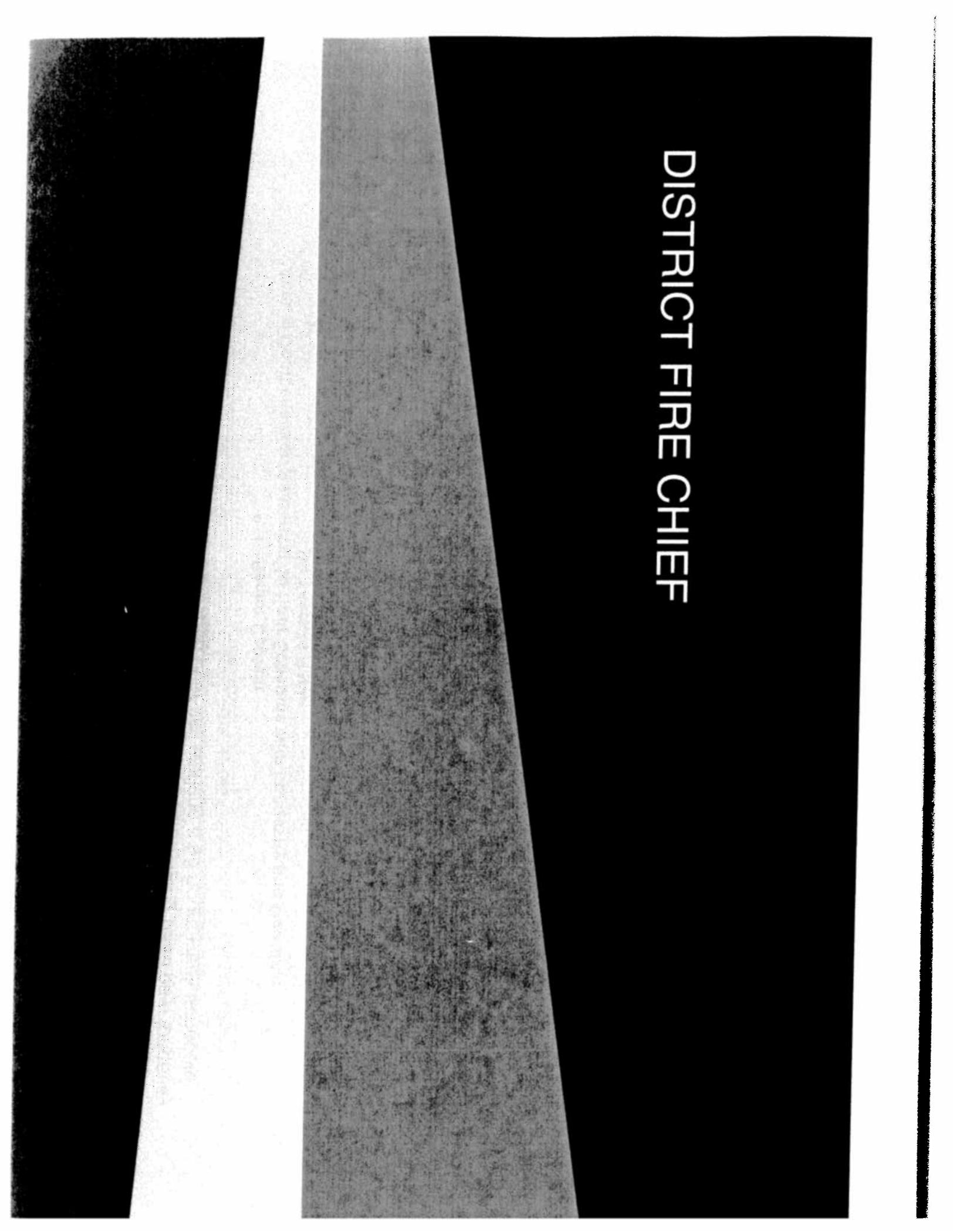
## Senior Captain Annual Compensation Assuming 56 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,912	\$88,723	\$88,809	\$88,896	\$93,395	\$93,482	\$93,569	\$98,279	\$98,366	\$103,496	\$114,736
Dallas	2,912	\$78,209	\$82,172	\$86,302	\$90,665	\$95,216	\$95,267	\$95,318	\$95,369	\$95,522	\$95,931
El Paso	2,912	\$64,069	\$67,319	\$70,728	\$74,305	\$78,057	\$78,119	\$78,180	\$78,242	\$78,427	\$79,043
Fort Worth	2,912	\$82,926	\$87,098	\$87,147	\$87,197	\$87,246	\$87,295	\$87,345	\$87,394	\$87,542	\$87,985
San Antonio	2,912	\$87,041	\$87,145	\$88,829	\$89,763	\$89,866	\$91,757	\$91,860	\$93,180	\$94,736	\$98,309
Average		\$80,194	\$82,509	\$84,381	\$87,065	\$88,773	\$89,201	\$90,197	\$90,510	\$91,945	\$95,201
Houston	2,912	\$90,935	\$91,002	\$94,236	\$94,304	\$94,371	\$94,439	\$94,506	\$94,574	\$99,926	\$100,466
% of Average		113%	110%	112%	110%	112%	108%	108%	106%	106%	109%

### Houston as a Percent of the Average of Other Cities



Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10 Maximum



DISTRICT FIRE CHIEF

# Compensation Comparison District Fire Chief

The table below represents Mercer's comparison of hourly compensation for a District Fire Chief at the straight time regular rate including base pay and longevity.

## District Chief Hourly Regular Rate of Pay with Longevity By Years in Rank

City	Regular Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Max
Austin	2,756	\$32.39	\$34.02	\$34.05	\$34.08	\$35.80	\$35.83	\$35.85	\$37.66	\$39.60	\$41.76
Dallas	2,808	\$30.14	\$31.66	\$33.26	\$34.92	\$34.94	\$34.96	\$34.98	\$34.99	\$35.04	\$35.16
El Paso	2,912	\$23.59	\$24.79	\$26.04	\$27.36	\$28.74	\$30.19	\$30.21	\$30.23	\$30.30	\$30.52
Fort Worth	2,912	\$31.84	\$33.45	\$33.46	\$33.48	\$33.50	\$33.51	\$33.53	\$33.54	\$33.59	\$33.73
San Antonio	2,912	\$31.67	\$32.32	\$32.62	\$32.65	\$32.68	\$33.36	\$33.90	\$34.33	\$34.43	\$35.77
Average		\$29.93	\$31.25	\$31.89	\$32.50	\$33.13	\$33.57	\$33.69	\$34.15	\$34.59	\$35.39
Houston	2,428	\$34.17	\$34.19	\$34.21	\$34.23	\$34.25	\$34.27	\$34.30	\$36.15	\$36.22	\$36.35
% of Average		114%	109%	107%	105%	103%	102%	102%	106%	105%	103%

◆ 114% Houston as a Percent of the Average of Other Cities

◆ 109%

◆ 107%

◆ 105%

◆ 103%

◆ 102%

◆ 102%

◆ 106%

◆ 105%

◆ 103%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Max

# Compensation Comparison District Fire Chief

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a District Fire Chief based upon each peer city working a 53 hours/week schedule.

## District Chief Annual Compensation Assuming 53 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,756	\$89,256	\$93,769	\$93,849	\$93,929	\$98,655	\$98,735	\$98,815	\$103,787	\$109,150	\$115,095
Dallas	2,756	\$84,631	\$88,892	\$93,381	\$98,067	\$98,115	\$98,163	\$98,211	\$98,259	\$98,403	\$98,739
El Paso	2,756	\$68,703	\$72,187	\$75,841	\$79,675	\$83,701	\$87,922	\$87,982	\$88,042	\$88,222	\$88,882
Fort Worth	2,756	\$92,730	\$97,395	\$97,443	\$97,491	\$97,539	\$97,587	\$97,635	\$97,683	\$97,827	\$98,211
San Antonio	2,756	\$92,220	\$94,115	\$94,979	\$95,075	\$95,171	\$97,150	\$98,715	\$99,963	\$100,251	\$104,149
Average		\$85,508	\$89,272	\$91,099	\$92,847	\$94,636	\$95,911	\$96,272	\$97,547	\$98,771	\$101,015
Houston	2,756	\$99,762	\$99,824	\$99,887	\$99,949	\$100,012	\$100,074	\$100,137	\$105,562	\$105,750	\$106,125
% of Average		117%	112%	110%	108%	106%	104%	104%	108%	107%	105%

◆ 117% Houston as a Percent of the Average of Other Cities

◆ 112%

◆ 110%

◆ 108%

◆ 106%

◆ 104%

◆ 104%

◆ 108%

◆ 107%

◆ 105%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

# Compensation Comparison District Fire Chief

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a District Fire Chief based upon each peer city working a 56 hours/week schedule.

## District Chief Annual Compensation Assuming 56 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,912	\$96,834	\$101,731	\$101,817	\$101,904	\$107,031	\$107,118	\$107,205	\$112,599	\$118,417	\$124,867
Dallas	2,912	\$90,116	\$94,654	\$99,433	\$104,423	\$104,474	\$104,525	\$104,577	\$104,628	\$104,781	\$105,139
El Paso	2,912	\$70,543	\$74,121	\$77,872	\$81,809	\$85,943	\$90,277	\$90,339	\$90,400	\$90,585	\$91,263
Fort Worth	2,912	\$95,214	\$100,004	\$100,053	\$100,102	\$100,152	\$100,201	\$100,250	\$100,300	\$100,447	\$100,842
San Antonio	2,912	\$99,630	\$101,678	\$102,612	\$102,715	\$102,819	\$104,957	\$106,647	\$107,995	\$108,307	\$112,518
Average		\$90,468	\$94,437	\$96,358	\$98,191	\$100,084	\$101,416	\$101,804	\$103,184	\$104,508	\$106,926
Houston	2,912	\$107,757	\$107,825	\$107,892	\$107,960	\$108,027	\$108,095	\$108,162	\$114,022	\$114,225	\$114,630
% of Average		119%	114%	112%	110%	108%	107%	106%	111%	109%	107%

### Houston as a Percent of the Average of Other Cities

- ◆ 119%
- ◆ 114%
- ◆ 112%
- ◆ 110%
- ◆ 108%
- ◆ 107%
- ◆ 106%
- ◆ 111%
- ◆ 109%
- ◆ 107%

Upon Entry to Rank      Year 1      Year 2      Year 3      Year 4      Year 5      Year 6      Year 7      Year 10      Maximum

DEPUTY FIRE CHIEF

# Compensation Comparison Deputy Fire Chief

The table below represents Mercer's comparison of hourly compensation for a Deputy Fire Chief at the straight time regular rate including base pay and longevity.

## Deputy Fire Chief Hourly Regular Rate of Pay with Longevity By Years in Rank

City	Regular Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Max
Austin	2,756	\$34.96	\$36.72	\$36.75	\$36.78	\$38.63	\$38.66	\$38.69	\$40.64	\$42.73	\$45.04
Dallas	2,808	\$35.42	\$36.49	\$36.51	\$36.53	\$36.54	\$36.56	\$36.58	\$36.59	\$36.65	\$36.75
El Paso	2,912	\$27.32	\$28.70	\$30.15	\$31.67	\$33.27	\$33.29	\$33.31	\$33.33	\$33.39	\$33.60
Fort Worth	2,912	..	..	..	..	..	..	..	..	..	..
San Antonio	2,912	\$39.98	\$40.87	\$41.16	\$41.20	\$41.23	\$41.26	\$42.02	\$42.45	\$42.55	\$44.34
Average		\$34.42	\$35.70	\$36.14	\$36.54	\$37.42	\$37.44	\$37.65	\$38.25	\$38.83	\$39.93
Houston	2,428	\$38.09	\$39.04	\$39.06	\$39.08	\$39.10	\$39.12	\$40.11	\$40.13	\$40.19	\$40.30
% of Average		111%	109%	108%	108%	107%	104%	104%	105%	104%	101%

◆ 111% Houston as a Percent of the Average of Other Cities

◆ 109%

◆ 108%

◆ 107%

◆ 104%

◆ 104%

◆ 107%

◆ 105%

◆ 104%

◆ 101%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Max

Please note that Deputy Fire Chief pay for Fort Worth and San Antonio is not reported.

# Compensation Comparison Deputy Fire Chief

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Deputy Fire Chief based upon each peer city working a 53 hours/week schedule.

## Deputy Fire Chief Annual Compensation Assuming 53 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,756	\$96,346	\$101,213	\$101,293	\$101,373	\$106,470	\$106,550	\$106,630	\$111,994	\$117,767	\$124,143
Dallas	2,756	\$99,447	\$102,468	\$102,516	\$102,564	\$102,612	\$102,660	\$102,708	\$102,756	\$102,900	\$103,188
El Paso	2,756	\$79,555	\$83,581	\$87,802	\$92,224	\$96,872	\$96,932	\$96,992	\$97,052	\$97,232	\$97,832
Fort Worth	2,756	--	--	--	--	--	--	--	--	--	--
San Antonio	2,756	\$116,408	\$119,008	\$119,872	\$119,968	\$120,064	\$120,160	\$122,376	\$123,624	\$123,912	\$129,113
Average		\$97,939	\$101,568	\$102,871	\$104,032	\$106,505	\$106,576	\$107,177	\$108,857	\$110,453	\$113,569
Houston	2,756	\$111,211	\$113,981	\$114,043	\$114,106	\$114,168	\$114,231	\$117,105	\$117,167	\$117,355	\$117,667
% of Average		114%	112%	111%	110%	107%	107%	109%	108%	106%	104%

### Houston as a Percent of the Average of Other Cities

- ◆ 114%
- ◆ 112%
- ◆ 111%
- ◆ 110%
- ◆ 107%
- ◆ 107%
- ◆ 109%
- ◆ 108%
- ◆ 106%
- ◆ 104%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

Please note that Deputy Fire Chief pay for Fort Worth and San Antonio is not reported.

# Compensation Comparison Deputy Fire Chief

The table below represents Mercer's comparison of annual compensation, including base pay, longevity and overtime pay, for a Deputy Fire Chief based upon each peer city working a 56 hours/week schedule.

## Deputy Fire Chief Annual Compensation Assuming 56 Hour Schedule with Longevity and Overtime By Years in Rank

City	Assumed Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,912	\$104,526	\$109,807	\$109,893	\$109,980	\$115,510	\$115,597	\$115,683	\$121,503	\$127,766	\$134,683
Dallas	2,912	\$105,893	\$109,109	\$109,161	\$109,212	\$109,263	\$109,314	\$109,365	\$109,416	\$109,569	\$109,876
El Paso	2,912	\$81,686	\$85,820	\$90,154	\$94,694	\$99,467	\$99,528	\$99,590	\$99,652	\$99,836	\$100,453
Fort Worth	2,912	--	--	--	--	--	--	--	--	--	--
San Antonio	2,912	\$125,762	\$128,571	\$129,505	\$129,609	\$129,712	\$129,816	\$132,210	\$133,559	\$133,870	\$139,488
Average		\$104,467	\$108,327	\$109,678	\$110,874	\$113,488	\$113,564	\$114,212	\$116,032	\$117,760	\$121,125
Houston	2,912	\$120,123	\$123,116	\$123,183	\$123,251	\$123,318	\$123,386	\$126,490	\$126,557	\$126,760	\$127,097
% of Average		115%	114%	112%	111%	109%	109%	109%	109%	108%	105%

### Houston as a Percent of the Average of Other Cities

- ◆ 115%
- ◆ 114%
- ◆ 112%
- ◆ 111%
- ◆ 109%
- ◆ 109%
- ◆ 111%
- ◆ 109%
- ◆ 109%
- ◆ 108%
- ◆ 105%

Upon Entry to Rank      Year 1      Year 2      Year 3      Year 4      Year 5      Year 6      Year 7      Year 10      Maximum

Please note that Deputy Fire Chief pay for Fort Worth and San Antonio is not reported.

ASSISTANT FIRE CHIEF

# Compensation Comparison Assistant Fire Chief

The table below represents Mercer's comparison of hourly compensation for an Assistant Fire Chief at the straight time regular rate including base pay and longevity.

## Assistant Fire Chief Hourly Regular Rate of Pay with Longevity By Years in Rank

City	Regular Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Max
Austin	2,080	--	--	--	--	--	--	--	--	--	--
Dallas	2,080	\$51.87	\$54.47	\$57.20	\$60.06	\$61.86	\$61.89	\$61.91	\$61.93	\$62.00	\$62.09
El Paso	2,080	\$42.15	\$44.28	\$46.52	\$48.86	\$51.32	\$51.35	\$51.38	\$51.41	\$51.49	\$51.78
Fort Worth	2,080	--	--	--	--	--	--	--	--	--	--
San Antonio	2,080	\$60.32	\$61.69	\$62.11	\$62.15	\$62.20	\$62.25	\$63.44	\$64.04	\$64.18	\$66.93
Average		\$51.45	\$53.48	\$55.27	\$57.03	\$58.46	\$58.49	\$58.91	\$59.13	\$59.22	\$60.27
Houston	2,080	\$54.33	\$55.70	\$55.73	\$55.75	\$57.15	\$57.18	\$57.20	\$57.23	\$57.30	\$57.40
% of Average		106%	104%	104%	98%	98%	98%	97%	97%	97%	95%

Houston as a Percent of the Average of Other Cities

◆ 106% ◆ 104%

◆ 101%

◆ 98% ◆ 98% ◆ 98% ◆ 97% ◆ 97% ◆ 97% ◆ 97% ◆ 95%

Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Max

Please note that Assistant Fire Chief pay for Austin, Fort Worth and San Antonio is not reported.

MERCER

# Compensation Comparison Assistant Fire Chief

The table below represents Mercer's comparison of annual compensation, including base pay and longevity for an Assistant Fire Chief.

## Assistant Fire Chief Annual Compensation with Longevity By Years in Rank

City	Regular Work Schedule	Upon Entry to Rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 10	Maximum
Austin	2,080	--	--	--	--	--	--	--	--	--	--
Dallas	2,080	\$107,886	\$113,294	\$118,971	\$124,929	\$128,676	\$128,724	\$128,772	\$128,820	\$128,964	\$129,156
El Paso	2,080	\$87,682	\$92,104	\$96,752	\$101,628	\$106,746	\$106,806	\$106,866	\$106,926	\$107,106	\$107,706
Fort Worth	2,080	--	--	--	--	--	--	--	--	--	--
San Antonio	2,080	\$125,456	\$128,319	\$129,183	\$129,279	\$129,375	\$129,471	\$131,951	\$133,199	\$133,487	\$139,214
Average		\$107,008	\$111,239	\$114,969	\$118,612	\$121,599	\$121,667	\$122,530	\$122,982	\$123,186	\$125,359
Houston	2,080	\$113,012	\$115,857	\$115,909	\$115,961	\$118,872	\$118,924	\$118,976	\$119,028	\$119,184	\$119,392
% of Average		106%	104%	101%	98%	98%	98%	97%	97%	97%	95%

Houston as a Percent of the Average of Other Cities  
 ◆ 106% ◆ 104% ◆ 101%

◆ 98% ◆ 98% ◆ 98% ◆ 97% ◆ 97% ◆ 97% ◆ 95%

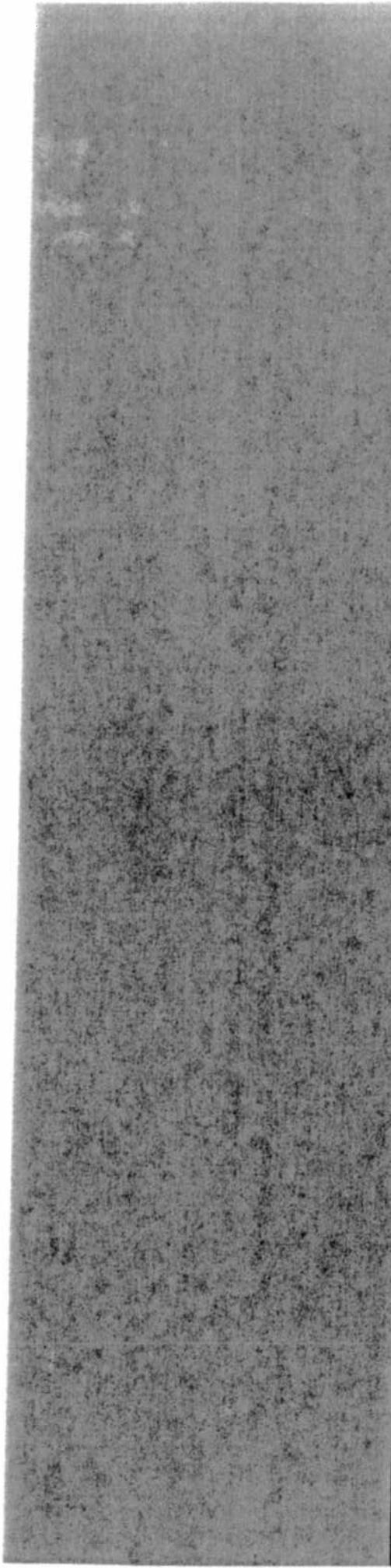
Upon Entry to Rank    Year 1    Year 2    Year 3    Year 4    Year 5    Year 6    Year 7    Year 10    Maximum

Please note that Assistant Fire Chief pay for Austin, Fort Worth and San Antonio is not reported.

MERCER



# ADDITIONAL COMPENSATION ELEMENTS



## Additional Compensation Elements Education Incentives

Each peer city maintains education incentives as an element of compensation to encourage the development of employees through higher education. Below is an explanation of each peer's system for delivering their education incentives:

**Austin** – \$50/month for 60 credit hours or more and \$100/month for a bachelor's degree.

**Dallas** – \$4/month for each three credit hours above 45 credit hours, up to a maximum of \$60/month (90 total credit hours) and \$100/month for a bachelor's degree.

**El Paso** – \$60/month for an associates degree, \$80/month for a bachelor's degree and \$100/month for a master's degree.

**Fort Worth** – \$60/month for an associates degree and \$120/month for a bachelor's degree.

**Houston** – Does not pay additional education incentives.

**San Antonio** – \$185/month for an associates degree, \$290/month for a bachelor's degree and \$310/month for a master's degree.

## Additional Compensation Elements Certification Incentives

Each peer city maintains certification incentives as an element of compensation to encourage employees to attain higher levels of certification in their field. Below is an explanation of each peer's system for delivering their certification incentives:

**Austin** – \$50/month for Intermediate Certification, \$100/month for Advanced Certification and \$150/month for Master Certification.

**Dallas** – \$175/month for Intermediate Certification, \$250 per month for advanced, and \$500/month for Master Certification.

**El Paso** – \$64/month for Intermediate Certification, \$94/month for Advanced Certification and \$124/month for Master Certification.

**Fort Worth** – \$30/month for Intermediate Certification and \$60/month for Advanced or Masters Certification.

**Houston** - \$84/month for First Level Certification, \$148/month for Second Level Certification and \$184/month for Third Level Certification.

**San Antonio** - \$65/month for Basic Certification, \$95/month for Intermediate Certification, \$135/month for Advanced Certification and \$175/month for Master Certification.

# RETIREMENT BENEFITS

## Retirement Benefits Comparison with other cities

- Mercer compared Houston firefighter retirement benefits to those provided by Austin, Dallas, Fort Worth, and San Antonio. Contribution rates and relative values of retirement benefits are shown on the next page.
- Relative values of retirement benefits were determined based on the value of Houston retirement benefits payable at age 55 and 65 retirement ages (without DROP) being set equal to 100
  - Relative values illustrate the value of Houston DROP as well as retirement benefits (with and without DROP) provided by other cities
  - Relative values adjust for differences in retirement benefit amounts due to member contribution rates, pensionable pay definitions, and normal form of payment
  - Relative values assume DROP is elected at the age that it is most advantageous to the member
- Houston DROP enhances the value of retirement benefits more than does DROP offered by any other city
  - 36% increase assuming retirement at age 55
  - 141% increase assuming retirement at age 65
- Assuming DROP is elected
  - Houston and Dallas provide comparable retirement benefits at age 55 which are greater than those provided by the other three cities
  - Dallas provides slightly better retirement benefits than Houston at age 65, with other cities providing significantly lower retirement benefits.
- Houston also provides a supplemental benefit which increases each year in retirement.
- Houston includes overtime pay and calculates benefits using 72 highest pay periods (not required to be consecutive) in its final average pay definition
  - Creates opportunity for members to increase benefits by working extra overtime.
  - Fort Worth is the only other city including overtime pay in final average pay

# Retirement Benefits

## Contribution rates and relative values

	Austin	Dallas	Fort Worth	Houston	San Antonio
<b>Contribution Rates</b>					
- Member	15.70%	8.50%	8.25%	9.00%	12.32%
- City	20.05%	27.50%	19.74%	29.40%	24.64%
Normal form of payment	75% J&S	50% J&S	75% J&S	100% J&S	100% J&S
Retirement at age 55					
- Years in DROP	5	5	2	7	3
- No DROP	66	110	117	100	78
- DROP	76	135	125	136	80
- % increase in value	15%	23%	6%	36%	2%
<b>Retirement at age 65</b>					
- Age at entry to DROP	7	10	5	10	4
- No DROP	87	144	154	100	79
- DROP	118	260	190	241	93
- % increase in value	35%	81%	24%	141%	17%

Relative values in the table above (marked by boxes) are relative to the average benefit earned by a Houston firefighter at each age assuming he does not enter DROP. A value of 100 means that the benefits are equal. Benefits for other departments have been normalized to Houston values based on Member contribution rates and average pay at retirement for each department.

## Retirement Benefits

### Assumptions used for retirement benefit comparison

- Firefighter is hired at age 25 and works until either age 55 or age 65.
- Firefighter is male with spouse 3 years younger.
- Firefighter works 52 hours per week.
- Rate of pay at each year of service is equal to 2011 rates calculated by Mercer based on data provided.
- Age at which firefighter enters DROP:

City	Retirement at 55	Retirement at 65
Houston	47	55
Austin	50	58
Dallas	50	55
Fort Worth	53	60
San Antonio	52	61

- Benefits are calculated in accordance with plan provisions publicly available on each pension system's website and summarized in the following pages.
- Total pension values are determined by taking the sum of the present value of estimated pension benefits payable at each assumed age of retirement (assuming 5% interest, 3% inflation, and 2011 PPA mortality tables for lump sums) and the estimated lump sum due to DROP.

# Retirement Benefits

## Summary of plan provisions

	Austin	Dallas	Fort Worth	Houston	San Antonio
<b>DROP Provisions</b>					
<b>Eligibility</b>					
- Normal	Age 50, 10 svc	Age 45, 5 svc	Age 65, 5 svc	20 svc	>20 svc
- Special	25 svc	20 svc	80 age+svc	N/A	N/A
<b>Participation in DROP</b>					
- Minimum time in DROP	N/A	N/A	1 yr	N/A	N/A
- Maximum time in DROP	7 yrs	unlimited	5 yrs	13 yrs	N/A
- Maximum backDROP	2 yrs	N/A	N/A	3 yrs	4 yrs
<b>COLA during DROP</b>	Yes, CPI	Yes, 4% <sup>1</sup>	Yes, 0-4% after 2 yrs in DROP <sup>2</sup>	Yes, 3%	No
<b>Other adjustments to pension</b>	N/A	N/A	N/A	2%/yr, up to 20%	N/A
<b>Interest on DROP account</b>					
- Frequency	Monthly	Daily	N/A	Annually	N/A
- Annual rate	5%	10-yr avg ROA <sup>3</sup>	N/A	5-yr avg ROA <sup>4</sup>	N/A

<sup>1</sup> COLA based on base benefit (not compounded).

<sup>2</sup> Actual COLA dependent upon funded status of the plan each year.

<sup>3</sup> Interest rate bounded between 8% and 10%.

<sup>4</sup> Interest rate bounded between 5% and 10%.

# Retirement Benefits

## Summary of plan provisions (continued)

	Austin	Dallas	Fort Worth	Houston	San Antonio
<b>Accrued Benefit Provisions</b>					
<b>Final Average Earnings</b>					
- Period considered	High 36 months	High 36 consec. Months	High 3 years	High 78 pay periods	High 3 of last 5 years
- Pay considered	Base/longevity	Base/longevity/ SIP	Total	Total	Total less overtime
<b>Normal form of payment</b>	75% J&S	50% J&S	75% J&S	100% J&S	100% J&S
<b>Basic formula</b>	3.3% * FAE * svc	3% * FAE * svc	3% * FAE * svc	1.7% * FAE * svc	see comment <sup>1</sup>
<b>COLA</b>	Yes, CPI <sup>2</sup>	Yes, 4%	Yes, 0-4% <sup>3</sup>	Yes, 3%	Yes, CPI <sup>4</sup>
<b>Special Retirement</b>					
- Eligibility	N/A	N/A	N/A	20-30 svc	N/A
- Benefit	N/A	N/A	N/A	50-80% * FAE	N/A

<sup>1</sup> 20-27 yrs of service: 45-80% \* FAE; 27-30 yrs: 80-86%; >30 yrs: 0.5% per year up to 87.5%.

<sup>2</sup> COLA deferred until firefighter reaches eligibility to enter DROP.

<sup>3</sup> Actual COLA dependent upon funded status of the plan each year.

<sup>4</sup> COLA only available during actual retirement -- not provided during backDROP period.

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# Retirement Benefits

## Summary of plan provisions (continued)

	Austin	Dallas	Fort Worth	Houston	San Antonio
<b>Accrued Benefit Provisions</b>					
<b>Early Retirement</b>					
- Eligibility	Age 45, 10 svc	Age 45, 5 svc	Age 50, 5 svc	Age 50, 10 svc	20 svc
- Special eligibility	20 svc	20 svc	80 age+svc	N/A	N/A
- Reduction start age	N/A	50	Age 65, 5 svc or 80 age+svc	N/A	N/A
- Reduction	N/A	8%/yr <sup>1</sup>	5%/yr <sup>2</sup>	N/A	N/A
<b>Other Provisions</b>	N/A	Supplemental benefit <sup>3</sup>	N/A	Supplemental benefit <sup>4</sup>	N/A

<sup>1</sup> With 20 yrs of service, firefighter receives greater of reduced benefit and this schedule or multipliers: 45 – 2%, 46 – 2.25%, 47 – 2.5%, 48-49 – 2.75%.

<sup>2</sup> Basic formula uses 2.75% instead of 3% if Early Retirement benefit is taken (in addition to 5%/yr reduction).

<sup>3</sup> Available age 55 with 20 years of service – equal to greater of \$75 and 3% of pension benefit with COLA.

<sup>4</sup> Available to all retirees - \$5M total split between all retirees: first to retirees receiving less than poverty level, then to all based on years in retirement.

# MINIMUM FIRE TRUCK STAFFING REQUIREMENTS

# Minimum Fire Truck Staffing Requirements

The table below outlines the minimum staffing requirements each city has to put a fire truck into service:

City	Minimum Number of Staff	Rank Requirements
Austin	4	1 Captain 1 Engineer (Specialist) 2 Fire Fighters  Note that there are two trucks in service that only require three men: 1 Lieutenant 2 Fire Fighters
Dallas	4	1 Captain or Lieutenant acting as Captain 1 Engineer 2 Fire Fighters
El Paso	3	1 Officer 1 Engineer 1 Fire Fighter
Fort Worth	4	1 Captain or Lieutenant or Engineer acting as a Lieutenant 1 Engineer 2 Fire Fighters
Houston	4	1 Senior Captain (for aerial truck ) or 1 Captain (for a pumper) 1 Engineer 2 Fire Fighters  Note that Captains can act as Senior Captains, Engineers as Captains, and Fire Fighters as Engineers
San Antonio	4	1 Officer: Captain or Lieutenant or Engineer 1 Engineer 2 Fire Fighters

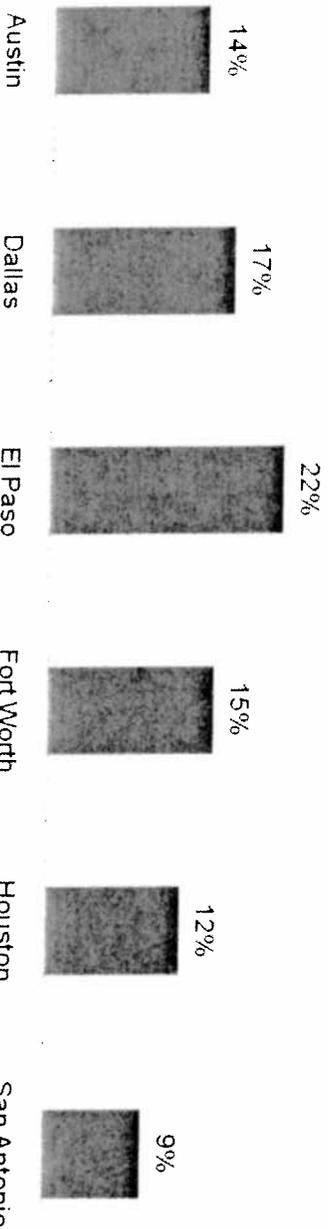
**HOLIDAY & VACATION STAFFING  
REQUIREMENTS**

# Holiday & Vacation Staffing Requirements

The table below outlines the maximum percentage of the operational workforce that may be out during any given shift:

City	Maximum % on Scheduled Leave Per Shift	Notes
Austin	14%	Per shift, 1 slot of every 7 scheduled are allowed to be used for scheduled absences
Dallas	17%	Per shift, 7 slots per battalion are allowed to be used for scheduled absences. There are 10 battalions, and 417 total scheduled positions per shift
El Paso	22%	Per shift, 28 slots of the approximately 130 scheduled are allowed to be used for scheduled absences
Fort Worth	15%	Per shift, 6 slots per battalion are allowed to be used for scheduled absences. There are 6 battalions, and 235 total scheduled positions per shift
Houston	12%	For each district, the total number of shift staff is multiplied by .15, and then 1 is deducted off the resulting number to arrive at the total number of slots that can be used for vacation. To calculate the city wide total percentage, Mercer took the average 804 of staff that are assigned to each shift, multiplied by .15, and then deducted 21 (because there are 21 districts).
San Antonio	9%	Per shift, 20 slots of the approximately 220 scheduled are allowed to be used for scheduled absences

Maximum % of Scheduled Leave per Shift



# SUMMARY

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## Summary

In summary, the primary objective of this preliminary report is to present the City with Mercer's comparison of each HFD peer city's selected pay practices, a compensation comparison and a comparison of retirement benefits. Mercer feels these research findings should assist the city in prioritizing future Mercer research and how our services may best be utilized going forward with respect to reward practices.



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