

**From:** [IAFF Local 1664 President](#)  
**To:** [Nancy Navarro](#); [Navarro's Councilmember](#)  
**Cc:** [Sidney Katz](#); [Katz's Councilmember](#); [andrew.friedson@montgomerycountymd.gov](mailto:andrew.friedson@montgomerycountymd.gov);  
[councilmember.friedson@montgomerycountymd.gov](mailto:councilmember.friedson@montgomerycountymd.gov); [Harling, Jennifer](#); [Montgomery County Council](#)  
**Subject:** IAFF Testimony - FY '23 Collective Bargaining Agreement - Fiscal Provisions  
**Date:** Thursday, April 21, 2022 12:00:40 PM  
**Attachments:** [IAFF Local 1664 - Letter to Government Operations & Fiscal Policy Committee 4-20-2022.pdf](#)  
[IAFF Presentation - Government Operations & Fiscal Policy Committee 4-20-2022.pdf](#)

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Chair Navarro,

Please see the attached testimony from IAFF Local 1664 regarding the FY '23 collective bargaining agreement fiscal provisions.

Sincerely,

**Jeffrey Buddle, President**  
**Montgomery County Career Fire Fighters Association**  
**International Association of Fire Fighters, AFL-CIO, CLC**  
**932 Hungerford Drive, Suite 33A**  
**Rockville, Maryland 20850**

**[president@iafflocal1664.org](mailto:president@iafflocal1664.org)**

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LOCAL 1664

# Montgomery County Career Fire Fighters Association

**April 20, 2022**

Nancy Navarro, Chair  
Montgomery County Council  
Government Operations & Fiscal Policy Committee  
100 Maryland Avenue  
Rockville, Maryland 20850

Subject: FY '23 IAFF Collective Bargaining Agreement

Chair Navarro,

On behalf on the Montgomery County Career Fire Fighters Association, we urge the Government Operations & Fiscal Policy Committee to recommend approval of funding for the FY '23 fiscal provisions included in the 2022 - 2024 IAFF Collective Bargaining Agreement.

As the attached presentation details, IAFF members' pay has not kept up with inflation and lags other departments in the region. The FY '23 fiscal provisions contained in the Collective Bargaining Agreement will help to address these two critical concerns.

The attached presentation includes a Comparative Compensation Analysis demonstrating that bargaining unit employees have fallen behind other local fire fighters in both starting and top end salaries. For example:

- a) Fire Fighter / Rescuer III's rank **4 out of 7** in starting salary compared to other Maryland jurisdictions and the District of Columbia;
- b) Fire Fighter / Rescuer III's rank **6 out of 7** in top end salary compared to other Maryland jurisdictions and the District of Columbia;
- c) Fire Fighter / Rescuer III's rank **5 out of 12** in starting salary compared to other Maryland and Virginia jurisdictions and the District of Columbia; and
- d) Fire Fighter / Rescuer III's rank **7 out of 12** in top end salary compared to other Maryland and Virginia jurisdictions and the District of Columbia.

Our presentation also confirms that IAFF's general wage growth has also lagged behind the Consumer Price Index. The attached presentation demonstrates that the inflation adjusted base salary for a Fire Fighter Rescuer III is **4.72% lower** in FY2022 versus FY2008. This means that Fire Fighters at every year of service can buy fewer goods and services today than those with similar years of service in FY2008.

For example, in July 2022, inflation was at an annual rate of 0.8% and the IAFF bargaining unit received no General Wage Adjustment (GWA). In July 2021, annual inflation reached 4.45%, but the IAFF bargaining unit received a GWA of just 1.5%. Finally, in January 2022, inflation was at an annual rate of 6.0% and the IAFF is scheduled to receive a GWA of 2.25%, subject to a supplemental appropriation by the County Council.

This loss of purchasing power is even more substantial when employee pension contributions are considered. When the pension was under-funded over a decade ago, the County increased employee pension contributions by 1% on January 1, 2011 and again on January 1, 2012. Employees now contribute 7.5% of their salary to their pension. As of July 1, 2021, the Employee Retirement System is 103.2% funded, which means that the County's required contributions have decreased because the unfunded liability has been eliminated.

However, even as the County contributes less to the pension, employees' pension contributions have increased. For example, in FY2021, the County contributed \$80.6 million **less** than it did in FY2015, when employer contributions were at their highest. In FY2021 employee contributions were \$4.2 million **more** than in FY2015.

Taking advantage of the pension fund's well-funded status, the County's FY2022 pension contribution will decrease by another \$7.2 million compared to its FY2021 contribution, and its FY2023 pension contribution will decrease by an additional \$16.1 million from its FY2022 amount. As a result, by FY2023, the County's pension contribution will decrease to just 63% of the total contribution while employee contributions have **increased** from 15% to 37% of the total contribution in the last three fiscal years. The County's contribution rate for Group G fire fighters has fallen from 51.37% of payroll in FY2015 to just 23.48% of payroll in FY2023.

Because of employees' increased pension contributions, Fire Fighters' inflation adjusted base salary net of pension contributions is **6.73% lower** in FY2022 versus FY2008.

Similarly, the County has funded health care at less than the 80/20 cost share negotiated in the IAFF Collective Bargaining Agreement. When the costs of both pension and health care contributions are factored in, bargaining unit employees' inflation adjusted base salary is **12.4% lower** in FY2022 versus FY2008.

Although the financial provisions in the IAFF Collective Bargaining Agreement will help close the gap between employee pay and inflation, the attached presentation demonstrates that the fiscal impact of the agreed upon increases is reasonable. For example, the Union has structured merit increases in a way that ensures there is no cost to the County for implementing them.

Thank you for your time and consideration of our information and analysis provided to the committee. If you have any questions, please don't hesitate to contact me.

Sincerely,



Jeffrey Buddle, President  
IAFF Local 1664

cc: Andrew Friedson, Councilmember  
Sidney Katz, Councilmember  
Jennifer Harling, Chief Labor Relations Officer



# Comparative Compensation Analysis

## Fire Fighter Comparison Groups

Montgomery County	Firefighter/Rescuer III	F3
<b>Maryland Comparisons</b>		
Anne Arundel County	Firefighter II	FFII
Baltimore City	Firefighter	Grade 311
Baltimore County	EMT/Firefighter	Grade 11F
Howard County	Fire Fighters	Grade F
Prince George's County	Firefighter II	Y02
<b>Virginia Comparisons</b>		
Alexandria City	Firefighter II	Grade 11
Arlington County	Firefighter/EMT II	F2
Fairfax County	Firefighter	F19
Loudoun County	Firefighter	F3
Prince William County	Firefighter (Tech 1)	FD 01
<b>Washington DC</b>	Private	Class 01

Montgomery County	Master Fire Fighter	F4
<b>Maryland Comparisons</b>		
Anne Arundel County	Firefighter III	FFIII
Baltimore City	N/A	N/A
Baltimore County	Fire Ap Driver/Operator	12F
Howard County	Firefighter/HVO	Grade G
Prince George's County	Firefighter Technician	Y13
<b>Virginia Comparisons</b>		
Alexandria City	N/A	N/A
Arlington County	N/A	N/A
Fairfax County	Firefighter Technician	F20
Loudoun County	Master Technician	F4
Prince William County	Firefighter (Tech II)	FD 02
<b>Washington DC</b>	N/A	N/A

# Comparative Compensation Analysis

## Metrics Used for Comparative Analysis

### Metrics:

- Standard Pay – that pay which is received by every firefighter (includes base pay and longevity; may include holiday pay).
- Net Pay – Standard Pay less Pension Contribution and Health Care Contribution.
- **Net pay per Hour Worked** – Net Pay divided by Hours Worked.

Note: Hours Worked equal (Average Weekly Hours x 52 Weeks) less Annual Leave Hours less Holiday Hours and Person Leave Hours, if applicable.

### Assumptions:

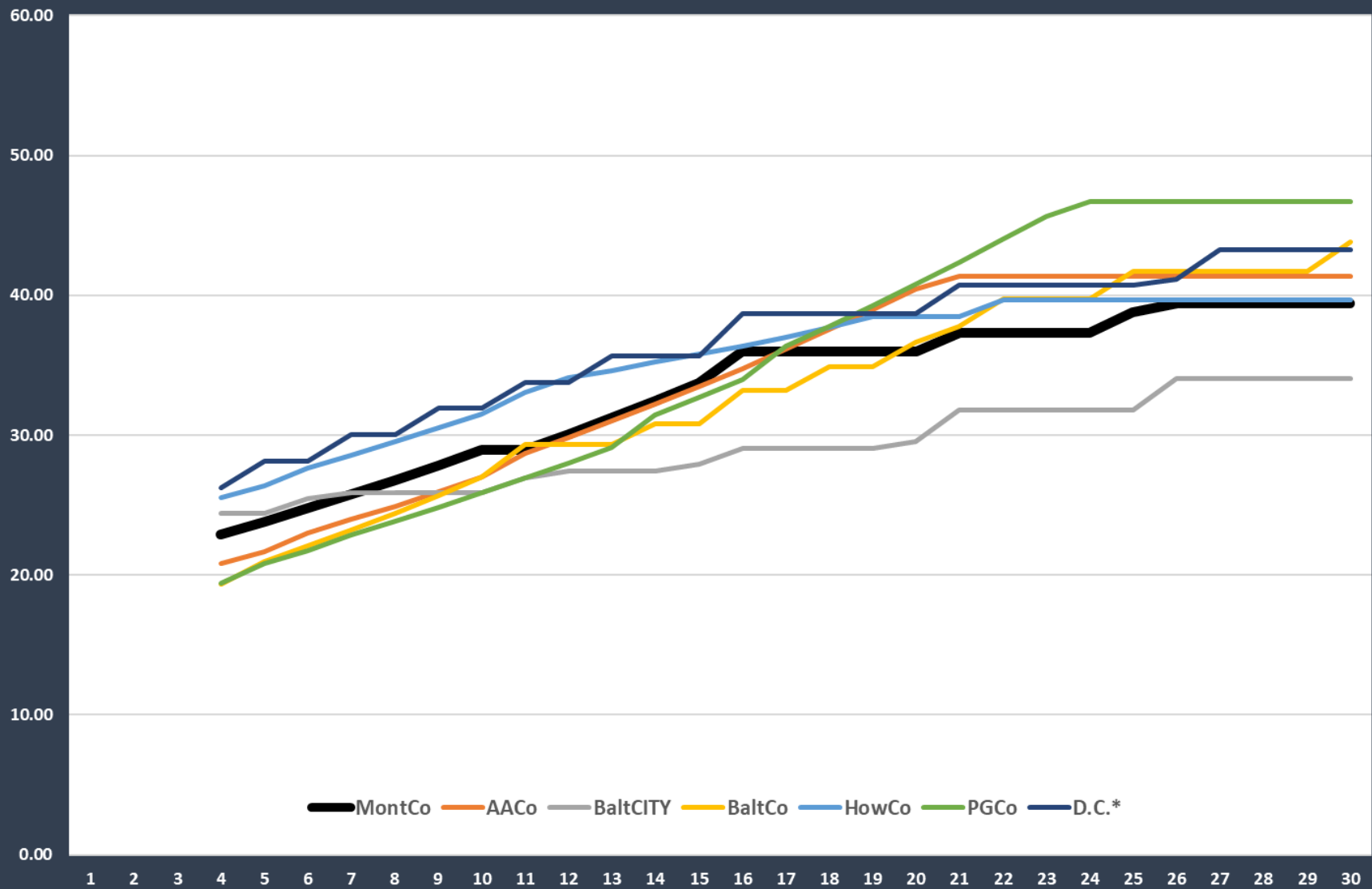
- Each Fire Fighter's anniversary date is July 1.
- Each Fire Fighter is scheduled to work the same proportion of holidays as the average number of days worked in a schedule. (For example, if a Fire Fighter works a 24-48 schedule, it is assumed that the Fire Fighter is scheduled to work 33% of all holidays.)
- Each Fire Fighter elects to take family health care coverage equivalent to Carefirst High Option POS, Cigna Dental PPO, and Caremark Standard Option Prescription -- the highest enrolled health care plans of Montgomery County Fire Firefighters.

# Comparative Analysis

## MontCo Fire Fighter III: MD and DC Comparisons

Year of Service	Net Pay per Hour Worked							MontCO Net Pay per Hour Worked as a Percentage of ...						FY22 Rank (out of 7)	MontCo Net Pay per Hour Worked as a Percentage of Median	Numer of MontCo FFIII at YOS as of 10/9/2021
	MontCo	AACo	BaltCITY	BaltCo	HowCo	PGCo	D.C.*	AACo	BaltCITY	BaltCo	HowCo	PGCo	D.C.*			
0-1																0
1-2																0
2-3																0
3-4	22.88	20.80	24.41	19.34	25.53	19.44	26.24	10.0%	-6.3%	18.4%	-10.4%	17.7%	-12.8%	4	1.2%	9
4-5	23.81	21.65	24.41	20.93	26.39	20.82	28.12	10.0%	-2.5%	13.7%	-9.8%	14.4%	-15.3%	4	3.4%	57
5-6	24.77	23.03	25.43	22.06	27.65	21.71	28.12	7.6%	-2.6%	12.2%	-10.4%	14.1%	-11.9%	4	2.2%	1
6-7	25.76	23.96	25.88	23.20	28.59	22.88	30.01	7.5%	-0.5%	11.0%	-9.9%	12.6%	-14.2%	4	3.3%	0
7-8	26.78	24.93	25.88	24.41	29.54	23.84	30.01	7.4%	3.5%	9.7%	-9.3%	12.4%	-10.8%	3	5.4%	71
8-9	27.84	25.94	25.88	25.67	30.52	24.83	31.90	7.4%	7.6%	8.5%	-8.8%	12.2%	-12.7%	3	7.5%	67
9-10	28.94	26.98	25.88	27.00	31.54	25.85	31.90	7.3%	11.8%	7.2%	-8.2%	12.0%	-9.3%	3	7.2%	36
10-11	28.94	28.67	26.94	29.30	33.03	26.91	33.78	0.9%	7.4%	-1.2%	-12.4%	7.5%	-14.3%	4	-0.1%	0
11-12	30.08	29.81	27.43	29.30	34.09	28.01	33.78	0.9%	9.7%	2.7%	-11.8%	7.4%	-11.0%	3	1.8%	0
12-13	31.26	30.99	27.43	29.30	34.62	29.15	35.67	0.9%	14.0%	6.7%	-9.7%	7.2%	-12.4%	3	3.7%	7
13-14	32.48	32.21	27.43	30.80	35.21	31.44	35.67	0.8%	18.4%	5.4%	-7.8%	3.3%	-9.0%	3	2.0%	33
14-15	33.74	33.47	27.93	30.80	35.78	32.70	35.67	0.8%	20.8%	9.5%	-5.7%	3.2%	-5.4%	3	2.0%	36
15-16	35.95	34.77	29.03	33.19	36.38	34.00	38.67	3.4%	23.8%	8.3%	-1.2%	5.7%	-7.0%	3	4.5%	31
16-17	35.95	36.12	29.03	33.19	36.96	36.33	38.67	-0.5%	23.8%	8.3%	-2.7%	-1.0%	-7.0%	5	-0.8%	22
17-18	35.95	37.52	29.03	34.87	37.71	37.76	38.67	-4.2%	23.8%	3.1%	-4.7%	-4.8%	-7.0%	5	-4.4%	4
18-19	35.95	38.97	29.03	34.87	38.46	39.24	38.67	-7.8%	23.8%	3.1%	-6.5%	-8.4%	-7.0%	5	-6.8%	0
19-20	35.95	40.47	29.57	36.63	38.46	40.78	38.67	-11.2%	21.6%	-1.9%	-6.5%	-11.8%	-7.0%	6	-6.8%	8
20-21	37.33	41.39	31.80	37.80	38.46	42.37	40.72	-9.8%	17.4%	-1.2%	-2.9%	-11.9%	-8.3%	6	-5.7%	14
21-22	37.33	41.39	31.80	39.71	39.68	44.01	40.72	-9.8%	17.4%	-6.0%	-5.9%	-15.2%	-8.3%	6	-7.2%	10
22-23	37.33	41.39	31.80	39.71	39.68	45.67	40.72	-9.8%	17.4%	-6.0%	-5.9%	-18.3%	-8.3%	6	-7.2%	4
23-24	37.33	41.39	31.80	39.71	39.68	46.71	40.72	-9.8%	17.4%	-6.0%	-5.9%	-20.1%	-8.3%	6	-7.2%	2
24-25	38.77	41.39	31.80	41.70	39.68	46.71	40.72	-6.3%	21.9%	-7.0%	-2.3%	-17.0%	-4.8%	6	-5.6%	0
25-26	39.41	41.39	34.03	41.70	39.68	46.71	41.18	-4.8%	15.8%	-5.5%	-0.7%	-15.6%	-4.3%	6	-4.5%	1
26-27	39.41	41.39	34.03	41.70	39.68	46.71	43.25	-4.8%	15.8%	-5.5%	-0.7%	-15.6%	-8.9%	6	-5.1%	2
27-28	39.41	41.39	34.03	41.70	39.68	46.71	43.25	-4.8%	15.8%	-5.5%	-0.7%	-15.6%	-8.9%	6	-5.1%	3
28-29	39.41	41.39	34.03	41.70	39.68	46.71	43.25	-4.8%	15.8%	-5.5%	-0.7%	-15.6%	-8.9%	6	-5.1%	2
29-30	39.41	41.39	34.03	43.82	39.68	46.71	43.25	-4.8%	15.8%	-10.1%	-0.7%	-15.6%	-8.9%	6	-6.9%	0

Net Pay per Hour Worked by Year of Service, FY 22 (Maryland and DC Comparisons)



# Comparative Analysis MontCo Fire Fighter III: Combined Rankings

Year of Service	RANKING			MONTCO NET PAY PER HOUR WORKED AS A % OF MEDIAN			Number of MontCo FFIII at YOS
	MD and DC (out of 7)	VA (out of 6)	Combined (out of 12)	MD and DC	VA	Combined	
0-1							0
1-2							0
2-3							0
3-4	4	2	5	1.2%	8.6%	8.6%	9
4-5	4	2	5	3.4%	8.8%	8.8%	57
5-6	4	2	5	2.2%	8.9%	7.6%	1
6-7	4	2	5	3.3%	7.9%	7.5%	0
7-8	3	3	5	5.4%	8.1%	7.4%	71
8-9	3	3	5	7.5%	8.2%	7.6%	67
9-10	3	3	5	7.2%	7.2%	7.2%	36
10-11	4	3	6	-0.1%	3.3%	0.9%	0
11-12	3	3	5	1.8%	3.3%	2.7%	0
12-13	3	3	5	3.7%	2.5%	2.5%	7
13-14	3	3	5	2.0%	2.5%	2.5%	33
14-15	3	2	4	2.0%	3.8%	3.2%	36
15-16	3	2	4	4.5%	10.6%	5.7%	31
16-17	5	2	6	-0.8%	9.2%	1.5%	22
17-18	5	2	6	-4.4%	5.0%	0.7%	4
18-19	5	2	6	-6.8%	2.0%	0.7%	0
19-20	6	3	8	-6.8%	0.7%	-1.9%	8
20-21	6	2	7	-5.7%	4.5%	-1.2%	14
21-22	6	2	7	-7.2%	4.5%	-5.9%	10
22-23	6	2	7	-7.2%	2.4%	-5.9%	4
23-24	6	2	7	-7.2%	2.4%	-5.9%	2
24-25	6	2	7	-5.6%	6.3%	-2.3%	0
25-26	6	2	7	-4.5%	8.1%	-0.7%	1
26-27	6	2	7	-5.1%	8.1%	-0.7%	2
27-28	6	2	7	-5.1%	8.1%	-0.7%	3
28-29	6	2	7	-5.1%	8.1%	-0.7%	2
29-30	6	2	7	-6.9%	8.1%	-0.7%	0



# Time Series Analysis

## Impact of Inflation on FFIII (F3) Pay Scale

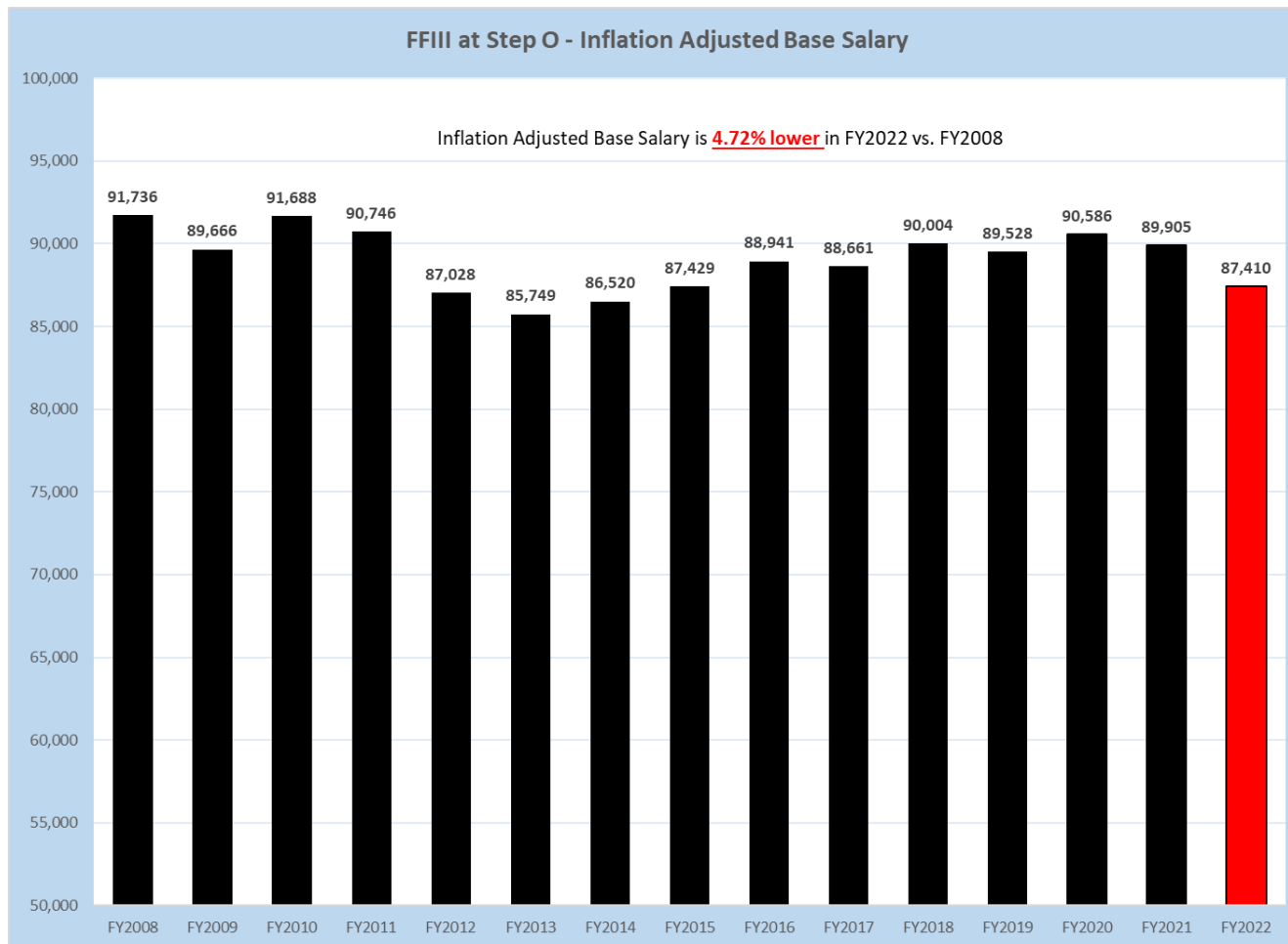
Inflation Adjusted F3 Pay Scale																
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY22/FY08
A	56,665	55,387	56,637	56,055	53,758	52,968	53,445	54,006	54,940	54,766	55,596	55,302	55,956	55,535	53,993	-4.71%
B	58,649	57,327	58,620	58,017	55,640	54,823	55,316	55,897	56,864	56,684	57,543	57,238	57,915	57,480	55,884	-4.71%
C	60,702	59,333	60,672	60,048	57,588	56,741	57,252	57,853	58,854	58,668	59,557	59,242	59,943	59,492	57,841	-4.71%
D	62,827	61,411	62,796	62,151	59,604	58,728	59,257	59,879	60,914	60,723	61,643	61,317	62,042	61,576	59,867	-4.71%
E	65,027	63,561	64,995	64,327	61,691	60,784	61,331	61,975	63,047	62,848	63,800	63,462	64,213	63,730	61,961	-4.72%
F	67,304	65,786	67,270	66,579	63,851	62,912	63,479	64,145	65,255	65,048	66,034	65,684	66,461	65,962	64,131	-4.72%
G	69,661	68,089	69,625	68,910	66,086	65,115	65,702	66,390	67,539	67,325	68,345	67,983	68,787	68,270	66,375	-4.72%
H	72,100	70,473	72,062	71,322	68,399	67,394	68,001	68,715	69,904	69,684	70,740	70,365	71,196	70,661	68,700	-4.72%
I	74,624	72,940	74,586	73,819	70,794	69,754	70,382	71,121	72,351	72,123	73,216	72,829	73,690	73,136	71,106	-4.71%
J	77,236	75,494	77,197	76,403	73,273	72,196	72,845	73,610	74,883	74,646	75,777	75,377	76,267	75,694	73,593	-4.72%
K	79,940	78,137	79,899	79,078	75,838	74,723	75,395	76,187	77,504	77,259	78,431	78,015	78,938	78,345	76,170	-4.72%
L	82,738	80,872	82,696	81,846	78,493	77,339	78,036	78,855	80,219	79,964	81,177	80,746	81,700	81,087	78,837	-4.72%
M	85,635	83,703	85,591	84,711	81,241	80,047	80,767	81,615	83,026	82,764	84,019	83,573	84,561	83,926	81,596	-4.72%
N	88,633	86,633	88,587	87,677	84,084	82,849	83,594	84,472	85,933	85,662	86,960	86,499	87,522	86,864	84,453	-4.72%
O	91,736	89,666	91,688	90,746	87,028	85,749	86,520	87,429	88,941	88,661	90,004	89,528	90,586	89,905	87,410	-4.72%
LS*	94,947	92,805	94,898	93,922	90,074	88,750	89,550	90,490	92,054	91,764	93,155	92,662	93,757	93,053	90,470	-4.72%
LS2*	94,947	92,805	94,898	93,922	90,074	88,750	92,578	93,657	95,277	94,975	96,415	95,905	97,039	96,310	93,637	-1.38%

As a comparison ...

Inflation Adjusted General Fund Revenue was **17.8% higher** in FY2021 vs. FY2008.

# Time Series Analysis

## FFIII at Step O – Inflation Adjusted Base Salary



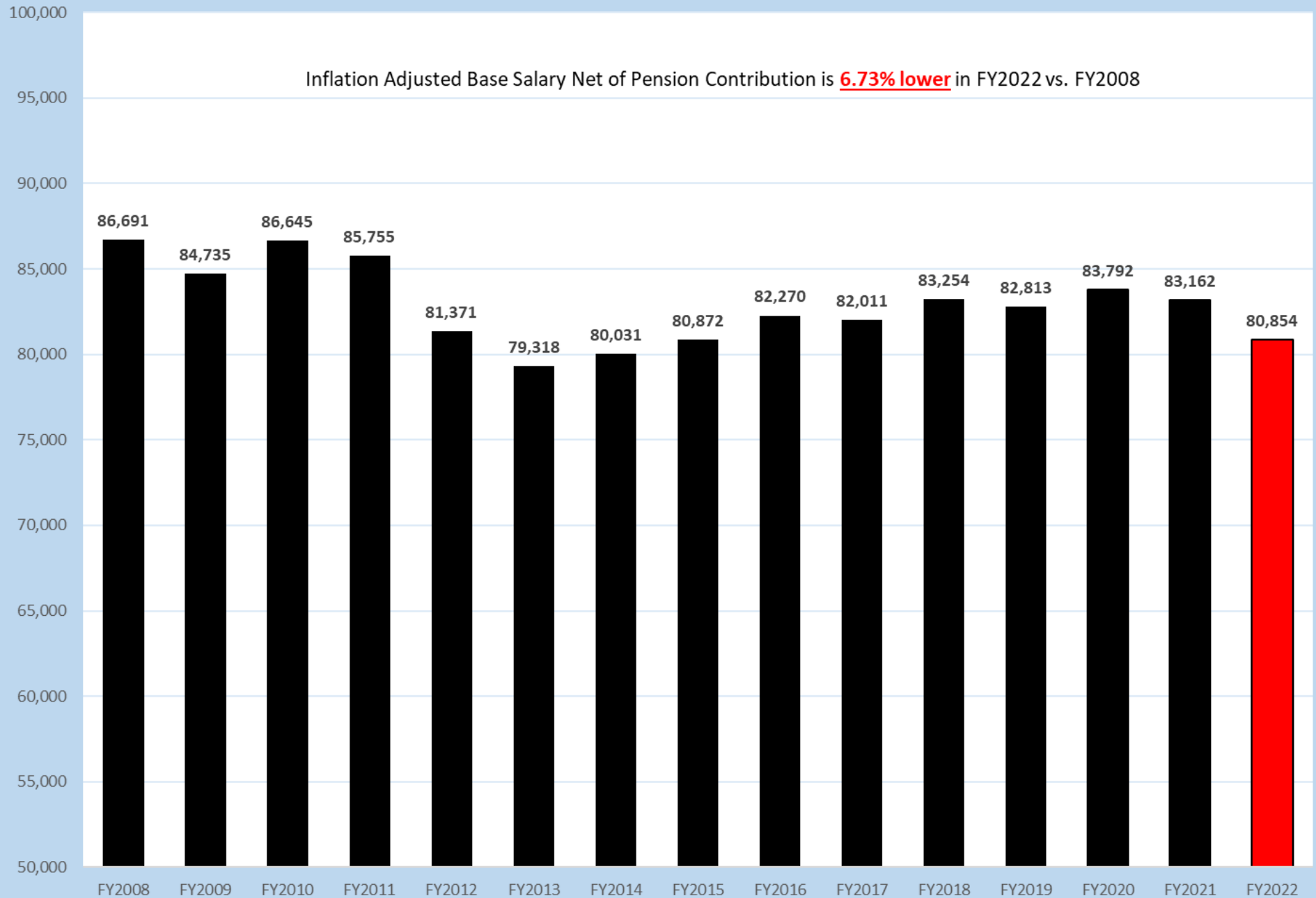
# Time Series Analysis

## Inflation Adjusted Pay Scale Net of Pension Contributions

	Inflation Adjusted Pay Scale Net of Pension Contributions															
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY22/FY08
A	53,548	52,341	53,522	52,972	50,264	48,996	49,437	49,955	50,819	50,659	51,427	51,154	51,759	51,370	49,944	-6.73%
B	55,423	54,174	55,396	54,826	52,024	50,711	51,167	51,705	52,599	52,432	53,227	52,946	53,572	53,169	51,693	-6.73%
C	57,363	56,070	57,335	56,745	53,845	52,486	52,958	53,514	54,440	54,268	55,090	54,799	55,447	55,030	53,503	-6.73%
D	59,372	58,033	59,342	58,732	55,730	54,324	54,812	55,388	56,346	56,169	57,020	56,718	57,389	56,958	55,377	-6.73%
E	61,451	60,065	61,420	60,789	57,681	56,226	56,731	57,327	58,319	58,134	59,015	58,703	59,397	58,950	57,314	-6.73%
F	63,603	62,168	63,570	62,917	59,700	58,194	58,718	59,334	60,360	60,170	61,082	60,758	61,476	61,014	59,321	-6.73%
G	65,830	64,344	65,796	65,120	61,791	60,231	60,774	61,411	62,473	62,276	63,220	62,884	63,628	63,150	61,397	-6.73%
H	68,134	66,597	68,099	67,399	63,953	62,340	62,901	63,562	64,661	64,457	65,434	65,088	65,856	65,362	63,548	-6.73%
I	70,519	68,929	70,483	69,759	66,193	64,522	65,103	65,787	66,925	66,714	67,725	67,367	68,163	67,651	65,773	-6.73%
J	72,988	71,342	72,951	72,201	68,510	66,781	67,382	68,089	69,267	69,047	70,094	69,723	70,547	70,017	68,074	-6.73%
K	75,543	73,839	75,504	74,728	70,908	69,119	69,741	70,473	71,691	71,465	72,548	72,164	73,017	72,469	70,457	-6.73%
L	78,188	76,424	78,148	77,345	73,391	71,539	72,183	72,941	74,202	73,967	75,088	74,690	75,573	75,005	72,924	-6.73%
M	80,925	79,099	80,884	80,052	75,960	74,043	74,709	75,494	76,799	76,557	77,717	77,305	78,219	77,631	75,477	-6.73%
N	83,758	81,869	83,715	82,854	78,619	76,635	77,325	78,137	79,488	79,237	80,438	80,012	80,958	80,350	78,119	-6.73%
O	86,691	84,735	86,645	85,755	81,371	79,318	80,031	80,872	82,270	82,011	83,254	82,813	83,792	83,162	80,854	-6.73%
LS*	89,725	87,701	89,679	88,757	84,220	82,094	82,834	83,703	85,150	84,881	86,168	85,712	86,725	86,074	83,685	-6.73%
LS2*	91,149	89,093	91,102	90,166	86,471	85,200	87,023	88,038	89,560	89,277	90,630	90,151	91,217	90,531	88,018	-3.43%

Employee Pension Contribution Rates rose by 1 percentage point effective 7/1/2011 and another 1 percentage point effective 7/1/2012.

## FFIII at Step O - Inflation Adjusted Base Salary Net of Pension Contribution



# Time Series Analysis

## Inflation Adjusted F3 Pay Scale Net of Pension and Family Health Care Contributions

Inflation-Adjusted F3 Pay Scale Net of Pension and Health Care Contributions																
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY22/FY08
A	50,072	48,981	49,889	49,020	45,751	43,378	43,139	43,308	43,693	43,387	43,915	43,293	43,680	43,321	41,957	-16.2%
B	51,947	50,813	51,763	50,874	47,510	45,093	44,869	45,057	45,472	45,161	45,716	45,084	45,493	45,121	43,707	-15.9%
C	53,888	52,710	53,702	52,793	49,331	46,868	46,661	46,867	47,313	46,996	47,579	46,937	47,368	46,982	45,516	-15.5%
D	55,896	54,673	55,710	54,780	51,216	48,706	48,515	48,740	49,219	48,897	49,509	48,857	49,310	48,909	47,390	-15.2%
E	57,975	56,705	57,787	56,836	53,168	50,608	50,434	50,680	51,192	50,863	51,504	50,841	51,318	50,902	49,328	-14.9%
F	60,127	58,807	59,937	58,964	55,187	52,576	52,420	52,687	53,234	52,898	53,570	52,897	53,398	52,966	51,334	-14.6%
G	62,354	60,984	62,163	61,167	57,277	54,613	54,477	54,764	55,347	55,004	55,708	55,023	55,549	55,101	53,410	-14.3%
H	64,659	63,236	64,466	63,446	59,440	56,721	56,603	56,914	57,535	57,186	57,923	57,226	57,778	57,313	55,561	-14.1%
I	67,044	65,568	66,851	65,806	61,679	58,904	58,806	59,140	59,798	59,442	60,213	59,505	60,084	59,602	57,786	-13.8%
J	69,512	67,981	69,318	68,248	63,996	61,163	61,084	61,442	62,141	61,776	62,583	61,862	62,468	61,969	60,087	-13.6%
K	72,067	70,479	71,872	70,776	66,395	63,501	63,443	63,825	64,565	64,193	65,037	64,302	64,938	64,420	62,471	-13.3%
L	74,712	73,063	74,515	73,392	68,877	65,921	65,885	66,293	67,076	66,695	67,577	66,829	67,494	66,957	64,937	-13.1%
M	77,449	75,739	77,251	76,100	71,446	68,425	68,412	68,846	69,673	69,285	70,206	69,444	70,140	69,583	67,490	-12.9%
N	80,282	78,508	80,082	78,902	74,105	71,017	71,027	71,489	72,362	71,965	72,927	72,150	72,879	72,301	70,133	-12.6%
O	83,215	81,374	83,013	81,802	76,857	73,699	73,734	74,224	75,144	74,739	75,743	74,952	75,713	75,114	72,868	-12.4%
LS*	86,249	84,340	86,046	84,804	79,706	76,476	76,536	77,055	78,024	77,610	78,657	77,850	78,647	78,025	75,698	-12.2%
LS2*	87,674	85,732	87,469	86,213	81,958	79,582	80,726	81,390	82,434	82,005	83,119	82,289	83,138	82,483	80,032	-8.7%

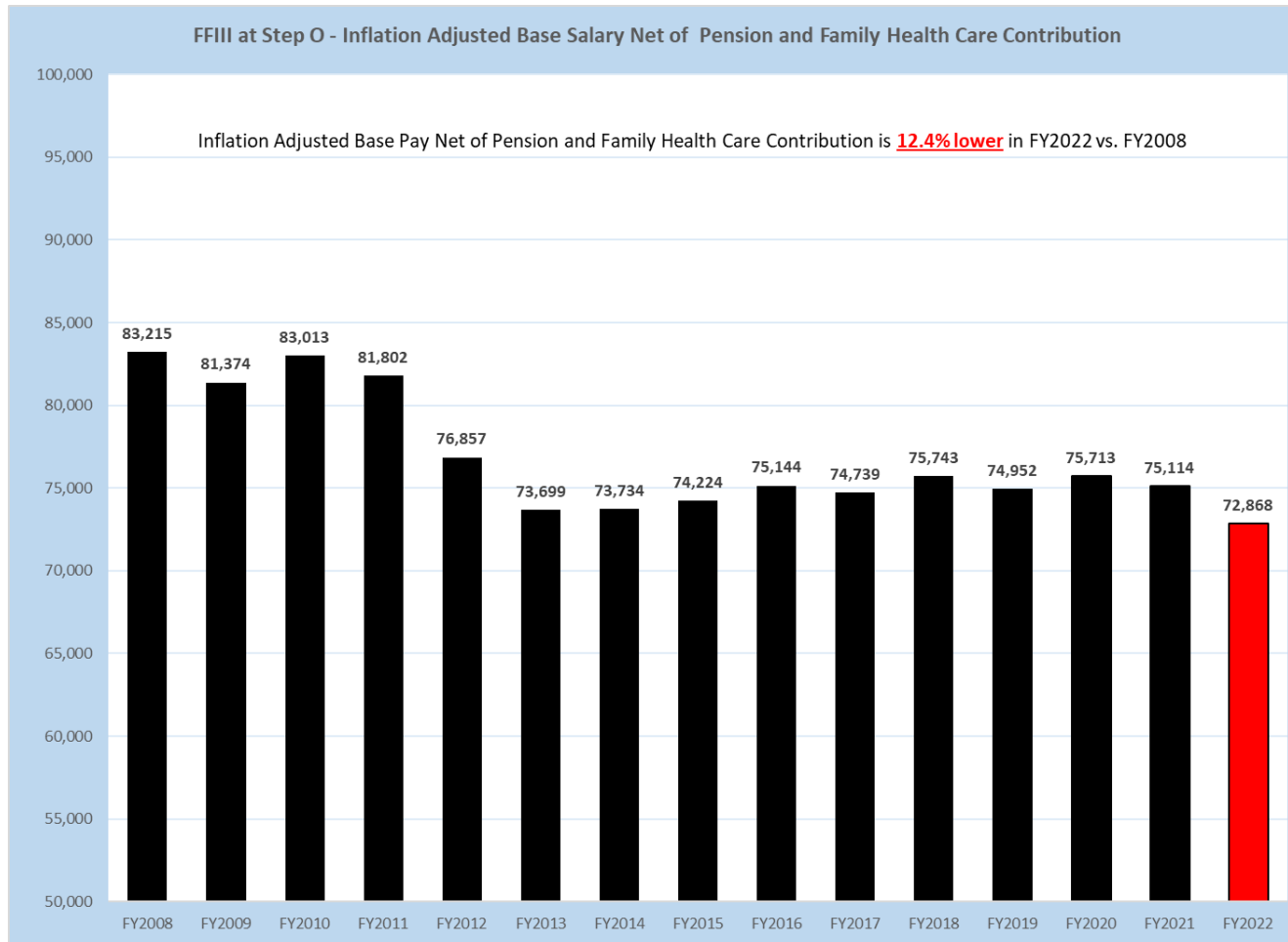
For Fire Fighters at Step O, Family Health Care Contributions as a Percentage of Base Pay increased

- from 3.8% in FY2008 to
- 9.1% in FY2022



# Time Series Analysis

FFIII at Step O – Inflation Adjusted Base Salary Net of Pension and Family Health Care Contribution

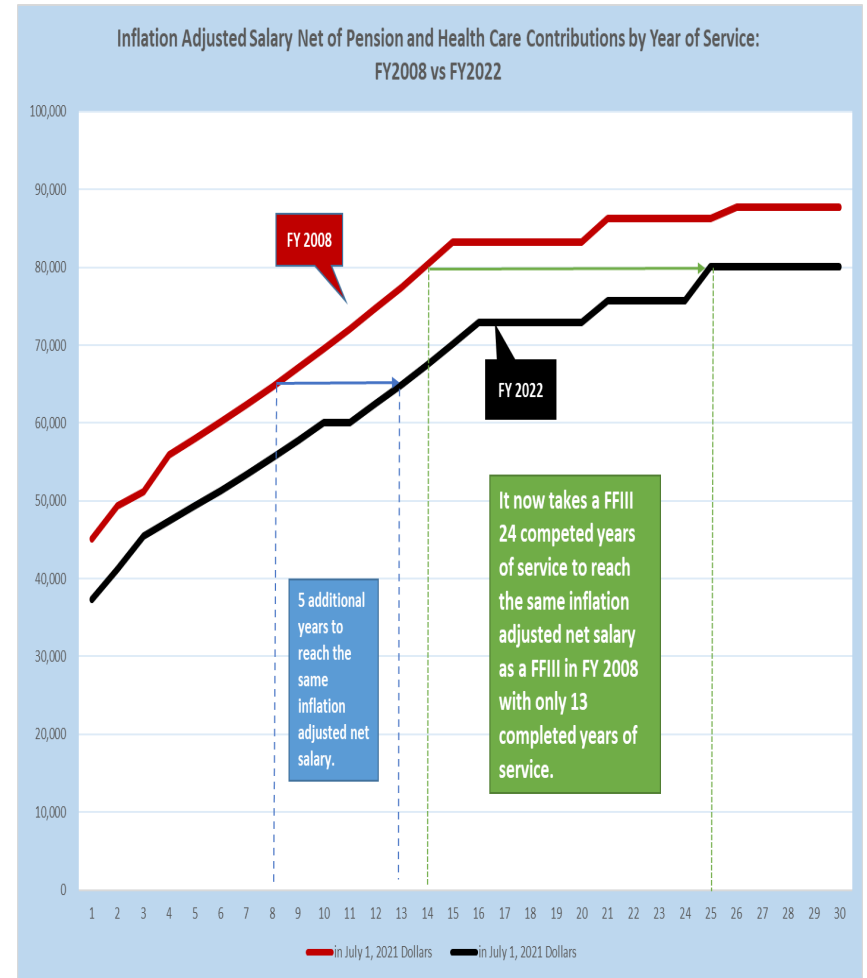


# Time Series Analysis

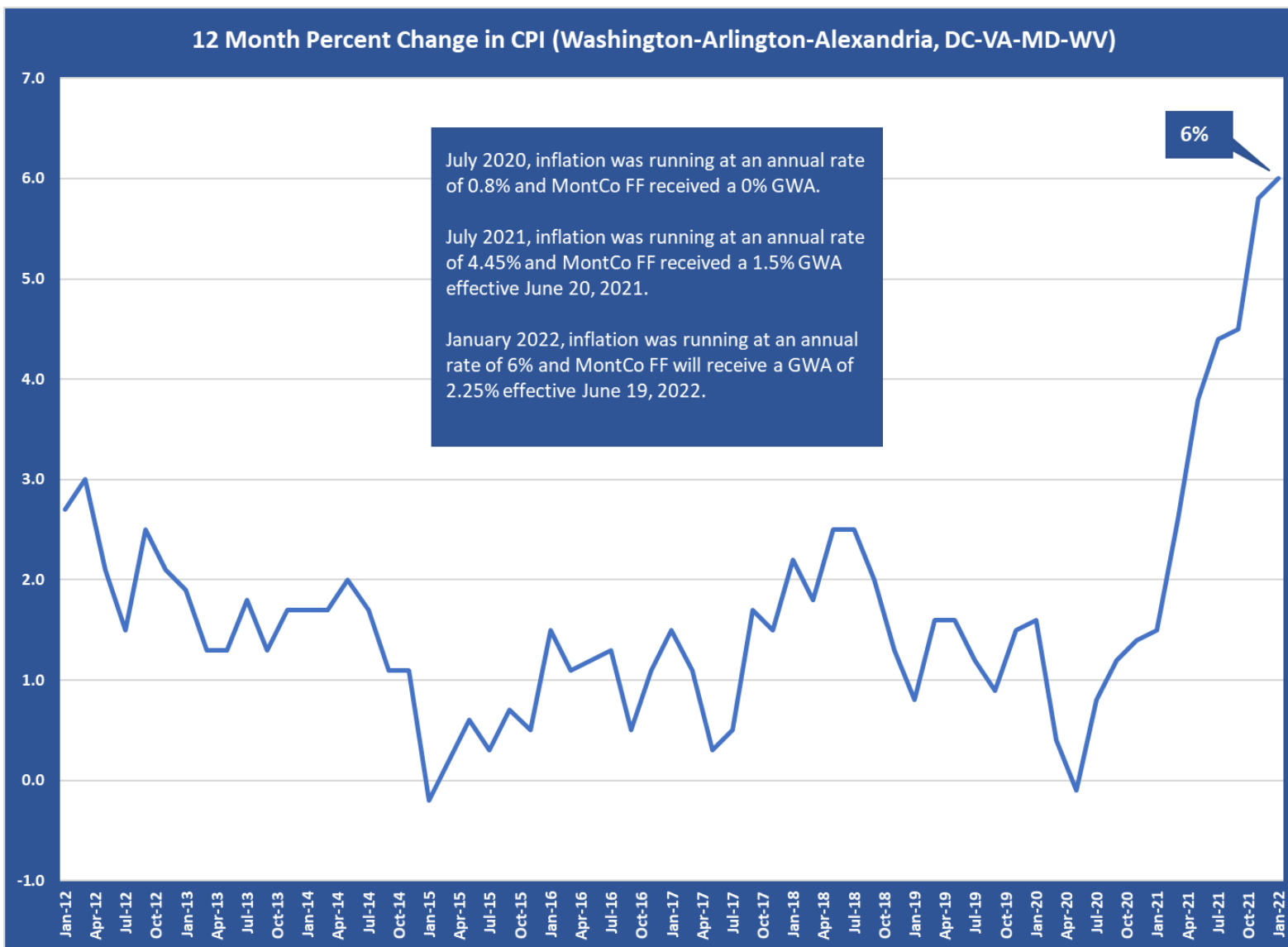
In conclusion, FF's at every year of service can buy fewer goods and services today than those with similar years of service in FY2008.

Salary Net of Pension and Health Care Contributions by Year of Service: FY2008 vs. FY2022

Year of Service	FY2008 Grade/Step	FY2008 Net Salary in 2008 Dollars	FY2008 Salary in July 1, 2021 Dollars	FY2022 Grade/Step	FY2022 Salary in July 1, 2021 Dollars	Percentage Difference FY22/FY08 in 2021 Dollars
0-1	F1 - A	35,092	45,094	F1 - A	37,328	-17.2%
1-2	F2 - B	38,371	49,307	F2 - B	41,261	-16.3%
2-3	F2 - C	39,810	51,155	F2 - C	45,534	-11.0%
3-4	F3 - D	43,499	55,896	F3 - D	47,390	-15.2%
4-5	F3 - E	45,117	57,975	F3 - E	49,328	-14.9%
5-6	F3 - F	46,791	60,127	F3 - F	51,334	-14.6%
6-7	F3 - G	48,525	62,354	F3 - G	53,410	-14.3%
7-8	F3 - H	50,318	64,659	F3 - H	55,561	-14.1%
8-9	F3 - I	52,174	67,044	F3 - I	57,786	-13.8%
9-10	F3 - J	54,095	69,512	F3 - J	60,087	-13.6%
10-11	F3 - K	56,084	72,067	F3 - J	60,087	-16.6%
11-12	F3 - L	58,142	74,712	F3 - K	62,471	-16.4%
12-13	F3 - M	60,272	77,449	F3 - L	64,937	-16.2%
13-14	F3 - N	62,477	80,282	F3 - M	67,490	-15.9%
14-15	F3 - O	64,759	83,215	F3 - N	70,133	-15.7%
15-16	F3 - O	64,759	83,215	F3 - O	72,868	-12.4%
16-17	F3 - O	64,759	83,215	F3 - O	72,868	-12.4%
17-18	F3 - O	64,759	83,215	F3 - O	72,868	-12.4%
18-19	F3 - O	64,759	83,215	F3 - O	72,868	-12.4%
19-20	F3 - O	64,759	83,215	F3 - O	72,868	-12.4%
20-21	F3 - LS1	67,120	86,249	F3 - LS1	75,698	-12.2%
21-22	F3 - LS1	67,120	86,249	F3 - LS1	75,698	-12.2%
22-23	F3 - LS1	67,120	86,249	F3 - LS1	75,698	-12.2%
23-24	F3 - LS1	67,120	86,249	F3 - LS1	75,698	-12.2%
24-25	F3 - LS1	67,120	86,249	F3 - LS2	80,032	-7.2%
25-26	F3 - LS1	68,229	87,674	F3 - LS2	80,032	-8.7%
26-27	F3 - LS1	68,229	87,674	F3 - LS2	80,032	-8.7%
27-28	F3 - LS1	68,229	87,674	F3 - LS2	80,032	-8.7%
28-29	F3 - LS1	68,229	87,674	F3 - LS2	80,032	-8.7%
29-30	F3 - LS1	68,229	87,674	F3 - LS2	80,032	-8.7%



# Inflation erodes Purchasing Power



# An Aside ... Pension Contributions

- In FY2021,
- **The County contributed \$80.6 million less** to the employee pension fund than it did in FY2015 when employer contributions were at their highest.

**Employee contributions were \$4.2 million more.**

**Compared to FY2021,**  
the County's FY2022 contribution will decrease by **another \$7.2 million.**

**Compared to FY2022,**  
the County's FY2023 contribution will decrease by **\$16.1 million.**

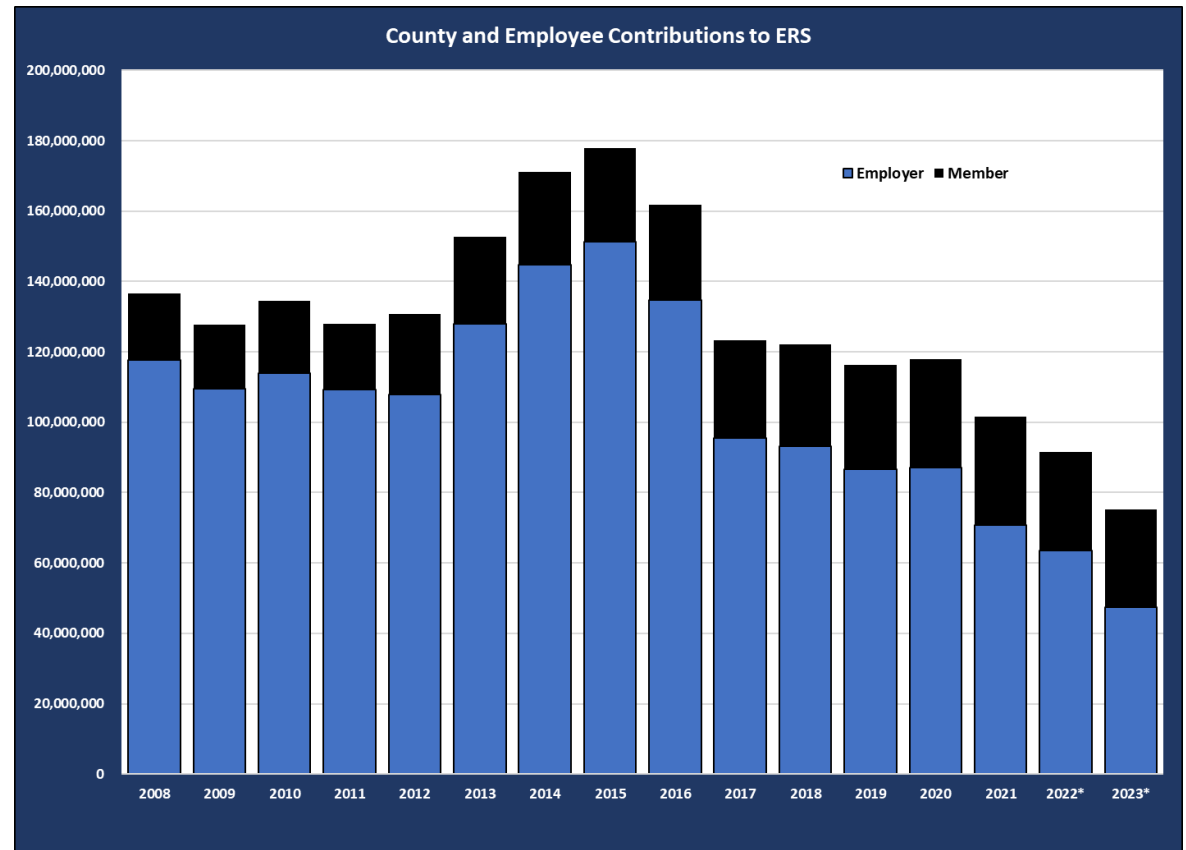
Fiscal Year	ERS Contribution		TOTAL	ERS Contribution as a Percentage of Total	
	Employer	Member		Employer	Member
2023*	47,428,078	27,746,742	75,174,820	63%	37%
2022*	63,520,020	27,975,345	91,495,365	69%	31%
2021	70,740,597	30,848,249	101,588,846	70%	30%
2020	87,198,736	30,781,032	117,979,768	74%	26%
2019	86,584,479	29,628,822	116,213,301	75%	25%
2018	93,163,298	28,964,769	122,128,067	76%	24%
2017	95,398,957	27,940,416	123,339,373	77%	23%
2016	134,806,256	27,056,040	161,862,296	83%	17%
2015	151,301,867	26,627,493	177,929,360	85%	15%
2014	144,709,675	26,462,839	171,172,514	85%	15%
2013	127,887,620	24,854,331	152,741,951	84%	16%
2012	107,855,595	22,833,310	130,688,905	83%	17%
2011	109,343,933	18,592,167	127,936,100	85%	15%
2010	113,957,784	20,431,466	134,389,250	85%	15%
2009	109,567,014	18,244,976	127,811,990	86%	14%
2008	117,686,375	18,850,881	136,537,256	86%	14%

\* FY22 and 23 Contributions are recommended amounts based on the July 1, 2021 Actuarial Valuation Report, page A-7.

Sources: County CAFRs, FY2008 through FY2021, Exhibit E-2; and Montgomery County Employees' Retirement System Actuarial Valuation Report as of July 1, 2021.

Not only have County contributions decreased in terms of the absolute number of dollars contributed, but also as a percentage of the total contributions made.

- In FY2015, when the County's contributions were at their highest, the County's contributions were 85% of the total.\*
- In FY2021, the County's contributions were down to 70% of the total.
- And by FY2023, The County's contributions will be down to 63% of the total.
- This means, of course, that Employee Contributions have grown
  - FY2015 – 15%
  - FY2021 – 30%
  - FY2023 – 37%

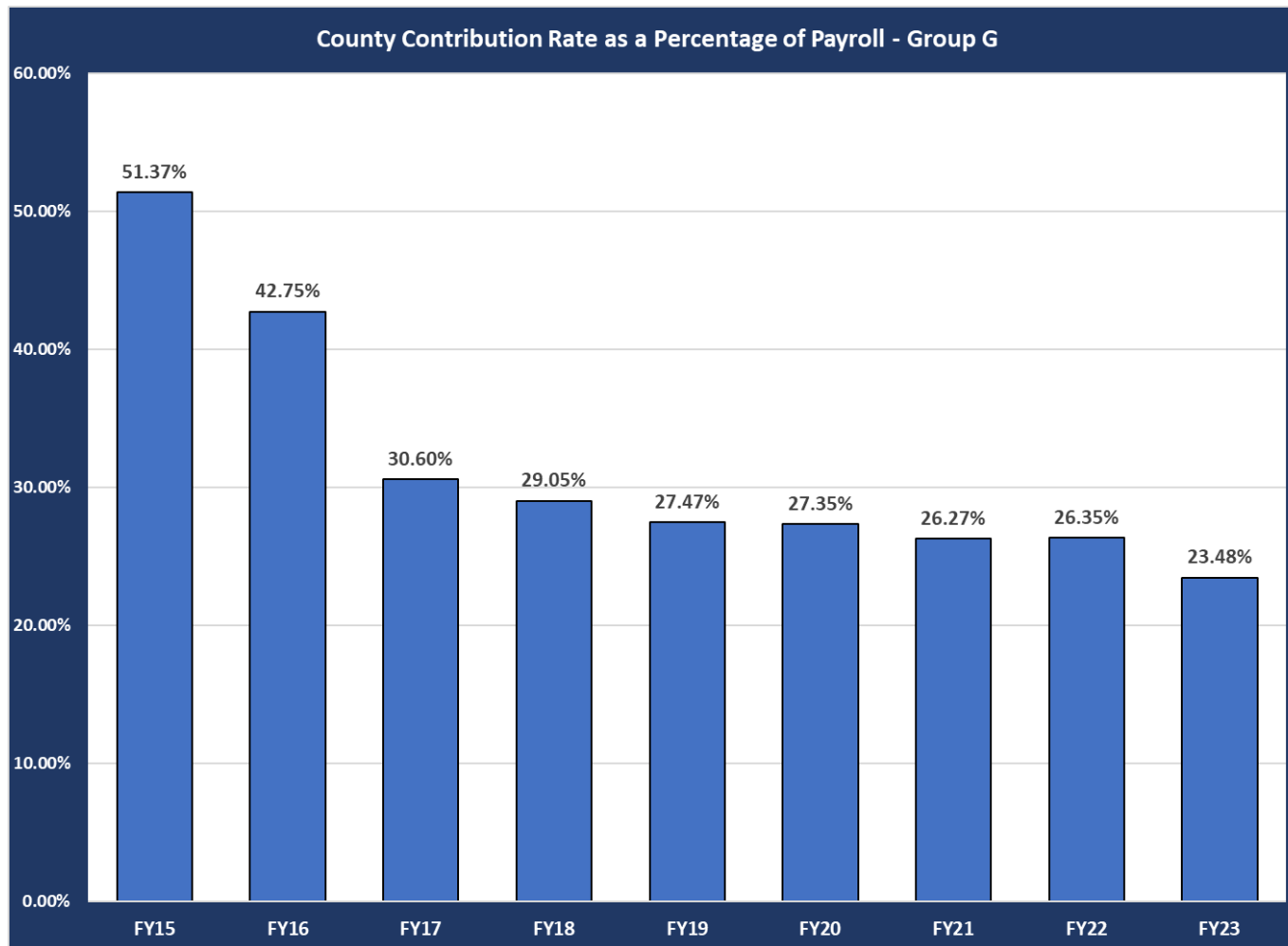


\* In percentage terms, County Contributions were at their highest in FY2008 at 86% of the total.

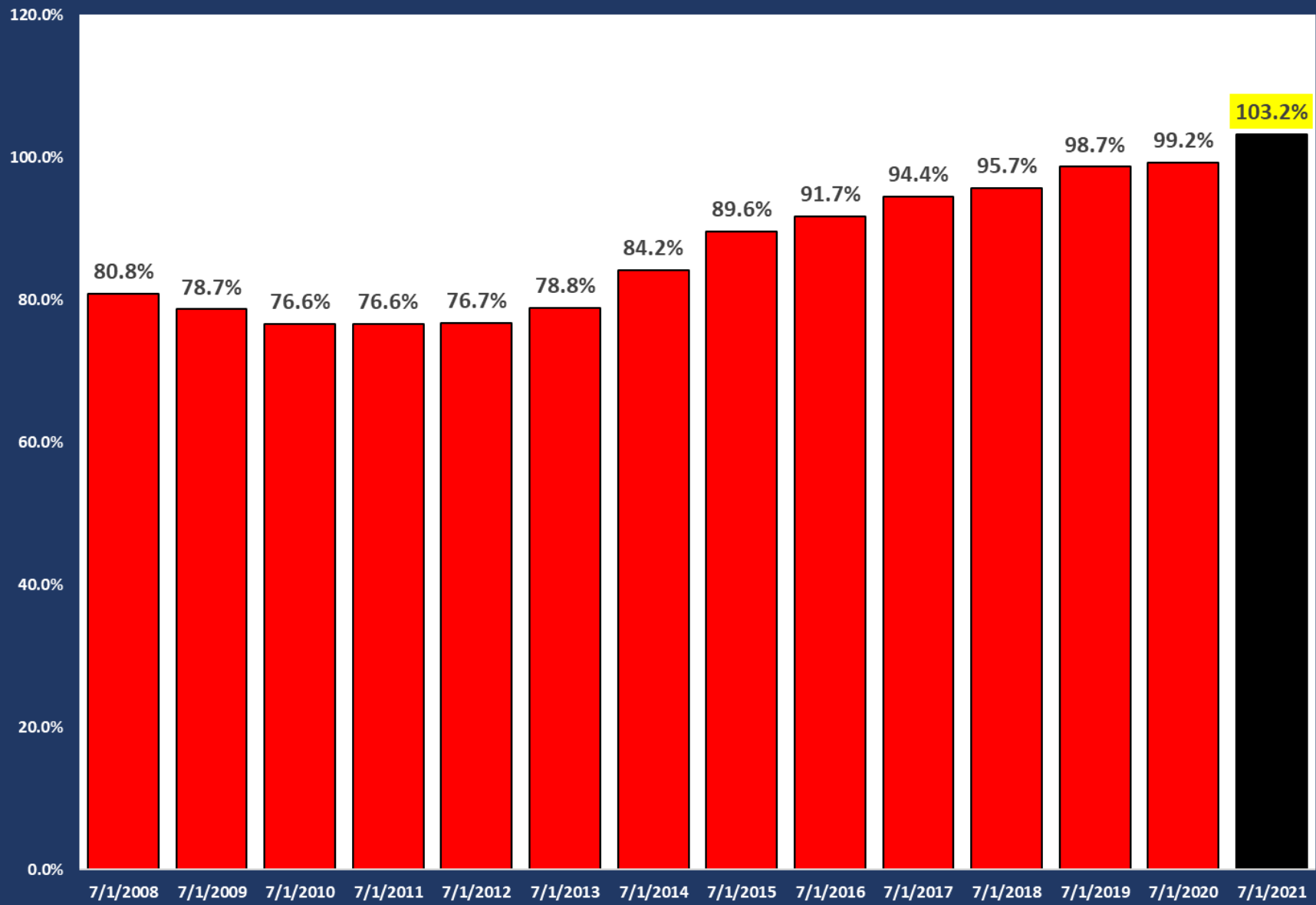


Note also that the County's Contribution Rate for Group G (Fire Fighters) has fallen from a high of 51.37% of Payroll in FY15 to 26.35% of Payroll in FY22 and 23.48% in FY23 .

(Previous Years are unavailable.)



### MontCO ERS Funded Ratio History (AVA)



# Why Step Increments Do NOT Increase Compensation Costs

Imagine a ladder with 30 rungs.

Every year 40 fire fighters step onto the bottom rung of that ladder.

The following year, those 40 fire fighters move up one step on that ladder and 40 new fire fighters replace them on the bottom rung.

In addition, every year 40 fire fighters on the top rung step off into retirement.

FY2022 - BASELINE						FY2023 - Scenario #1 Assumptions: 0% GWA, 1 Step Increment 40 Retirees replaced by 40 New Hires				FY2023 - Scenario #2 Assumptions: 6% GWA, 1 Step Increment 40 Retirees replaced by 40 New Hires				
Year of Service	Step/ Grade	Salary	Cohort	Number of FF	Total	Year of Service	Cohort	Number of FF	Total	Year of Service	Cohort	Number of FF	Total	
0-1	F1-A	49,304	A	40	1,972,146	0-1	NEW (FY23)	40	1,972,146	0-1	NEW(FY23)	40	2,090,474	
1-2	F2-B	53,582	B	40	2,143,281	1-2	A	40	2,143,281	1-2	A	40	2,271,878	
2-3	F2-C	55,459	C	40	2,218,352	2-3	B	40	2,218,352	2-3	B	40	2,351,453	
3-4	F3-D	60,272	D	40	2,410,884	3-4	C	40	2,410,884	3-4	C	40	2,555,537	
4-5	F3-E	62,381	E	40	2,495,222	4-5	D	40	2,495,222	4-5	D	40	2,644,936	
5-6	F3-F	64,565	F	40	2,582,583	5-6	E	40	2,582,583	5-6	E	40	2,737,538	
6-7	F3-G	66,824	G	40	2,672,966	6-7	F	40	2,672,966	6-7	F	40	2,833,344	
7-8	F3-H	69,165	H	40	2,766,613	7-8	G	40	2,766,613	7-8	G	40	2,932,610	
8-9	F3-I	71,587	I	40	2,863,484	8-9	H	40	2,863,484	8-9	H	40	3,035,293	
9-10	F3-J	74,091	J	40	2,963,658	9-10	I	40	2,963,658	9-10	I	40	3,141,478	
10-11	F3-K	76,685	K	40	3,067,419	10-11	J	40	3,067,419	10-11	J	40	3,251,465	
11-12	F3-L	79,370	L	40	3,174,807	11-12	K	40	3,174,807	11-12	K	40	3,365,296	
12-13	F3-M	82,149	M	40	3,285,942	12-13	L	40	3,285,942	12-13	L	40	3,483,099	
13-14	F3-N	85,025	M	40	3,400,986	13-14	M	40	3,400,986	13-14	M	40	3,605,045	
14-15	F3-O	88,001	O	40	3,520,060	14-15	M	40	3,520,060	14-15	M	40	3,731,263	
15-16	F3-O	88,001	P	40	3,520,060	15-16	O	40	3,520,060	15-16	O	40	3,731,263	
16-17	F3-O	88,001	Q	40	3,520,060	16-17	P	40	3,520,060	16-17	P	40	3,731,263	
17-18	F3-O	88,001	R	40	3,520,060	17-18	Q	40	3,520,060	17-18	Q	40	3,731,263	
18-19	F3-O	88,001	S	40	3,520,060	18-19	R	40	3,520,060	18-19	R	40	3,731,263	
19-20	F3-O	88,001	T	40	3,520,060	19-20	S	40	3,520,060	19-20	S	40	3,731,263	
20-21	F3-LS1	91,082	U	40	3,643,283	20-21	T	40	3,643,283	20-21	T	40	3,861,880	
21-22	F3-LS1	91,082	V	40	3,643,283	21-22	U	40	3,643,283	21-22	U	40	3,861,880	
22-23	F3-LS1	91,082	W	40	3,643,283	22-23	V	40	3,643,283	22-23	V	40	3,861,880	
23-24	F3-LS1	91,082	X	40	3,643,283	23-24	W	40	3,643,283	23-24	W	40	3,861,880	
24-25	F3-LS2	94,270	Y	40	3,770,819	24-25	X	40	3,770,819	24-25	X	40	3,997,068	
25-26	F3-LS2	94,270	Z	40	3,770,819	25-26	Y	40	3,770,819	25-26	Y	40	3,997,068	
26-27	F3-LS2	94,270	AA	40	3,770,819	26-27	Z	40	3,770,819	26-27	Z	40	3,997,068	
27-28	F3-LS2	94,270	BB	40	3,770,819	27-28	AA	40	3,770,819	27-28	AA	40	3,997,068	
28-29	F3-LS2	94,270	CC	40	3,770,819	28-29	BB	40	3,770,819	28-29	BB	40	3,997,068	
29-30	F3-LS2	94,270	DD	40	3,770,819	29-30	CC	40	3,770,819	29-30	CC	40	3,997,068	
30-31	F3-LS2	94,270			-	30-31	DD	retired		30-31	DD	retired	-	
TOTALS				1200	96,336,747			1200	96,336,747			1200	102,116,951	
Additional Cost									0	Additional Cost				5,780,205
% Increase									0%	% Increase				6.0%

Fiscal Year	Total Payroll for FF in Plan G (Census Date of June 30)	Number of Active FF	Pay Per FF	% Chg. In Pay per FF per Year	GWA	Service Increments	Longevity Steps
2009	84,507,177	1,164	\$ 72,601		2.00%	Yes	Yes
2010	84,346,777	1,140	\$ 73,988	1.9%	0%	Yes	Yes
2011	81,434,736	1,093	\$ 74,506	0.7%	0%	No	No
2012	82,159,978	1,141	\$ 72,007	-3.4%	0%	No	No
2013	81,750,862	1,156	\$ 70,719	-1.8%	0%	No	No
2014	86,608,102	1,190	\$ 72,780	2.9%	2.75%	Yes, +1 Step	Yes
2015	90,663,057	1,181	\$ 76,768	5.5%	2.75%	Yes, +1Step	Yes
2016	91,192,914	1,137	\$ 80,205	4.5%	2.00%	Yes	Yes
2017	94,020,960	1,185	\$ 79,343	-1.1%	1.00%	Yes	Yes
2018	99,645,485	1,216	\$ 81,945	3.3%	2.00%	Yes	Yes
2019	100,217,962	1,224	\$ 81,877	-0.1%	2.00%	Yes	Yes
2020	99,771,359	1,176	\$ 84,840	3.6%	2.40%	Yes	Yes
2021	99,825,446	1,166	\$ 85,614	0.9%	1.50%	Yes	Yes
Average FY10 to FY2021				1.42%	1.37%		

Source of Data: Montgomery County Employees' Retirement System Actuarial Valuation Reports as of July 1, 2009 through July 1, 2021.

If Service Increments added to the cost of fire fighter compensation, we would see the pay per fire fighter increase by 3.5%\* plus the GWA, on average, over time. We don't see that. In fact, over time the average percentage change in fire fighter pay is approximately equal to the average GWA, showing that it is the GWA's that add to compensation costs, not increments.

\* A little less than 3.5% because not everyone receives a service increment.