



Human Resources Benefits & Compensation

FY 2023-24 Budget Planning Update

Human Resources – Strategic Plan

Strategic Focus Area 1: Operational Excellence

Objective: To make the City of Burleson a community of choice by providing outstanding customer service; leveraging technology to be an efficient and responsive organization; being financially responsible; and focusing on transparency throughout the organization.

Goal 1: Develop a high-performance workforce by attracting and retaining the very best employees; providing a competitive salary and benefits package; maximizing employee training and educational opportunities.

Human Resources: Benefits - Current

Current Benefits Overview:

- Medical and dental plans are self funded
 - 2 medical plan options: High Deductible Health Plan and standard PPO plan
- Additional benefits include:
 - Basic life insurance equal to two times annual salary – city paid
 - Long Term Disability and Short Term Disability – city paid
 - Optional Life insurance
 - Flexible Spending plans
 - Vision
 - Legal Services
 - Optional Supplemental benefits: Accident, critical illness and hospital indemnity
 - 457(b) Deferred Compensation Plan

Human Resources: Benefits – Current – cont.

Timeline of Benefits Plan Changes and Improvements:

- Plan Year FY22-23
 - Continued contracts for all benefits from RFP administered Summer 2021
 - Added City paid Short Term Disability to compliment the existing Long Term Disability
 - Increased City paid life insurance coverage to 2 times annual salary for full time employees
 - Did not change insurance plan designs
 - Did not increase employee premium costs
 - Changed 457(b) Deferred Compensation Plan providers to VOYA Financial

Human Resources: Benefits – Current – cont.

Timeline of Benefits Plan Changes and Improvements:

- Plan Year FY22-23
 - Self Funded Health Reimbursement Account currently saving \$30,000 annually vs GAP insurance
 - Employee Health and Wellness Fair returned in September to provide health screenings and wellness information
 - Continuing wellness incentives as a means to assist employees with early detection of any medical conditions including Wellness Days off and medical insurance premium reductions
 - Added a second Wellness Day off option for employees to earn through a higher number of wellness activities within the year
 - Medical plan continues to run at around an 80% loss ratio creating a funding surplus for the year and maintaining a healthy fund balance

Human Resources: Benefits – Upcoming

Timeline of Benefits Plan Changes and Improvements:

- Plan Year FY23-24
 - No major medical or dental plan design changes anticipated in the current plans
 - IRS required increase in HDHP deductible moving from \$3,000 to \$3,200 for single coverage
 - Adding a dental insurance buy-up option
 - Increasing the annual benefit and orthodontia benefit for minimal cost increase
 - Premiums anticipated to remain the same for most products
 - Life insurance/AD&D will have a slight cost increase due to staff demographic changes (about 40¢/mo./employee)
 - First Responder Benefit – benefit included in cost shown below
 - Recommending increase to dependent basic life from \$5,000 to \$10,000 – City paid (\$21,000 annually)
 - Increase in UHC Wellness Benefit received changing from \$30,000 to \$35,000 annually
 - Increase in UHC Communications benefit changing from \$10,000 to \$15,000 annually

Human Resources: Benefits – Upcoming – cont.

Timeline of Benefit Changes and Improvements:

- Plan Year FY23-24 and beyond
 - 7% Inflationary factor added to actuarial models for medical plan cost forecasts
 - Continue to use the Benefits Committee for input, ideas and communication to the staff
 - Wellness programs will increase in frequency to emphasize medical condition detection
 - Adding more financial wellness programs with the new Deferred Compensation Provider
 - Receive Council guidance regarding work life balance options such as varying work schedules (4 x 10 hours days)
 - Continue to allow Directors the discretion for staff to work remotely part of the time if the position has the capability to do so

Human Resources Compensation – Current Market Influencers

- Available jobs in the US remains over 10.1 million as of April 2023
- Job openings outnumbered unemployed workers by about 5 million as of May 2023
- Unemployment is hovering around 3.7% at 5,567,000 unemployed workers – May 2023
- The skills gap in workers is growing and not anticipated to go away
- Succession planning is more crucial than ever – we currently have this in place in many depts.
- Entry level jobs are most vulnerable
- Anyone with employees is competition
- Starting pay exceeds \$15 per hour all over while our lowest paid employees are at \$12 per hour
- Food costs increased 12.2% since last summer
- 339,000 new jobs were created in May 2023 but unemployment is still low
- Burleson is in the southern part of the DFW Metroplex, the majority of engineering/technical jobs are in the center or northern part of DFW. We need our pay and benefits to be competitive to attract talent south

Human Resources

Compensation – Current Turnover

- Employee turnover is currently hovering slightly under 12% for full time employees, normal standard is under 8%
- Lower level positions are most vulnerable to market influencers – wages, benefits, incentives, work life balance – loyalty is created after 3-5 years
- 68% of full-time separations are within the first 4 years
- 37% of full-time turnover is within salaries under \$50,000 (\$24.03/hr.)

Annualized Turnover Statistics

				FT and PT - Regular			FT Only - Regular		
Fiscal Year	Avg Headcount	Terms	Turnover				Avg Headcount	Terms	Turnover
2018-2019	400	70	17.5%				333	26	7.8%
2019-2020	408	62	15.2%				339	30	8.8%
2020-2021	423	70	16.5%				344	27	7.8%
2021-2022 COVID Impact	464	87	18.8%				370	49	13.3%
2022-2023 (YTD-Annualized)	506	80	15.7%				391	45.0	11.5%

Human Resources

Compensation – Current Turnover

- Local businesses have entry wages at or above ours in many locations due to market conditions
- We adjusted our seasonal personnel starting pay to \$12.00 in May 2022 to attain staffing for summer needs – pools need to be open and summer camps available for school kids
- In June 2022 we adjusted some general laborers to be competitive in today's market as of last year's data
- In FY22-23, starting in October 2022, many market cities have done substantial adjustments in order to be competitive and passed Burleson in average wages and salary ranges.
- High turnover areas during this fiscal year in General Government are:

• Park Maintenance	• Information Technology
• Engineering Development	• Municipal Courts
• Streets – Maintenance and Drainage	• Code Compliance
• Water Utilities	• Public Safety Communications

Human Resources Compensation - History

Timeline of Compensation Plan Improvements:

Timeframe	Compensation Plan	Adjustment Type	Pay Increase %
October 2019	Police & Fire Pay Step	Market Adjustments + Step	16%
October 2019	City Compensation (Non Pay Step)	Merit	3%
April 2021 (Delayed due to Pandemic)	City Compensation (Non Pay Step)	Merit + Market Adjustments	3%
April 2021	Police & Fire Pay Step – rebuilt step plan	Market Adjustments + Step	6.7%
October 2021	City Compensation (Non Pay Step) Police & Fire Pay Step	Merit Step	3.5% average 3%
2022	Dispatchers	Market Adjustments - 2	Varies by position
2022	Seasonal staff, targeted positions falling behind market (3 years without adjustments)	Market Adjustments	Varies by position
October/November 2022	Police & Fire	Market adjustments due to new FY'23 market data	8.15% average

Budget Preparation Factors – Summer '22

How we determined the Oct. 1, 2022 rates

Staff utilized many factors in determining compensation for FY22-23. One factor used is the proposed increases by the market cities that we compare ourselves to and the current salaries in each. Here is what we received, not all cities responded:

City	Civilian (Across The Board) %	Effective Date	Police ATB %	Effective Date	Fire ATB %	Effective Date
Arlington	6%	10/03/22	6%	10/03/22	6%	10/03/22
Bedford	4%	10/1/2022	4%	10/1/2022	4%	10/1/2022
Burleson	0		2%	10/01/22	2%	10/01/22
Cedar Hill	5%	10/01/22	7%	10/01/22	7%	10/01/22
Cleburne	2.5	10/02/22	Market adj. plus 2.5	10/02/22	Market adj plus 2.5	10/02/22
Keller	2%	10/01/22	3%	10/01/22	2%	10/01/22
N. Richland Hills	10% min 4% to max	10/01/22	4%	10/01/22	4%	10/01/22
The Colony	3% for under \$75k 5% for under \$75k	10/1/2022	3% for under \$75k 5% for under \$75k	10/1/2022	3% for under \$75k 5% for under \$75k	10/1/2022

City staff utilized a 2% increase in Police/Fire steps coupled with the 3% between each step to be competitive based upon early data – only the cities listed above provided data. The others did not comply with any city's request for projections.

Recent Market Influencers – Police & Fire Fall '22

A number of the Market Cities made last minute adjustments due to varying factors:

- Aggressive starting salaries by a couple cities making positions less attractive in non-competitive cities
- A few cities had posted sign on incentives for lateral applicants and relocation incentives
- Current employment rates are decreasing due to 5 million more jobs than people to fill them
- Many recruits have little or no life experience and find the job of an officer harder than expected
- Current times have made it more difficult to recruit and hire police officers
- Paramedics are harder to attract without incentives

Public Safety Market Salaries for 10/1/2022

Here are the FY22-23 (October 1, 2022) starting salaries for our Market Cities and local incentives

Police Officer Starting Salaries	
Arlington	\$72,211.24
Cedar Hill	\$65,000.00
Cleburne	\$62,477.41
Eules	\$70,857.00
Fort Worth	\$66,601.60
Grand Prairie	\$74,982.00
Hurst	\$77,376.00
Keller	\$64,958.00
Mansfield	\$73,000.00
Midlothian	\$70,033.60
North Richland Hills	\$65,930.00
The Colony	\$73,330.40
Waxahachie	\$65,528.74

Burleson \$69,360.00

Fire Fighter Starting Salaries	
Arlington	\$69,539.44
Cedar Hill	\$59,324.00
Cleburne	\$62,492.04
Eules	\$68,790.00
Fort Worth	\$60,767.00
Grand Prairie	\$74,755.00
Hurst	\$75,899.20
Keller	\$61,560.00
Mansfield	\$68,775.00
Midlothian	\$64,903.80
North Richland Hills	\$58,425.00
The Colony	\$73,332.86
Waxahachie	\$65,526.55

Burleson \$69,360.00

Cities have been adding incentives at the time of entry exam posting if other cities currently offer one to be competitive

Public Safety Pay Plan Challenges

Several cities made last minute pay adjustments in October 2022 as a way to gain advantage in recruiting. Staff received approval of a resolution increasing the Public Safety salaries in November 2022 and adding incentives to remain competitive in the top quartile in pay and incentives*.

Position	Anticipated Entry Salary Ranking Compared to Market Cities – 10/1/2022	Updated Entry Salary Ranking Compared to Market Cities – 10/1/2022	New Salary Ranking Compared to Market Cities – 11/1/2022
Police Officer	3 rd of 15	8 th of 15	2 nd of 15
Firefighter	3 rd of 15	5 th of 15	2 nd of 15**

*Added hiring incentives of \$2,500 for both entry police officers and fire fighters and implemented Police lateral incentives for TCOLE certified officers \$10,000.

**Increased Paramedic pay from \$2,400 to \$4,800 annually allowed Burleson to be competitive with market cities that currently offer these and roughly keep parity.

Public Safety November Changes

PUBLIC SAFETY STEP PLAN - EFFECTIVE 11/1/2022

Police - Sworn Staff

REVISED STEP PLAN	POSITION(S)	1
	Public Safety Recruit	\$ 65,128.68
	Duration	Until Sworn

REVISED STEP PLAN	POSITION(S)	1	2	3	4	5	6	7	8
	Police Officer	\$ 75,000.00	\$ 77,250.00	\$ 79,567.50	\$ 81,954.53	\$ 84,413.16	\$ 86,945.56	\$ 89,553.92	\$ 92,240.54
	Duration	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year
Increase between revised steps			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

REVISED STEP PLAN	POSITION(S)	1	2	3	4	5
	Sergeant	\$ 101,000.00	\$ 104,030.00	\$ 107,150.90	\$ 110,365.43	\$ 113,676.39
	Duration	1 year	1 year	1 year	1 year	1 year
Increase between revised steps			3.00%	3.00%	3.00%	3.00%

REVISED STEP PLAN	POSITION(S)	1	2	3	4
	Lieutenant	\$ 117,090.00	\$ 120,602.70	\$ 124,220.78	\$ 127,947.40
	Duration	1 year	1 year	1 year	1 year
Increase between revised steps			3.00%	3.00%	3.00%

November 2022 Public Safety Changes

PUBLIC SAFETY STEP PLAN - EFFECTIVE 11/1/2022

Fire - Sworn Staff

POSITION(S)	1	2	3	4	5	6	7	8	9
Fire Fighter	\$ 71,000.00	\$ 73,130.00	\$ 75,323.90	\$ 77,583.62	\$ 79,911.13	\$ 82,308.46	\$ 84,777.71	\$ 87,321.04	\$ 89,940.68
Duration	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year
Increase between steps		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

POSITION(S)	1	2	3	4
Apparatus Operator	\$ 92,500.00	\$ 95,275.00	\$ 98,133.25	\$ 101,077.25
Duration	1 year	1 year	1 year	1 year
Increase between revised steps		3.00%	3.00%	3.00%

POSITION(S)	1	2	3	4	5
Fire Lieutenant	\$ 97,500.00	\$ 100,425.00	\$ 103,437.75	\$ 106,540.88	\$ 109,737.11
Duration	1 year	1 year	1 year	1 year	1 year
Increase between revised steps		3.00%	3.00%	3.00%	3.00%

POSITION(S)	1	2	3
Fire Captain	\$ 113,000.00	\$ 116,390.00	\$ 119,881.70
Duration	1 year	1 year	1 year
Increase between revised steps		3.00%	3.00%

POSITION(S)	1	2	3	4
Battalion Chief	\$ 120,000.00	\$ 123,600.00	\$ 127,308.00	\$ 131,127.24
Duration	1 year	1 year	1 year	1 year
Increase between revised steps		3.00%	3.00%	3.00%

Nov. 2022 Police & Fire Pay Structure

Change Cost Increases - Review

Public Safety Salary Increase Estimate	
Police salary increase	\$580,000
Police Hiring Incentive	\$25,000
Police Lateral Hiring Incentive	\$30,000
	\$635,000

Increases to Public Safety wages and incentives is estimated at \$1,085,000

Fire Salary increase	\$141,144
Fire Hiring Incentive	\$25,000
Paramedic Pay increase	\$67,200
	\$233,344

Incentives are based upon current eligible personnel and anticipated qualified new recruits

Total wage estimates	\$868,344
Total wages with benefits	\$1,085,000

Human Resources Compensation – FY'23 and Beyond Recommendations

Compensation Changes and Improvements:

- Plan Year 2023 and Beyond
 - Established a philosophy of maintaining salary ranges in the Top 25% of market (14 cities plus Burleson)
 - Maintain starting pay higher in the range to attract and retain talent for hard to fill or high turnover positions
 - Continue regrading and market adjusting key positions based on market surveys to place all positions in correct grades
 - Market adjust salaries effective 10/1/2023 for identified staff to be competitive and retain current staff
- ❖ Our comparison market cities include: Arlington, Burleson, Cedar Hill, Cleburne, Coppell, Euless, Ft. Worth, Grand Prairie, Hurst, Keller, Mansfield, Midlothian, North Richland Hills, The Colony and Waxahachie

FY'24 Market Adjustment Recommendations

- Salary survey analysis was done for all positions, Police/Fire have not changed since Oct. 2022
- November 2022 Police/Fire Market Adjustments allowed both departments to achieve full staffing
- All positions have been reviewed and regraded to market competitive positions
- All positions with a 3 grade or higher increase and high turnover positions have been identified for a targeted market adjustment
- Targeted market adjustment amounts are noted below by fund
- All non-adjusted positions will have only Merit increases available this year
- Merit increase department budgets of 3.5% have already been budgeted and are not shown below – all personnel employed as of 6/1/23 are Merit eligible

	General Fund	Parks Fund	Water Fund	Other Funds	Totals
Pay	\$156,995	\$73,212	\$90,955	\$5,936	\$327,098
Benefits	\$67,284	\$20,308	\$27,286	\$1,257	\$116,135
Total Estimated	\$224,279	\$93,520	\$118,241	\$7,193	\$443,233

Human Resources Compensation – FY’23 and Beyond Recommendations

FY 2023-2024 Compensation Recommendations:

Reviewing increases, regrading positions and other market adjustments for FY ’23/’24

Numbers shown below include benefits

Compensation Plan	Type	Projected Cost
Public Safety Pay Step Plan	Annual Step Placement (Merit) - Estimated Market was previously done in Nov. 2022	\$ 479,397 3%
City Compensation (Non Pay Step) - All	Annual Merit 3.5% Average - Estimated	\$ 934,311
City Compensation (Non Pay Step) – FT / PT	Market Adjustments – Targeted General Fund	\$ 224,279

- Public Safety Pay Step Plan – 3%
- Market adjustment and total merit costs will be finalized in the upcoming budget presentation for FY23-24

Human Resources Compensation – Market Adjustment Recommendations

FY 2022-2023 Current Compensation Benchmarking – Municipal:

Position	Burleson Current Mid of Range	Burleson Rank to Market	10/1/2023 FY'23/'24 Recommended	New After Adjustment Market Ranking
Park Maintenance Worker	\$16.15	11th of 14	\$19.63	3rd of 14
Street Maintenance Worker	\$16.15	11 th of 14	\$19.63	2nd of 14
Maintenance Crew Leader	\$21.64	9 th of 14	\$25.05	4th of 14
Sign & Marking Technician	\$18.84	7 th of 7	\$22.90	2nd of 7
Engineering Inspector	\$23.10	7th of 10	\$27.62	2nd of 10
Automotive & Equipment Tech.	\$19.63	6 th of 8	\$22.72	2 nd of 8
Code Compliance Officer	\$21.64	9 th of 12	\$25.05	3 rd of 12
Senior Building Inspector	\$27.62	7 th of 8	\$31.97	3 rd of 8

Positions are being market adjusted to maintain competitive ranges using current market city ranges

Human Resources Compensation – FY'23 and Beyond Recommendations

Next phase focus – Other non-compensation benefits as future considerations

- Apprenticeship program in hard to fill areas as a way to attract talent and attempt to close the widening skills gap
- Add a personal holiday or two to be above average with market cities

Holiday Schedule Comparison

City - 15 in Market	# of City Holidays	(11 Federal Holidays in blue) New Years Day	MLK	Presidents Day	Good Friday	Memorial Day	Juneteenth	4th of July	Labor Day	Columbus Day (Indigenous People's)	Veterans Day	Thanksgiving	Day after Thanksgiving	Christmas	Christmas (2nd day)	Addl. Floating Holiday
Burleson	10	X	X			X		X	X			X	X	X	X	1 PERSONAL
Arlington	12	X	X	X	X	X	X	X	X			X	X	X	X	
Cedar Hill	11	X	X		X	X		X	X			X	X	X	X	1 PERSONAL
Cleburne	11	X	X		X	X		X	X			X	X	X	X	EE BIRTHDAY
Coppell	11.5	X	X			X	X	X	X			X + 1/2 DAY	X	X	X	1 PERSONAL
Eules	10	X				X		X	X			X	X	X	X	1 PERSONAL
Fort Worth	11	X	X			X	X	X	X			X	X	X		2 PERSONAL
Grand Prairie	9	X	X			X		X	X			X	X	X	X	
Hurst	10	X	X		X	X		X	X			X	X	X	X	
Keller	10	X			X	X		X	X			X	X	X	X	1 PERSONAL
Mansfield	11	X	X			X	X	X	X		X	X	X	X	X	
North Richland Hills	10	X	X	X		X		X	X			X	X	X	X	
Midlothian	10	X	X	X		X		X	X			X	X	X	X	
The Colony	14	X	X	X	X	X		X	X	X	X	X	X	X	X	1 PERSONAL
Waxahachie	11	X	X		X	X		X	X		X	X	X	X	X	
Average	10.7	15	13	4	7	15	4	15	15	1	3	15	15	15	15	8 Personal

Burleson is slightly below average with the market cities in currently observing holidays. An option of increasing personal holidays or dedicate all Federal holidays plus days after Thanksgiving and Christmas would be 13 holidays and would give us an edge over most of our market cities.

Human Resources Next Steps– Proposed

Timeframe	Component
July	Overview of Benefits & Compensation to Council
September	Bring forward the Handbook changes for Council approval
November	Bring forward annual Stop Loss contract for approval

Questions / Comments
