



CITY COUNCIL WORKSHOP

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Compensation Plan
DATE: May 16, 2024
DEPARTMENT: Human Resources and Communications
PRESENTED BY: Joanna Merrill, IPMA-SCP, Director of Human Resources and Communications

INTRODUCTION/BACKGROUND:

In November 2020 the City Council adopted the Classification and Compensation Study and Analysis (Compensation Study). The Compensation Study calls for a minimum review of the classification and compensation plans at least annually to recommend changes to the City Council for consideration.

In alignment with that practice, staff has listened to the City Council's questions and comments over the last few years and is in agreement that key components of the City's current compensation plan can and should be reviewed to ensure organizational alignment. To open discussions, a brief history of the currently adopted methods will be provided along with an explanation of why organizations have adopted these methods. The presentation also will look at key differences and challenges that are unique to these methods and to the public sector.

Staff is also proposing a two-phase action plan to span the current Fiscal Year 2023-24 (Year 1) and the next Fiscal Year 2024-25 (Year 2) in order to align the existing compensation plan with the future strategic targets and goals of the City.

In Year 1, staff is proposing the following:

- Adaptation to Changing Economic Conditions
- Re-Evaluate the Current Compensation Study
- Implement Changes to Performance Evaluations

In Year 2, staff is proposing the following for consideration:

- Implement a Performance Based Merit (Step) System
- Conduct a New Compensation Study
- Reduce Current Pay Ranges from 52%

Through the proposed two-phase plan of action and through feedback received from this workshop staff is confident that the current compensation plan can be modified to better align with City Council's vision of the Fair Oaks Ranch compensation program.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

This review has been designated as a priority in the Strategic Action Plan.

- 5.1.1 Evaluate & Update Compensation and Benefit Plans inclusive of Public Safety

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Decisions regarding the proposed phased plan will direct movement toward evaluating and updating the compensation plan.