



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution adopting the FY 2024-25 Pay Schedule for General Government, Police and Seasonal Employees

DATE: September 19, 2024

DEPARTMENT: Administration

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager

INTRODUCTION/BACKGROUND:

In November 2020 the City Council adopted a Classification and Compensation Study and Analysis (Compensation Study). The Compensation Study recommended a salary structure philosophy that keeps the “City’s salary structure in line with the top third of the market.” Additionally, the Compensation Study included a recommendation to adopt certification pay for certain personnel in specific classifications. And finally, the Compensation Study established a revised pay schedule that created pay grades and steps for General Government, Police and Seasonal positions.

To maintain the “City’s salary structure in line with the top third of the market” philosophy the Compensation Study recommends the following:

- Annual across-the-board cost-of-living adjustments applied to City salary schedules.
- Annual adjustments should be at least equivalent to the percent change in the U.S. Department of Labor’s Employment Cost Index (ECI) for salaries and wages over the preceding 12-month period available from the U.S. Bureau of Labor Statistics.
- ECI figures should be supplemented by calls to the benchmark employers used in the Compensation Study.

Staff presented ECI data and proposed job classification adjustments at the August 1, 2024 budget work session. For the year ending June 2024, the U.S. ECI for Salaries and Wages Government workers was 4.9% and ECI for U.S. West South Central Census region for Private Industry Workers (which includes Texas) was 3.0%.

Based on City Council direction at the August 1, 2024 budget work session, the proposed FY 2024-25 budget includes a 2.0% across the board cost of living adjustment for employee pay, an additional merit step increase of 2.5% for **eligible** employees, and the following adjustments to the classification and compensation tables:

- Creation of a new Project Manager (1.0 FTE) in Public Works.
- Creation of a new City Planner Position (1.0 FTE) in Public Works.

The proposed FY 2024-25 Compensation and Certification/Stipend pay tables are attached as **Exhibit A**.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Aligns with Strategic Action Plan Priority “Evaluate and Implement key HR Programs that Promote Organizational Design and Development.”

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The combined estimated maximum impact of the proposed changes to the Compensation Plan will be an increase of \$249,597 to the General Fund and \$82,569 to the Utility Fund. The FY 2024-25 Proposed Budget reflects these changes.

LEGAL ANALYSIS:

Approved to as form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution adopting the FY 2024-25 Pay Schedule for General Government, Police, and Seasonal employees.