



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution adopting the FY 2025-26 pay schedule for General Government and Public Safety employees

DATE: September 18, 2025

DEPARTMENT: Human Resources

PRESENTED BY: Joanna Merrill, PSHRA-SCP, Director of Human Resources

INTRODUCTION/BACKGROUND:

In early 2025, the City engaged Evergreen Consulting to prepare a new Comprehensive Compensation and Benefits Study (the “study”); the prior compensation plan was adopted by City Council in November 2020. The compensation plan implementation methodology is complete. On August 7, 2025, City Council adopted by resolution the “Minimum Plus 1 Step” methodology, which includes a 1.5% progression structure as part of the new study.

On September 15, 2025, staff will present the proposed pay plan to City Council at a work session. Key points include:

- All current employees will be placed on the new pay scale at least at the minimum of their classification range plus one step, ensuring that no employee is paid below the market minimum.
- The new pay plan will be structured with 30 steps (rather than 18 in the 2020 plan), with 1.5% progression between steps (compared to 2.5% in the 2020 plan). This design allows employees to progress gradually, recognizing longevity and merit while reducing the likelihood of topping out too quickly.
- Targeted adjustments are expected in Maintenance, Utilities, and Public Safety classifications, where recruitment and retention challenges have been most significant.

These actions are intended to reduce turnover pressures, strengthen recruitment efforts, promote long-term plan stability, and maintain competitive pay.

As a reminder, approval of this compensation plan implementation methodology represents one element of the Comprehensive Compensation and Benefits Study. The full study including operational recommendations regarding maintenance, movement through the plan, and analysis of ancillary benefits is anticipated to be presented to City Council in October.

Approval of the FY 2025–26 General Government and Public Safety Pay Schedule as attached in **Exhibit A** ensures alignment with the FY 2025–26 operating budget.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Advances Strategic Action Plan Goal 5.1.1 Evaluate and Update Compensation and Benefit Plans Inclusive of Public Safety.

- Promotes transparency, consistency, and fairness in the City's compensation system.
- Strengthens staffing sustainability and supports long-term workforce development.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

No additional budget amendments are required as labor costs associated with the proposed pay schedule can be managed within the FY 2025-26 Operating Budget.

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution adopting the FY 2025-26 General Government and Public Safety Pay Schedule.