



CITY COUNCIL WORKSHOP

CITY OF FAIR OAKS RANCH, TEXAS

August 3, 2023

AGENDA TOPIC: FY 2023-24 Compensation Plan Workshop.

DATE: August 3, 2023

DEPARTMENT: Administration and Human Resources

PRESENTED BY: Scott Huizenga, Interim City Manager
Jennifer Hudson, IPMA-CP, Human Resources and Communications Specialist

INTRODUCTION/BACKGROUND:

The City Council adopted the Classification and Compensation Study and Analysis (Compensation Study) on November 19, 2020. The study included the recommendation to adopt annual adjustments to keep the Job Classifications and Pay Schedules (pay grades and steps), for all Classified Civilian, Non-Civilian, and Seasonal positions up to date with the current market and organizational needs.

The City's *Procedures for Classification and Compensation Administration* call for "At least annually, the Director of Human Resources and Communications will review the classification and compensation plans and may recommend changes." An annual review may include recommendations for the following:

- Positions to be designated as unclassified.
- Reclassification of positions to lower, higher, or different classes based on changes in the duties and responsibilities of the positions.
- Reallocation of classes to different pay groups, if changes in the prevailing rates of pay for certain pay classes have rendered the original placement in a certain pay group obsolete.
- Percentage changes in the entire pay schedule, to adjust pay rates to be comparable with other organizations in the market or to recognize changes in the cost of living.
- The continuing validity of the procedures for classification and pay administration.
- Departmental reorganizations or changes affecting jobs within the department should be addressed during the preparation for hearings on the department's annual budget.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Strategic Action Plan item 5.1.1 is to Evaluate & Update Compensation and Benefit Plans inclusive of Exempt/Non-Exempt status. Best practices as detailed by the Compensation Study included the utilization of Employment Cost Index (ECI) data, consideration for benchmark employers, and other supplemental data.

As a part of the recommended annual review, staff recommends the following adjustments to the current classification and compensation changes:

- Addition of a new Corporal position and placement on a new pay grade between Police Officer and Sergeant. The new Non-Civilian Pay Schedule would be structured as follows: Police Officers PD-6, Corporals PD-7, Sergeants PD-8, Lieutenant PD-9.
- Addition of a new Communications Manager position and placement on the Civilian Pay Schedule at Pay Grade 27.
- Addition of a Human Resources Generalist and placement on the pay schedule at Pay Grade 25.
- Reallocation of the Maintenance Technician position from Pay Grade 13 to Pay Grade 14 of the pay schedule.
- Reclassification of the Administrative Assistant position for Public Works to Administrative Support Specialist in the same pay grade.
- Reclassification of the Accounting Manager to Assistant Director of Finance and placement on the pay schedule at Pay Grade 30.
- Addition of 2 new items to the Certification and Stipend list.
 - Night Shift Differential at a rate of \$1,200 per nightshift officer.
 - Licensed Court Interpreter at a rate of \$1,500 per year.
- Cost-of-Living Adjustment (COLA) increase of 4.0% to reflect most recent ECI data from the Bureau of Labor Statistics as of April 28, 2023. An updated report is due July 28. Council may revise the COLA at its discretion.

One should note that adding a job classification to the Classification and Compensation Plan is distinct from adding a position to the City budget. The City Council authorizes positions at least annually through the adoption of the budget.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

- The projected fiscal impact of the above COLA adjustment is \$211,798 in the General Fund and \$72,168 in the Utility Fund for an overall total impact of \$283,966. These figures have already been included in the current proposed budget for Council's consideration.
- Other budget impacts will depend on Council's approval of the recommended adjustments.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

The proposed changes along with any updates from Council may be incorporated into the FY 2023-24 Proposed Budget.