

Classification and Compensation Study Fair Oaks Ranch, TX

Market Summary and Position



**Presented by:
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July 3, 2025

Overview

- Study Goals
- Project Phases
- Current System Findings
- Market Results
- Market Position

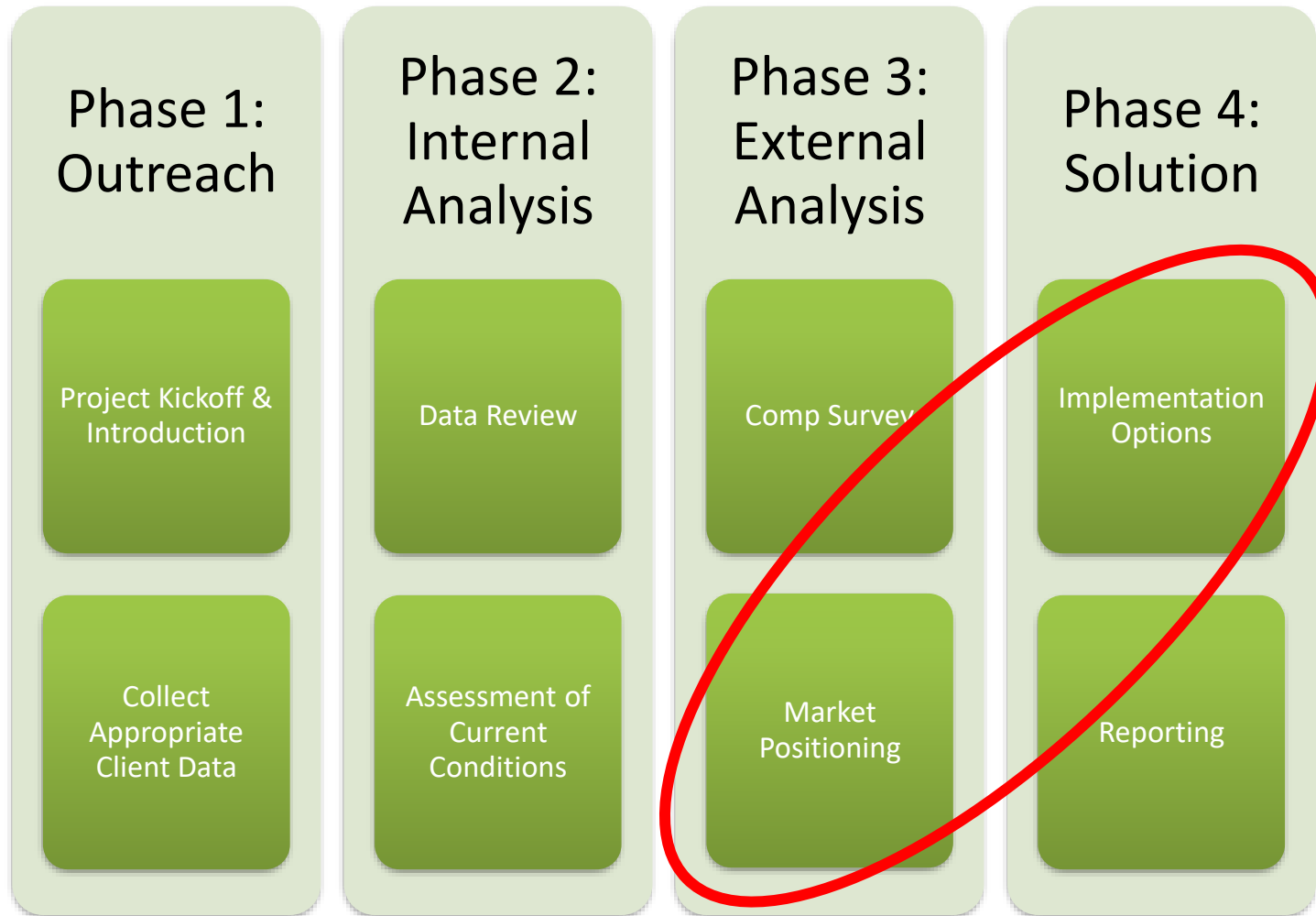


Study Goals

- Review current classification and compensation system to ensure internal equity.
- Conduct a market survey of up to 20 peer organizations to ensure external equity.
- Produce recommendations to provide the organization with a classification and compensation system that is equitable both internally and externally.
- Identify a competitive market position for the City to maintain.



Project Phases



Proposal Methodology

- Comparators are similar in:
 - Number of residents & employees
 - Operating budget
 - Total tax rate
 - Per capita income
 - Identity



Approved Market Peers

Target	Population	Distance (Miles)	FTE Count	Per Capita Income	Total Tax Rate	Budget	COL
Cities							
Fair Oaks Ranch	11,406	0	85.00	\$ 84,981	0.2853	\$ 28,706,312	100.1
Alamo Heights	7,466	27	104.00	\$ 95,001	0.3701	\$ 23,117,976	100.1
Bee Cave	8,621	85	66.00	\$ 90,122	0.0200	\$ 13,157,275	106.6
Boerne	21,774	8	320.25	\$ 44,880	0.4716	\$ 138,000,000	111.0
Bulverde	6,970	20		\$ 46,350	0.2298	\$ 9,464,300	111.0
Flower Mound*	79,445	287	729.00	\$ 68,823	0.3872	\$ 276,786,712	104.0
Heath*	11,238	304	75.50	\$ 107,255	0.2903	\$ 10,525,700	103.2
Helotes	9,952	17	84.00	\$ 53,037	0.3100	\$ 10,461,575	100.1
Kyle	62,548	66	433.00	\$ 36,546	0.4693	\$ 282,642,793	94.8
New Braunfels	110,958	40	897.00	\$ 44,460	0.4089	\$ 388,838,475	98.9
San Antonio	1,495,295	26	13839.00	\$ 32,983	0.5416	\$ 3,956,628,529	100.1
San Marcos	71,569	63	941.91	\$ 26,576	0.6030	\$ 342,578,537	94.8
Schertz	43,239	35	488.00	\$ 41,418	0.4900	\$ 132,189,127	96.0
Seguin	36,013	60		\$ 31,915	0.5125	\$ 207,675,748	96.0
Selma	11,748	32		\$ 43,427	0.1879	\$ 30,315,012	100.1
Shavano Park	3,784	25	51.00	\$ 111,913	0.3127	\$ 6,900,000	100.1
Southlake	31,137	282	585.00	\$ 117,219	0.3050	\$ 149,279,451	111.0
Terrell Hills	5,059	30	50.00	\$ 110,935	0.3547	\$ 7,900,266	100.1
Trophy Club*	13,666	290	94.78	\$ 85,826	0.4155	\$ 38,623,779	101.5
University Park	24,954	280		\$ 111,757	0.2299	\$ 42,377,197	109.2
Counties							
Kendall	51,828	0	355.00	\$ 57,181	0.3827	\$ 93,265,801	111.0



Market Results

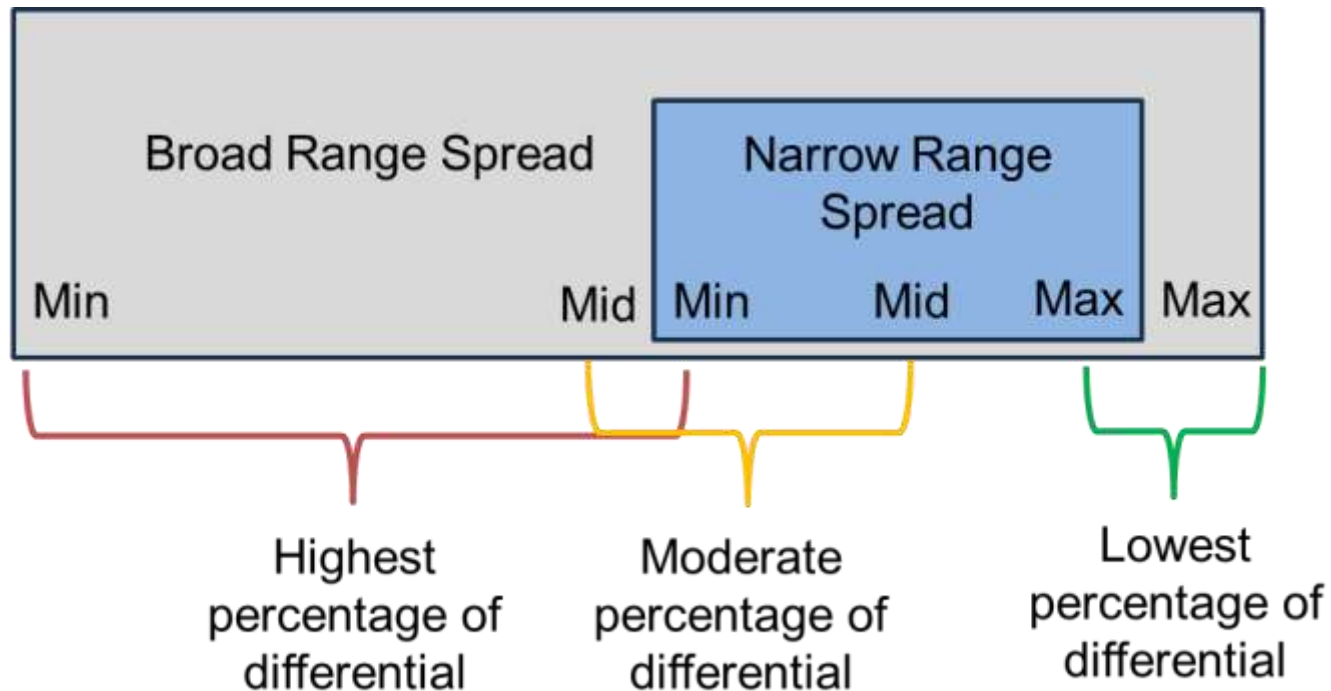
Adjusted Average Results (50 th Percentile of Market)			Adjusted Results (66 th Percentile of Market)		
Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
-5.8%	-2.4%	-0.1%	-11.3%	-6.7%	-4.1%

- A negative differential indicates the City is behind at that market position on average. This analysis applies to the pay plan and classification ranges not individual employee salaries.
- The results highlight the importance of range spread when comparing to the market.
- The response average range spread is 39.9% where the Fair Oaks Ranch average is 47.7%.



Market Results

Range spread effect on differentials



Market Results

- Overall Market Survey results are shown on **Exhibit 4C** of the draft Market Summary Chapter.
- Specific results at the grade minimum are shown on **Exhibit 4D and E** of the draft Market Summary Chapter.
- Specific results at the grade midpoint are shown on **Exhibit 4F and G** of the draft Market Summary Chapter.
- Specific results at the grade maximum are shown on **Exhibit 4H and I** of the draft Market Summary Chapter.



Market Position Options

Market Average of Peers (50th Percentile)

Market peers were identified and approved based on competitiveness in the City's immediate labor market or comparative metrics.

Estimated costs at market average of peers could range from \$130K - \$770K.

Advantages:

- Aligns Fair Oaks Ranch with the average of comparative and competitive peers. *Aligned with stated project goal*
- Approved market peers were carefully selected to reflect the City's demographic and fiscal profile.
- Represents a more sustainable investment for the City's long-term financial planning.

Disadvantages:

- Represents a reduction from the City's prior benchmark target (66th percentile), which may carry a negative connotation.
- Results in more moderate salary adjustments.



Market Position Options

Top Third of Market Average of Peers (66th Percentile)

Market peers were identified and approved based on competitiveness in the City's immediate labor market or comparative metrics.

Estimated costs at top third of market peers could range from \$240K - \$1.05M

Advantages:

- Positions Fair Oaks Ranch above the average of its market peers.
- Enhances competitiveness for talent attraction and retention.

Disadvantages:

- Requires a higher investment.
- Increases financial obligations in future years to maintain alignment.



Thank You!

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