



# **Implementation Options & Compensation Structure for Fair Oaks Ranch, TX**

## **Presentation of Recommendations and Associated Costs**

**Presented by: Rob Williamson**

**August 7, 2025**



# Agenda

- Study Status Update
- Meeting Purpose/Action Items
- Key Considerations/Recommendations
- Implementation Option Explanations
- Recommendations and Costs



# *Study Status Update*

## **Completed Tasks:**

- ✓ Conducted Kickoff call.
- ✓ Assessed conditions of the current pay system and historical context.
- ✓ Onsite Orientation, Leadership Interviews and Focus Group sessions.
- ✓ Conducted internal equity analysis using a Job Assessment Tool employee survey.
- ✓ Conducted external equity analysis by surveying the market for salary and benefits to determine equitable salary ranges.
- ✓ Developed optional methods for moving employees into the proposed pay range assignments.

# *Study Status Update* (Continued)

- ✓ Estimated annualized salary cost for implementing the revised plan.
- ✓ Decision on implementation and structure. (This meeting)
- ✓ Finalize Solution File and costs. (Next Steps)
- ✓ Written report memorializing study findings. (Next Steps)
- ✓ Job Force Manager Training. (Next Steps)
- ✓ Job Description Update. (Next Steps)
- ✓ Project Close Out

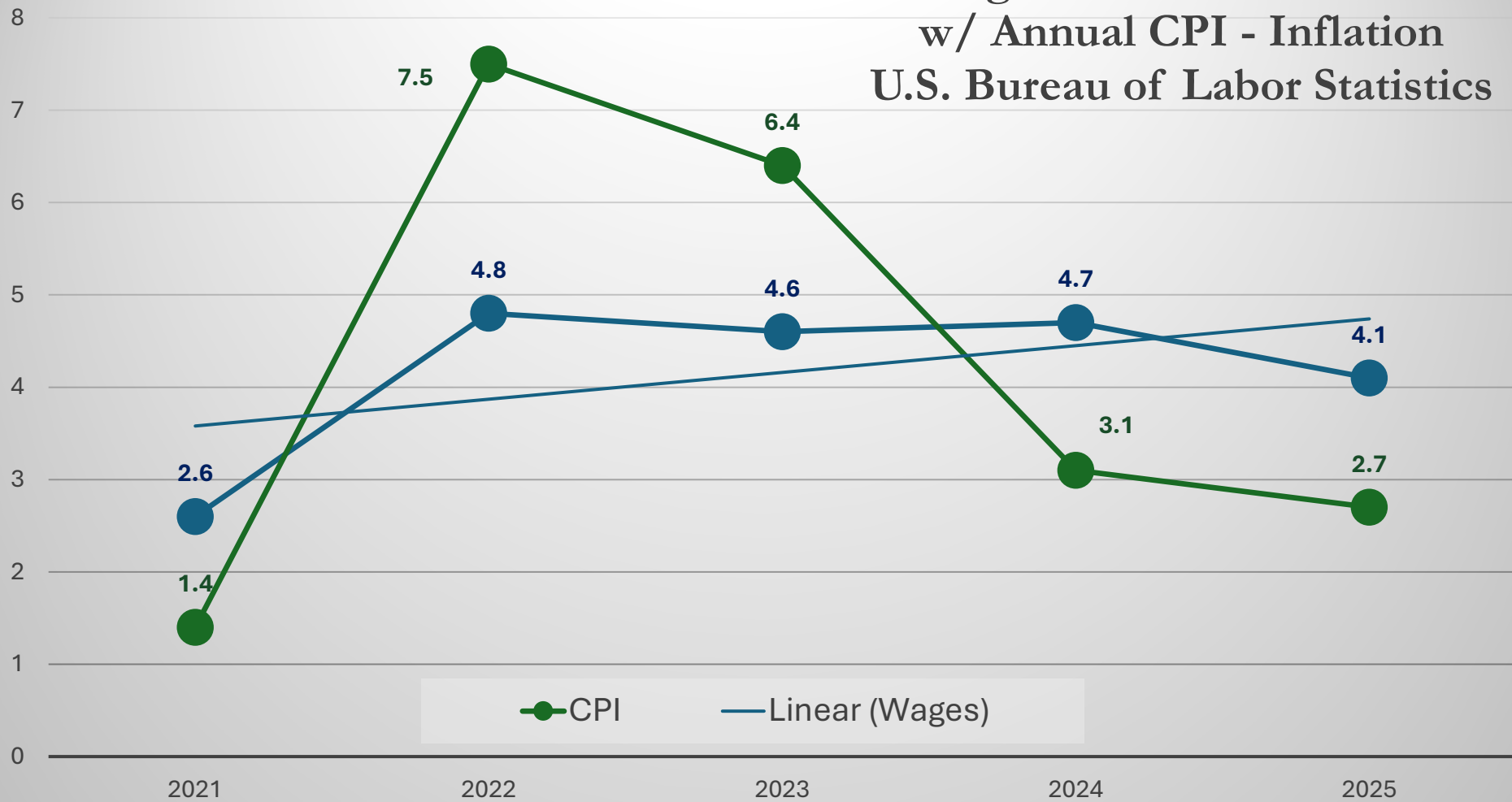
# *Meeting Purpose/Action Items*

## **Purpose/Action:**

- Discuss/Select the desired Implementation Methodology
  - Modified Bring to Minimum or Hybrid Parity
    - Staff Recommends the Modified Bring to Minimum
- Discuss/Select the desired Compensation Structure
  - Retain Step Plan
    - Preserve 2.5% per step - 20 total steps
    - Transition to 1.5% per step - 30 total steps
  - Transition to Open Range
    - Determine employee progression policy

# Compensation Outlook – National

Wage State & Local Gov't  
w/ Annual CPI - Inflation  
U.S. Bureau of Labor Statistics



# *Key Considerations*

1. Evergreen does not recommend the reduction of individual employee salaries.
2. Using the market average for pay ranges will still result in more competitive positions experiencing difficulty with recruitment and retention.
3. Implementation first aligns positions with pay ranges based on current internal equity, job assessment tool survey results and the market response. Employees are then placed equitably into new pay ranges based on job classification and desired methodology calculation, not personalities or performance.
4. The implementation costs refers to the annual base salary cost only. Total budget impact will be provided by Fair Oaks Ranch staff.



# *Key Recommendations*

1. **Adopt** the proposed step plan compensation structure with 30 total steps and 1.5% between each step.
2. **Reassign** all job classifications to proposed pay grades.
3. **Place** employees within their newly recommended pay grades based on a Modified Bring to Minimum implementation methodology.

\*Evergreen and Fair Oaks Ranch staff recommendation is the Modified Bring to Minimum.





# *Implementation Options*

- **Bring to Minimum** – Align employees who are below the minimum of their recommended, market competitive pay range by bringing them to the step closest to their current salary and then moving one additional step.
  - Least expensive option at time of implementation.
    - \*Future costs related to turnover and/or extended vacancies could erase any initial savings.
  - Can cause or worsen compression for existing employees and new hires if current employees are not moved forward one step as proposed in recommendations.
  - Moving one step following initial placement will help reduce wage compression for new hires if they are hired at step one.
  - Subsequent years would move pay ranges to align with market average.



# *Implementation Options*

- **Modified Bring to Minimum** – The same as Bring to Minimum except that employees are placed into the pay range and then moved one additional step.
  - Moving one step following initial placement will help reduce wage compression for new hires if future applicants are hired at step one.
  - Subsequent years would move pay ranges to align with market average.
  - Evergreen is recommending this option.



# *Implementation Options*

- **Hybrid Parity** – Align employees into proposed, market competitive pay ranges by giving 100% credit for time in current role and 50% credit for any remaining time regardless of job title.
  - Helps reduce/eliminate wage compression.
  - Values employee tenure and career progression.
  - Does not account for outside experience other than how it was valued at the time of hire.
  - Can erase performance gains.
  - Subsequent years would move pay ranges to align with market average.



# *Implementation Options*

- **Compa Ratio** – Realignment employees in their recommended salary ranges by maintaining the relationship to the midpoint they have currently. For example, an employee currently at midpoint would move to midpoint in their recommended pay range, an employee currently 5% above midpoint would move to 5% above midpoint in their new range, and an employee currently 15% below midpoint would move to 15% below midpoint in their newly recommended range. These are rounded up to the nearest step.
  - Maintains the relationship between employee salaries that currently exists.
  - Most expensive option.
  - Maintains performance gains.
  - Subsequent years would move pay ranges to align with market average.



# *Options & Associated Costs*

Step Plan @ 1.5% per step and Open Range Costs

| Implementation Option @ 1.5% | Total Salary-Only Cost | % of Payroll |
|------------------------------|------------------------|--------------|
| Bring to Min Open            | \$ 107,821.80          | 2.0%         |
| Bring to Min Step            | \$ 135,012.62          | 2.4%         |
| <b>Bring to Min Step +1</b>  | <b>\$ 219,859.12</b>   | <b>4.0%</b>  |
| Hybrid Parity Open           | \$ 218,745.73          | 4.0%         |
| Hybrid Parity Step           | \$ 293,652.96          | 5.3%         |
| Compa Ratio Open             | \$ 451,644.37          | 8.2%         |
| Compa Ratio Plus 1 Step      | \$ 575,980.62          | 10.4%        |



# Options & Associated Costs

Step Plan @ 2.5% per step and Open Range Costs

| Implementation Option @ 2.5% | Total Salary-Only Cost | % of Payroll |
|------------------------------|------------------------|--------------|
| Bring to Min Open            | \$ 130,438.20          | 2.4%         |
| Bring to Min Step            | \$ 171,633.12          | 3.1%         |
| <b>Bring to Min Step +1</b>  | <b>\$ 313,963.62</b>   | <b>5.7%</b>  |
| Hybrid Parity Open           | \$ 419,130.45          | 7.6%         |
| Hybrid Parity Step           | \$ 518,307.16          | 9.4%         |
| Compa Ratio Open             | \$ 565,109.31          | 10.2%        |
| Compa Ratio Plus 1 Step      | \$ 770,807.62          | 14.0%        |



# *Thank You!*



**Rob Williamson**  
**Project Manager**  
**Evergreen Solutions, LLC**

