



AGENDA
WATAUGA CITY COUNCIL
WORKSHOP MEETING
MONDAY, JULY 29, 2024
CITY HALL COUNCIL CHAMBER, 7105 WHITLEY ROAD
5:30 PM

This notice is posted pursuant to the Texas Open Meetings Act. Notice is hereby given that a **City Council Workshop Meeting** of the City of Watauga, Texas will be held at which time the following subjects will be discussed and may be acted upon.

CALL TO ORDER (Council Members, City Staff, Members of the Public - when speaking during the meeting please speak directly into the microphones on the dais or podium)

ROLL CALL

ANNOUNCEMENTS

PUBLIC COMMENT This is an opportunity for citizens to address the Council on items not posted on the current meeting agenda. Only those who have submitted a proper "Request to Speak Form" shall be permitted to speak. Citizens should provide their name and address for the record and will have no more than 3 minutes to speak. If representing an organization or group, the speaker should identify who they represent. Those wishing to speak are reminded 1). All comments are to be directed to the Council. 2) Be respectful of others. 3) No profanity permitted. 4) Violators will be removed from the premises. No discussion by the Council or Staff is allowed except to correct factual inaccuracies or request that the item be placed on a future agenda.

PUBLIC TESTIMONY FOR ACTION ITEMS This is an opportunity for citizens to address the Council on current agenda action items (excludes presentations and reports). Only those persons who have submitted a proper "Request to Speak Form" will be allowed to speak. Citizens will be required to state their name and address for the record. They have up to 3 minutes to speak, and their comments must be germane to the item. If speaking for an organization or group, the speaker should identify the group represented. Council members may ask questions or discuss the item with the citizens directly.

PRESENTATIONS

1. Presentation from Public Sector Personnel Consultants regarding compensation survey results
Sandra Gibson, Interim City Manager and Director of Finance

ADJOURNMENT

Meeting Notices and Reservation of Rights

The City Council may retire to executive session any time between the meeting's opening and adjournment for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code; discussion of personnel matters pursuant to Chapter 551.074 of the Texas Government Code if the requisite information is otherwise posted; deliberation regarding real property pursuant to Chapter 551.072 of the Texas Government Code; deliberation regarding economic development negotiations pursuant to Chapter 551.087 of the Texas Government Code; and/or deliberation regarding the deployment, or specific occasions for implementation of security personnel or devices pursuant to Chapter 551.076 of the Texas Government Code (as applicable) when determined necessary by the [City Council/Board/Commission/Committee] to address a subject matter on the agenda. Action, if any, will be taken in open session.

Attendance by Other Elected or Appointed Officials: It is anticipated that members of other governmental bodies, and/or city council, boards, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the body, board, commission and/or committee. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a possible meeting of the other body, board, commission and/or committee, whose members may be in attendance, if such numbers constitute a quorum. The members of the city council, boards, commissions and/or committees may be permitted to participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that city council, body, board, commission or committee subject to the Texas Open Meetings Act.

NOTICE

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (817) 514-5825, OR FAX (817) 514-3625.

I, Linda Proskey, City Secretary for the City of Watauga, hereby certify that this agenda was posted on the bulletin boards at City Hall, 7105 Whitley Road, Watauga, Texas, on July 26, 2024, before 5:00 p.m., in accordance with Chapter 551 of the Texas Government Code.

/S/ Linda Proskey
City Secretary





AGENDA MEMORANDUM

DATE: June 26, 2024

TO: Honorable City Council Members

FROM: Sandra Gibson, Interim City Manager and Director of Finance

THROUGH:

SUBJECT: Presentation from Public Sector Personnel Consultants regarding compensation survey results

BACKGROUND/INFORMATION:

Matthew Weatherly, President of Public Sector Personnel Consultants, will provide an overview of the compensation survey results, recommendations, and cost estimates for City Council consideration.

FINANCIAL IMPLICATIONS:

The implementation cost estimate is included in the report.

RECOMMENDATION/ACTION DESIRED:

This item does not require a recommendation as it is a presentation/report.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

1. PSPC Report Narrative
2. Appendix I - Proposed General Government Pay Grades
3. Appendix II - Proposed 3% Police Civil Service
4. Appendix III - Proposed 3% Fire Civil Service

REVIEWED BY:

Sandra Gibson, Interim City Manager and Director of Finance Approved - 7/24/2024

Linda Proskey, City Secretary

Final Approval - 7/24/2024

Approved as to form for inclusion on Agenda

FY 2024/2025 COMPENSATION STUDY

FOR THE

CITY OF WATAUGA

JULY 2024

PUBLIC SECTOR PERSONNEL CONSULTANTS

(888) 522-PSPC www.pspc.us

**CITY OF WATAUGA
FY 2024/2025 COMPENSATION STUDY**

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Appendix 1 - Proposed General Government Pay Grade Placements

Appendix 2 - Proposed Civil Service (Police and Fire) Pay Tables

1. EXECUTIVE SUMMARY

It is with pleasure that we present this report describing the FY 2024/2025 Compensation Study and Recommended FY 2025 Salary Plan for the City of Watauga.

A. SUMMARY OF FINDINGS

1. The City has approximately 140 job descriptions in use for providing municipal services.
2. The City's current General Government grades are not competitive (more than 5% below the prevailing rates) for 88% of the salary survey benchmark job classes in comparison to the designated competitor employers and data sources (page 4).
3. The City's current General Government salary grades are competitive (not more than 5% below the prevailing rates) for just 12% of the salary survey benchmark job classes in comparison to the designated competitor employers and data sources (page 4).
4. The City's current Police and Fire pay tables are mostly competitive; current pay grades for top out of Police Officer, Firefighter Paramedic and Assistant Chiefs in both Police and Fire are below market (page 4).
5. The City is offering a competitive number, type and level of employee benefits and incentives for most areas surveyed; offerings for certification pay in police and fire, paramedic incentive pay, and bilingual pay (not currently offered) are below market practices (page 5).
6. Updated General Government pay grade adjustments have been proposed using the available market data and modeled at the average of market prevailing rates (page 7 and Appendix 1).
7. A market adjustment of 3% is proposed for Police and Fire pay tables (Appendix 2 and 3).
8. Actual salaries for General Government employees are low; over 80% of the workforce is paid below mid-grade (Midpoint) of their pay grade with an average of 4+ years in their job.
9. The current salaries of 57 General Government employees fall below the Pay Grade Minimum proposed for their job class, for an estimated cost of \$190,000* to bring them to Minimum.
10. A 3% market adjustment to Civil Service scales would re-align the values nearer to market; the estimated cost of a 3% adjustment is \$166,000*.
11. The total estimated cost to adopt the study recommendations is \$356,000 including benefits.
12. It remains appropriate to provide merit increases for General Government staff and step increases for Police and Fire personnel, and Cost of Living Increases up to 4% within the proposed FY 2025 Salary Plans.

* includes 20% load cost for benefits

B. SUMMARY OF RECOMMENDATIONS

1. Re-establish the City's salary competitiveness policy at 100%, or market average, of the estimated prevailing rates (page 6).
2. Utilize the proposed salary grade table for General Government employees (page 7).
3. Adopt the FY 2025 base salary grade adjustments for General Government positions and Civil Service positions (Appendices 1, 2, 3).
4. Bring the salaries of any employees below proposed Minimum to the Minimum of the salary grade for their position's job class on the plan's effective date (page 8).
5. Increase monthly certification pay for Civil Service classifications.
6. Develop a Bilingual Pay program and offer \$50-\$100 per month for written and verbal proficiency (page 5).
7. Provide regular merit and Cost of Living adjustments (General Government employees) and Cost of Living and step increases (Civil Service employees) on an annual basis.
8. Regularly update the salary grade placements reflecting the varying prevailing rate movement of each job class in the marketplace (page 8).

2. EXTERNAL COMPETITIVENESS COMPARISONS

The following paragraphs and tables compare the City's current salary plans to those for similar occupations at competitor employers with whom the City competes to obtain and retain high quality staff.

A. SOURCES OF EXTERNAL DATA

1. Pay Plans of Individual Employers:

We obtained the complete salary plans from the following employers and extracted data on their job classes matching the City's salary survey benchmarks.

Bedford	Keller
Burleson	North Richland Hills
Eules	Richland Hills
Haltom City	Saginaw
Hurst	

2. Private Employers in the Region:

For classifications that have proven difficult to fill, we also extracted data on occupational job classes similar to those employed by the City in the private sector using Economic Research Institute's Salary Assessor for the Fort Worth area.

B. SALARY GRADE MIDPOINT AND STRUCTURE COMPARISONS

We utilized the standard "structure-to-structure" method to compare the City's salary structures to the prevailing rates. The City's salary structure and the prevailing rates are represented by their Midpoints, which are the amounts employers pay for sustained competent job performance.

The Midpoint is the most objective, occupation-specific and consistent component of salary structures among employers, as the varying widths of salary grades are too great to utilize Minimum or Maximum. Midpoint is not affected by actual salary averages which may reflect longevity, pay-for-performance, and a myriad of subjective salary plan administration characteristics of the comparator employers. When individual salary plans were comprised of steps, the beginning and ending steps were added and the sum divided by two (2) to calculate a true midpoint.

For Police and Fire occupations additional comparisons were also made at entry and at top-out.

C. EXTERNAL PREVAILING RATE COMPARISON – PAY STRUCTURE COMPARISONS

The chart below summarizes the comparison of the City's current salary structures for all benchmark job classes, to the prevailing rates of all the comparator employers from all the salary survey sources.

NOTE: Relationship of +/- 5% to the prevailing rates is considered comparable to the prevailing rates.

General Government:

<u>Relationship to Prevailing Rates</u>	<u>Benchmark Job Classes</u>	<u>% of Sample</u>	<u>Average Variance</u>
Below	73	88%	- 14.76%
Comparable	7	8%	- 2.71%
Above	3	4%	+ 10.57%

The City's current General Government grades are competitive (within 5% of the prevailing rates) for 12% of the benchmark job classes, and not competitive (-5% or more below the prevailing rates) for 88% of the benchmark job classes.

Civil Service:

The average market variance across all ranks is -1.86%. Top out values for Police Officer, Firefighter/Paramedic, and Assistant Chiefs in both Police and Fire survey below market.

D. BENEFITS COMPARISONS

The chart below summarizes the comparison of the City's current benefits offerings compared to the survey agencies. Most areas are competitive unless noted:

<u>Benefit Offering</u>	<u>Watauga</u>	<u>Market Average</u>	<u>Market Variance</u>
Employee Health Insurance - Employer Pays	81%-95%	91%-100%	At Market
Family Health Insurance - Employer Pays	65%	68%	At Market
Family Health Insurance - Employee Pays	35%	32%	At Market
Certification Pay – Police and Fire	\$25-\$75/mo	\$35-\$100/mo	Slightly Below
Bilingual Pay	Not Offered	\$50-\$100/mo	Below
Fire Paramedic Pay	\$25/mo	\$50/mo	Below
Tuition Reimbursement	Up to \$3,600/yr	\$2,500-\$3,000/yr	At Market +
Paid Holidays	13 Days	11 Days	At Market +

3. RECOMMENDED FY 2025 SALARY PLAN

The following narratives and tables describe the recommended FY 2025 salary plan for the City and its estimated fiscal impact.

A. RECOMMENDED FLEXIBLE SALARY COMPETITIVENESS POLICY

Salary *policy* is the City's expression of *where* it will place its salary levels in relation to the prevailing rates, expressed as a *percentage* of the external prevailing rates.

Prevailing Rate Salary Policy

We recommend that the City adopt a flexible policy to place its salary competitiveness policy at 100% of the prevailing rates. "*At the prevailing rates*" is defined as +/- 5% of the survey jobs' averages matching the City's benchmark job classes. An illustrative wording is:

"It is the policy of the City to place its salary grade assignments at (100%) of the prevailing rates paid for similar occupations by the public and private employers with whom we compete for high quality staff, if financially feasible, based on the average rates of the comparator employers."

B. ASSIGNMENT OF JOB CLASSES TO SALARY GRADES

Appendices 1-3 display the recommended FY 2025 salary grade placements for each of the General Government job classes and the Police and Fire job classes. General Government benchmark job classes were placed as close to the prevailing rates for comparable job classes as was practical, by matching the salary grade Midpoints to the survey benchmark rates. Non-benchmark job classes were linked to benchmark job classes by professional judgment.

C. PROPOSED SALARY GRADE TABLES

The following page displays the proposed salary grade table for General Government positions. Appendix 2 and 3 displays proposed adjustments to Police and Fire pay scales.

D. INITIAL FISCAL IMPACT

The current salaries of 57 General Government employees fall below the minimum of the pay grade proposed for their job, with an estimated cost of \$190,000 including benefits.

The estimated cost of a 3% market adjustment to the Civil Service pay tables as modeled would cost an estimated \$166,000 including benefits.

These costs (\$356,000 with benefits) are "study implementation" costs prior to recommended Cost of Living, Merit and Civil Service step budgeting.

Proposed Salary Grade Table – General Government

Grade	Min	Mid	Max
9	\$10.71	\$13.39	\$16.07
10	\$11.25	\$14.06	\$16.87
11	\$11.81	\$14.76	\$17.71
12	\$12.40	\$15.50	\$18.60
13	\$13.02	\$16.28	\$19.53
14	\$13.67	\$17.09	\$20.51
15	\$29,857	\$37,322	\$44,786
16	\$31,350	\$39,188	\$47,025
17	\$32,918	\$41,147	\$49,377
18	\$34,564	\$43,205	\$51,845
19	\$36,292	\$45,365	\$54,438
20	\$38,106	\$47,633	\$57,160
21	\$40,012	\$50,015	\$60,018
22	\$42,012	\$52,515	\$63,018
23	\$44,113	\$55,141	\$66,169
24	\$46,319	\$57,898	\$69,478
25	\$48,635	\$60,793	\$72,952
26	\$51,066	\$63,833	\$76,599
27	\$53,620	\$67,024	\$80,429
28	\$56,301	\$70,376	\$84,451
29	\$59,116	\$73,895	\$88,674
30	\$62,072	\$77,590	\$93,107
31	\$65,175	\$81,469	\$97,763
32	\$68,434	\$85,542	\$102,650
33	\$71,856	\$89,819	\$107,783

Grade	Min	Mid	Max
34	\$75,448	\$94,310	\$113,172
35	\$79,220	\$99,026	\$118,831
36	\$83,181	\$103,977	\$124,773
37	\$87,341	\$109,176	\$131,011
38	\$91,708	\$114,635	\$137,562
39	\$96,293	\$120,367	\$144,440
40	\$101,108	\$126,385	\$151,661
41	\$106,163	\$132,704	\$159,244
42	\$111,471	\$139,339	\$167,207
43	\$117,045	\$146,306	\$175,567
44	\$122,897	\$153,621	\$184,346
45	\$129,042	\$161,302	\$193,563
46	\$135,494	\$169,367	\$203,241
47	\$142,269	\$177,835	\$213,403
48	\$149,382	\$186,727	\$224,073
49	\$156,851	\$196,064	\$235,277
50	\$164,694	\$205,867	\$247,041
51	\$172,929	\$216,160	\$259,393
52	\$181,575	\$226,968	\$272,363
53	\$190,654	\$238,317	\$285,981
54	\$200,186	\$250,232	\$300,280
55	\$210,196	\$262,744	\$315,294
56	\$220,706	\$275,881	\$331,058
57	\$231,741	\$289,675	\$347,611

Range Width Min to Max
50%

Midpoint Growth
5%

Notes:

- Appendix I displays recommended grade placements for all General Government job classes.
- Jobs can be moved to different pay grades as market moves.
- Employee salaries should move within the pay grade for their job (merit).

4. INITIAL IMPLEMENTATION and ONGOING ADMINISTRATION

The initial implementation of the City's updated salary plan for FY 2025 will be controlled by the City's financial resources, and therefore balanced between the ability to pay all employees near the prevailing rates for their occupations and available funds. The following recommendations are provided for the City to select, or modify, based on its compensation philosophy, historical practices, and available funds.

A. SALARIES BELOW MINIMUM - GENERAL GOVERNMENT

We recommend that the salaries of all employees whose current amount is less than the Minimum of the salary grade for their position's job class be increased to that Minimum amount on the effective date of the updated salary plan.

B. CIVIL SERVICE MARKET ADJUSTMENTS

We recommend a 3% market adjustment to Police and Fire pay tables to catch up to market.

C. REGULARLY PLANNED ADJUSTMENTS

We recommend that actual salaries move within the proposed salary grades at a measured, annual pace. Adjustments such as merit increases, Cost of Living and step increases are all appropriate for FY 2025 and beyond, as the majority of (especially General Government) employees fall in the first half of the newly proposed pay grades.

D. PLAN UPDATE STEPS

1. Obtain latest salary plans from the comparator agencies.
2. Compute the prevailing rate for each of the benchmark job classes.
3. Re-assign job classes to the salary grades whose Midpoints most closely match the market rates.
4. Utilize professional judgment in job class re-assignment to prevent internal inequities and relationships not supported by relative job complexity.
5. Identify employees whose current salary is less than their job's new Minimum.
6. Compute the total amount of dollars, and percentage of current payroll, required to bring all employees to the Minimum of their new salary grade.
7. Determine the amount required for in-grade merit increases based on midpoint budgeting.
8. Provide information to the Council for budgeting purposes.
9. Obtain approved prevailing rate maintenance (PRM) budget from the Council.
10. Bring all salaries up to Minimum on the updated plan's effective date.
11. Provide general increases (step increases, merit, etc) on a regular basis.

APPENDICES – PROPOSED GRADE PLACEMENTS AND TABLES FOR FY 2025