



Compensation, Benefits, and Handbook

FY 2020-21 Budget Planning Update

Human Resources – Strategic Plan

Strategic Focus Area 1: Operational Excellence

Objective: To make the City of Burleson a community of choice by providing outstanding customer service; leveraging technology to be an efficient and responsive organization; being financially responsible; and focusing on transparency throughout the organization.

Goal 1: Develop a high-performance workforce by attracting and retaining the very best employees; providing a competitive salary and benefits package; maximizing employee training and educational opportunities.

Human Resources and Training Compensation - History

Timeline of Compensation Plan Improvements:

Timeframe	Compensation Adjustment	Type	Approx Cost
October 2017	Public Safety Pay Step Plan	Market Adjustment + Step	\$835,000
October 2017	City Compensation (Non Pay Step)	Merit	\$582,000
August 2018	Public Works Compensation	Market Adjustment (received Merit Oct 2018)	\$158,000
October 2018	Pay Public Safety Pay Step and City Compensation (Non Pay Step)	Annual Merit and Step	\$852,000
October 2018 (Budgeted) July 2019 - Implemented with Retro	City Compensation (Non Pay Step)	Market Adjustments (with update pay ranges)	\$621,000
October 2019	Public Safety Pay Step	Market Adjustments + Step	\$1,355,000
October 2019	City Compensation (Non Pay Step)	Merit	\$572,000

Human Resources and Training Compensation – In Process

FY 2020-2021 Compensation Options:

Reviewing increases and other market adjustments partial year Apr 2021.; funding under evaluation

- Due to pending assessment of current and future unknown pandemic impacts

Compensation Adjustment	Type	Partial Year Cost Apr 2021	Annual Cost	Comments
Public Safety Pay Step Plan	Market Adjustment 3% + Annual Step	\$258,500	\$517,000	\$289,000= step with no adjustment
City Compensation (Non Pay Step) - All	Annual Merit (before Market)	\$294,000	\$588,000	
City Compensation (Non Pay Step) – FT	Market Adjustments	\$50,000	\$100,000	
City Compensation (Non Pay Step) - PT	Market Adjustments	\$40,00	\$80,000	
Certification Pay	Market Adjustments	\$20,000	\$40,000	

Human Resources and Training Compensation – In Process

FY 2020-2021 Compensation Benchmarking – Public Safety:

Position	Current Min of Range % Median Compared to Market Cities	Proposed Pay Plan Min - % Median Compared to Market Cities Parity with 3% Adj + Step	Current Max of Range % Median Compared to Market Top	Proposed Pay Plan Max - % Median Compared to Market Cities Parity 3% Adj + Step
Police Officer	-3.11%	-0.11%	-5.55%	-2.47%
Police Sergeant	-4.57%	-1.53%	0.04%	2.95%
Firefighter	-0.83%	2.11%	-0.80%	2.14%
Apparatus Operator	-7.26%	-4.13%	-1.73%	1.23%
Fire Inspector/Invest	-4.96%	-1.90%	1.23%	2.15%
Fire Lieutenant	-5.83%	-2.74%	-0.28%	2.64%
Battalion Chief	-5.11%	-2.05%	-1.60%	1.36%

Human Resources and Training Compensation – In Process

FY 2020-2021 Compensation – Full Time Range Penetration:

- New compensation ranges aged 3% in 2019 when implemented + applied budgeted market adjustment monies using one time formula based on time in job up to midpoint
- Next phase target - Hiring above minimum for better market range penetration
 - Starting at least 3% into range
 - Market adjustments modeled pay based on time in job at target compa-ratio (moving at 3% a year) after merit applied
 - Midpoint and below
 - Approx 60 employees with potential adjustments

Human Resources and Training Compensation – In Process

FY 2020-2021 Compensation Benchmarking – Part Time:

- Part-time not in prior comp study unless full-time role equivalent
- Varied pay practices and general titles create challenges for benchmarking – used variation of ranges and actuals for data analysis
- Targeting:
 - Adjusting position starting pay based on market and/or organizational alignment
 - Adjusting minimum starting pay to \$9.00 from \$8.65
 - Compression adjustments based on new starting pay
 - Adjustments evaluated after merit range placement

Human Resources and Training Compensation – In Process

FY 2020-2021 Compensation Other:

- Certification Pay
 - 34 current certification pays
 - Add 1 – Bilingual
 - 6 of 12 market cities have bilingual certification pay
 - Adjust 12 certification pay levels based on market and alignment

Human Resources and Training Compensation – In Process

Certification	Eligible Department	Annual Stipend	Revised Annual Stipend	Benchmarking	Annual Cost Difference	Comments
Class A Water (TCEQ)	W/WW	\$1,080	\$1,200	\$ 1,200	\$120	
Class B Water (TCEQ)	W/WW	\$720	\$900	\$882	\$180	
Class II Wastewater (TCEQ)	W/WW	\$360	\$750	\$750	\$390	
Class III Wastewater (TCEQ)	W/WW	\$720	\$ 900	\$930	\$180	
Dispatch-Advanced	Dispatch	\$720	\$1,200	\$1,200	\$480	
Dispatch-Intermediate	Dispatch	\$450	\$600	\$ 600	\$150	
Dispatch-Master	Dispatch	\$990	\$1,450	\$1,440	\$460	
Emergency Vehicle Tech (EVT) I	Fleet Maint	\$720	\$900		\$180	Align with Pub Wks
Emergency Vehicle Tech (EVT) II	Fleet Maint	\$1,080	\$1,100		\$20	Rounded number
Emergency Vehicle Tech (EVT) III	Fleet Maint	\$1,440	\$1,450		\$10	Rounded number
Fire/Police-Advanced Cert OR Bach Deg	Fire/Police	\$960	\$1,200	\$1,200	\$240	
Fire/Police-Masters Cert OR Mast Deg	Fire/Police	\$1,320	\$1,450	\$1,440	\$130	
Bilingual	Various	\$0	\$600	\$600	\$600	

Human Resources and Training Compensation – In Process

FY 2020-2021 Compensation Other:

- Cell Allowance
 - Updates for consistency and app implementation for communication recordkeeping
 - Still under evaluation and will be brought in on a future item

Human Resources and Training Benefits - History

Timeline of Benefits Plan Changes and Improvements:

- Plan Year 2019
 - Annual cost savings of \$27,889 (from 2018 RFP)
 - Elimination of duplicate telemedicine service
 - Reduced TPA fees, EAP premiums, Life premiums, LTD premiums, and HSA Bank fees
 - Design changes due to consistent rise in benefit costs and 3 consecutive year trend hitting Stop Loss
 - Implemented spousal restriction
 - Raised medical premiums 19.8% and dental 6.5%
 - Increased co-insurance 10% in each medical plan
 - Implemented Benefits Committee in May 2019 for Plan Year 2020 planning and ongoing

Human Resources and Training Benefits - History

Timeline of Benefits Plan Changes and Improvements:

- Plan Year 2020
 - Eliminated spousal restriction
 - Lowered deductibles
 - Lowered co-insurance limits
 - Improved co-insurance amounts
 - Maintained Medical High Deductible HSA Plan premiums at current rate (competitive rates)
 - Lowered Medical Copay/GAP Plan premiums in most tiers (not competitive rates)
 - Effective 7/1/2020 - Update UHC to take all levels of claims fiduciary (2nd appeal level)

Human Resources and Training Benefits – In Process

Plan Year 2021:

- Eliminate new hire waiting period for benefits, does not change cost projection
- Build in Benefits Budget inflationary factor to increase reserves to minimize swings in coverage
 - Target reserves 25% - 50%
- Plan designs - no changes since both plans are competitive
- Employee premium cost – no changes; city will absorb premium increase
 - Will begin to implement 5% inflationary increase to premiums Plan Year 2022
- Revised accounting of expenses and contributions in conjunction with improved alignment with consultant reporting for clearer reporting for plan performance and reserve balance

Direct clinic model (in addition to existing network) - on hold pending pandemic to ensure capacity
Reviewing contracting with THR to benefit both Copay and HSA High Deductible Plan

Human Resources and Training Benefits – In Process

Future:

- Sick Leave Analysis

- Accrue up to 103 hours per year (or 156 for Fire 16/8 Shift)
- Unlimited accrual
- Payout provision after 5 years of service if employee leaves in good standing
- Policy changed January 1, 2016 with 2 year transition - Main change
 - Removed payout cap by length of service (up to max 720 hours) and applied percentage of balance payout based on percentage taken, i.e. less sick taken, higher percentage paid out and more sick taken, less percentage paid out.

EXAMPLE

% of Sick Leave Used	% of Sick Balance Paid
0%	92.0%
25%	69.0%
50%	46.0%
75%	23.0%
95%	4.6%

Human Resources and Training Benefits – In Process

Future:

- Sick Leave Analysis (cont)
 - Policy benchmarking and evaluation ongoing for revision options, but in general
 - Annual accrual level and no limit on sick accrual are within benchmarks
 - Sick payout is varied, but our payout potential exceeds benchmarks and our prior policy was within benchmarks
 - 4 market cities have no sick payout
 - 8 market cities have sick payout with length of service provision or retirement only along with caps ranging from 240 – 960, most are 720)
 - 1 market city allows a sick buy back

Human Resources and Training Benefits – In Process

Future:

- Sick Leave Analysis (cont)
 - Example - 13 employees exceeded our prior cap of 720 (range from 737 to 1649)
 - Policy change – cost impact

Year	Actual Sick Payout Amount	Sick Hours Paid Amount (if Paid Under Prior Policy)	Cost Difference
2017	\$ 272,862.59	\$ 164,098.76	\$108,763.83
2018	\$ 68,083.66	\$ 73,736.67	\$ (5,653.01)
2019	\$ 512,406.28	\$ 314,558.90	\$197,847.38
2020	\$ 347,425.10	\$ 244,337.47	\$103,087.63
Total	\$ 1,200,777.63	\$ 796,731.80	\$404,045.83

* 2020 cost impact is YTD as of July 2, 2020

Human Resources and Training Benefits – In Process

Future:

- Vacation Leave Analysis
 - 4 separate vacation accrual classifications (each with higher annual accrual provided after key service milestones)
 - Director and above
 - Fire and Police Department (40 hrs per week) Sworn and Civilian
 - Fire 16/8 Shift
 - All other employees (40 hrs per week)
 - Unlimited accrual, no cap on carryover
 - Payout provision after 1 year of service if employee leaves in good standing capped at 1.5 times annual accrual level
 - Employees allowed to try to take vacation beyond payout cap when retiring from the city – requested and agreed to at time of notice

Human Resources and Training Benefits – In Process

Future:

- Vacation Leave Analysis (cont)
 - Policy benchmarking and evaluation ongoing for revision options, but in general
 - Accruals are within benchmarks at most levels
 - Vacation classifications not typical
 - No limit on the carryover is outside benchmarks
 - Payout is not as competitive, most cities payout unused up to a rollover cap (2x)

Human Resources and Training Benefits – In Process

Future:

- Vacation Leave Analysis (cont)
 - Policy – cost impact

Year	Actual Vacation Payout	Vacation Taken During Resignation Cost
2017	\$119,373.52	\$ 22,690.97
2018	\$ 73,338.80	\$ 11,844.71
2019	\$177,442.29	\$ 56,997.08
2020	\$115,812.86	\$ 18,518.61
Total	\$485,967.47	\$ 110,051.36

Human Resources and Training Benefits – In Process

Future:

- Sick and Vacation Leave Analysis – Next Steps
 - Finish review of benchmarks with recommendations/options including:
 - Competitive design while fiscally responsible and sustainable
 - Evaluate cost and any employee impact on accruals, caps, and payouts
 - Transition options for employees to mitigate impact if applicable
 - Collaboratively work with Benefits Committee and other stakeholders to revise leave policies during calendar year 2021

Human Resources and Training Handbook Changes – In Process

FY 2020-2021:

- Change resignation notice period for exempt from 45 days to 2 weeks
- Add deceased employee benefits
 - Pay COBRA for elected coverage for 6 months
 - Revise final pay language to be in compliance with state law
- Cell phone allowance policy addition
 - Establishes requirements under state law for recordkeeping of government business communications on city and personal devices
 - Tiers of allowances
 - Consistency on approved positions eligible for devices and allowances, as well as approval process for revisions
- Discontinue and update documented and undocumented sick time provisions
- Add language to document pay practice used for call out on holidays (non public safety)
- Correct handbook language for holiday amounts for police

Leaves – will require updates dependent on any revised sick and vacation policy changes

Questions / Comments
