



CITY OF
FARMERS BRANCH
TEXAS

STRATEGIC COMPENSATION PLANNING

City Council Meeting

May 21st, 2024





- **Current Advantages & Opportunities**
- **Methodology and Strategy**
- **Comparative Analysis**
- **Pay Strategies**



- ---● **4-Day** Work Weeks.
- ---● **City contribution** to HSA and Dependent Care FSA.
- ---● **Day 1 benefits** and **40 hours** of vacation at start.
- ---● **Strong market position** in Public Safety compensation.
- ---● **Significantly low** turnover in Public Safety.
- ---● **4/10 schedule** for certain Police positions and **48/96 schedule** for Fire coming October 2024.
- ---● **Lateral hiring programs and hiring incentive pay** for both Police and Fire.

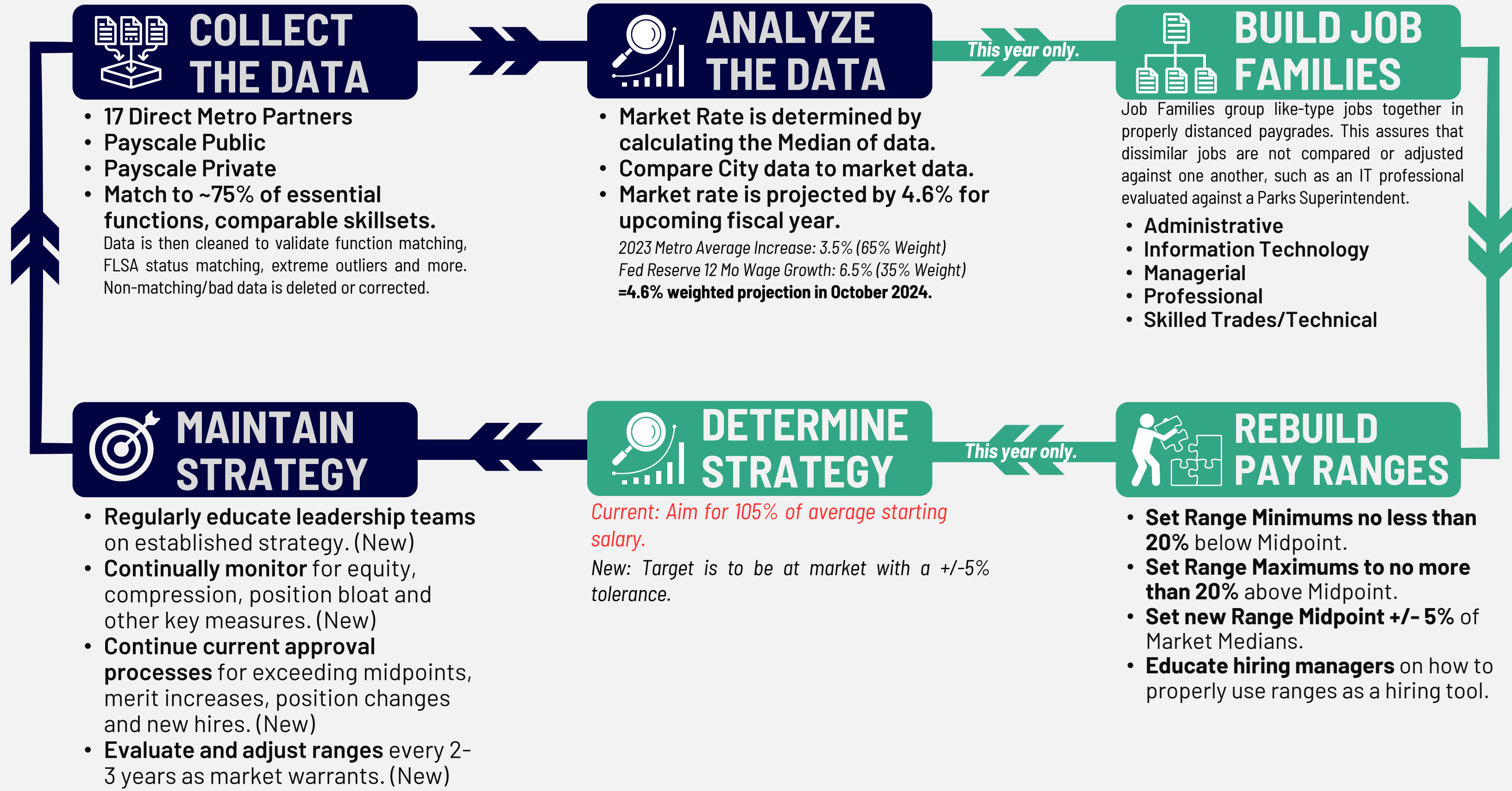


● ---● **Realign Market-Based Pay Structures**

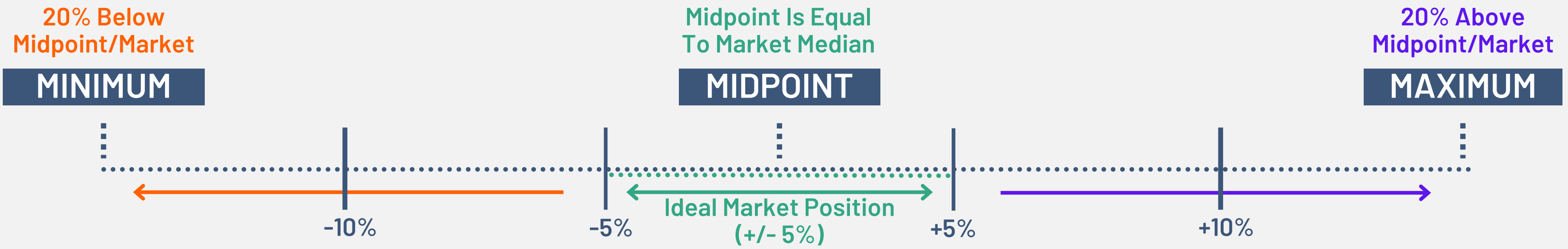
- **Position midpoints:** Should be equal to validated market-equivalent median pay.
- **Position Minimums:** Currently set between 20-24% of midpoint, meaning we are designed to hire 20-24% below market. No direct cost to fix.
- **No Job Families:** Positions are slotted in assigned paygrades, irrespective of industry, type of work, licensing, education, etc... No direct cost to fix.
- **Pay Range Compression:** 4-5% between position midpoints (should be 10% minimum in most cases). No direct cost to fix.
- **Position Bloat:** Peer positions with multiple levels at close paygrades; indicates positions created for people rather than purpose. (FY2026 position study planned)
- **Use of Range Guidelines:** Outdated practices and understandings on pay decisions, internal equity, supervisor compression based on improper configuration.

● ---● **Skilled Labor and CDL Positions Recruitment**

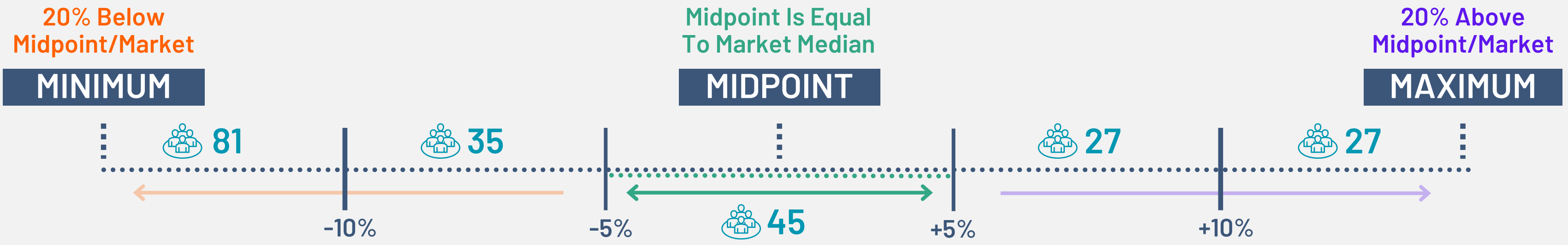
- **Private Sector:** Pay starting at \$23-\$26 for construction/equipment-type CDL positions (Not OTR Drivers).
- **Farmers Branch:** Pay starting **27%-43% less than** private sector equivalents.
- **Public Sector:** Slow to catch up to private sector, lack of visibility for jobs.
- **Diminishing Market:** Demand for skilled labor is exceedingly high while supply is low.



HOW DO MARKET-BASED RANGES WORK?



COMPARATIVE ANALYSIS - GENERAL





● ---• **General Employees: Adjust by position in range quartiles.**

- The pay range is divided into four equal quartiles (quarters) and each incumbent is given a specific adjustment based on their position in the range, as calculated by the Compa-Ratio (Current Salary / Midpoint of Range)
 - 1st Quartile (80-89% of midpoint): **5% increase**
 - 2nd Quartile (90-99% of midpoint): **4% increase**
 - 3rd Quartile (100-109% of midpoint): **3% increase**
 - 4th Quartile (110-120% of midpoint): **2% increase**
 - **Total Est. Cost: \$604,138**

COMPARATIVE ANALYSIS – GENERAL



20% Below
Midpoint/Market

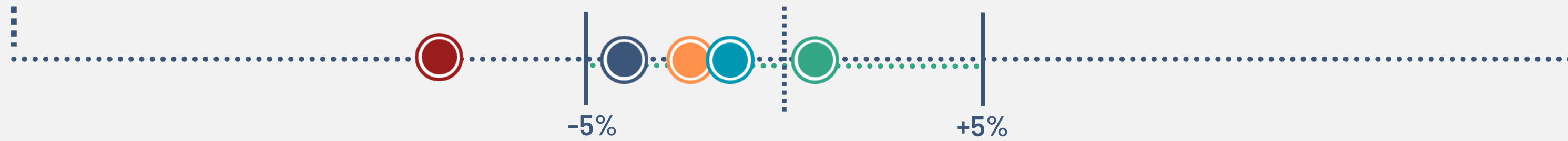
MINIMUM

Midpoint Is Equal
To Market Median

MIDPOINT

20% Above
Midpoint/Market

MAXIMUM



		% Of Workforce	Distance From 10/1 Market (Current)
●	Skilled Trade	52%	-5.8%
●	Managerial	20%	-4.7%
●	Professional	13%	-2.6%
●	Administrative	9%	-3.3%
●	IT	5%	+1.0%
	Totals	100%	

COMPARATIVE ANALYSIS – GENERAL



20% Below
Midpoint/Market

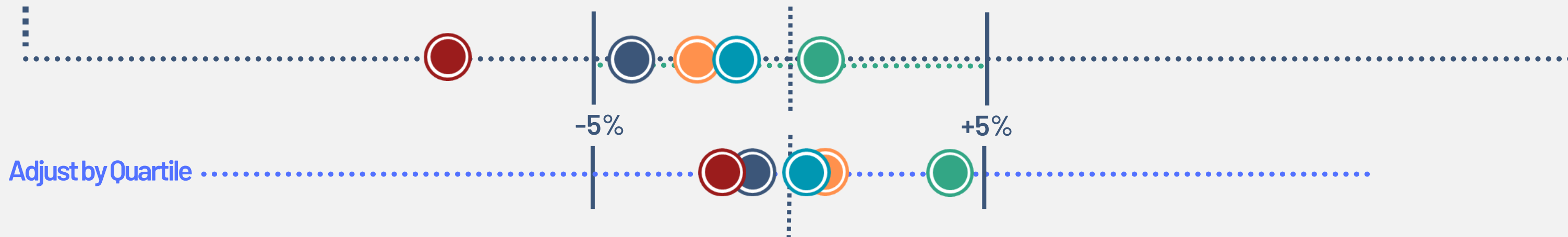
Midpoint Is Equal
To Market Median

20% Above
Midpoint/Market

MINIMUM

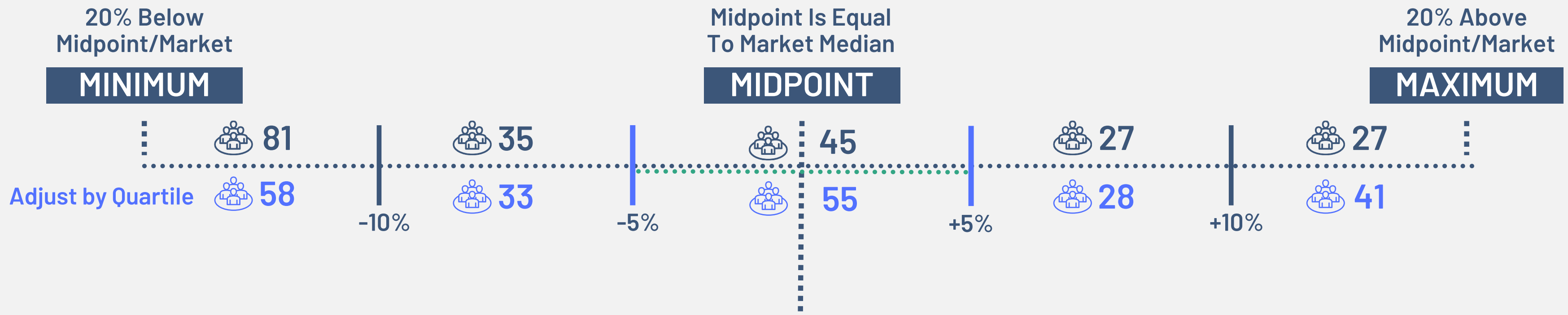
MIDPOINT

MAXIMUM



		Adjust by Quartile			
		% Of Workforce	Distance From 10/1 Market (Current)	Distance From 10/1 Market (Projected)	Estimated Cost
	Skilled Trade	52%	-5.8%	-2.3%	\$263,612
	Managerial	20%	-4.7%	-1.2%	\$160,356
	Professional	13%	-2.6%	+0.5%	\$92,722
	Administrative	9%	-3.3%	+0.2%	\$44,363
	IT	5%	+1.0%	+4.4%	\$43,085
Totals		100%			\$604,138

COMPARATIVE ANALYSIS - GENERAL



HOW DO STEP-BASED RANGES WORK?

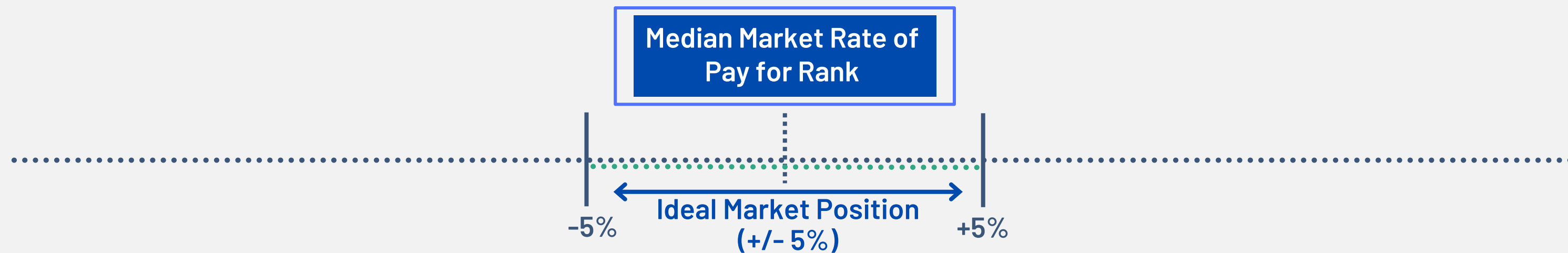


Pay at Hire
Compared against market for FF/Officer only

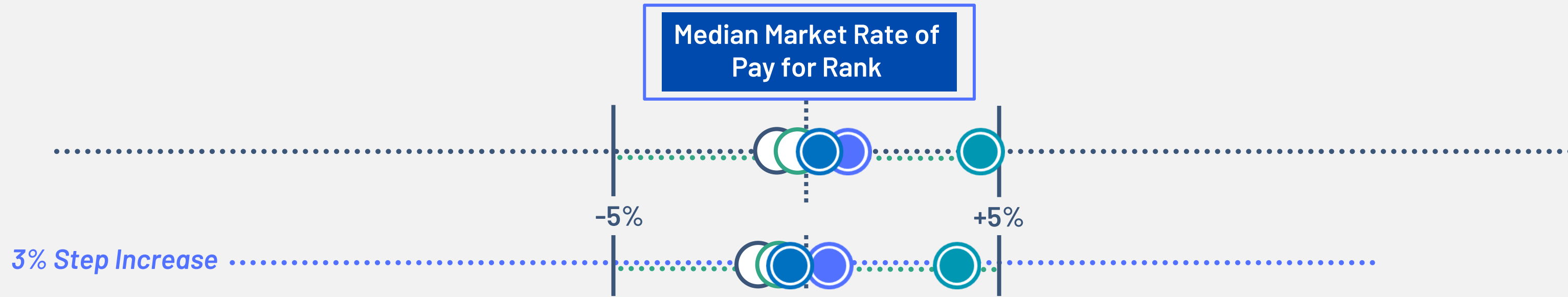
Top-Out Pay
Used for evaluation against market for all ranks

Firefighter					
Grade/Step	4100/1	4100/2	4100/3	4100/4	4100/5
Annual	\$ 78,117.17	\$ 82,031.79	\$ 86,150.91	\$ 90,445.31	\$ 94,973.41
Hourly	\$ 28.34	\$ 29.76	\$ 31.26	\$ 32.82	\$ 34.46
YEARS	Entry to 1	2	3	4	5

Tenure Based
1-5% Between Each Step

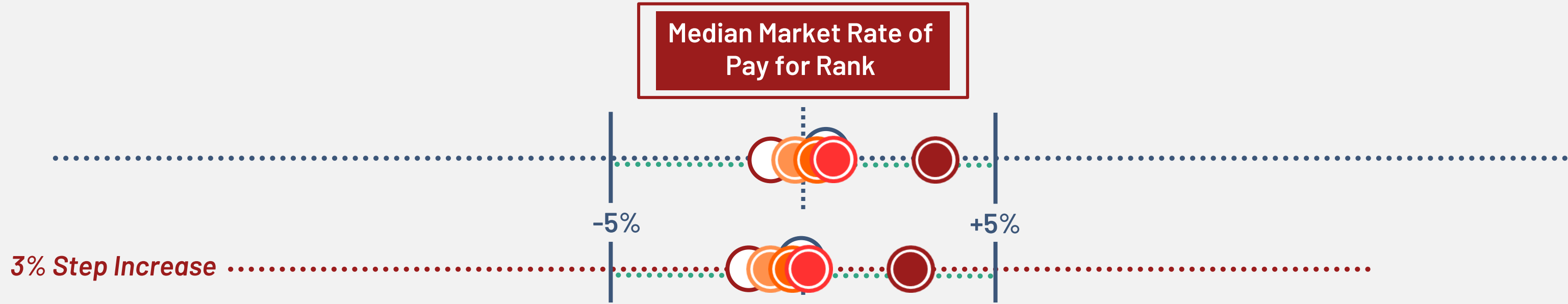


COMPARATIVE ANALYSIS - POLICE



		Market Distance (Current)	Market Distance (Projected)	Market/CFB Difference (Annual)	Estimated Cost
●	Officer Entry	+1.9%	+1.5%	\$1,173	\$215,593
●	Sergeant	+0.2%	-0.3%	-\$345	\$43,085
●	Lieutenant	+4.9%	+4.4%	\$6,141	\$35,810
○	Officer Top	-0.1%	-0.5%	-\$580	\$294,488
○	5-Year Officer	-1.0%	-1.5%	-\$1,479	

COMPARATIVE ANALYSIS – FIRE



	Market Distance (Current)	Market Distance (Projected)	Market/CFB Difference (Annual)	Estimated Cost
● Firefighter Entry	+3.5%	+3.0%	\$2,344	\$182,184
● Fire Driver	+0.3%	-0.2%	-\$192	\$44,932
● Captain	-1.3%	-1.8%	-\$2,370	\$73,738
● Battalion Chief	+1.1%	+0.6%	\$911	\$21,627
○ Firefighter Top	-2.7%	-3.2%	-\$3,213	\$322,481
○ 5 – Year FF	+1.0%	+0.6%	\$536	



General Employees

- Consider adoption of new compensation strategy: Target is to be at market with a +/-5% tolerance.
- Consider FY25 strategic compensation increases:
 - Increases based on quartile and applied to base pay.
 - 1st Quartile: 5%
 - 2nd Quartile: 4%
 - 3rd Quartile: 3%
 - 4th Quartile: 2%
 - **Total Cost: \$604,138**

Police

- Consider FY25 increase: 3% increase to each step in the plan.
 - Maintains current effectiveness in market.
 - **Total Cost: \$294,488**

Fire

- Consider FY25 increase: 3% increase to each step in the plan.
 - Maintains current effectiveness in market.
 - **Total Cost: \$322,481**

Job Group	FY25	3-Year Increase Lookback		
		FY24	FY23	FY22
Police	3%	6%	7% (+2% OTP)	7%
Fire	3%	6%	7% (+2% OTP)	4%
General Employees	<i>Varies</i>	3%	1-6% (1/2yr Merit)	1-4% (1/2yr Merit)
Cost (Est.)	\$1,371,107 <i>(Inc. Executives)</i>	\$2,384,685	\$2,497,360	\$1,511,266