



**FARMERS
BRANCH**

2022 Budget Retreat - HR



Overview of Human Resources

“Culture, Culture, Culture”

- **Recruitment:** Attract, Develop & Retain Talent
- **Compensation:** Competitive Pay, Performance based and Step based, Retention pools
- **Benefits:** Health, Life, Wellness, Stop Loss, TMRS
- **Performance Management:** Pay, Employee Development, Employee Discipline
- **Organizational Development (broad):** Succession Planning, Org. Structure
- **HRIS / Payroll:** Maintain Employees & Management Tools
- **Risk Management:** Safety, Training, Liability, Legal coordination

People & Culture Life Cycle



Respect

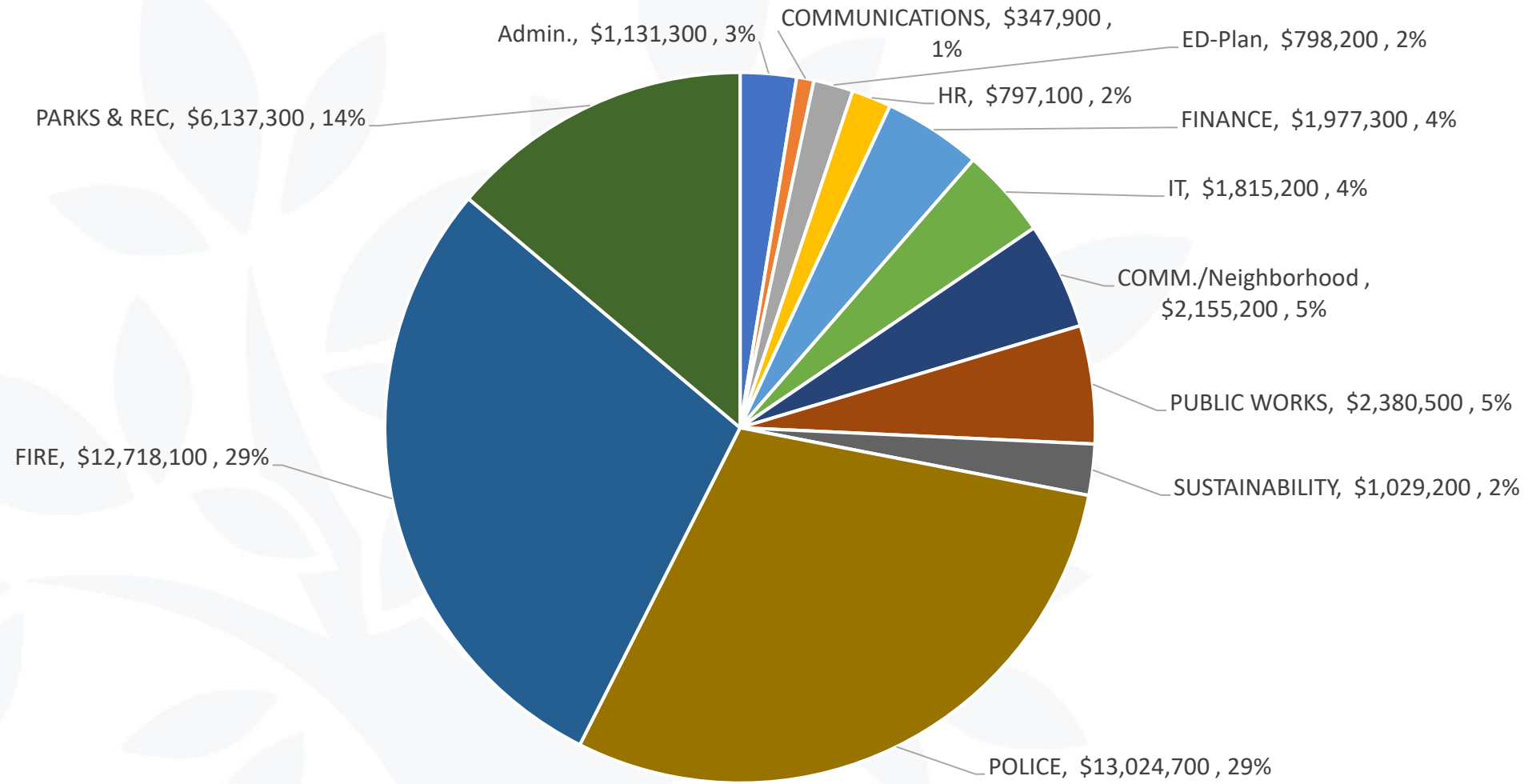
Excellence

Accountability

Care

Trust

Total Salaries & Benefits by Department



Staffing

Current Openings: 34

Status / Count	In Process / Count
Full Time 34	PD – (10) with 10 in Process
	Detention (5) with 1 in Process and 3 about to start
	Fire EMS 1 in Process

Requested Additions: 8

Department	Job	Count
Police	Officer- Patrol	4
Police	Background Investigator	1
Fire	EMS Captain	1
Fleet & Facilities	Maintenance Worker	1
Public Works	Traffic Signal Tech	1

*We do have 20 PT employee openings

Attraction and Retention Strategies

- Attraction:
 - **PD & Fire**- Additional 1% on top of our competitive pay philosophy to stay ahead of city changes
 - We have implemented lateral transfers from other departments
 - Up to 10k sign on incentive
 - **Detention** – We have adjusted pay already
 - A \$2.5k sign on incentive
 - Change testing to structured interview
- Retention:
 - **PD & Fire**
 - We review the market every year for Public Safety
 - In years that do not have a structure adj. we have a perf. pool
 - Culture, Culture, Culture

Compensation

- Merit – Pay line is established and movement through the line is solely on performance and promotion
 - **4.5% Merit budget recommended**
- Step - Pay line is established and movement through the line is based on time and promotion
 - **PD – Data reflects 6.2% Recommend 7%**
 - **Fire- Data reflects 5.9% Recommend 7%**
 - **Data is right below 1mm and Recommendation at 1.1mm**

* This data reflects our Pay Philosophy at 5% above Market

TMRS Comparison of Alternate Benefit Design(s)

FOR CITIES

2023 Rates • Farmers Branch (00448)

Report Date - July 26, 2022

Plan Provisions	Current	Option 1
Deposit Rate	7.00%	7.00%
Matching Ratio	2 to 1	2 to 1
Updated Service Credit	100% (Repeating)	100% (Repeating)
Transfer USC *	Yes	Yes
Annuity Increase	70% (Repeating)	70% (Repeating)
20 Year/Any Age Ret.	No	Yes
Vesting	5 years	5 years
Supplemental Death Benefit	A	A
Contribution Rates	2023	2023
Normal Cost Rate	10.18%	10.85%
Prior Service Rate	<u>8.78%</u>	<u>9.19%</u>
Retirement Rate	18.96%	20.04%
Supplemental Death Rate	<u>0.19%</u>	<u>0.19%</u>
Total Rate	19.15%	20.23%
Unfunded Actuarial Liability	\$29,709,965	\$31,482,411
Amortization Period	20 years	20 years
Funded Ratio	90.1%	89.6%

Moving to 20 Year will have
a \$3.6mm cost

Cost roughly comes from:
\$1.8mm cost of additional Unfunded
Liability and \$1.8mm of additional plan cost

* As of the December 31, 2021 valuation date, there were 72 employees with service in other TMRS cities eligible for transfer USC.

** City Employees do not participate in SS (which is also COLA adjusted)



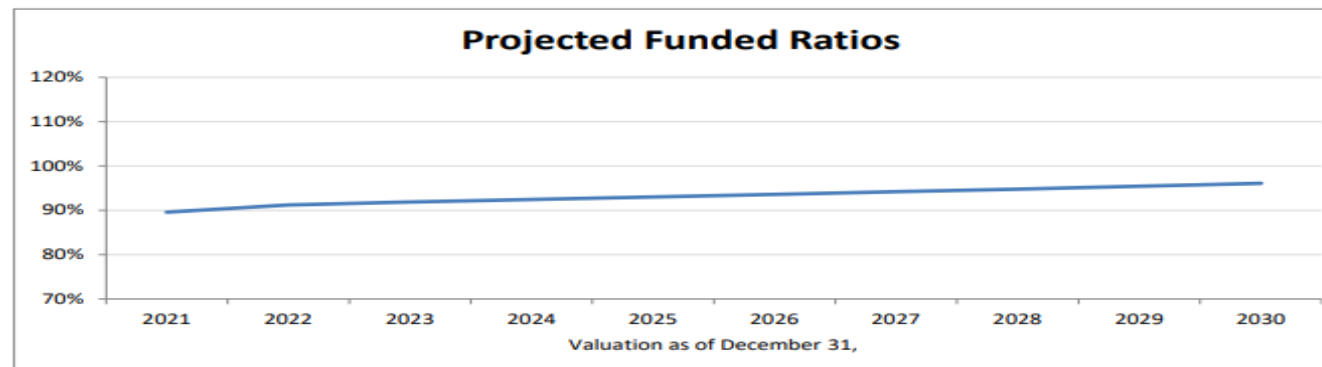
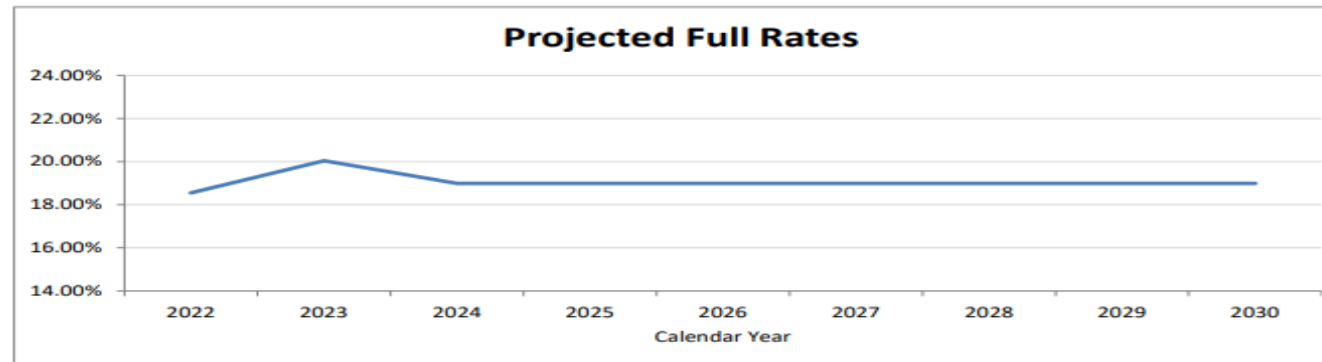
Projection of Valuation Results - Pension Only

448, Farmers Branch

20 Year Retirement Adoption / \$3.6M Lump Sum in 2022

Summary of Proposed Benefit Provisions			
Member Contribution Rate	7.00%	USC	100% Recurring with Transfer
Employer Match Rate	2 : 1	COLA	70% Recurring
Vesting	5 years	Retirement Eligibility	Age 60 with 5 years of service or 20 years of service

Calendar Year	Projection Results								
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Full Rate	18.55%	20.04%	18.99%	18.99%	18.99%	18.99%	18.99%	18.99%	18.99%
Est. Contribution	9,508,037	6,545,347	6,360,563	6,522,758	6,689,088	6,859,660	7,034,581	7,213,963	7,397,919
Funded Ratio	89.6%	91.2%	91.9%	92.4%	93.0%	93.6%	94.2%	94.8%	95.4%
UAAL	31,482,411	27,350,813	26,094,106	25,037,006	23,836,683	22,481,634	20,959,536	19,257,187	17,360,443



The background is a dark blue gradient. On the left side, there is a stylized graphic of a branch with several blue leaves of varying sizes. The leaves are a lighter shade of blue than the background. The word "QUESTIONS ?" is written in white, uppercase letters, centered horizontally and slightly to the right of the leaf graphic.

QUESTIONS ?