



City of Colleyville City Council Worksession Agenda

City Hall
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Tuesday, July 30, 2013
6:00 p.m.

Executive Conference Room
Third Floor, City Hall

1. CALL TO ORDER

2. PRESENTATION AND DISCUSSION

2a Presentation and discussion of the classification and compensation study

3. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, July 26, 2013 by 5:00 p.m.

Amy Shelley
City Secretary

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the City Secretary at least 48 hours in advance at 817.503.1133, and reasonable accommodations will be made to assist you.



City of Colleyville Colleyville City Council Worksession Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 2a	Agenda Date 07/30/2013	Number
Type Presentation and Discussion		
Department City Manager		

Title

Presentation and discussion of the classification and compensation study

Explanation

At the July 23, 2013 City Council Worksession, staff presented information regarding the proposed classification and compensation study. Some of the key factors that led to staff's recommendation to institute an overhaul of the City's compensation system were:

- The City's compensation system has become outdated and has failed to keep pace with market realities—resulting in difficulties in hiring qualified candidates to fill vacancies and the loss of existing experienced and qualified employees.
- The City's current compensation ranges have not been adjusted since 2006. The last annual salary adjustments for City employees were executed in 2009 (with the exception of police compression adjustments made in FY2013).
- Since that time, employee turnover has steadily increased from a reasonable employment standard of 10 percent to 16 percent in 2012. For the current year, we are trending toward an annualized turnover rate of 20 percent for 2013.
- The changes proposed in the new compensation system provide an opportunity for the City to move forward with a sustainable compensation philosophy. In the future, salary increases will be based on significant changes in the market or earned through a performance-based merit system.
- The goal of the proposed market adjustments is to pay City of Colleyville employees at a fair and competitive range—neither higher than market, nor lagging behind the market—but at a market-driven salary range that will allow the City to be competitive in the hiring market, and allowing us to attract and retain good people who can meet the demands and provide the type of service expected by Colleyville citizens.

At the July 23, 2013 worksession, a full implementation scenario was proposed to provide a comprehensive solution addressing the classification and compensation structure, market parity, and employee performance management. Included in the attached presentation (Classification and Compensation System Implementation Options - July 30, 2013) are five additional implementation options, including options

for capping salary adjustments at various levels.

Attachments

1. Classification and Compensation Presentation - July 30, 2013
2. Classification and Compensation Presentation - July 23, 2013
3. Classification and Compensation Presentation - July 16, 2013
4. Compensation Philosophy and Strategy - FY 2014
5. Classification and Compensation Study - July 2013



Classification and Compensation System Implementation Options

City Council Worksession
July 30, 2013

Overview

- Recap of new compensation philosophy
- Summary of full implementation and costs
- Alternative implementation options (5)
- Summary of options

Recap: New Compensation Philosophy

- Broader job classifications
- Supports the recruitment, motivation and retention of well-qualified employees
- Goal is to pay at 50th percentile of market
 - Half of market pays more, half of market pays less
 - The “market” for non-sworn employees reflects both public and private sector, because we compete for employees from both sectors
 - The “market” for sworn employees (Fire and Police) is public sector only, because we compete for employees only in the public sector
- ALL pay increases will be based on:
 - Changes in comparative labor market
 - Performance

Recap: New Compensation Philosophy

- For non-sworn employees, pay ranges reflect market rate at midpoint
 - Majority of good performing employees can expect to reach the midpoint through performance-based merit increases
 - Some high performing employees may be above midpoint
- For sworn employees, pay ranges reflect market rate at maximum
 - Consistent with public safety compensation practices across the market
 - Majority of good performing employees can expect to reach the maximum through performance-based merit increases

Summary of Full Implementation

Non-Sworn Employees

- If employee is currently earning at or above the midpoint (market rate) of new pay range, keep current pay (avoids overpaying market rate)
- If employee is currently earning below the midpoint (market rate) of new pay range, place in the new pay range consistent with their location in current pay range, not to exceed new midpoint

Sworn Employees

- Move employees to the same proportional place in the new pay range consistent with their location in the current pay range

Summary of Full Implementation

Fund	FY 2014 Additional Personnel Costs (Including Benefits)
General Fund	\$587,128
Colleyville Crime Control and Prevention District Fund	\$5,428
Colleyville Economic Development Corporation Fund	\$14,404
Drainage Fund	\$13,378
Juvenile Case Manager Fund	\$5,208
Utility Fund	\$36,758
Total Cost	\$662,304

- **Highlights**
 - 143 employees (out of 187 employees) are below the new market rate and would receive a market adjustment, not to exceed the new market rate
 - No employee earns below the minimum of new pay range
 - Consistent with compensation philosophy
 - Provides market parity and sustainability
 - Minimizes probability of pay compression

Implementation Alternative 1: 10% Maximum Increase

Fund	FY 2014 Additional Personnel Costs (Including Benefits)
General Fund	\$430,160
Colleyville Crime Control and Prevention District Fund	\$5,428
Colleyville Economic Development Corporation Fund	\$11,575
Drainage Fund	\$13,378
Juvenile Case Manager Fund	\$4,388
Utility Fund	\$35,344
Total Cost	\$500,273
Remaining Cost to Fully Implement (\$662,304 - \$500,273)	\$162,031

- Highlights:
 - 143 employees (out of 187 employees) are below the new market rate and would receive a market adjustment, not to exceed the new market rate
 - 41 employees capped at 10% and would take those employees up to 3 more years (FY 2017) to reach full implementation
 - 20 employees remain below minimum of new range

Implementation Alternative 2: \$5,000 Maximum Increase

Fund	FY 2014 Additional Personnel Costs (Including Benefits)
General Fund	\$415,871
Colleyville Crime Control and Prevention District Fund	\$5,428
Colleyville Economic Development Corporation Fund	\$12,254
Drainage Fund	\$13,378
Juvenile Case Manager Fund	\$5,208
Utility Fund	\$32,752
Total Cost	\$484,891
Remaining Cost to Fully Implement (\$662,304 - \$484,891)	\$177,413

- Highlights:
 - 143 employees (out of 187 employees) are below the new market rate and would receive a market adjustment, not to exceed the new market rate
 - 34 employees capped at \$5,000 and would take those employees up to 4 more years (FY 2018) to reach full implementation
 - 19 employees remain below minimum of new range

Implementation Alternative 3: \$7,500 Maximum Increase

Fund	FY 2014 Additional Personnel Costs (Including Benefits)
General Fund	\$493,278
Colleyville Crime Control and Prevention District Fund	\$5,428
Colleyville Economic Development Corporation Fund	\$14,404
Drainage Fund	\$13,378
Juvenile Case Manager Fund	\$5,208
Utility Fund	\$36,758
Total Cost	\$568,454
Remaining Cost to Fully Implement (\$662,304 - \$568,454)	\$93,850

- Highlights:
 - 143 employees (out of 187 employees) are below the new market rate and would receive a market adjustment, not to exceed the new market rate
 - 17 employees capped at \$7,500 and would take those employees up to 2 more years (FY 2016) to reach full implementation
 - 12 employees remain below minimum of new range

Implementation Alternative 4: 10% Maximum Increase AND Limit Adjustments to 90% of Market Rate

Fund	FY 2014 Additional Personnel Costs (Including Benefits)
General Fund	\$340,600
Colleyville Crime Control and Prevention District Fund	\$2,240
Colleyville Economic Development Corporation Fund	\$11,575
Drainage Fund	\$11,388
Juvenile Case Manager Fund	\$877
Utility Fund	\$14,724
Total Cost	\$381,404
Remaining Cost to Fully Implement (\$662,304 - \$381,404)	\$280,900

- Highlights:
 - 107 employees (out of 143 employees who are below the new market rate) would receive a market adjustment, not to exceed a 10% increase in salary and not to exceed 90% of the new market rate
 - Defers goal of anchoring the market rate at 50th percentile

Implementation Alternative 5: Full Implementation on Anniversary Date of Hire

Fund	FY 2014 Additional Personnel Costs (Including Benefits)
General Fund	\$394,221
Colleyville Crime Control and Prevention District Fund	\$2,316
Colleyville Economic Development Corporation Fund	\$8,853
Drainage Fund	\$10,831
Juvenile Case Manager Fund	\$3,908
Utility Fund	\$17,941
Total Cost	\$438,070
Remaining Cost to Fully Implement (\$662,304 - \$438,070)	\$224,234

- Highlights:
 - 143 employees (out of 187 employees) are below the new market rate and would receive a market adjustment, not to exceed the new market rate
 - No employee earns below the minimum of new pay range
 - Employees receive market adjustment at different times in FY 2014

Cost Summary of Implementation Alternatives

FY 2014 Additional Personnel Costs (Including Benefits)

Fund	Full Implementation	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
		10% Maximum Increase	\$5,000 Maximum Increase	\$7,500 Maximum Increase	10% Maximum Increase and Limit Increase to 90% of Market Rate	Full Implementation on Anniversary Date of Hire
General Fund	\$587,128	\$430,160	\$415,871	\$493,278	\$340,600	\$394,221
Colleyville Crime Control and Prevention District Fund	\$5,428	\$5,428	\$5,428	\$5,428	\$2,240	\$2,316
Colleyville Economic Development Corporation Fund	\$14,404	\$11,575	\$12,254	\$14,404	\$11,575	\$8,853
Drainage Fund	\$13,378	\$13,378	\$13,378	\$13,378	\$11,388	\$10,831
Juvenile Case Manager Fund	\$5,208	\$4,388	\$5,208	\$5,208	\$877	\$3,908
Utility Fund	\$36,758	\$35,344	\$32,752	\$36,758	\$14,724	\$17,941
Total Cost	\$662,304	\$500,273	\$484,891	\$568,454	\$381,404	\$438,070
Remaining Cost to Fully Implement	\$0	\$162,031	\$177,413	\$93,850	\$280,900	\$224,234

Questions?



Classification and Compensation System Overview and Recommendations

July 23, 2013

Overview

- Recap of prior compensation changes
- New compensation philosophy
- Results of new philosophy
- Staff recommendations/implementation components
- Alternative implementation options
- Budget implications to general fund
- Summary of staff recommendations

Recap of Prior Compensation Changes

- FY 2006: Comprehensive Classification and Compensation Study conducted/implemented
- FY 2006 – FY 2009: Funded performance-based merit increases
- FY 2010: Pay range adjustments to some positions
- FY 2011: No pay compensation adjustments
- FY 2012: 2% one-time payment of base pay
- FY 2013: \$1,280 one-time payment; Police compression adjustment

New Compensation Philosophy

Non-Sworn Employees

- Midpoint of pay range is market rate of job
 - Majority of good performing employees can expect to reach the midpoint through performance-based merit increases
 - Some high performing employees may be above midpoint
- Goal is to pay at 50th percentile of market
 - ½ of market pays more, ½ of market pays less
 - The “market” is both public and private sector because we compete for employees from both

Questions?

New Compensation Philosophy

Sworn Employees (Fire and Police)

- Maximum of pay range is market rate of job
 - Consistent with public safety compensation practices across the market
 - Majority of good performing employees can expect to reach the maximum through performance-based merit increases
- Goal is to pay at 50th percentile of market
 - ½ of market pays more, ½ of market pays less
 - The “market” is public sector because we compete for employees only in this sector

Questions?

New Compensation Philosophy

- Structure is based on internal equity AND market parity
- ALL pay increases will be based on:
 - Changes in comparative labor market
 - Performance
- Moving away from:
 - Longevity based system
 - Cost of Living Adjustments (COLAs)
 - Every employee automatically receives an increase

Questions?



Results of New Philosophy

- Replaces narrow job classifications with broad job classifications
- Applies job market value consistently
- Provides predictable pay structure
- Reinforces equity/fairness in pay
- Allows us to attract and retain well-qualified employees

Questions?



Recommended Implementation Components

- Using the new compensation philosophy just described, staff recommends implementing a new job classification/compensation system using a 3- component approach:
 - Structure Design
 - Compensation Changes
 - Performance Management

Recommended Implementation

Component 1: Structure Design

- Broader job classifications
- For non-sworn employees, pay ranges reflect market value at midpoint
- For sworn employees, pay ranges reflect market value at maximum
- Plan for the long-term through the multi-year budget forecast

Questions?



Recommended Implementation

Component 2: Compensation Changes

Non-Sworn Employees

- If employee is currently earning at or above the midpoint (market rate) of new pay range, keep current pay (avoids overpaying market rate)
- If employee is currently earning below the midpoint (market rate) of new pay range, place in the new pay range consistent with their location in current pay range

Questions?



Recommended Implementation

Component 2: Compensation Changes

Sworn Employees

- Move employees to the same proportional place in the new pay range consistent with their location in the current pay range
 - Majority of impact is to Fire as Police was adjusted for pay compression in current year

Recommended Implementation

Component 2: Compensation Changes

- Cost: \$662,304, a reduction of \$72,910 from consultant's initial estimate of \$735,214
 - Represents 4.5% of payroll
 - Cost to general fund: \$587,128
- Implement performance-based merit increases in FY 2015

Questions?



Recommended Implementation

Component 2: Compensation Changes

- Pros:
 - Consistent with compensation philosophy
 - Provides market parity and sustainability
 - Minimizes probability of pay compression
 - Allows time for implementation of new performance management system
 - No employee will earn below the minimum of new pay range
- Con:
 - Performance-based merit increases will take additional year to implement

Questions?



Recommended Implementation

Component 3: Integrate Performance Management

- Revised performance management system in progress for FY 2014
- Performance-based merit increases
 - Reward employees for good and high performing work performance beginning in FY 2015

Implementation Alternative 1

Bring employees up to new minimum who fall below

- Pros:
 - Less expensive (total cost to budget: \$301,929; cost to general fund: \$267,660)
 - No employee will earn below the minimum of new pay range
- Cons:
 - Does not follow new compensation philosophy
 - Creates pay compression
 - Good performing employees continue to fall behind market rate

Implementation Alternative 2

Implement staff recommendation (\$587,128 - cost to general fund) and allocate additional funds (up to \$300,000 from general fund) for performance-based merit increases starting in FY 2014

- Average 2% performance increase
 - Total Cost to general fund = \$887,128
- Pros
 - Provides opportunity for performance-based merit increases sooner
 - No employee will earn below the minimum of new pay range
- Cons
 - Does not allow time to implement new performance management system prior to determining performance-based merit increases
 - Cost - Minimizes opportunity to fund other resource needs

FY 2014 Budget Implications (General Fund)

- \$906,001 (estimate) is available for allocation in FY 2014
- \$587,128 is the cost of the recommended implementation of the new compensation and classification system
- \$318,873 would remain for additional budget requests that were ranked by staff as a high priority such as traffic signal maintenance contract, Police Property Room Clerk position, Plans Examiner position, street maintenance, guardrail repair program and additional hours for a Library position

Summary of Staff Recommendations

- Implement new structure design on October 1, 2013
- Implement compensation changes on October 1, 2013
- Implement market sustainability in accordance with the long-term budget forecast beginning October 1, 2014
- Implement performance-based merit increases on October 1, 2014
- Review pay structure annually for market shifts
- Re-evaluate overall structure at regular intervals to make sure pay scales and employee salaries remain competitive

Paying fair and competitive wages for the level of work required allows the City to better attract well-qualified candidates. It also greatly contributes to the motivation and retention of current employees by showing they are valued for the work they do.

Questions?



Fox Lawson & Associates
a Division of Gallagher Benefit Services, Inc.
Compensation and Human Resources Specialists

City of Colleyville, TX

Classification and Compensation Study *Executive Summary*



Pre Council Meeting
July 16, 2013



Gallagher Benefit Services, Inc.
t h i n k i n g a h e a d

Background, Philosophy, & Analysis

Study Background

- Fox Lawson & Associates was engaged to perform a review of job classification, compensation and benefits for the City of Colleyville and make recommendations regarding:
 - Job structure and individual position allocations;
 - Current state of compensation and benefits;
 - Market competitiveness of specific employee benchmarks;
 - Benefits and costs associated with recommendations;
 - Implementation and transition options; and,
 - Pay practices, policies and overall compensation program.
- The major consideration of the City is to establish market comparisons to the current level of compensation paid to all City job classifications.
- Market comparison to both public and private sector information
 - **Non-exempt positions:** compared to other public and private sector organizations in the Dallas-Fort Worth metropolitan area of similar size and complexity;
 - **Exempt level positions:** (generally found only in the public sector) compared to similar-sized cities and other public sector organizations throughout Texas;

City Compensation Philosophy

- A total compensation approach, including benefits, will be taken into consideration.
- Broad job classifications will be utilized to facilitate simplification and flexibility.
 - Internal equity job evaluation approach (DBTMM) consistent with broad class concept.
 - Positions will be placed in the salary structure based on their respective DBM rating of their job classification category and market data results
- Pay grade midpoints reflective of the 50th percentile of the relevant labor markets (public and/or private sector as available)
 - Pay structure where the midpoint = the defined labor market rates of pay

Decision Band™ Method

- DBM ratings address internal equity and supports development of pay structures.
- Decision bands within DBM include:
 - Band F – Top Level Policy Decisions
 - Band E – Programming Decisions
 - Band D – Interpretive Decisions
 - Band C – Process Decisions
 - Band B – Operational Decisions
 - Band A – Defined Decisions
- Bands are further subdivided into “grades” based on leadership responsibilities and “subgrades” based on areas such as difficulty and complexity.

Classification Structure

Classification Structure	Job Classifications	DBM Rating
Administrative Support	Administrative Support Assistant	A13
	Administrative Support Technician	B22
	Administrative Support Specialist	B23-B24
	Administrative Support Coordinator	B25
Fire	Firefighter Recruit	B21
	Firefighter	B22
	Fire Engineer	B24
	Fire Captain	C41
	Fire Battalion Chief	C45/C52
Library	Library Clerk	A12
	Library Assistant	B22
	Librarian	C41-C42
Maintenance & Operations	M&O Technician	A12-A13
	M&O Specialist	B22-B23
	M&O Supervisor	B31
	M&O Projects Specialist	B24-B25
	M&O Project Manager	C43

Classification Structure

Classification Structure	Job Classifications	DBM Rating
Management	Manager	D61-D62
	Director	E81-E83
	Assistant City Manager	E91
	City Manager	F101
Management-Program Support	Management Specialist	B24
	Management Analyst	C41
	Management Analyst Senior	C42
Police	Code Enforcement Officer	B21
	Police Officer Recruit	B22
	Police Officer	B23
	Police Sergeant	B32
	Police Lieutenant	C42
	Police Captain	D62

Survey Methodology – Benchmark Jobs

JOB CODE	BENCHMARK TITLE
1	Accounting Clerk*
2	Administrative Clerk*
3	Administrative Secretary*
4	Battalion Chief
5	Billing Supervisor*
6	Building Inspector^*
7	Building Maintenance Technician*
8	Building Official
9	City Engineer*
10	Community Development Director
11	Construction Manager*
12	Deputy Court Administrator
13	Economic Development Director
14	Equipment Operator*
15	Executive Secretary*
16	Field Operations Manager*
17	Field Operations Supervisor*
18	Field Technician*
19	Finance Manager*
20	Fire Captain
21	Fire Chief^
22	Fire Engineer
23	Firefighter/Paramedic

JOB CODE	BENCHMARK TITLE
24	Fleet Manager*
25	Human Resources Analyst*
26	Human Resources Director*
27	Information Services Manager*
28	Information Systems Technician*
29	Librarian*
30	Library Assistant (Circulation/Technology)
31	Library Clerk*
32	Mechanic – Fleet*
33	Meter Reader*
34	Municipal Court Administrator
35	Office Assistant*
36	Park Maintenance Superintendent*
37	Park Maintenance Worker*
38	Police Chief
39	Police Lieutenant
40	Police Officer
41	Police Sergeant
42	Public Works Director*
43	Recreation Specialist
44	Sign Technician
45	Systems Administrator*

^Data from Colleyville not available, positions vacant at time of analysis

*Data obtained from both public and private sources

Survey Methodology

- FLA developed a survey questionnaire to collect salary and benefits data. Questions in the survey were posed in a fashion that were standard and easy for participants to answer, as well as being easy to quantify and analyze.
- The survey results represent data from the following 23 organizations:

Participating Organizations
City of Bedford
City of Cedar Hill
City of Cedar Park
City of Conroe
City of Coppell
City of Duncanville
City of Eagle Pass
City of Euless
City of Galveston
City of Georgetown
City of Grapevine
City of Haltom City

Participating Organizations
City of Hurst
City of Keller
City of New Braunfels
City of North Richland Hills
City of Paris
City of Rowlett
City of Sherman
City of Southlake
City of Watauga
Town of Farmers Branch
Town of Flower Mound

Survey Methodology

- The following published survey data was utilized to make comparisons with the private sector:

Published Survey Sources
Economic Research Institute (ERI)
Hay Local Area Pay
Mercer Finance, Accounting & Legal
Mercer Human Resources
Mercer Information Technology
Mercer Metro Benchmark - South Central
PRM Not for Profit
Towers Watson CSR Accounting & Finance
Towers Watson CSR Call Center & Customer Service
Towers Watson CSR Engineering, Design & Drafting
Towers Watson CSR Human Resources
Towers Watson CSR Info Technology & e-Commerce
Towers Watson CSR Office & Business Support
Towers Watson CSR Supervisory & Middle Management
Towers Watson CSR Technical Support & Production

Results & Conclusion

Results of Market Comparison

- On an overall basis of all jobs combined, the amount that the City is above or below the market (public and private sectors) is shown in the tables below.
 - The 50th percentile of market data was used as the comparison point with the City actual salaries

Aggregate Comparison	Range Comparisons			Market Actuals vs City Range Midpoint	Market Actuals vs City Actual Salary
	Range Minimum	Range Midpoint	Range Maximum		
Non-Sworn Positions	1.2%	-3.7%	-6.5%	-2.6%	-5.3%

Aggregate Comparison	Range Comparisons			Market Actuals vs City Range Midpoint	Market Actuals vs City Actual Salary
	Range Minimum	Range Midpoint	Range Maximum		
Sworn Fire	-12.7%	-5.6%	0.6%	-1.1%	-13.4%
Sworn Police	0.6%	-0.5%	-1.6%	0.2%	-0.7%

Recommendations

Recommendation: Classification & Pay Structure

Proposed Pay Structure (Non-Sworn)

Job Classification	DBM	Min	Mid	Max	Range Spread
N/A	A11	\$23,750	\$28,500	\$33,250	40%
Library Clerk	A12	\$25,413	\$30,495	\$35,578	40%
Maintenance & Operations Technician Administrative Support Assistant Maintenance & Operations Technician	A13	\$28,462	\$34,154	\$39,847	40%
Code Enforcement Officer	B21	\$30,056	\$37,570	\$45,084	50%
Administrative Support Technician Library Assistant Maintenance & Operations Specialist	B22	\$32,160	\$40,200	\$48,240	50%
Administrative Support Specialist Maintenance & Operations Specialist	B23	\$34,641	\$43,301	\$51,961	50%
Administrative Support Specialist Maintenance & Operations Supervisor Maintenance & Operations Project Specialist Management Specialist	B24/B31	\$37,977	\$47,471	\$56,965	50%
Administrative Support Coordinator Maintenance & Operations Projects Specialist	B25/B32	\$41,303	\$51,629	\$61,954	50%

Recommendation: Classification & Pay Structure

Proposed Pay Structure (Non-Sworn) - Continuation

Job Classification	DBM	Min	Mid	Max	Range Spread
Librarian Management Analyst	C41	\$47,965	\$59,956	\$71,947	50%
Librarian Management Analyst Senior	C42	\$51,291	\$64,114	\$76,936	50%
Maintenance & Operations Project Manager	C43	\$54,617	\$68,271	\$81,925	50%
N/A	C44/C51	\$57,953	\$72,441	\$86,929	50%
N/A	C45/C52	\$61,279	\$76,599	\$91,918	50%
Manager	D61	\$65,328	\$84,926	\$104,524	60%
Manager	D62	\$68,526	\$89,084	\$109,641	60%
Manager	D63	\$71,724	\$93,241	\$114,758	60%
Director	E81	\$84,535	\$109,896	\$135,257	60%
Director	E82	\$88,762	\$115,391	\$142,019	60%
Director	E83	\$93,200	\$121,160	\$149,120	60%
Assistant City Manager	E91	\$97,860	\$127,218	\$156,576	60%
City Manager	F101	\$107,646	\$139,940	\$172,234	60%

Recommendation: Classification & Pay Structure

Proposed Sworn Police Pay Structure

	DBM	MIN	MID	MAX	Spread
Police Officer Recruit	B22	\$46,432	\$53,861	\$61,290	32%
Police Officer	B23	\$50,959	\$59,113	\$67,266	32%
Police Sergeant	B32	\$64,475	\$69,633	\$74,791	16%
Police Lieutenant	C42	\$80,193	\$85,405	\$90,618	13%
Police Captain	D62	\$89,935	\$101,177	\$112,419	25%

Proposed Sworn Fire Pay Structure

	DBM	MIN	MID	MAX	Spread
Firefighter/EMT	B21	\$46,317	\$52,338	\$58,359	26%
Firefighter/Paramedic	B22	\$48,975	\$55,342	\$61,708	26%
Fire Engineer	B24	\$56,034	\$61,358	\$66,681	19%
Fire Captain	C41	\$65,467	\$70,377	\$75,287	15%
Battalion Chief	C45/C52	\$73,244	\$82,400	\$91,555	25%

Cost to Fully Implement Recommendations

The cost associated with implementing the recommended classification and pay structure (maintaining relative position in proposed range) is represented in the table below:

Implementation Cost by Fund						
General	Utility	Drainage	CCCPD	CEDC	Juvenile Case Manager	TOTAL COST
\$636,822	\$50,725	\$16,422	\$11,632	\$14,405	\$5,208	\$735,214

Items to Note

- 157 out of 186 employees would have their pay adjusted by an average of 7.8%
- Implementation of this plan brings us up-to-date with the current market, but salaries will soon lag the market without funding of annual salary adjustments
- Funding for merit increases based on performance is not included
- Most cities are averaging a 3% merit increase budgeted for FY 2014

Partial Implementation Options

In addition to the recommended full implementation (costs shown on prior slide), there are partial implementation options available.

- Partial implementation would no longer maintain employees in their current position within the pay range
- Bring all employees whose current rate of pay is below the proposed minimum to the minimum of the proposed pay range
- Provide for a flat percentage increase for employees currently within the range based on current position within the range
 - ie, X% for those employees in the first quartile; X% for those employees in the second quartile, X% for those employees in the third quartile, X% for those employees in the fourth quartile)
- Implement based on a percentage of the 'Cost to Maintain Relative Position in Proposed Range' (ie, implement at 75%);
- Implement utilizing a multi-year approach, not to exceed 2 years (ie, 70% year 1 and 30% year 2).

Recommendation: Benefit Data Comparisons

- Due to the competitive nature of the City's current benefit offerings, no changes are recommended to the benefits provided by the City at this time.

Recommendation: Maintenance/Updates

- Salary Structure Maintenance/Updates
 - Annual Updates
 - In order to reflect necessary increases in the minimum and maximum rates appropriate for each job, the salary structure should be reviewed annually. FLA can provide the City with the average percentage increase for employee salaries and salary structures on an annual basis, or the City may use a labor market index.
 - It is recommended that the respective starting rates and maximums be increased by a **percentage** that reflects the market trends and the City's hiring experience. The use of a dollar amount increase would compress the structure over time.
 - Long-Term Updates
 - The City should reevaluate its overall structure at regular intervals (e.g., 2 to 3 years depending upon market movements) to ensure that its salary levels are consistent with the marketplace.
 - This would involve conducting a market salary study, such as was conducted here, every 2 to 3 years (depending on the economy) to make sure that the City's pay scales and employee salaries remain competitive.

CITY OF COLLEYVILLE

COMPENSATION PHILOSOPHY & STRATEGY

Proposed to Begin Fiscal Year 2014

PURPOSE	
▪ The City of Colleyville (City) values its employees as the key to providing efficient, effective, responsive and creative public services. ▪ The purpose of a compensation system is to support the recruitment, motivation and retention of well-qualified employees. In order to obtain and maintain taxpayer support, the compensation system should be fiscally sound and cost effective while supporting the employees of the City by encouraging them to be responsive to customers/taxpayers. ▪ The compensation system shall be administered in an efficient, cost effective, responsive, fair and equitable manner to meet the needs of all stakeholders including elected officials, managers, employees and citizens of the City.	
GOAL 1 – ORGANIZE THE WORK	
To provide for a simplified flexible classification system that defines the general scope and complexity of the work required. The classification system will also facilitate internal equity across all jobs within all departments of the City.	
	Objective 1 – Broad Class Structure
	To establish a classification structure that reflects meaningful and measurable differences in the level of work within each occupational group but maintains the flexibility necessary for employee growth and efficient management.
	Strategies – Broadly Defined Classes
	▪ The classification system will consist of <u>broadly defined</u> classes that reflect the essential duties and responsibilities performed by incumbents in each class. This approach will facilitate flexibility in the assignment of duties to individual employees within the job classification. ▪ Where practical and feasible within each occupational group, there will be an opportunity for career advancement opportunities. The differences in job levels will be clearly defined and defensible.
	Objective 2 – Classification Structure
	The classification plan will meet the current needs of the departments while providing maximum flexibility to manage and organize the work in a changing environment.

CITY OF COLLEYVILLE
COMPENSATION PHILOSOPHY & STRATEGY
Proposed to Begin Fiscal Year 2014

	Strategies – Classification System Maintenance
	▪ The existing classification system will <u>be reviewed to identify current requirements</u> that may inhibit management flexibility. Recommendations will be made to make the system consistent with the City’s goals and objectives and will position the City to be responsive to change. ▪ The <u>class specifications</u>, including the statements of essential duties, minimum qualifications, and physical requirements, will be written to reflect the current needs of the City. The goal is to ensure that new hires are qualified and capable of performing the work required. Incumbents who currently do not meet the minimum qualifications will be grandfathered into their current classes. However, any incumbent not meeting the new minimum requirements will be required to acquire the applicable knowledge and/or skills within a reasonable time period so that they will be qualified for their job. Otherwise, the employee may apply for vacant positions elsewhere in the City, or other positions external to the City, for which they qualify.
	Objective 3 – Reclassification of Jobs The reclassification process will be administered by the Human Resources Department in an efficient, cost effective, responsive, fair, and equitable manner to meet the needs of both the City and its employees. Because the City has adopted the concept of broad job classifications, the number of reclassifications should be minimal since the differences between classifications will be clearly defined.
	Strategies – Reclassification Process
	▪ Timetables will be established which will set the time the reclassifications will be reviewed and acted upon. ▪ Responsibilities for each step of the reclassification process will be established to include the employee, department head, and the Human Resources Department. ▪ Employees will be notified in writing of the results of the reclassification process and the reasons for approval or denial. ▪ Employees who are reclassified will not receive any adjustment in their base compensation unless the salary range for the class into which they are reclassified has a minimum salary that exceeds the employee’s current salary. Reclassification should not be used to circumvent promotions into a higher job classification.
	Objective 4 – Creation of New Jobs
	The classification system will be responsive to organizational and environmental change through the creation of new classes and redefinition of job responsibilities as defined by the City and its departments.

CITY OF COLLEYVILLE
COMPENSATION PHILOSOPHY & STRATEGY
Proposed to Begin Fiscal Year 2014

	Strategies – New Job Development Process
	▪ The <u>class specifications will be reviewed</u> by the departments on an <u>annual basis</u> to ensure they meet current needs. The Human Resources Department will facilitate the review process. ▪ The Human Resources Department will <u>respond to department requests for individual reclassification</u>, and will assist with the revision of class specifications and development of new class specifications within the broad class concept, as necessary to meet the on-going operational requirements of the City.
GOAL 2 – DISTRIBUTE PAY	
The compensation system should reflect economic conditions of the various occupational labor markets in which the City competes. The system should also reward employees who perform at above-standard levels within their respective job class.	
	Objective 1 – Compensation Levels
	Compensation levels should reflect the multiple labor markets (both public sector and private sector) in which the City competes. The value of compensation offered to City employees shall be consistent with the value of compensation offered by employers with whom the City must compete within both the public and the private sectors.
	Strategies – Executive Level Classes
	▪ For FLSA exempt classes and jobs that are most commonly found in the public sector, the labor market should include the various government entities within Texas. The jurisdictions and organizations should be similar in size and character and perform a similar range of services as the City. Salary comparisons shall reflect the cost of labor differences for each geographic location.
	Strategies – All Other Classes
	▪ For FLSA non-exempt classes, the labor market should include public and private sector employers in the Dallas/Fort Worth metropolitan area that are of a similar size and complexity to the City and/or with whom the City competes for such employees.
	Objective 2 – Market Parity
	Pay grade midpoints should approximate the actual average salaries paid to positions in the relevant labor market(s) as reported in salary survey and market pricing results. Pay range minimums and maximums should be established from survey/market pricing results to provide for market parity within the pay structures.

CITY OF COLLEYVILLE
COMPENSATION PHILOSOPHY & STRATEGY
Proposed to Begin Fiscal Year 2014

	Strategies – Range Spans
	The salary structure should provide sufficient breadth with range spans based on the level of the job classification and market information. Typically, salary ranges for lower level jobs are narrower than for upper level jobs. For example, defined jobs within an organization might have a maximum salary that is only 20% to 25% greater than the salary range minimum for the job class. For executive level jobs, the salary range maximum may be as much as 75% to 90% greater than the minimum of the salary range for the class. This range spread at higher levels in the organization reflects a variety of factors including a longer learning curve, greater consequence of error, the cost of recruitment and training, and increasing value to the organization over time. As class structures become broader to accommodate simplification and flexibility, broader salary ranges will have higher maximum rates of pay than with a narrow structure.
	Strategies – Depth of Range Progression
	The salary structure should provide sufficient depth to achieve midpoint progression between salary ranges of five to ten percent. (This is the percentage difference in salary range midpoints from one level or salary grade to the next.) The salary structure is based on a multiple regression model using salary survey results. (Most regression models exclude outliers that exceed two standard deviations from the norm.)
	Strategies – Process for Salary Progression
	The length of time for progression within the salary range should increase as jobs move up the salary grade structure. Progression within the salary range should be based on proficient or competent performance up to the 50th percentile or job rate of the established salary range. Progression above the job rate of the salary range shall be based on performance that is above proficient and should be tied to the performance management process. Compensation above the job rate will be performance based and may be added to base compensation or may be granted as a one-time bonus.
	Strategies – Job Rate Percentile
	Each classification should have a job rate (midpoint) set at a percentage of the actual average salary paid incumbents occupying like positions in the relevant labor market. The job rate shall approximate the 50th percentile or the median of pay for like positions in the labor market.
	Strategies – Hiring Range
	The hiring range is from the range minimum for minimally acceptable qualified candidates to the job rate (middle of the salary range) for exceptionally well qualified candidates. Appointment above the mid-point will require the approval of the City Manager.



Fox Lawson & Associates
a Division of Gallagher Benefit Services, Inc.
Compensation and Human Resources Specialists

City of Colleyville, TX

Compensation Study

Final Report
July 2013



Gallagher Benefit Services, Inc.
t h i n k i n g a h e a d

Table of Contents

- Study Background
- Survey Methodology
- Summary of Salary Data Comparisons
- Summary of Benefits Data
- Administrative Recommendations
- Attachments
 - Benchmark Summary Sheets
 - Implementation Cost Analysis

Study Background

- Fox Lawson & Associates was engaged to perform a review of job classification, compensation and benefits for the City of Colleyville and make recommendations regarding:
 - Job structure and individual position allocations;
 - Current state of compensation and benefits;
 - Market competitiveness of specific employee benchmarks;
 - Benefits and costs associated with recommendations;
 - Implementation and transition options; and,
 - Pay practices, policies and overall compensation program.
- The major consideration of the City is to establish market comparisons to the current level of compensation paid to all City job classifications.
- The following items were provided by the City to facilitate the study:
 - Organization materials;
 - Current job descriptions; and
 - Current compensation and pay structure information for employees.

Study Background

- Compensation and classification objectives were identified and include:
 - Compensation levels reflective of multiple and varied labor markets covering City jobs, including both public and private sector information, with pay grade midpoints reflective of the 50th percentile of the relevant labor markets:
 - Non-exempt positions compared to other public and private sector organizations in the Dallas-Fort Worth metropolitan area of similar size and complexity;
 - Exempt level positions compared to similar-sized cities and other public sector organizations throughout Texas;
 - Compensation will be viewed from a total compensation perspective, including base pay, employee benefits and applicable variable compensation.
 - Development of a pay structure where the midpoint is reflective of the defined labor market rates of pay.
 - Classifications will be placed in the salary structure based on their respective DBM rating and market data results.

City Compensation Philosophy

- Broad job classifications will be utilized to facilitate simplification and flexibility.
- Internal equity job evaluation approach (DBTMM) consistent with broad class concept.
- A total compensation approach, including benefits, will be taken into consideration.
- Market parity will be assessed at the market 50th percentile.
 - Exempt classes and jobs that are most commonly found in the public sector, the labor market will include the various government entities within Texas that are similar in size and character and perform a similar range of services as the City. Private sector compensation will also be considered for those jobs that are not exclusively found in the public sector (e.g. HR, IT, etc.)
 - Non-exempt classes will be compared to public and private sector employers in the Dallas/Fort Worth metropolitan area that are of a similar size and complexity to the City and/or with whom the City competes for such employees.

Summary of Job Analysis

- Existing job descriptions were collected and reviewed.
- Employees completed Position Description Questionnaires (PDQs) to describe the work they are currently performing.
- A classification structure was developed that consolidated and summarized jobs based on the type and level of work currently performed.
- Jobs within the proposed structure were evaluated utilizing the Decision Band™ Method (DBM).

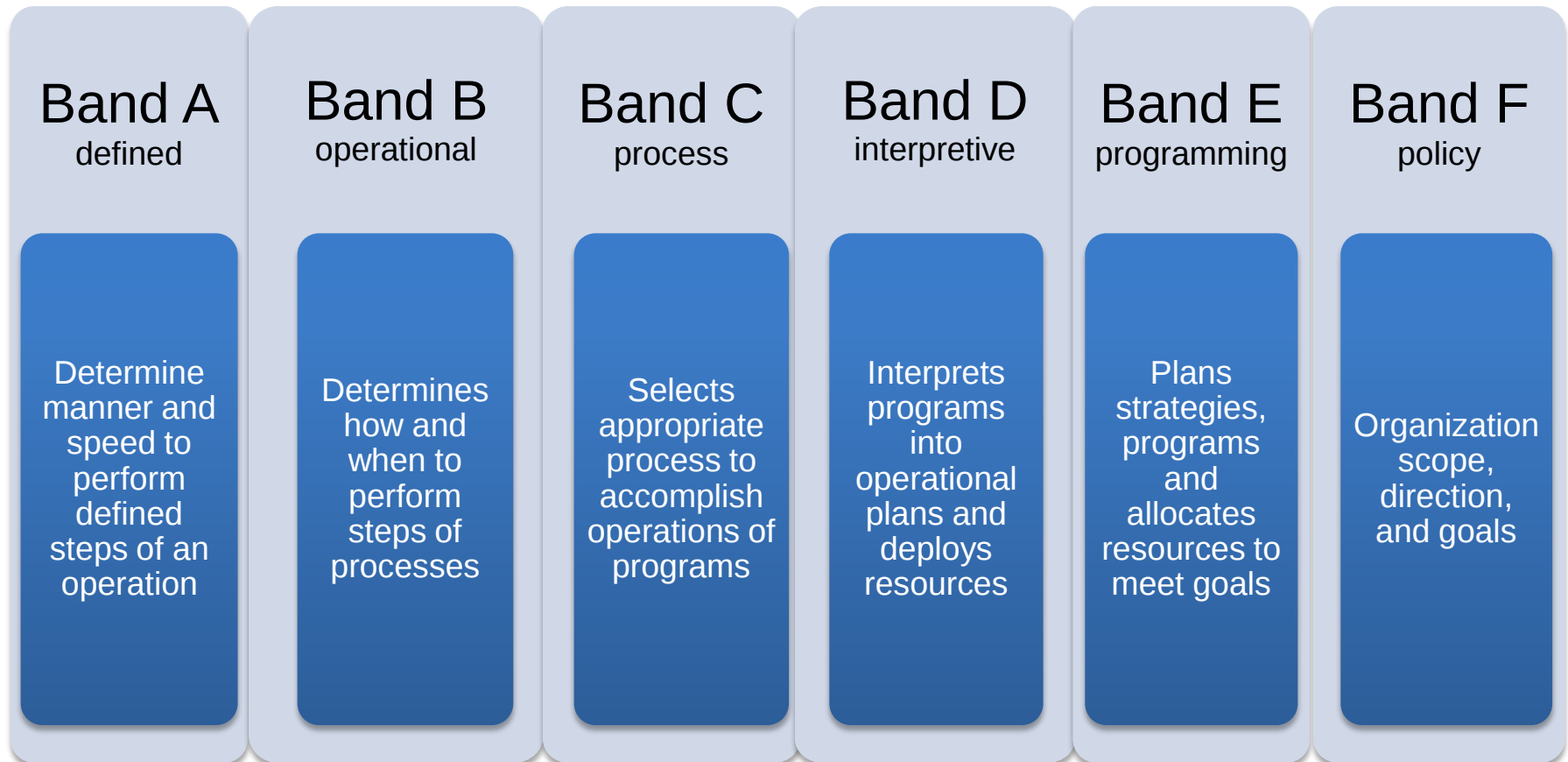
Decision Band™ Method

- The value of a job should reflect the importance of the job to the organization.
- The importance of a job is directly related to the decision-making requirements of the job.
- Decision-making is common to all jobs.
- Decision-making is measurable.

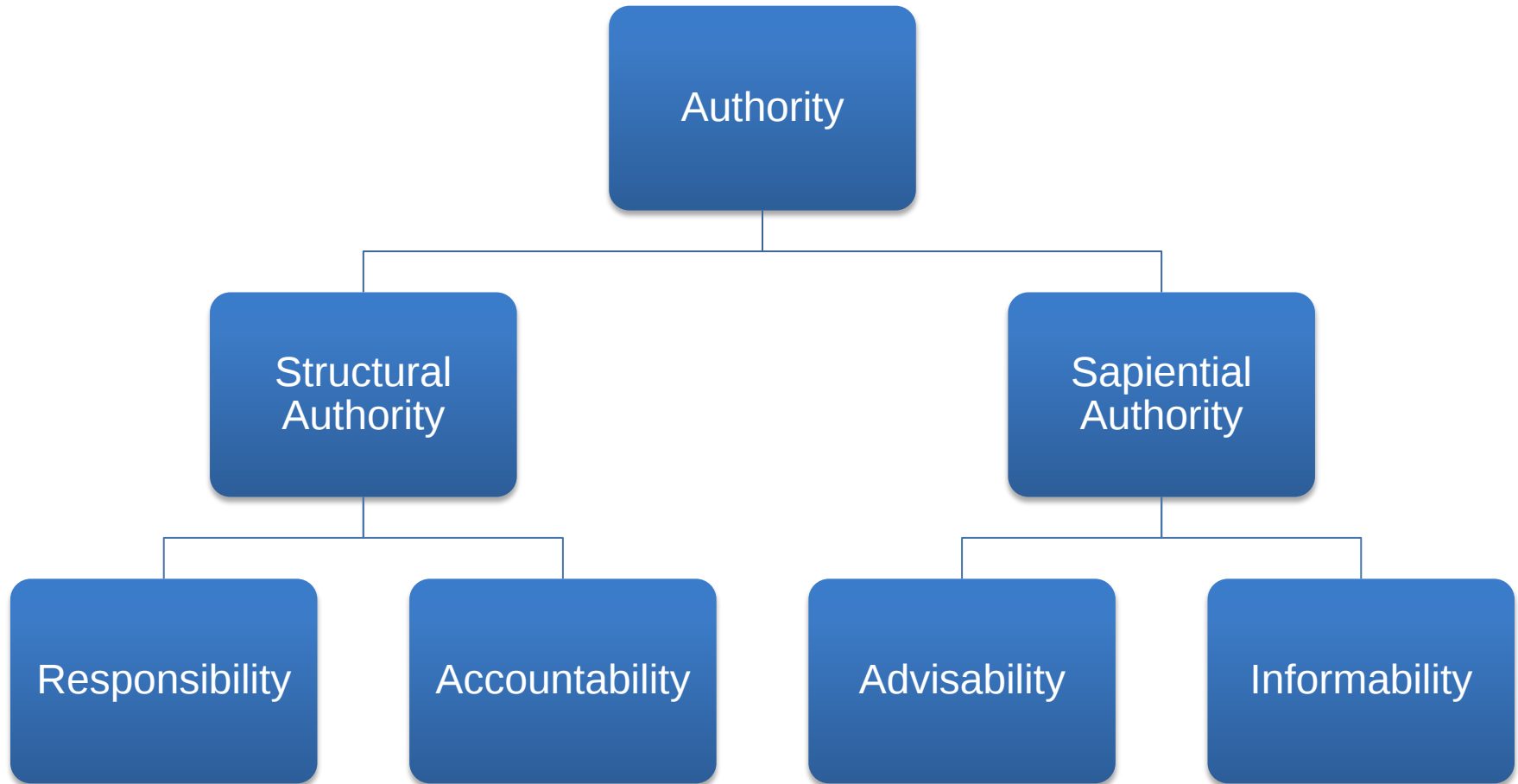
Decision Band™ Method

- DBM ratings address internal equity and supports development of pay structures.
- Decision bands within DBM include:
 - Band F – Top Level Policy Decisions
 - Band E – Programming Decisions
 - Band D – Interpretive Decisions
 - Band C – Process Decisions
 - Band B – Operational Decisions
 - Band A – Defined Decisions
- Bands are further subdivided into “grades” based on leadership responsibilities and “subgrades” based on areas such as difficulty and complexity.

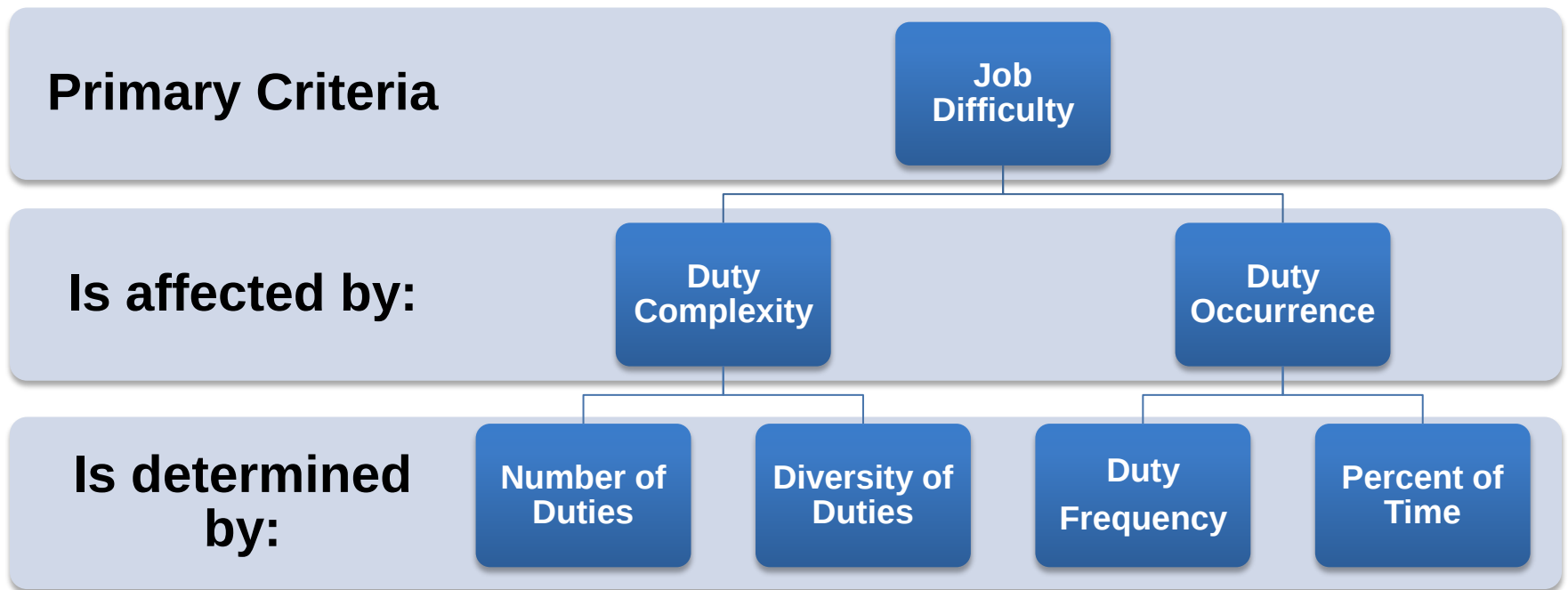
DBM Step 1 - Bands



DBM Step 2 - Grade

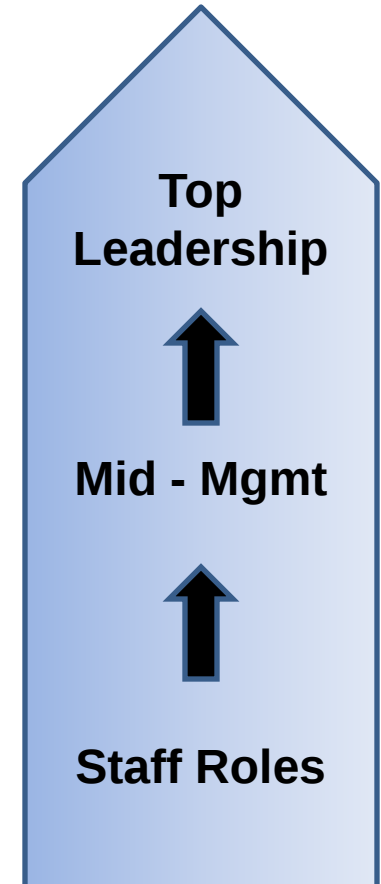


DBM Step 3 - Subgrade



DBM Structure

BAND	GRADE	SUBGRADE
F - Policy	11 – Coordinating/Supervisory	2(5)
		1(4)
	10 - Non-coordinating	3
		2
		1
E - Programming	9 – Coordinating/Supervisory	2(5)
		1(4)
	8 - Non-coordinating	3
		2
		1
D - Interpretive	7 – Coordinating/Supervisory	2(5)
		1(4)
	6 - Non-coordinating	3
		2
		1
C - Process	5 – Coordinating/Supervisory	2(5)
		1(4)
	4 - Non-coordinating	3
		2
		1
B - Operational	3 – Coordinating/Supervisory	2(5)
		1(4)
	2 - Non-coordinating	3
		2
		1
A - Defined	1 –Non-coordinating	3
		2
		1
	0 - Non-coordinating	3
		2
		1



Classification Structure

Classification Structure	Job Classifications	DBM Rating
Administrative Support	Administrative Support Assistant	A13
	Administrative Support Technician	B22
	Administrative Support Specialist	B23-B24
	Administrative Support Coordinator	B25
Fire	Firefighter Recruit	B21
	Firefighter	B22
	Fire Engineer	B24
	Fire Captain	C41
	Fire Battalion Chief	C45/C52
Library	Library Clerk	A12
	Library Assistant	B22
	Librarian	C41-C42
Maintenance & Operations	M&O Technician	A12-A13
	M&O Specialist	B22-B23
	M&O Supervisor	B31
	M&O Projects Specialist	B24-B25
	M&O Project Manager	C43

Classification Structure

Classification Structure	Job Classifications	DBM Rating
Management	Manager	D61-D62
	Director	E81-E83
	Assistant City Manager	E91
	City Manager	F101
Management-Program Support	Management Specialist	B24
	Management Analyst	C41
	Management Analyst Senior	C42
Police	Code Enforcement Officer	B21
	Police Officer Recruit	B22
	Police Officer	B23
	Police Sergeant	B32
	Police Lieutenant	C42
	Police Captain	D62

Survey Methodology – Benchmark Jobs

JOB CODE	BENCHMARK TITLE
1	Accounting Clerk
2	Administrative Clerk
3	Administrative Secretary
4	Battalion Chief
5	Billing Supervisor
6	Building Inspector^
7	Building Maintenance Technician
8	Building Official
9	City Engineer
10	Community Development Director
11	Construction Manager
12	Deputy Court Administrator
13	Economic Development Director
14	Equipment Operator
15	Executive Secretary
16	Field Operations Manager
17	Field Operations Supervisor
18	Field Technician
19	Finance Manager
20	Fire Captain
21	Fire Chief^
22	Fire Engineer
23	Firefighter/Paramedic

JOB CODE	BENCHMARK TITLE
24	Fleet Manager
25	Human Resources Analyst
26	Human Resources Director
27	Information Services Manager
28	Information Systems Technician
29	Librarian
30	Library Assistant (Circulation/Technology)
31	Library Clerk
32	Mechanic - Fleet
33	Meter Reader
34	Municipal Court Administrator
35	Office Assistant
36	Park Maintenance Superintendent
37	Park Maintenance Worker
38	Police Chief
39	Police Lieutenant
40	Police Officer
41	Police Sergeant
42	Public Works Director
43	Recreation Specialist
44	Sign Technician
45	Systems Administrator

^Data from Colleyville not available, positions vacant at time of analysis

Survey Methodology

- FLA developed a survey questionnaire to collect salary and benefits data. Questions in the survey were posed in a fashion that were standard and easy for participants to answer, as well as being easy to quantify and analyze.
- The survey results represent data from the following 23 organizations:

Participating Organizations
City of Bedford
City of Cedar Hill
City of Cedar Park
City of Conroe
City of Coppell
City of Duncanville
City of Eagle Pass
City of Euless
City of Galveston
City of Georgetown
City of Grapevine
City of Haltom City

Participating Organizations
City of Hurst
City of Keller
City of New Braunfels
City of North Richland Hills
City of Paris
City of Rowlett
City of Sherman
City of Southlake
City of Watauga
Town of Farmers Branch
Town of Flower Mound

Survey Methodology

- FLA followed-up with each organization to encourage participation.
- FLA reviewed and entered the data collected from participants.
- FLA followed-up directly with the participants to clarify and validate missing or questionable information reported.
- FLA asked organizations to make a match for only those jobs that reflected at least 70% of the duties as outlined in the benchmark summaries.
 - If there were any questions in job matching, we reference job descriptions, organizational charts and other information to verify that the match is valid.
- All data are effective April 1, 2013 and reflect an annual basis.
- FLA follows the U.S. Department of Justice and Federal Trade Commission guidelines that state 5 job matches should exist per job in order to conduct statistical analyses or for drawing conclusions.

Survey Methodology

- The following published survey data was utilized to make comparisons with the private sector:

Published Survey Sources
Economic Research Institute (ERI)
Hay Local Area Pay
Mercer Finance, Accounting & Legal
Mercer Human Resources
Mercer Information Technology
Mercer Metro Benchmark - South Central
PRM Not for Profit
Towers Watson CSR Accounting & Finance
Towers Watson CSR Call Center & Customer Service
Towers Watson CSR Engineering, Design & Drafting
Towers Watson CSR Human Resources
Towers Watson CSR Info Technology & e-Commerce
Towers Watson CSR Office & Business Support
Towers Watson CSR Supervisory & Middle Management
Towers Watson CSR Technical Support & Production

Survey Methodology: Geographic Differentials

- Applying geographic differentials is a sound compensation practice in an effort to arrive at a more precise figure for use in analyzing and setting pay.
- Just as data are trended forward to be effective for a current point in time, data should be adjusted to reflect cost of labor differences between geographic areas.
- Geographic adjustment factors are shown below:

Comparison Locations	Factor Adjustment
Bedford, TX	100%
Cedar Hill, TX	105%
Cedar Park, TX	99%
Conroe, TX	104%
Coppell, TX	105%
Dallas, TX	106%
Dallas-Fort Worth, TX	106%
Duncanville, TX	104%
Eagle Pass, TX	92%
Euless, TX	100%
Farmers Branch, TX	104%
Flower Mound, TX	107%
Galveston, TX	105%
Georgetown, TX	99%

Comparison Locations	Factor Adjustment
Grapevine, TX	100%
Hurst, TX	99%
Keller, TX	100%
New Braunfels, TX	96%
North Richland Hills, TX	100%
Paris, TX	93%
Rowlett, TX	95%
Sherman, TX	97%
Southlake, TX	103%
Watauga, TX	100%
Texas - Statewide	98%
Region: South	107%
Region: South Central	107%
United States	101%

Base City: Colleyville, TX

Survey Methodology

- FLA performed several reviews of the data to identify any extreme data and to ensure validity and reliability of the data.
- Through a statistical analysis, any salary figures that were considered extreme in relation to all other salary figures were excluded.
- Various statistics were calculated (25th, 50th, 75th, low, and high) in analyzing the data.
- Once the survey analysis and report was completed, it was submitted internally through our firm's quality control process for review before it was submitted to the City.

Summary of Salary Data Comparisons

- On an overall basis of all jobs combined, the amount that the City is above or below the market (public and private sectors) is shown in the tables below.
 - The 50th percentile of market data was used as the comparison point with the midpoint of the current pay ranges for classes, as this is where the City identified its targeted pay:

Aggregate Comparison	Range Comparisons			Market Actuals vs City Base Salary	Market Actuals vs City Range Midpoint
	Range Minimum	Range Midpoint	Range Maximum		
Non-Sworn Positions	1.2%	-3.7%	-6.5%	-5.3%	-2.6%

- The 50th percentile of market data was used as the comparison point with the midpoint of the current pay ranges for sworn public safety classes:

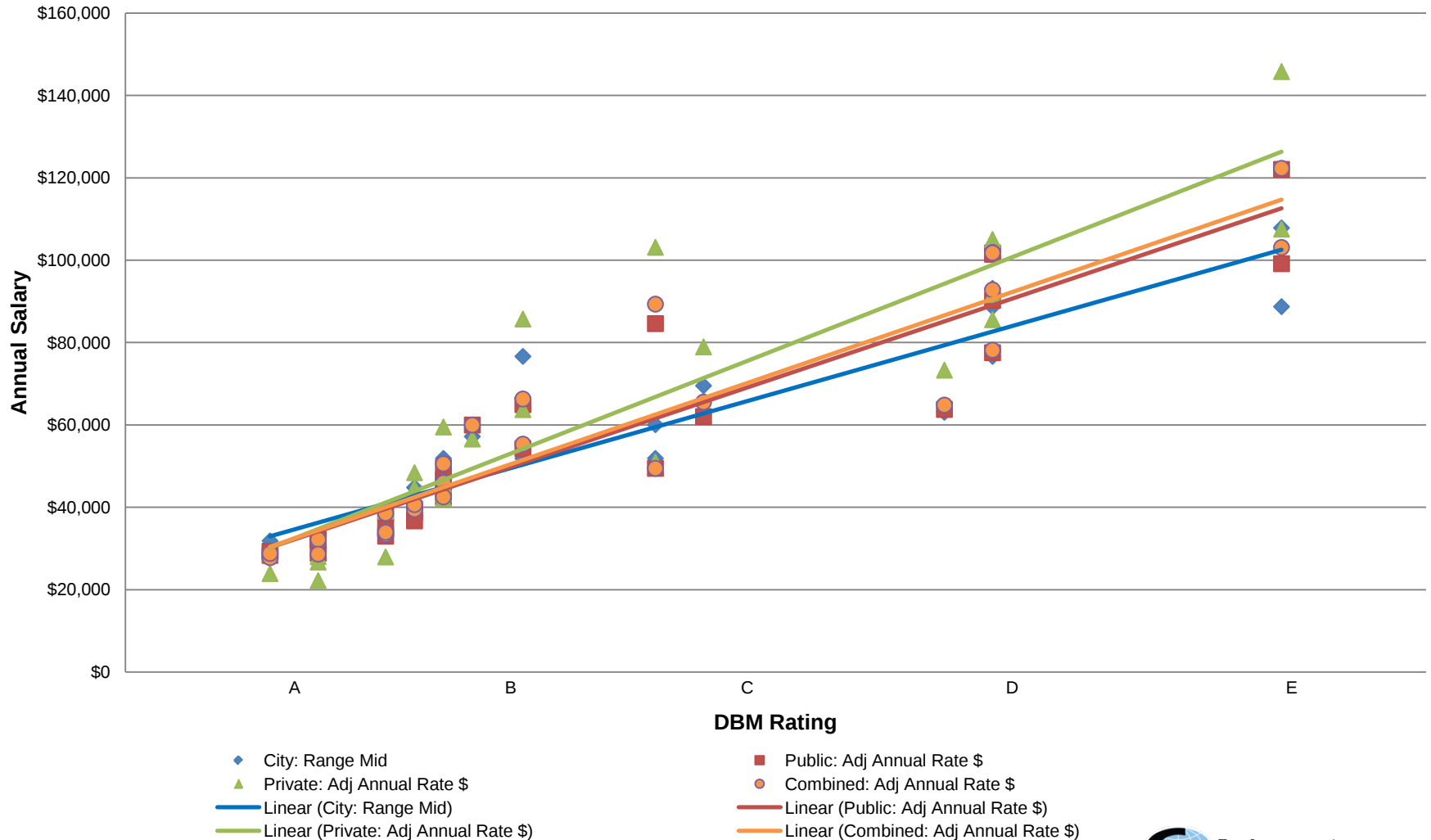
Aggregate Comparison	Range Comparisons			Market Actuals vs City Base Salary	Market Actuals vs City Range Midpoint
	Range Minimum	Range Midpoint	Range Maximum		
Sworn Fire	-12.7%	-5.6%	0.6%	-13.4%	-1.1%
Sworn Police	0.6%	-0.5%	-1.6%	-0.7%	0.2%

Summary of Salary Data Comparisons

- Graphical representations of current salaries compared to market are shown on the following page and reflect how the City's salaries compare to the market utilizing a statistical procedure called regression analysis.
- Regression analysis was utilized to blend market data with internal equity.
 - Regression trend line is used as an anchor for salary ranges and represents the “best fit” taking into account market parity and internal equity.

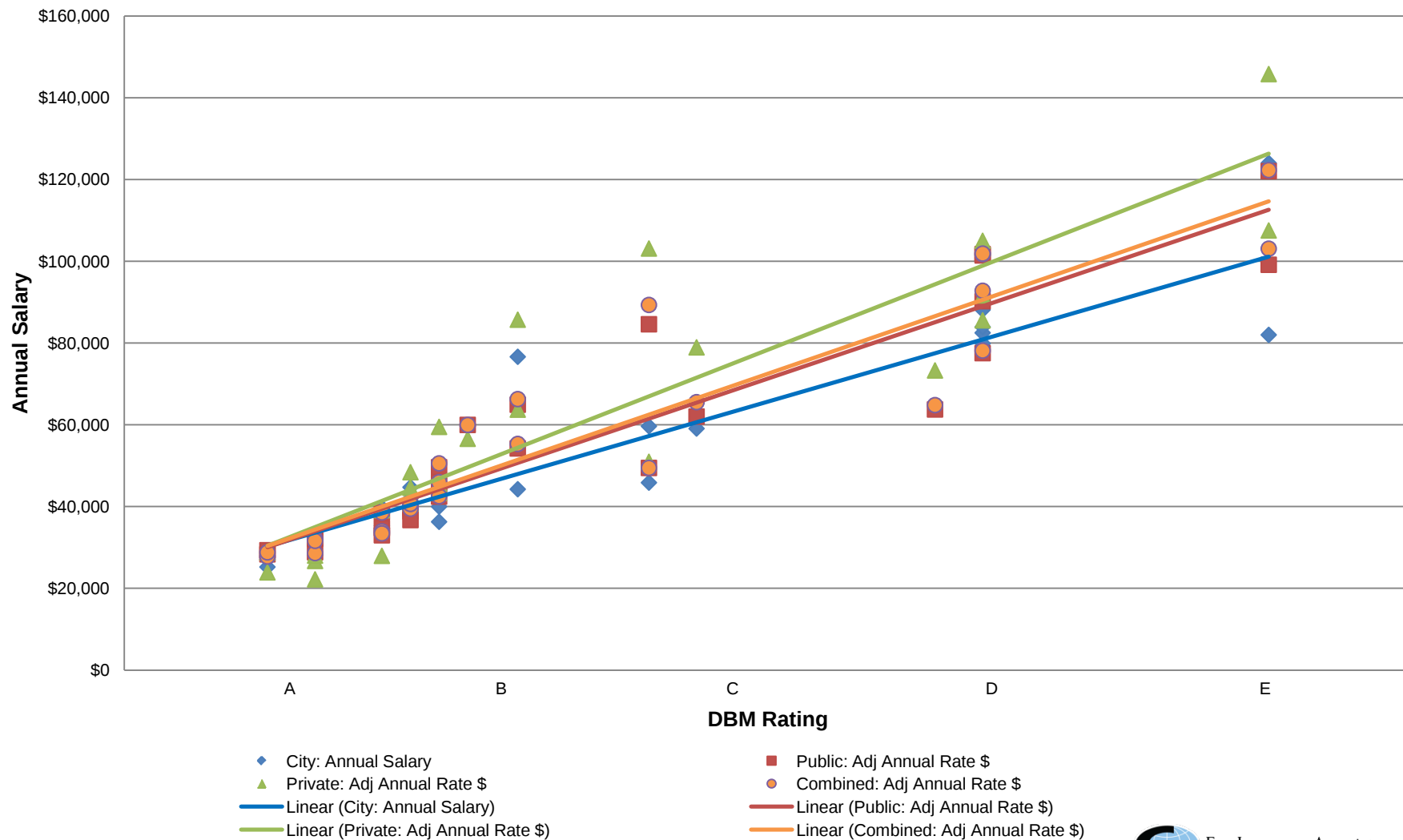
Summary of Salary Data Comparisons

City of Colleyville, TX
City Range Midpoints vs Market Actual Salaries (50th Percentile)



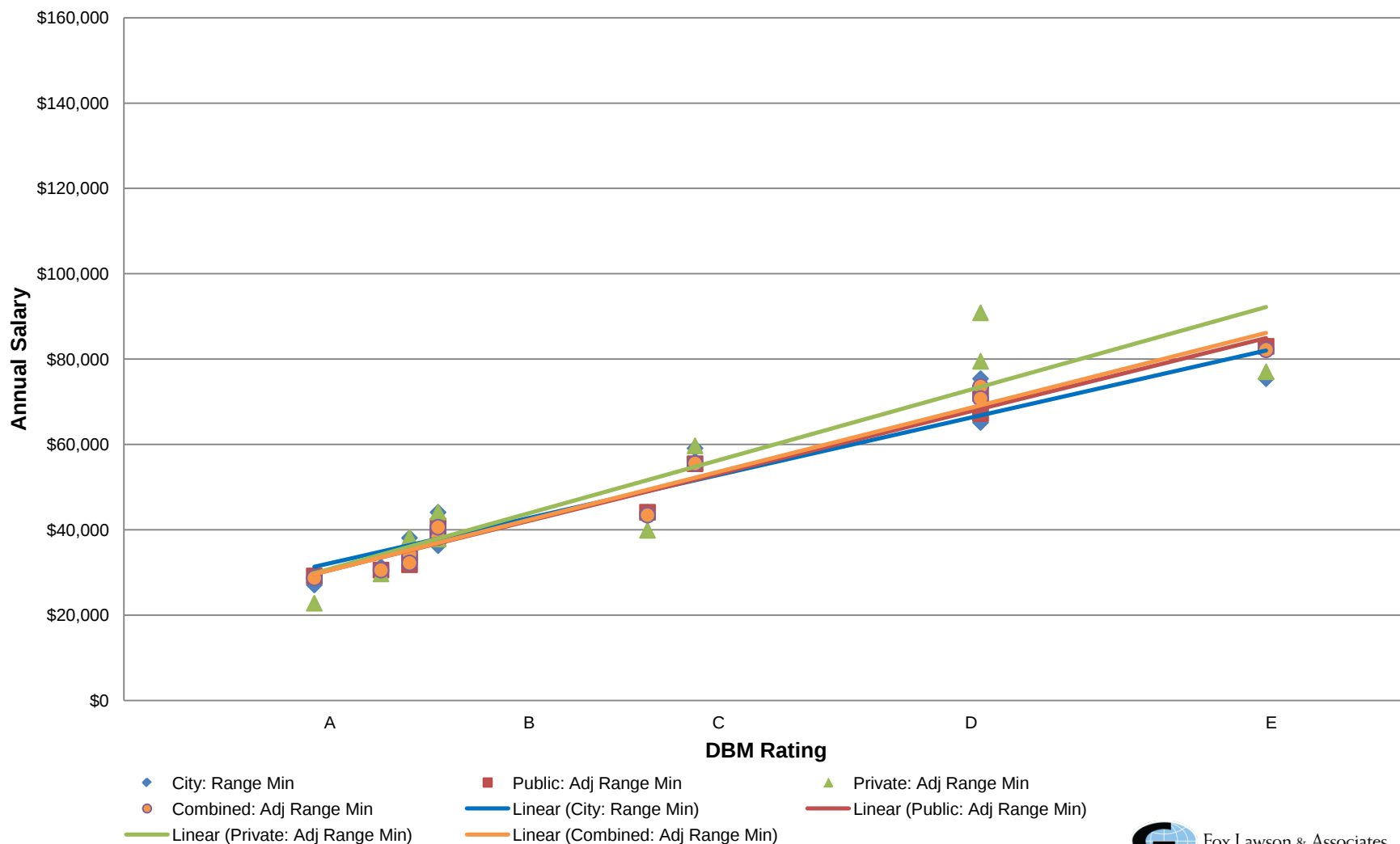
Summary of Salary Data Comparisons

City of Colleyville, TX
City Actual Salaries vs Market Actual Salaries (50th Percentile)



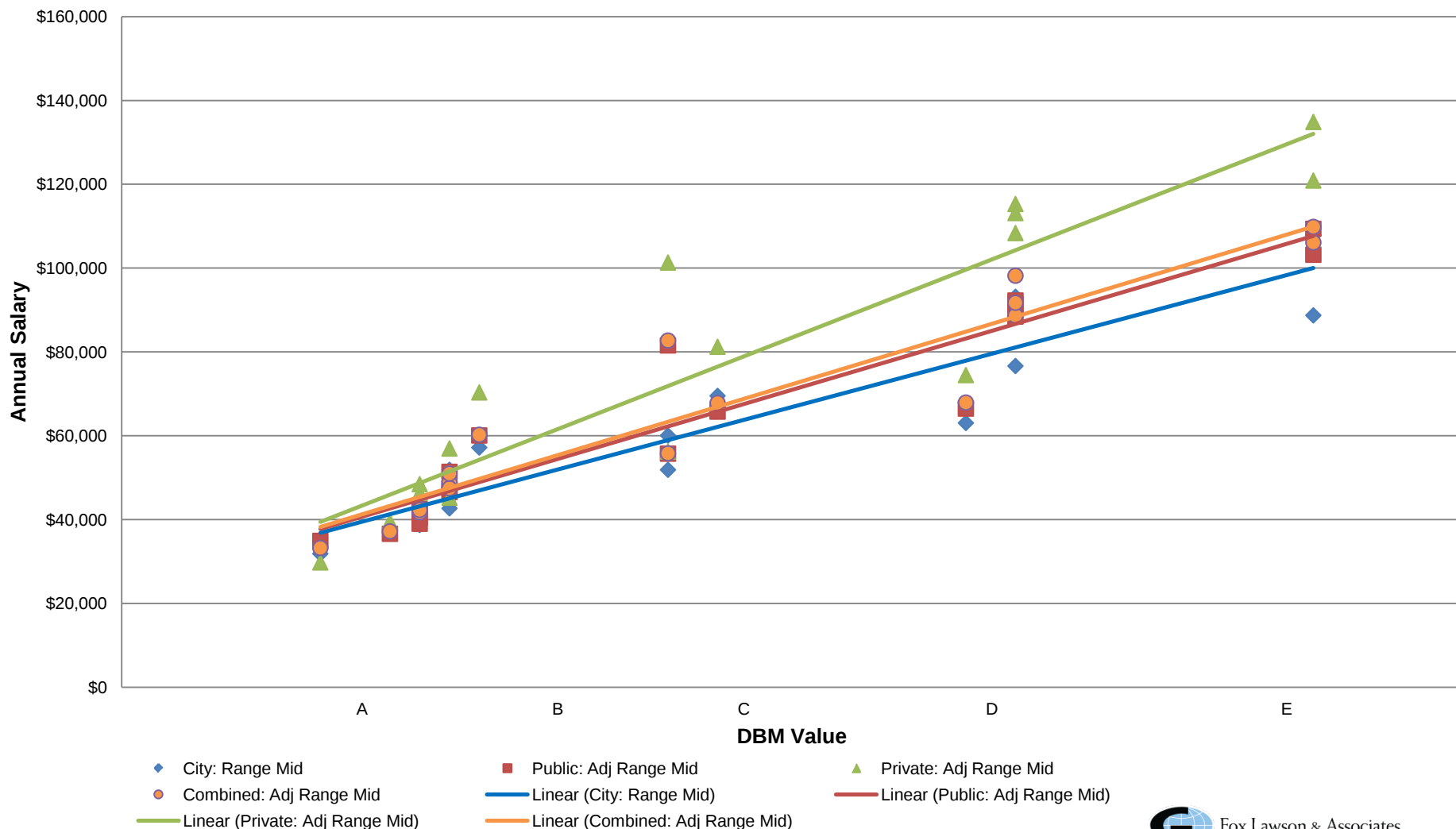
Summary of Salary Data Comparisons

City of Colleyville, TX
Range Minimum vs Market Range Minimum (50th Percentile)



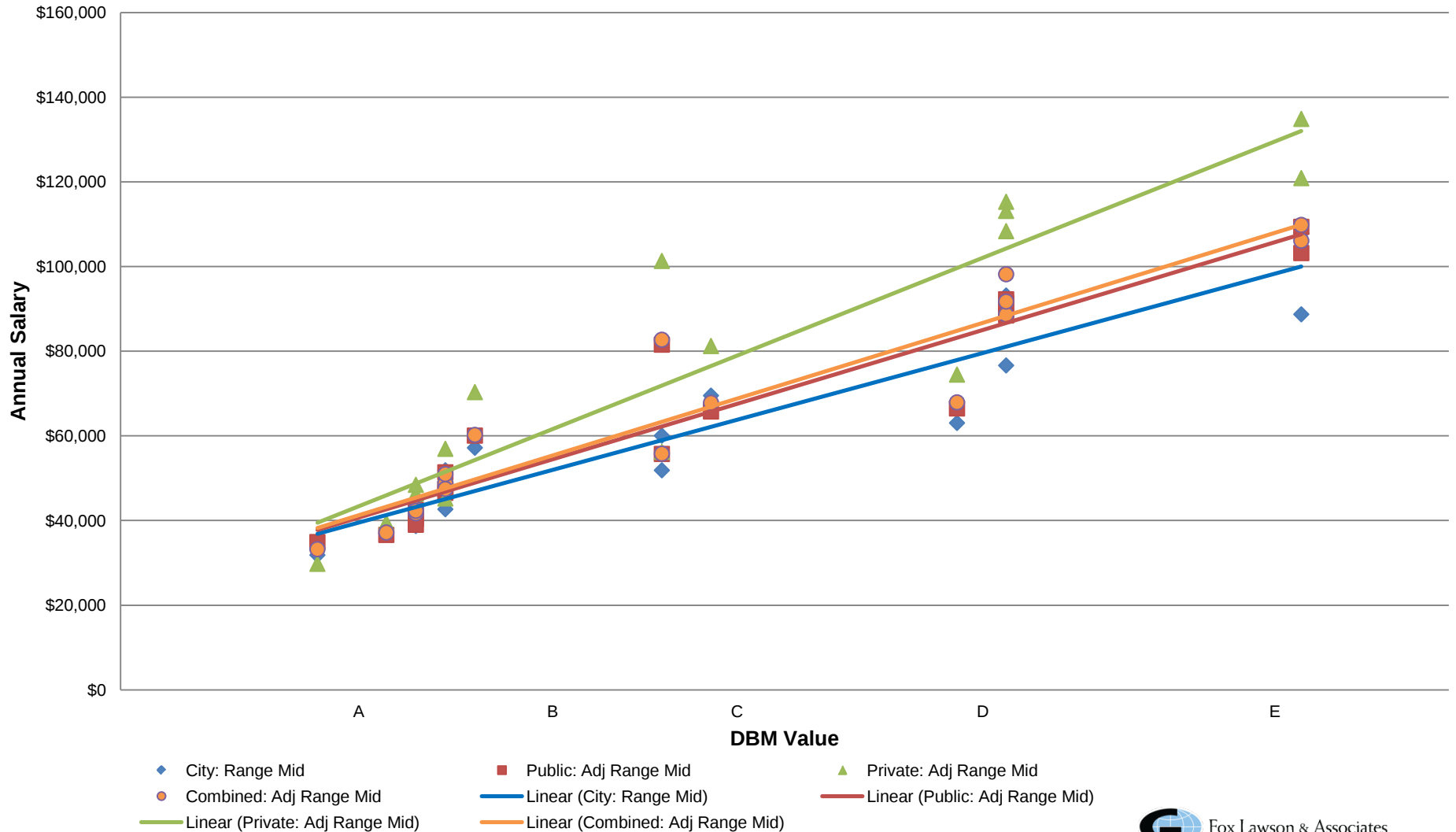
Summary of Salary Data Comparisons

City of Colleyville, TX
Range Midpoint vs Market Range Midpoint (50th Percentile)



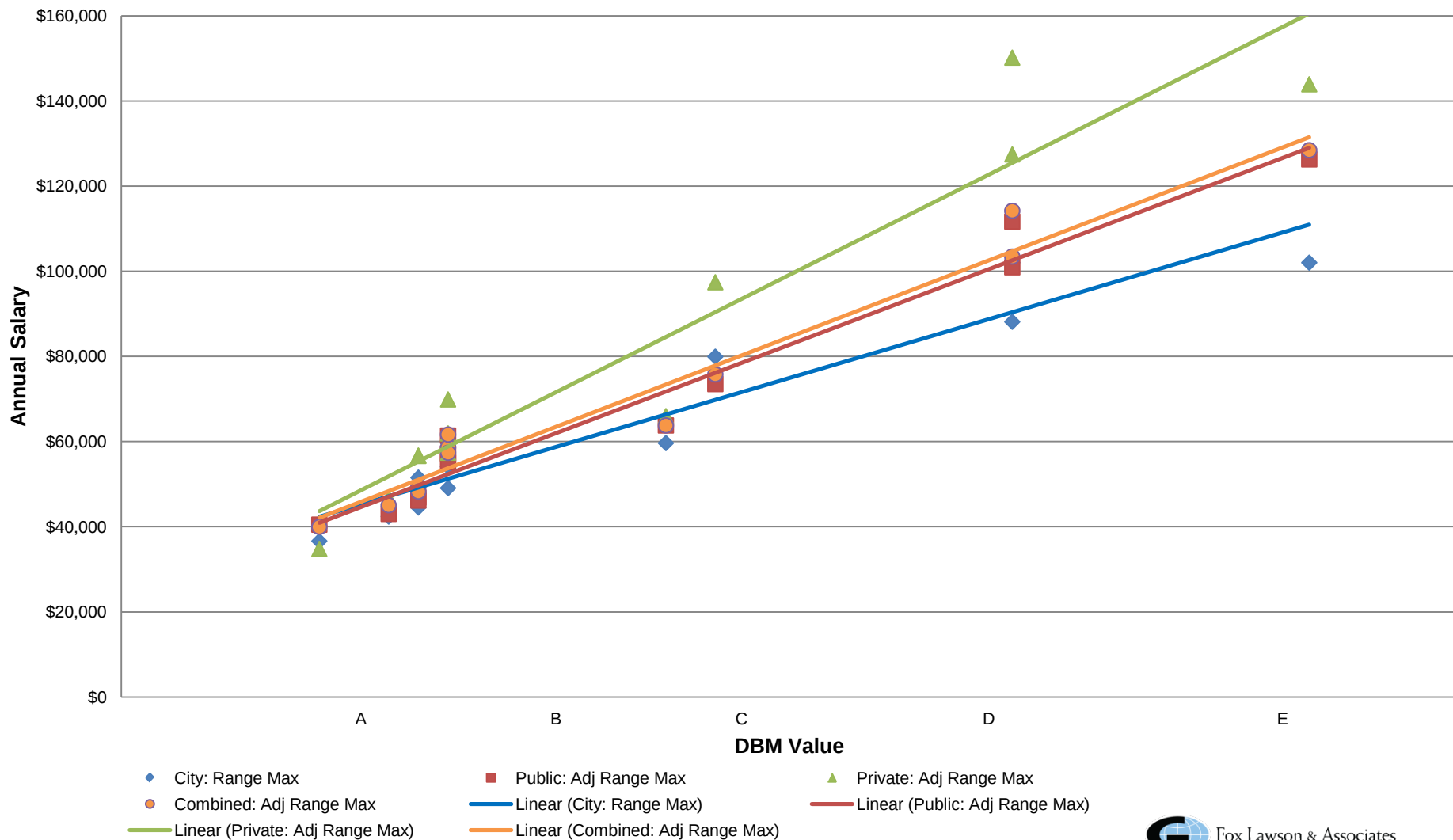
Summary of Salary Data Comparisons

City of Colleyville, TX
Range Midpoint vs Market Range Midpoint (50th Percentile)



Summary of Salary Data Comparisons

City of Colleyville, TX
Range Maximum vs Market Range Maximum (50th Percentile)



Summary of Salary Data Comparisons

The following tables summarize current range midpoints against the public, private and combined market sectors:

Benchmark Title	City Current Range Midpoint	Public Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Public Sector Pay	Private Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Private Sector Pay	Combined Public & Private Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Combined Public/Private Sectors Pay
Accounting Clerk	\$36,864	\$37,284	-1.10%	\$39,101	-6.10%	\$38,462	-4.30%
Administrative Clerk	\$31,845	\$32,314	-1.50%	\$28,013	12.00%	\$31,616	0.70%
Administrative Secretary	\$38,707	\$38,865	-0.40%	\$44,593	-15.20%	\$40,287	-4.10%
Billing Supervisor	\$57,188	\$59,974	-4.90%	\$56,578	1.10%	\$59,974	-4.90%
Building Inspector	\$49,401	\$46,664	-4.10%	\$42,130	6.00%	\$46,118	-2.90%
Building Maintenance Technician	\$44,809	\$36,558	18.40%	\$48,852	-9.00%	\$36,747	18.00%
Building Official	\$72,988	\$76,963	-5.40%	N/A	N/A	\$76,963	-5.40%
City Engineer	\$93,154	\$101,766	-9.20%	\$91,645	1.60%	\$101,766	-9.20%
Community Development Director	\$88,718	\$97,850	-10.30%	N/A	N/A	\$97,850	-10.30%
Construction Manager	\$76,638	\$84,594	-10.30%	\$103,123	-7.40%	\$89,320	14.50%
Deputy Court Administrator	\$47,049	\$40,208	14.50%	N/A	N/A	\$40,208	14.50%
Economic Development Director	\$118,891	\$109,557	7.90%	N/A	N/A	\$109,557	7.90%
Equipment Operator	\$36,864	\$32,979	10.50%	\$39,602	-7.40%	\$33,920	8.00%
Executive Secretary	\$42,675	\$49,618	-16.30%	\$59,493	-39.40%	\$50,568	-18.50%
Field Operations Manager	\$88,718	\$77,534	12.60%	\$85,548	3.60%	\$78,145	11.90%
Field Operations Supervisor	\$51,872	\$54,224	-4.50%	\$63,711	-22.80%	\$55,329	-6.70%
Field Technician	\$31,845	\$32,218	-1.20%	\$26,707	16.10%	\$32,180	-1.10%
Finance Manager	\$88,718	\$90,242	-1.70%	\$103,286	-16.40%	\$92,785	-4.60%
Fire Chief	\$118,891	\$123,264	-3.70%	N/A	N/A	\$123,264	-3.70%

Summary of Salary Data Comparisons

Benchmark Title	City Current Range Midpoint	Public Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Public Sector Pay	Private Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Private Sector Pay	Combined Public & Private Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Combined Public/Private Sectors Pay
Fleet Manager	\$63,050	\$63,757	-1.1%	\$73,296	-16.3%	\$64,816	-2.8%
Human Resources Analyst	\$51,872	\$49,452	4.7%	\$50,959	1.8%	\$49,452	4.7%
Human Resources Director	\$88,718	\$99,145	-11.8%	\$107,533	-21.2%	\$103,080	-16.2%
Information Services Manager	\$76,638	\$101,431	-32.4%	\$105,012	-37.0%	\$101,876	-32.9%
Information Systems Technician	\$47,049	\$42,446	9.8%	\$43,306	8.0%	\$42,528	9.6%
Librarian	\$51,872	\$45,953	11.4%	\$45,585	12.1%	\$45,953	11.4%
Library Assistant (Circulation/Technology)	\$36,858	\$33,828	8.2%	N/A	N/A	\$33,828	8.2%
Library Clerk	\$28,890	\$28,323	2.0%	\$23,908	17.2%	\$27,777	3.9%
Mechanic - Fleet	\$40,643	\$39,910	1.8%	\$40,720	-0.2%	\$40,240	1.0%
Meter Reader	\$31,845	\$29,316	7.9%	\$28,770	9.7%	\$28,796	9.6%
Municipal Court Administrator	\$57,188	\$66,119	-15.6%	N/A	N/A	\$66,119	-15.6%
Office Assistant	\$35,109	\$33,500	4.6%	\$27,946	20.4%	\$33,377	4.9%
Park Maintenance Superintendent	\$76,638	\$64,920	15.3%	\$85,710	-11.8%	\$66,288	13.5%
Park Maintenance Worker	\$31,845	\$28,835	9.5%	\$22,190	30.3%	\$28,615	10.1%
Police Chief	\$118,891	\$129,105	-8.6%	N/A	N/A	\$129,105	-8.6%
Public Works Director	\$107,837	\$122,032	-13.2%	\$145,790	-35.2%	\$122,295	-13.4%
Recreation Specialist	\$51,872	\$41,141	20.7%	N/A	N/A	\$41,141	20.7%
Sign Technician	\$40,643	\$34,929	14.1%	N/A	N/A	\$34,929	14.1%
Systems Administrator	\$69,513	\$62,021	10.8%	\$78,943	-13.6%	\$65,538	5.7%

Summary of Salary Data Comparisons

- Overall, for positions where private sector was available, the City is lagging the private sector by 10.5%, which is significantly greater than the 1.6% lag compared to the public sector market.
- When looking at public and private sector combined, the City is lagging the overall market by 2.6%⁽¹⁾

Difference: City Current MidPt vs Public Sector Actual Pay	Difference: City Current MidPt vs Private Sector Actual Pay	Difference: City Current MidPt vs Combined Sectors Actual Pay
-1.6%	-10.5%	-2.6%

⁽¹⁾ Based on positions that exist within the private sector and market data as available.

Summary of Salary Data Comparisons

- **KEY MEASURES:** Overall, current midpoints of all positions, excluding sworn public safety, lag the 50th percentile of the comparator market by 2.6%, from an aggregate perspective of all classes combined .
- Current non-sworn actual rates of pay compared to market actual rates of pay lag the market by 5.3%.
- Overall, current non-sworn salary ranges lag the defined labor market by 3.7% compared to the current midpoint for all classifications combined.
- Individual comparisons vary.
- Longevity, performance and hiring conditions may explain some differences in actual salary.

Summary of Salary Data Comparisons

- **KEY MEASURES:** Overall, current salary range midpoints for sworn public safety lag the 50th percentile of the comparator market by 0.4%, from an aggregate perspective of all classes combined .
- Current salary ranges for Sworn Police are leading the market at the range minimum by 0.6%; the salary range minimums for Sworn Fire are low, lagging the market by 12.7%.
- Current sworn salary range maximums for Sworn Police, compared with market salary range maximums, lag by 1.6%; the salary range maximums for Sworn Fire are on par with the market, leading by 0.6%.
- Individual comparisons vary.
- Longevity, performance and hiring conditions may explain some differences in actual salary.

Summary of Salary Data Comparisons

- Six (6) individual jobs' range midpoints are significantly misaligned with the market, as detailed below:

Benchmark Title	City Current Range Midpoint	Combined Public & Private Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Combined Public/Private Sectors Pay
Executive Secretary	\$42,675	\$50,568	-18.5%
Human Resources Director	\$88,718	\$103,080	-16.2%
Information Services Manager	\$76,638	\$101,876	-32.9%
Municipal Court Administrator	\$57,188	\$66,119	-15.6%

Benchmark Title	City Current Range Midpoint	Combined Public & Private Sector: Actual Avg Pay (50th Percentile)	Difference: Current MidPt vs Combined Public/Private Sectors Pay
Building Maintenance Technician	\$44,809	\$36,747	18.0%
Recreation Specialist	\$51,872	\$41,141	20.7%

Salary Data Recommendations

- The proposed non-sworn pay structure, which takes into consideration internal alignment and external market data, expands the existing width of the pay ranges from 40% (entry level non-exempt) to 60% (management)*, which is consistent with market data.
- The proposed sworn pay structures range spreads have been developed to align with the range spreads found in the market for sworn Fire and Police and vary based on position.

*Current pay range widths are 35% from entry level through management

Salary Data Recommendations

Proposed Pay Structure (Non-Sworn)

DBM	Min	Mid	Max	Range Spread
A11	\$23,750	\$28,500	\$33,250	40%
A12	\$25,413	\$30,495	\$35,578	40%
A13	\$28,462	\$34,154	\$39,847	40%
B21	\$30,056	\$37,570	\$45,084	50%
B22	\$32,160	\$40,200	\$48,240	50%
B23	\$34,641	\$43,301	\$51,961	50%
B24/B31	\$37,977	\$47,471	\$56,965	50%
B25/B32	\$41,303	\$51,629	\$61,954	50%
C41	\$47,965	\$59,956	\$71,947	50%
C42	\$51,291	\$64,114	\$76,936	50%
C43	\$54,617	\$68,271	\$81,925	50%
C44/C51	\$57,953	\$72,441	\$86,929	50%
C45/C52	\$61,279	\$76,599	\$91,918	50%
D61	\$65,328	\$84,926	\$104,524	60%
D62	\$68,526	\$89,084	\$109,641	60%
D63	\$71,724	\$93,241	\$114,758	60%
E81	\$84,535	\$109,896	\$135,257	60%
E82	\$88,762	\$115,391	\$142,019	60%
E83	\$93,200	\$121,160	\$149,120	60%
E91	\$97,860	\$127,218	\$156,576	60%
F101	\$107,646	\$139,940	\$172,234	60%

Salary Data Recommendations

Proposed Sworn Police Pay Structure

	DBM	MIN	MID	MAX	Spread
Police Officer Recruit	B22	\$46,432	\$53,861	\$61,290	32%
Police Officer	B23	\$50,959	\$59,113	\$67,266	32%
Police Sergeant	B32	\$64,475	\$69,633	\$74,791	16%
Police Lieutenant	C42	\$80,193	\$85,405	\$90,618	13%
Police Captain	D62	\$89,935	\$101,177	\$112,419	25%

Proposed Sworn Fire Pay Structure

	DBM	MIN	MID	MAX	Spread
Firefighter/EMT	B21	\$46,317	\$52,338	\$58,359	26%
Firefighter/Paramedic	B22	\$48,975	\$55,342	\$61,708	26%
Fire Engineer	B24	\$56,034	\$61,358	\$66,681	19%
Fire Captain	C41	\$65,467	\$70,377	\$75,287	15%
Battalion Chief	C45/C52	\$73,244	\$82,400	\$91,555	25%

Salary Data Recommendations

- The costs associated with the proposed pay structures are represented in the table below:

NonSworn:			
	Annual Payroll	Bring-To-Minimum Cost	Cost to Maintain Relative Position in Proposed Range
Full-Time	\$5,173,036	\$66,541	\$390,684
Part-Time	\$374,712	\$16,375	\$40,234
Subtotals	\$5,547,748	\$82,916	\$430,918
% of Payroll:		1.5%	7.8%

Sworn:			
	Annual Payroll	Bring-To-Minimum Cost	Cost to Maintain Relative Position in Proposed Range
Full-Time	\$4,401,685	\$110,441	\$179,431
% of Payroll:		2.5%	4.1%

Combined (NonSworn & Sworn):			
	Annual Payroll	Bring-To-Minimum Cost	Cost to Maintain Relative Position in Proposed Range
	\$9,949,433	\$193,357	\$610,349
% of Payroll:		1.9%	6.1%

Implementation Options

- There are multiple implementation options available to the City, including (assumes all employees whose current rate of pay is below the proposed minimum are brought to the minimum of the proposed pay range):
 - Provide for a flat percentage increase for employees currently within the range based on current position within the range (ie, X% for those employees in the first quartile; X% for those employees in the second quartile, etc.);
 - Implement based on a percentage of the 'Cost to Maintain Relative Position in Proposed Range' (ie, implement at 75%);
 - Implement utilizing a multi-year approach, not to exceed 2 years (ie, 70% year 1 and 30% year 2).
- Other implementation options are available and are all dependent upon budgetary constraints.

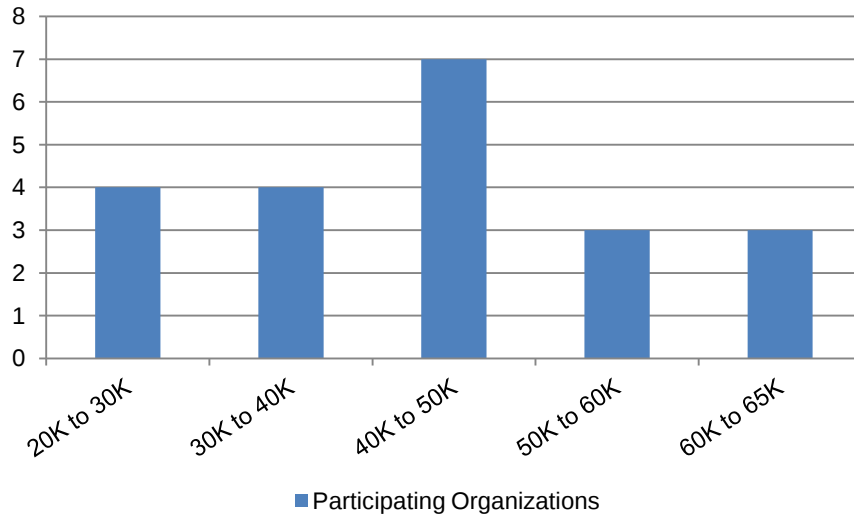
Summary of Benefit Data Comparisons

- A customized data collection form was created to collect benefits information in conjunction with the salary survey.
- FLA distributed the survey to comparator organizations identified by the City.
- FLA reviewed and entered the data collected from participants.
- FLA followed-up directly with the participants to clarify and validate questionable information reported.

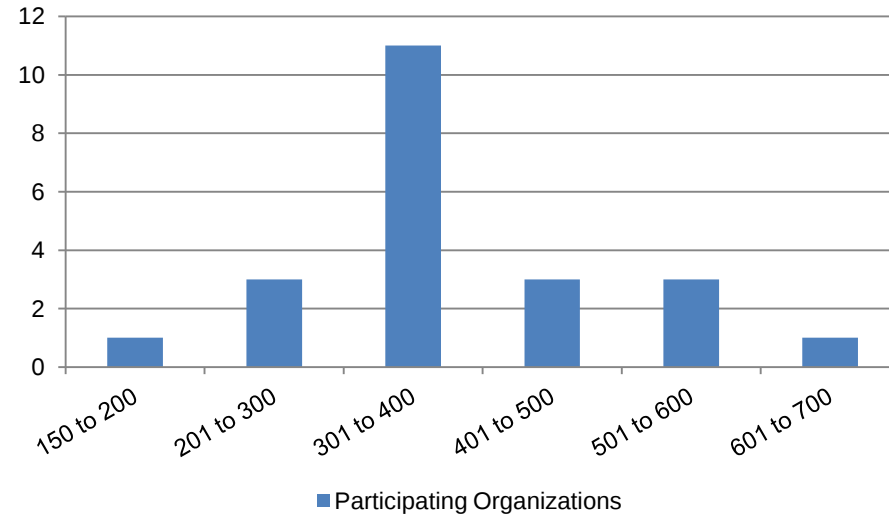
Survey Participant Demographics

	Comparator Market Average	City of Colleyville
Customers Served	43,374	23,328
Annual Operating Budget	\$78,885,219	\$35,923,748
Number of FT Employees	389	171
Number of Job Classifications	156	100

Customers Served



Number of Full-Time Employees



Pay Practices: Employee Salary Increases

The City is lagging with the comparator market with respect to employee salary increases for 2013 as shown in the table below:

	Average Increase ¹	% of Responding Organizations ²	% of Responding Organizations providing an increase	City of Colleyville Average Increase ³
NonExempt	2.4%	96%	91%	0%
Exempt	2.4%	96%	91%	0%
Executive	2.3%	96%	86%	0%

Notes:

1. Average includes those responding with 0% increase;
2. % of Responding Orgs= Of the organizations surveyed, X% provided a response;
3. Some Sworn Police received increases to base of, on average, 8% for compression adjustment.

Pay Practices: Formal Salary Ranges

Similar to the comparator market, the City has formal salary ranges for all levels of employees as shown in the table below:

	Established Salary Ranges
	% of Responding Organizations
NonExempt	95%
Exempt	95%
Executive	77%

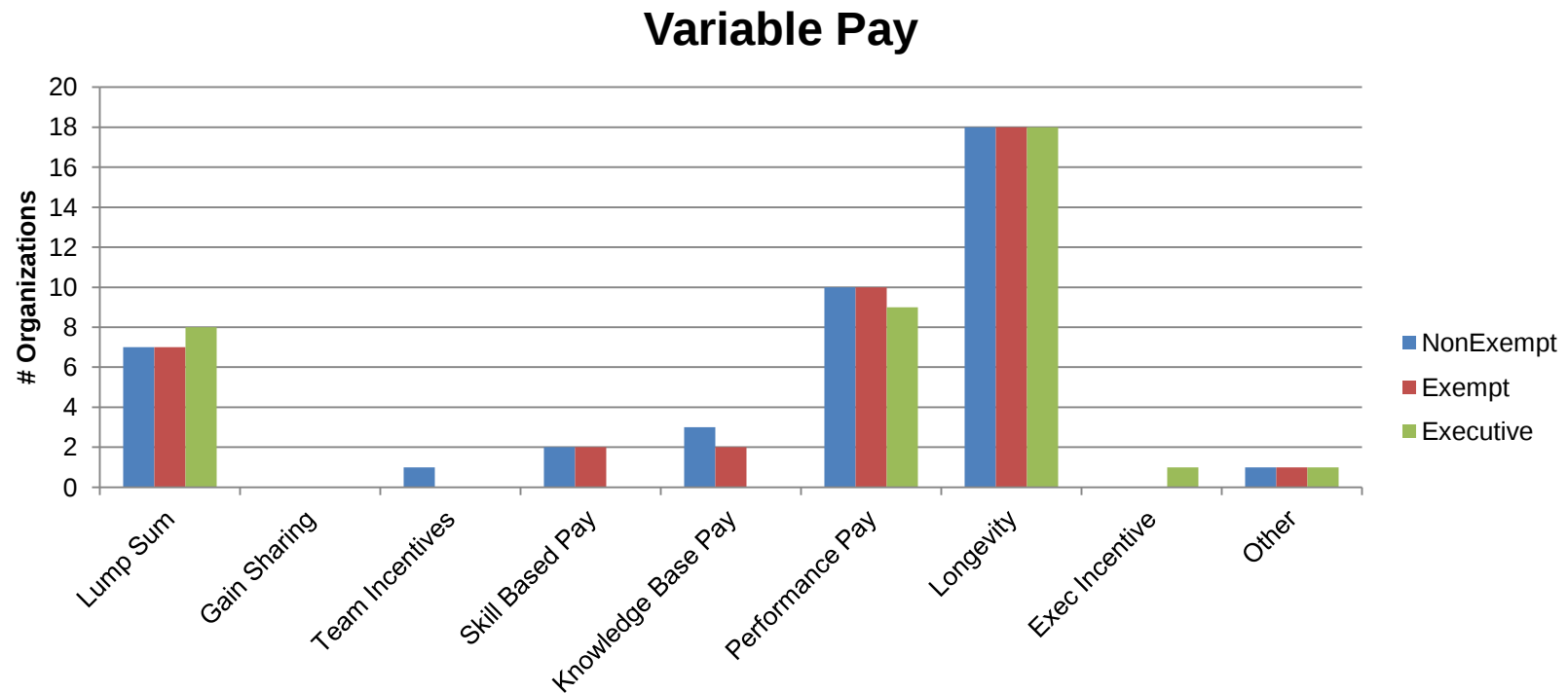
Pay Practices: 2013 Salary Range Adjustments

36% of the organizations surveyed implemented range adjustments during 2013. The City, like 64% of the comparator organizations, did not implement salary range adjustments in 2013. The average adjustment for salary ranges, for those organizations implementing adjustments, is shown in the table below:

	Average Adjustment	% of Responding Organizations
NonExempt	2.6%	36%
Exempt	2.6%	36%
Executive	2.6%	36%

Pay Practices: Variable Pay Plans

The City is on par with the comparator market with respect to variable pay. The City, similar to those organizations offering variable pay, provides for lump sum payments, performance pay, longevity pay and other pay (education pay and on-call pay).



Benefits: Retirement

The City contributes 14% and employees contribute 7% to TMRS (PERS¹), which is on par with the comparator market. Additionally, the City has a tax-deferred retirement program for employees with no employer match:

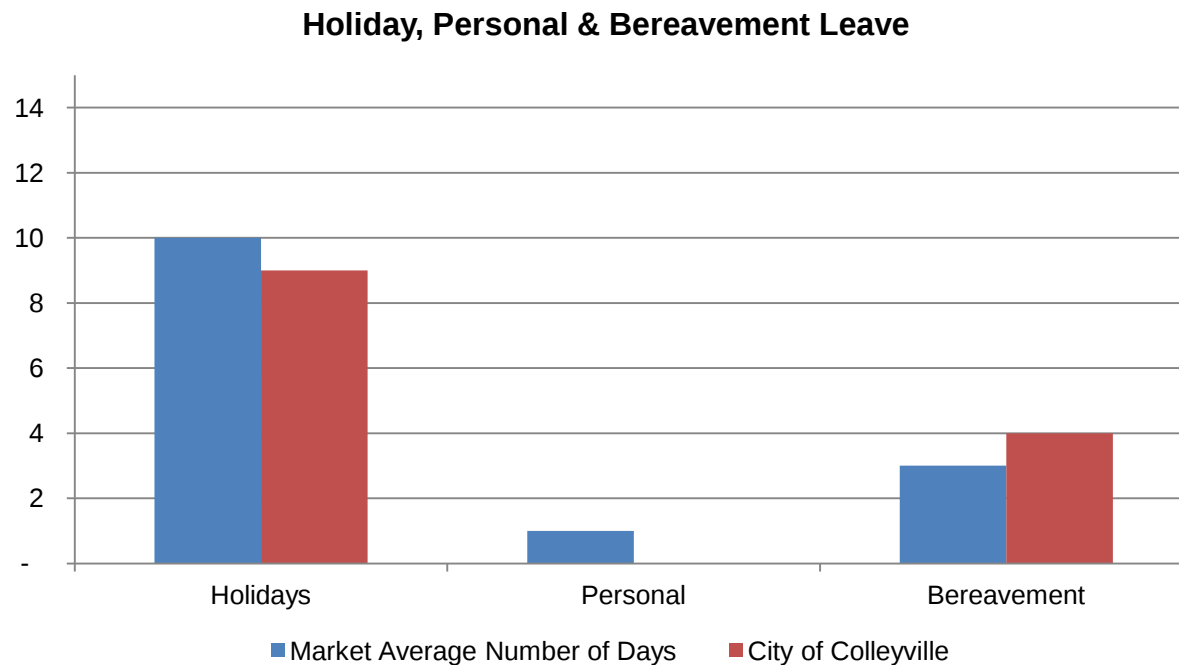
Retirement Benefit		Avg Employer Contribution	% of Organizations	Avg Employee Contribution	% of Organizations
PERS	Non-Exempt	13.3%	100%	6.7%	100%
	Exempt	13.1%	100%	7.0%	100%
	Executive	13.1%	100%	6.4%	100%
Tax Deferred	Non-Exempt	4.0%	4%	IRS Limit	74%
	Exempt	4.0%	4%	IRS Limit	74%
	Executive	4.0%	9%	IRS Limit	74%
SERP ²	Non-Exempt	0.0%	0%	7.7%	5%
	Exempt	0.0%	0%	0.0%	0%
	Executive	0.0%	0%	0.0%	0%

¹PERS is a generic term used to describe a Public Employer Retirement System, similar to TMRS in Texas.

²SERP program available at 1 organization for seasonal, non-exempt employees only.

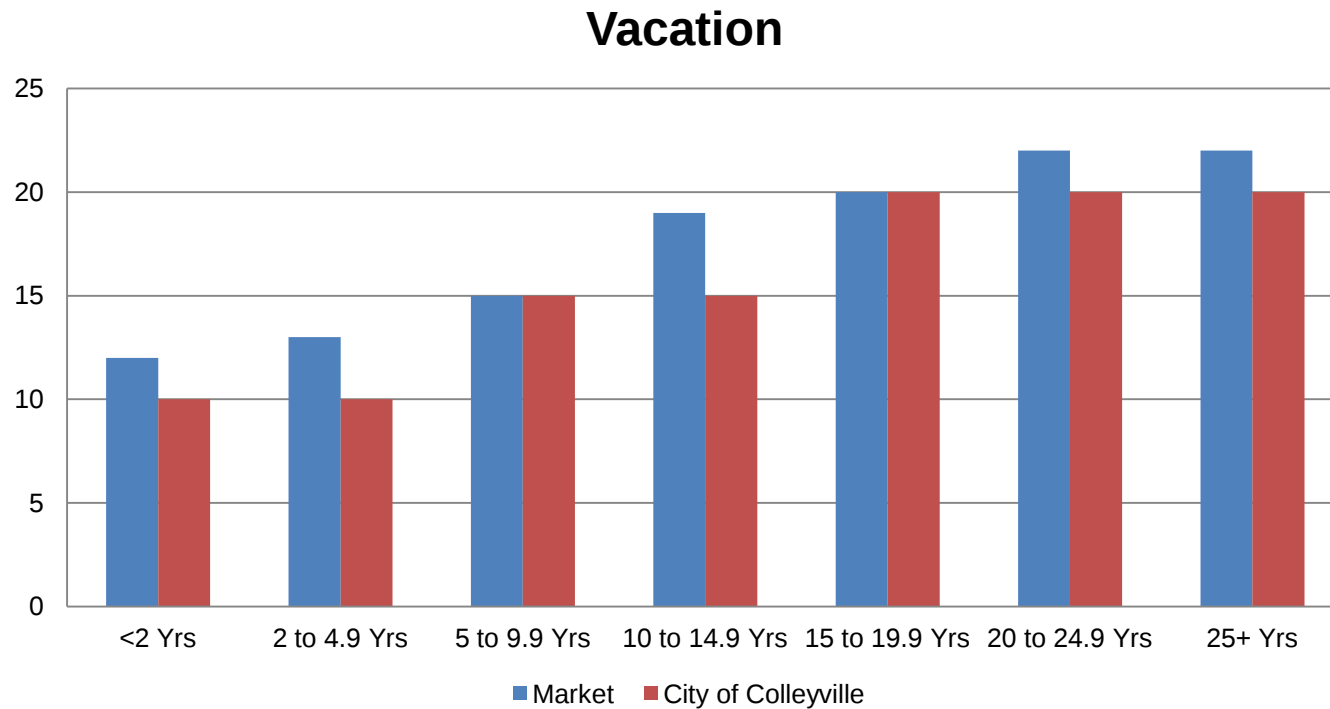
Benefits: Paid Leave

The City is generally on par with the market with respect to holiday, personal and bereavement leave as shown in the chart below:



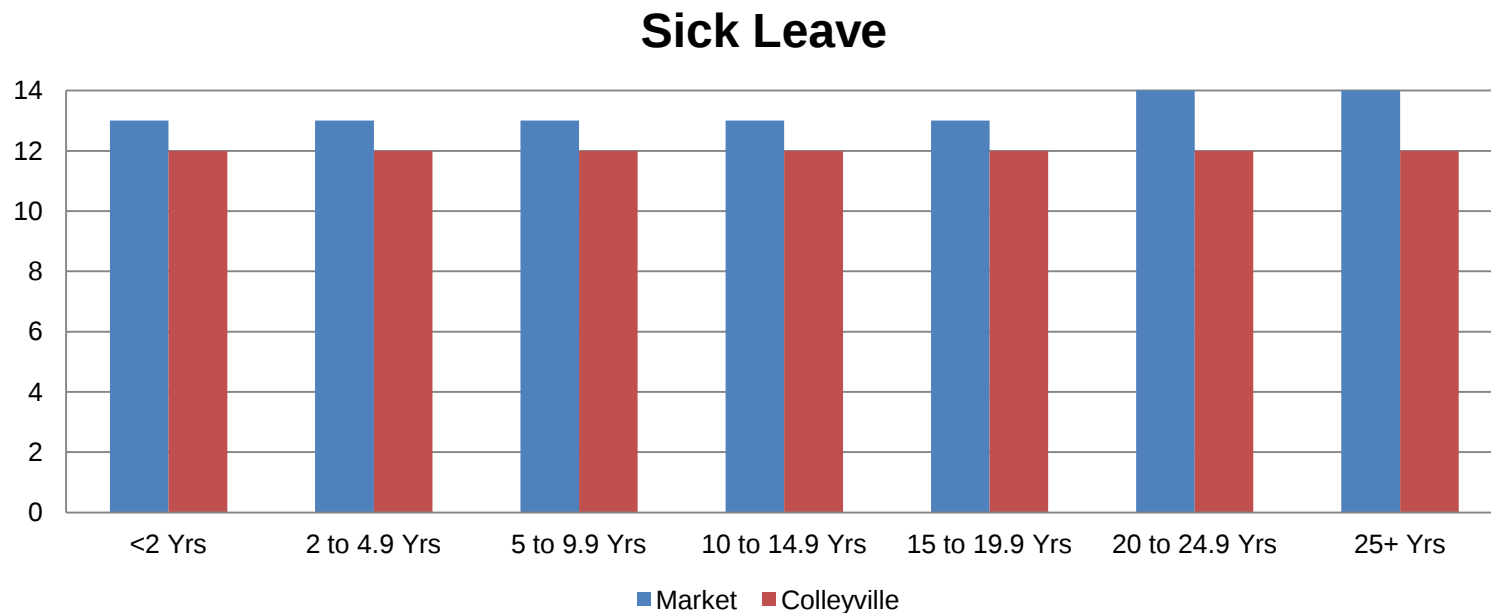
Benefits: Paid Leave

The City slightly lags the market with respect to vacation leave as shown in the chart below:



Benefits: Paid Leave

The City slightly lags the market (market average is 13 days versus 12 days offered by the City) with respect to sick leave as shown in the chart below:



Benefits: Carry-Over of Unused Leave Time

The City is on par with the market with respect to leave carry-over, providing for an average of 300 hours of vacation (varies between 200 and 400 hours) and 720 hours of sick leave carryover. The comparator market averages are shown in the tables below:

Carry-Over ("Banked") Unused Vacation	
Average # Hours	% of Responding Orgs
268	65%
Based on Accrual	% of Responding Orgs
1/2 to 3 times annual accrual	30%
Other	% of Responding Orgs
Unlimited	5%

Carry-Over ("Banked") Unused Sick Leave	
Average # Hours	% of Responding Orgs
720	48%
Based on Accrual	% of Responding Orgs
1 times annual accrual	9%
Other	% of Responding Orgs
Unlimited	43%

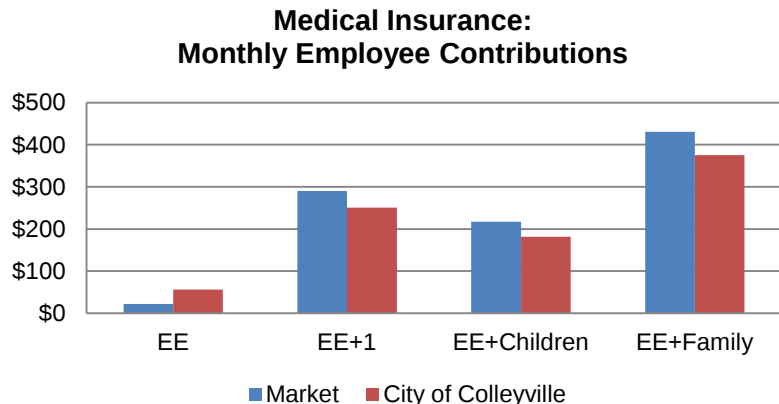
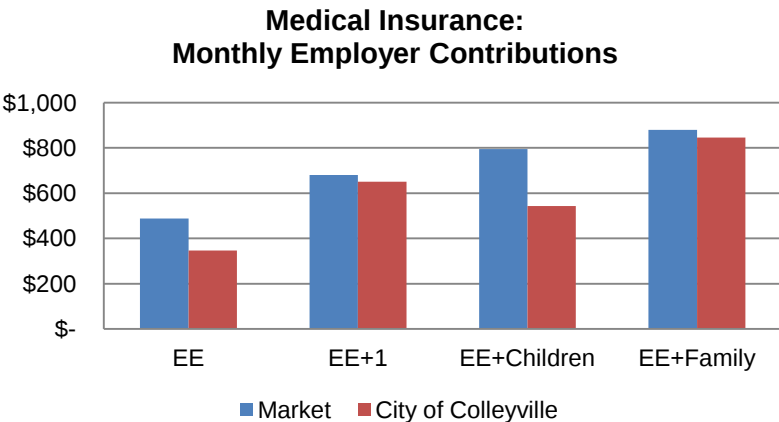
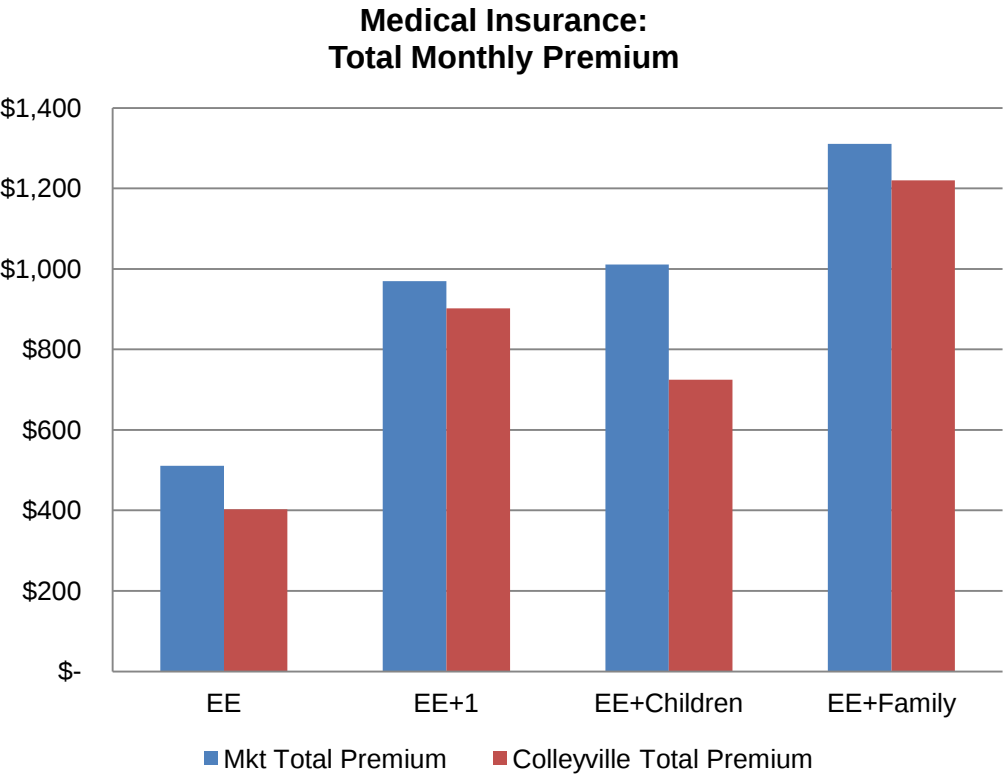
Benefits: Flexible Benefits Offered

The City is on par with the comparator market with respect to flexible benefit offerings, as shown in the table below:

Cafeteria Options	Organizations Offering	Offered by the City
Premium Conversion	41%	Yes
Flexible Spending Account	82%	Yes
Simple Choice	23%	No
Full Flex	5%	No
Consumer Driven Health Plan	32%	No

Benefits: Medical Insurance Premiums

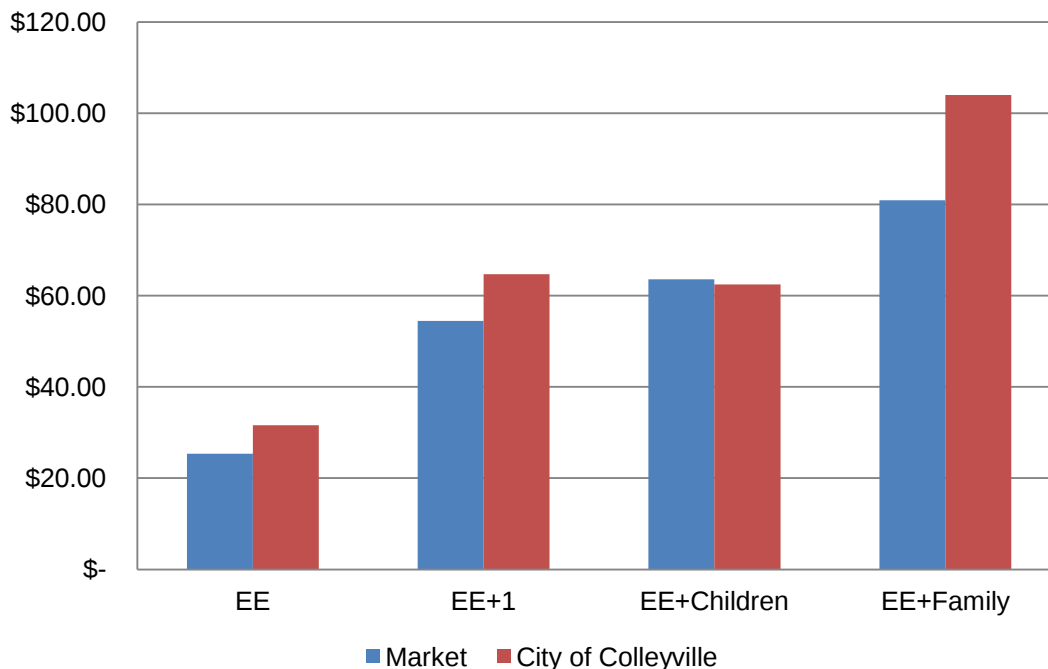
On average, the City pays 76% of the monthly medical premium compared to the market average of 78%. Overall, the City's cost for medical benefits is lower than the market. A summary of market data compared to the City is shown in the charts below:



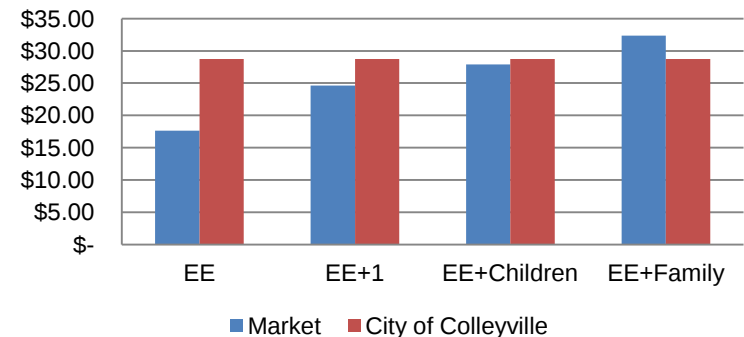
Benefits: Premiums Paid by Employees

On average, the City pays 52% of the monthly dental premium compared to the market average of 50%. Overall, the City's average cost for dental benefits (\$66) is 14% higher than the average cost for the market (\$57). A summary of market data compared to the City is shown in the charts below:

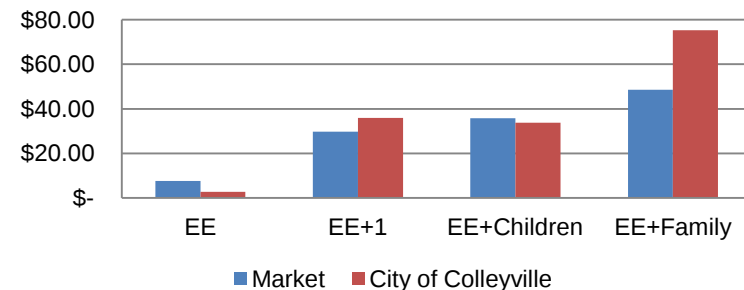
**Dental Insurance:
Total Monthly Premium**



**Dental Insurance:
Monthly Employer Contribution**



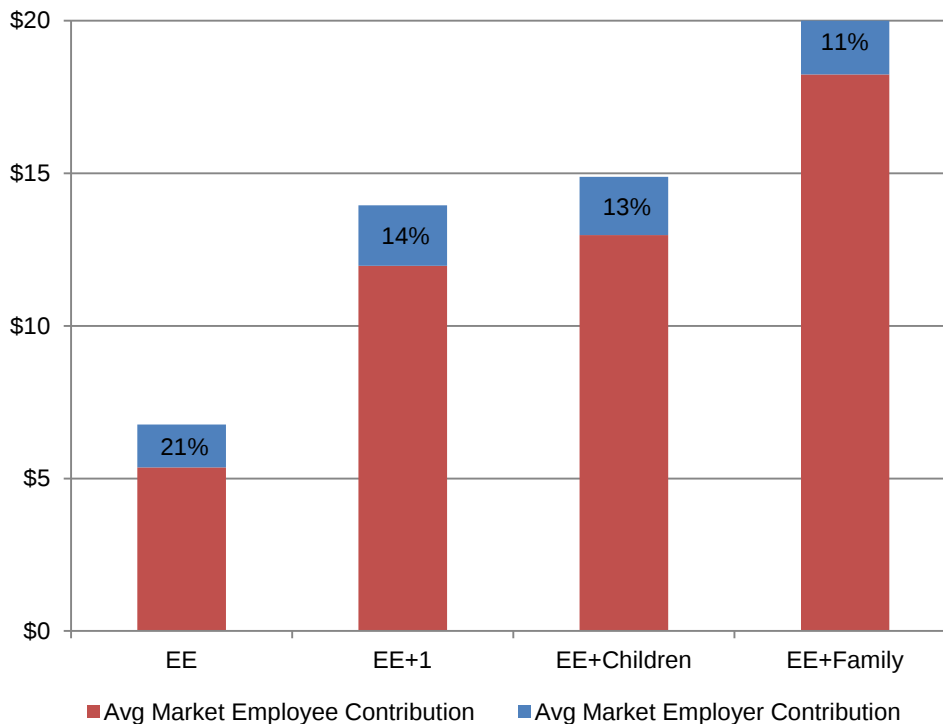
**Dental Insurance:
Monthly Employee Contribution**



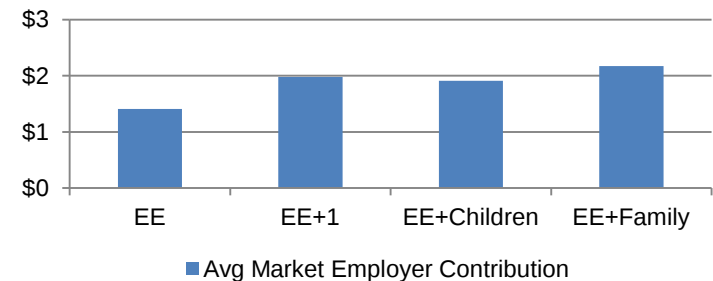
Benefits: Premiums Paid by Employees

The City offers a vision program to employees, but does not subsidize the cost of the program. The market provides for nominal contributions by Employers, as shown in the charts below:

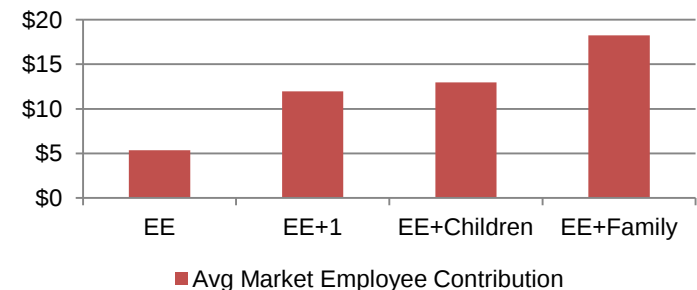
**Vision Insurance:
Total Monthly Premiums**



**Vision Insurance:
Monthly Employer Contributions**



**Vision Insurance:
Monthly Employee Contributions**



Benefits: Group Life Insurance

The City lags the comparator market with basic life insurance coverage of \$15,000. The market provides for the following:

Group Life Insurance - Base Coverage			
Average Base Level Coverage (\$)	% of Organizations	Average Base Level Coverage (X Salary Level)	% of Organizations
\$23,000	23%	1.6 X Annual Salary	77%

Group Life Insurance - Maximum Coverage			
Average Maximum Base Level Coverage (\$)	% of Organizations	Average Base Level Coverage (X Salary Level)	% of Organizations
\$122,857	65%	1.4 X Annual Salary	35%

Benefits: Health Opt-Out Credits/Cash Back

Comparable to the market, the City does not provide for opt-out credits/cash back. Only 13% of surveyed organizations provide for opt-out credit/cash back as detailed below:

Opt-Out Benefit (In Lieu of Health/Welfare Coverage)	All Organizations Combined	
	Average Monthly Benefit	% Organizations
Credit toward other benefit plan	\$128	13%

Benefits: Wellness Programs

The City is on par with the comparator market with respect to wellness program provisions and offerings as detailed in the tables below:

	Wellness Program Offering
# Organizations offering Programs	14
% Organizations Offering Programs	61%

Wellness Program Offerings:		
Wellness Offering Type	# Organizations	% Organizations
Fitness Club Membership Discount	11	79%
Stress Management	7	50%
Smoking Cessation	10	71%
Weight Reduction	10	71%
Nutrition Program	9	64%
Health Assessment	13	93%

Recommendations: Benefit Data Comparisons

- Due to the competitive nature of the City's current benefit offerings, no changes are recommended to the benefits provided by the City at this time.

Administrative Recommendations

- Salary Structure Review/Updates
 - Annual Updates
 - In order to reflect necessary increases in the minimum and maximum rates appropriate for each job, the salary structure should be reviewed annually. FLA can provide the City with the average percentage increase for employee salaries and salary structures on an annual basis, or the City may use a labor market index.
 - It is recommended that the respective starting rates and maximums be increased by a **percentage** that reflects the market trends and the City's hiring experience. The use of a dollar amount increase would compress the structure over time.
 - Long-Term Updates
 - The City should reevaluate its overall structure at regular intervals (e.g., 2 to 3 years depending upon market movements) to ensure that its salary levels are consistent with the marketplace.
 - This would involve conducting a market salary study, such as was conducted here, every 2 to 3 years (depending on the economy) to make sure that the City's pay scales and employee salaries remain competitive.