City of Colleyville
City Council
Worksession Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817.503.1000
www.colleyville.com

Thursday, June 16, 2016
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 annual budget

2b Overview of compensation and benefits

3. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Monday, June 13, 2016 by 5:00 p.m.

Amy Shelley, TRMC
City Secretary

A quorum of any Colleyville board, commission, or committee may be present at this meeting.

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 Hall
100 Main Street
Colleyville, Texas 76034
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City of Colleyville
Colleyville City Council Worksession Agenda Briefing

Agenda Number 2a
Agenda Date 06/16/2016
Number
Type Presentation and Discussion
Department City Manager

Title
Presentation and discussion of the annual budget

Strategy Map Connection
F3- Forecast needs and plan for the future, balancing priorities with resources
F4- Adhere to the City's financial and budgetary policies

Explanation
This agenda item provides for a discussion of the annual budget. Staff will present the attached presentation and answer any questions the City Council may have.

Attachments
1. Budget Worksession Presentation

Budget Process Overview

City Council Worksession
June 16, 2016

Presentation Overview

- Budget background information
- Budget process and components
- General financial outlook

Presentation Overview

- Budget background information
- Budget process and components
- General financial outlook

Background: Major Funds

Operating Funds: an annual expenditure budget is adopted for these funds in a single ordinance

- General Fund
- Utility Fund
- Drainage Fund
- Debt Service Fund

Funds with an annually adopted budget that have other approval and governing requirements:

- Colleyville Crime Control and Prevention District (CCCPD)
- Colleyville Economic Development Corporation (CEDC)

Funds without an annually adopted budget, that serve as internal savings accounts or maintain funds for multi-year projects:

- Capital Projects Fund (only revenue source is transfers from the General Fund)
- Vehicle & Equipment Replacement Fund (only revenue source is transfers from the General Fund)

Funds restricted for specific purposes and do not have an annually adopted budget:

- Tax Increment Financing (TIF) District
- Many other smaller funds listed (with $ balances) later in this presentation

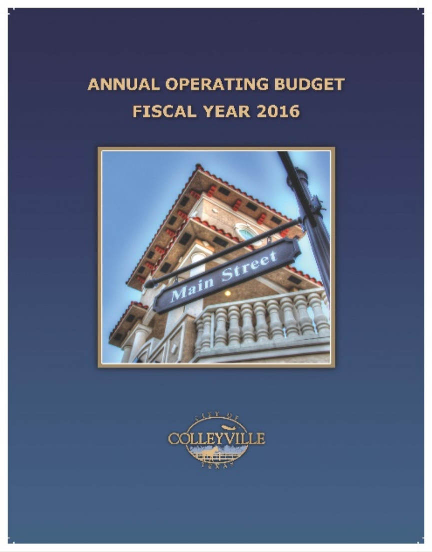
Background: Fund Balance

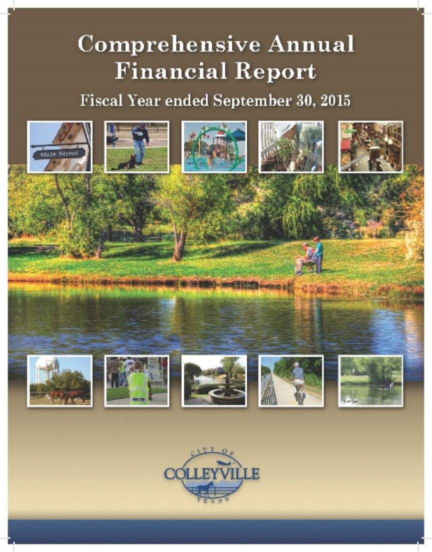
- Fund balance = savings account for each fund
- Financial policies: minimum of 90 days of the current year's budgeted expenditures
    - For handling emergencies
    - Preserve the City's credit ratings
- Fund balance above the 90 day minimum may be used for one-time or capital expenditures

<u>FY 2016 operating fund minimums</u>

• General Fund:	$5,912,228
• Utility Fund:	$3,917,185
• Drainage Fund:	$ 226,355
• Debt Service Fund:	$ 360,393

Background: Budget vs. CAFR





- Budget:
  - Looks forward
  - Projects revenues and expenditures
  - Serves as a:
    - Financial plan
    - Policy document
    - Operations guide
    - Communications device

- Certified Annual Financial Report (CAFR)
  - Looks backward
  - Follows General Accepted Accounting Principles (GAAP)
  - Records actual revenues and expenditures
    - Records depreciation expense
    - Asset value often included, in addition to cash

Background: Council Approval

- Formally adopts the budget (expenditures) as a total for each operating fund
- Amends budget if needed during the year and typically at year-end
- Sets the tax rate and all other fees and charges
- Adopts a 5-year CIP by resolution
- Approves all purchases and contracts over $50,000

Background: Controls

- City Manager's Office:
  - Authorization to fill personnel vacancies
  - Authorizes change orders
  - Executes contracts as authorized by the Council and all contracts under $50,000
  - Approves all P.O. requests and invoices after department approval
- Finance:
  - Reviews and approves all P.O. requests and invoices
- Department Heads:
  - May move funds between divisions in their department
  - Approves all P.O. requests and invoices submitted for payment from their budget(s)

Background: Fiscal Year

- October 1 – September 30
- Operating budget money not spent (i.e. expenditures coming in under budget) at September 30th must either be transferred to a non-operating fund (to set aside/save) or it rolls back in to fund balance and must be “re-appropriated” by Council
- Similarly, any revenues received above what is needed to cover expenditures rolls into fund balance at year-end unless it is specifically set aside
- For a number of years fund balance continued to grow due to revenues exceeding expectations and expenditures coming in under budget (Colleyville budgets and projects very conservatively)

  → This is how we can afford the $1M draw down of fund balance for street maintenance each year through FY 2018

Background: Budget Amendment

- Historically the City Council has approved a budget amendment in September to set aside (transfer to the Capital Projects Fund) certain funds at year-end:
  - Street maintenance budget money that has not been spent yet
    - This is handled differently beginning in FY 2016 - the entire street CIP investment was transferred to the Capital Projects Fund at the beginning of the fiscal year for easier tracking
  - More recently, any excess funds, also referred to as "revenues over expenditures", (from revenues coming in higher than expected or expenditures coming in under budget) have been set aside for specific purposes to avoid continually adding to fund balance
    - Example: FY 2015 budget amendment set aside all General Fund revenues over expenditures to pay for future SH26 enhancements like lighting, benches, etc.

Background: Tax Rate

- Property tax rates have two components:
  - Maintenance & operations (M&O) tax rate – General Fund
  - Interest & sinking (I&S)/debt service tax rate – Debt Service Fund
- Effective Tax Rate:
  - The rate that would produce the same amount of taxes if applied to the same properties taxed in both years (i.e. without new construction)
- Rollback Tax Rate:
  - Calculates an effective rate for just M&O portion of the tax rate
  - M&O effective rate plus 8% + debt service tax rate = rollback rate
  - If a taxing unit adopts a rate above the rollback rate, voters may petition for an election on the tax increase to "roll back" to the rollback rate
- Charter Limitations:
  - Any tax rate set per budget year shall not result in an ad valorem tax revenue increase greater than 7% of the total ad valorem tax revenue collected in the preceding budget unless authorized by the voters of the City at a special election (excludes additional ad valorem revenue attributed to construction); $1.50 max rate

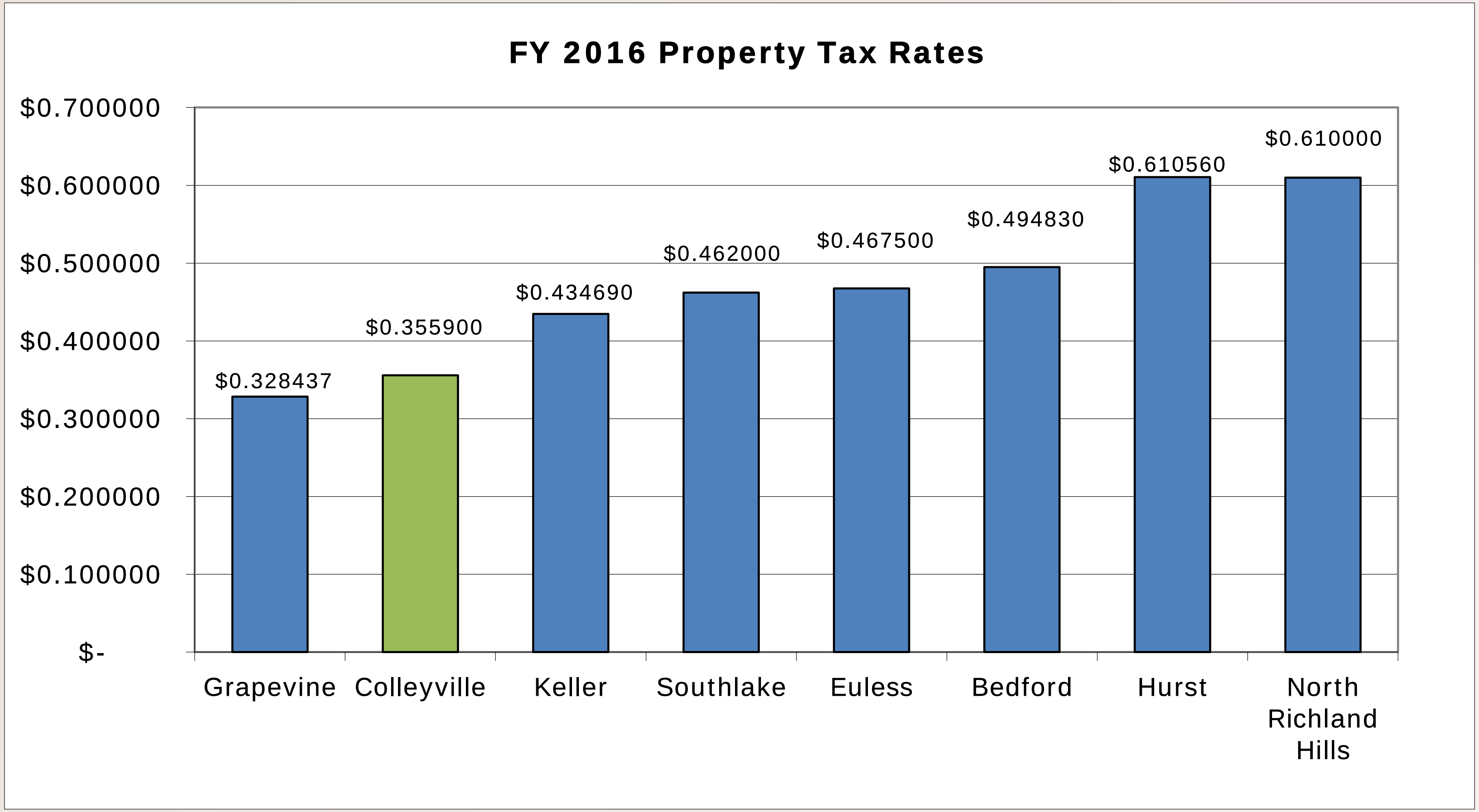
FY 2016 Tax Rate Breakdown

Operating Portion	$0.33624
Debt Portion	$0.01966
Total Tax Rate	$0.35590

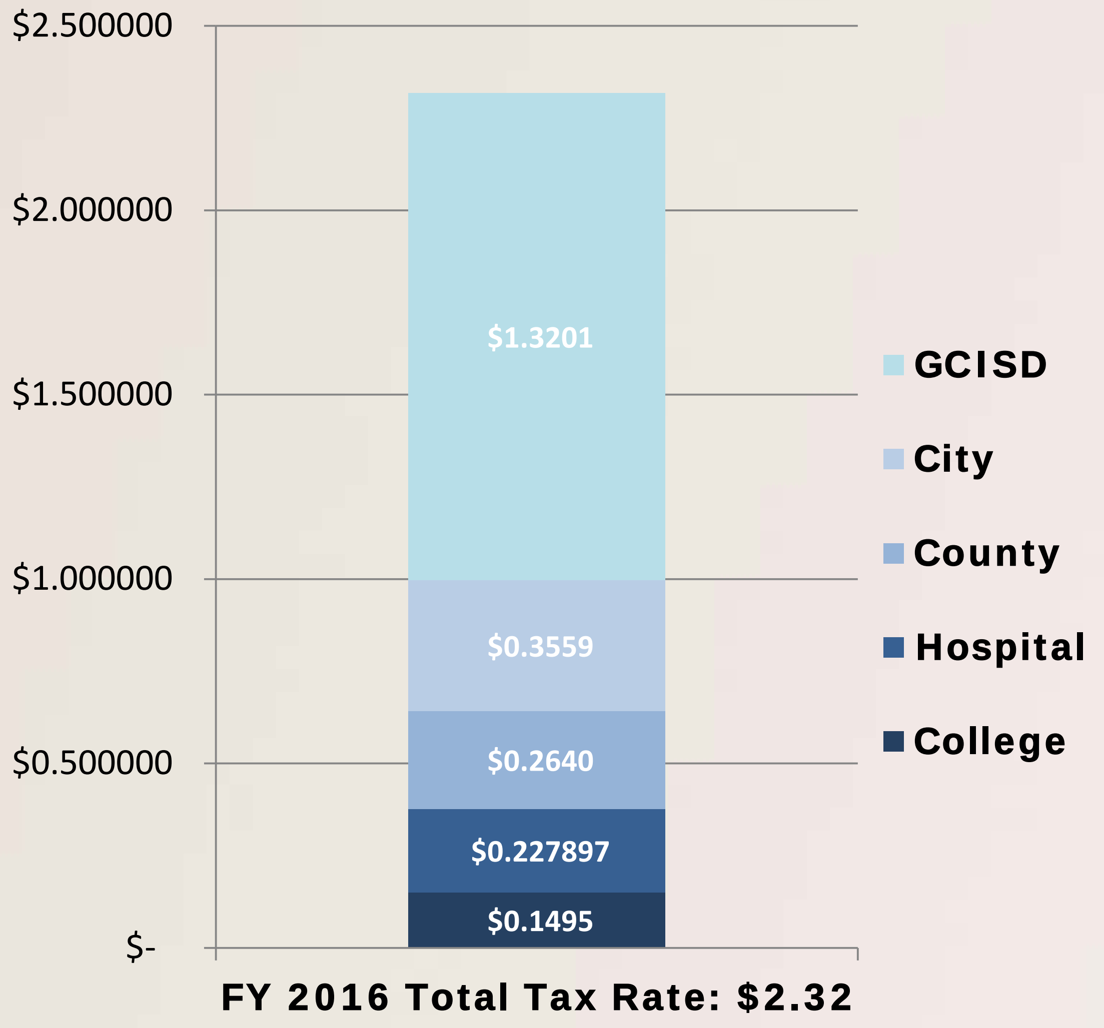
Background: Tax Rate Procedures

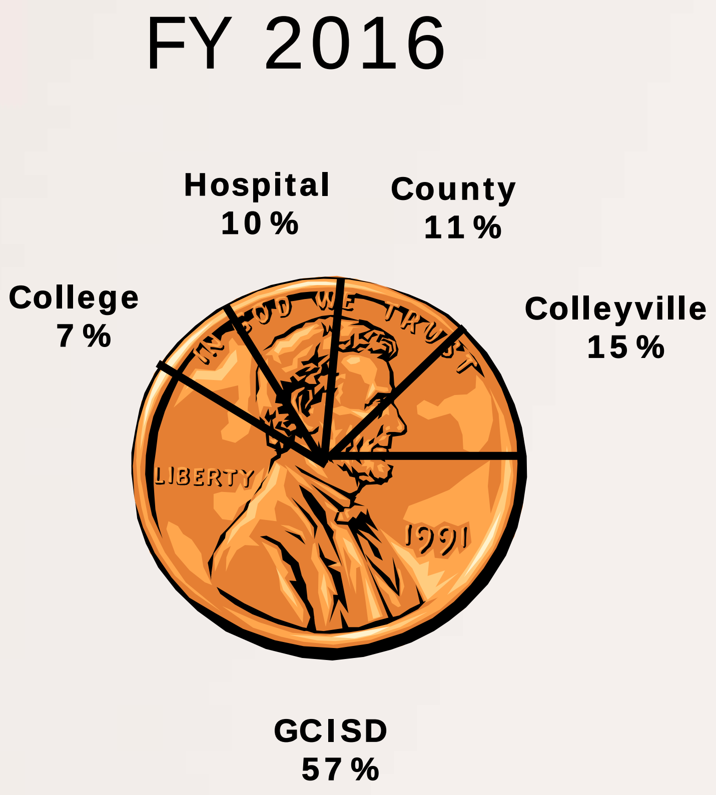
- Governed by state law called “Truth in Taxation”
- Tarrant Appraisal District (TAD)
  - Appraises property, certifying value by July 25th (95% complete after protests)
- Tax Assessor-Collector (GCISD)
  - Provides the Appraisal Roll, as sworn by TAD
  - Certifies an anticipated collection rate (typically 100% for Colleyville)
  - Uses software that is updated to reflect current state law
    - Calculates effective and rollback tax rates
    - Determines what notices, public hearings, and specific motion/ordinance language is needed
  - Manages collection of property taxes
- August 9th Special City Council Meeting:
  - Submission of effective and rollback calculations to City Council
  - Approval of Certified Appraisal Roll
  - Submission of a certified collection rate
  - Vote to state intended tax rate (determines public notice language & what public hearings are required)
  - Vote to schedule public hearings on the tax rate, if needed

Background: Tax Rate Comparison



Background: Overlapping Tax Rates

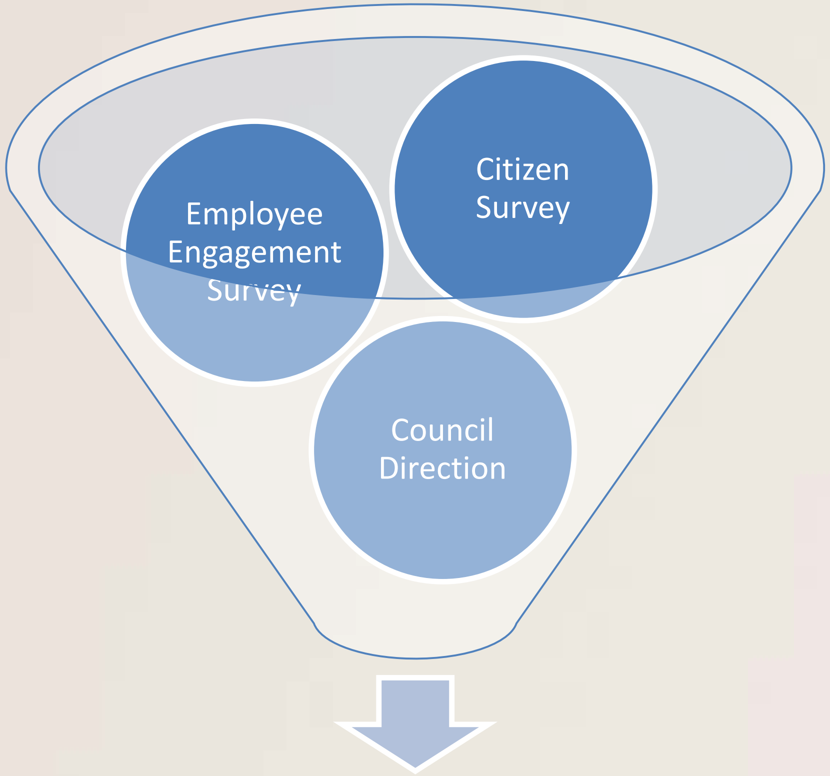




Presentation Overview

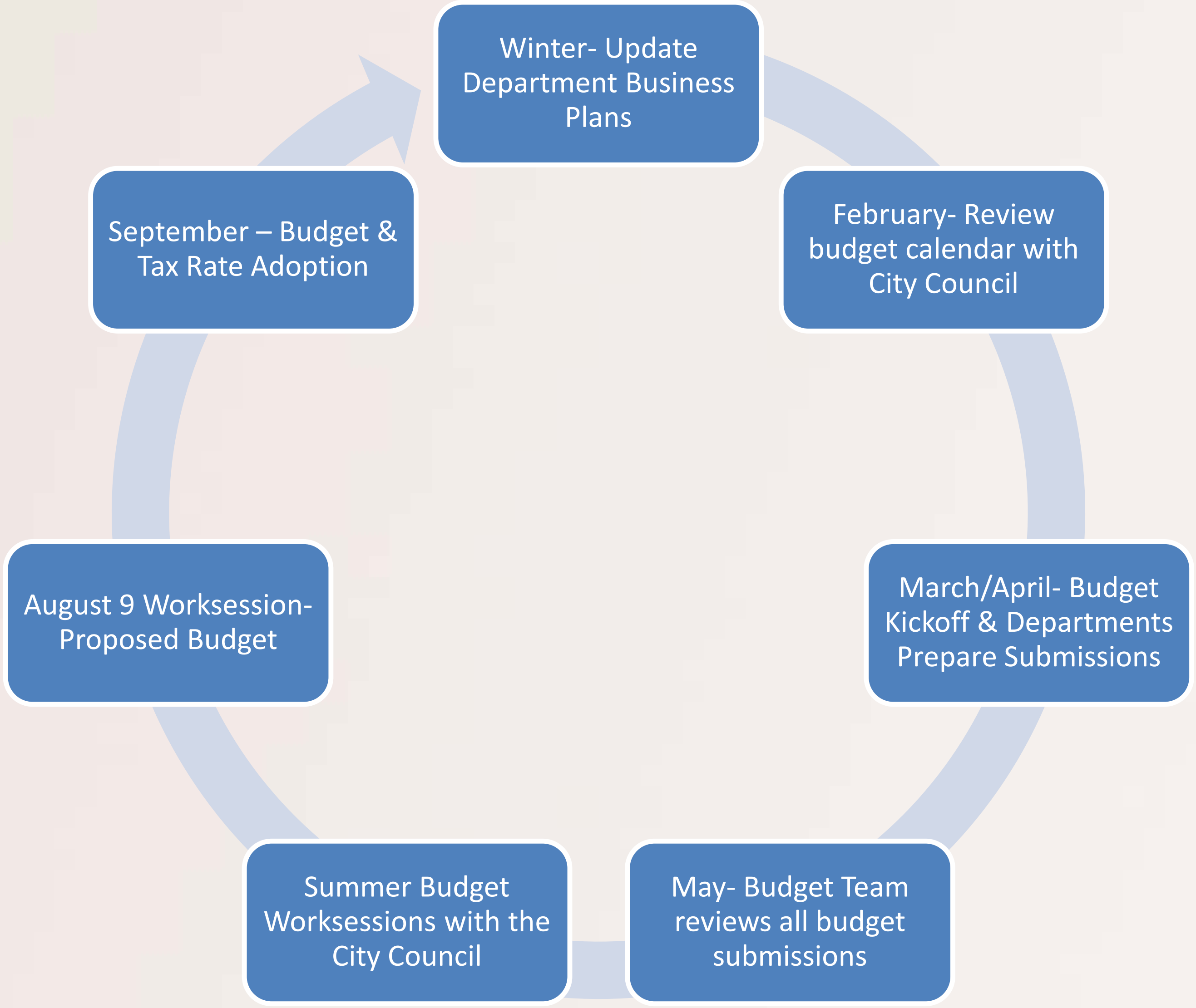
- Budget background information
- Budget process and components
- General financial outlook

Budget Process: Overview



Strategy Map &

Department Business Plans



Budget Process: Budget Kickoff

- Prior to Budget Kickoff, the Budget Calendar agreed upon by City Council in February is distributed to staff for scheduling around key dates
- Kickoff meeting is typically held in late March (FY 2017 Budget Kickoff was March 31, 2016)
- Kickoff agenda and purpose is to review the following with staff:
    - Budget process
    - Expectations- resources should fund current programs and services before considering new/expanded services
    - Deadlines
    - Mechanical “how to’s” and walk through tutorials in budget software

Budget Process: Department Submissions

- Each department begins the budget process by reviewing the current year line-item detail
  - Subtract: budget $ for items that are no longer needed
  - Add: cost increases that are anticipated for contracts or supplies (ex. Increased costs for software maintenance contracts, or chemicals for athletic fields, etc.)
- Direction to staff: move $ between line items to offset increases with other reductions to the greatest extent possible without reducing service levels
- April 15th: deadline for departments to submit their budgets after this initial "scrub" that eliminates funding no longer needed and adds funding necessary to maintain the current service level

Budget Process: Department Submissions

Departments also submit several other items during the next phase of the budget process:

- Revenue estimates for fees and charges
- Additional funding requests
  - to fully fund the current service level
  - for service level enhancements
- Capital Improvement Plan (CIP) Project Requests

Budget Process: Budget Team Review

Budget Team: City Manager, Deputy City Manager, ACM/Director of Public Safety, CFO, Accounting Manager, Human Resources Director, Strategic Services Manager

Department Meetings with Budget Team

- First two weeks of May
- 1 – 3 hours with every department
- Review:
  - Budget line item detail in each fund identify additional cost savings
  - Additional funding requests
  - CIP requests
- Flag items that could be funded with Special Revenue Funds (reduce burden on General Fund)
- Flag items that could be funded through savings in the current fiscal year

Budget Process: Vehicle Replacement

During the annual budget process (April/May), replacement schedules are updated

Replacement Schedule	Forecasting Period	Funding Source	Methodology	Annual Amount
Police Vehicles	5 years	CCCPD Fund	CCCPD Annual Budget	$230,000 - $300,000
Fire Apparatus	40 years	General Fund contributes annually to “savings account”	Annual Transfer from General Fund to Vehicle & Equipment Replacement Fund beginning FY17	$200,000
General Fund Vehicles & Mobile Equipment	15 years	General Fund contributes annually to “savings account”	Annual Transfer from General Fund to Vehicle & Equipment Replacement Fund	$221,000
Utility Fund Vehicles & Mobile Equipment	15 years	Utility Fund contributes annually to “savings account”	Annual set aside of funds to a dedicated cash account in the Utility Fund	$81,000
Drainage Fund Vehicles & Mobile Equipment	15 years	Drainage Fund	Drainage Fund Annual Budget; may internally finance over multiple years by borrowing from Colleyville Tomorrow Fund if needed	Varies

Budget Process: Other Replacements

During the annual budget process (April/May), replacement schedules are updated

Replacement Schedule	Replacement Frequency	Funding Source	Methodology	Annual Amount
Police Weapons (handguns & tasers)	Oldest each year	CCCPD Fund	CCCPD Annual Budget	$8,500
Police In-Car Computers	6 years (kept for 2 vehicle cycles)	CCCPD Fund contributes annually to "savings account"	Annual Transfer from CCCPD Fund to Vehicle & Equipment Replacement Fund	$10,000
Fire Airpacks	10 years	General Fund contributes annually to "savings account"	Annual Transfer from General Fund to Vehicle & Equipment Replacement Fund beginning FY17	$26,706
Major Technology Hardware (servers, etc.)	5 years (servers & network equip.)	General Fund contributes annually to "savings account" / Annual Budget	Annual Transfer from General Fund to Vehicle & Equipment Replacement Fund beginning FY17 / General Fund Annual Budget	$31,000 / Varies
Laptop & Desktop Computers	4 years	General Fund	General Fund Annual Budget	Varies
Building Systems	Varies	Various	Forecast needs and include in annual budgets as funding allows	Varies

Budget Process: Budget Worksessions

- June Budget Worksession
  - Review background information & budget process to date
  - Provide general financial outlook
  - Seek City Council direction
- August Budget Worksession
  - Present proposed budget
  - Seek City Council direction
- Additional Budget Worksessions as needed

Budget Process: Proposed Budget

The Proposed Budget is compiled by including the following:

- Funding to maintain existing programs and services at the current service level, unless directed otherwise by the City Council
- Additional funding requests, as resources allow
  - Prioritized and ranked by Leadership Team
  - Based on any specific direction from City Council, if provided

Proposed Budget to Adopted Budget:

- Proposed Budget presented at the August Budget Worksession
- Receive direction from the City Council
- Incorporate any changes for public hearing and 1st reading of the budget ordinance at the 1st City Council meeting in September

Presentation Overview

- Budget background information
- Budget process and components
- General financial outlook

Special Revenue Funds

Library, Parks, Recreation, & Colleyville Center	Fund Balance at 9/30/15	Revenue Source	Purpose/Restrictions on Use of Funds
Voluntary Park	$ 852,226	Donations through utility bills	New or existing park capital costs (no M&O)
Voluntary Library	404,761	Donations through utility bills	Library activities- primarily purchase of books and materials (no M&O)
Tree Preservation	24,735	Tree mitigation fees	Tree replanting on city-owned property
Library Donation	135,061	Donations	Library needs or as specified by donor
Recreational Event	5,449	Event revenue (like sale of tables)	Special events expenses
Parks Tomorrow	1,197,656	Gas leases on City park property	Parks capital projects
Parkland Dedication	2,317,842	Fees on new residential & commercial development	Acquisition of land for new park sites or improvements/expansions of existing parks (no M&O)
Kimzey Park	3,576	Remaining grant proceeds	Kimzey Park
Kidsville Maintenance	20,251	Remaining donations	Kidsville maintenance
Colleyville Economic Dev. Corporation (CEDC)	2,975,894	0.5 cent sales tax	For Library, Parks, and Colleyville Center; max. 10% on promotional expenses and special events

Special Revenue Funds

Public Safety & Courts	Fund Balance at 9/30/15	Revenue Source	Purpose/Restrictions on Use of Funds
Police Asset Forfeiture	$ 4,092	Seizures	Police operations as restricted by law
Crime District (CCCPD)	1,481,643	0.5 cent sales tax	Public safety and crime control activities
LEOSE	1,711	State of Texas	Police training
Court Technology	61,707	Municipal court technology fee	Court technology repairs, replacements, and upgrades
Court Security	72,960	Municipal court building security fee	Security-related expenses for the court (Bailiff)
Juvenile Case Manager	20,234	Juvenile case manager fee	Staff who handle juvenile defendants and their training

Special Revenue Funds

Capital Projects or Facilities	Fund Balance at 9/30/15	Revenue Source	Purpose/Restrictions on Use of Funds
Colleyville Tomorrow	$ 2,283,537	Gas leases on City property	Capital purchases; $394,700 committed for installation of city-owned fiber
CEDC Capital Project	65,794	Bond proceeds	Bond projects: Library, City Park, McPherson Park, Colleyville Center capital projects
Colleyville Center Development	5,857	Donations	Colleyville Center
TDPA Grant (EECBG Grant)	8,133	U.S. Dept. of Energy	Energy efficiency projects
Tax Increment Financing District (TIF)	15,852,106	Incremental A/V revenue in the TIF District	Projects in the Project Plan approved by all TIF partners
Capital Projects Fund	13,838,090	Impact Fees, Perimeter Street Fees, Escrows, Transfers from the General Fund	The majority of funds are restricted due to impact fee use restrictions or commitments for approved capital projects

Special Revenue Funds

Capital Projects Fund (current estimates)

• Escrows (perimeter street fees, sidewalks, etc.)	$1.6 M
• Street Impact Fees (for capacity improvements)	$1.3 M
• Cash Accts. For committed funds (primarily Service Center)	$0.9 M
• Invested cash (mostly perimeter street fees)	$2.0 M
• SH26 future enhancements	$1.4 M
• 2007 G.O. Bonds	$0.1 M
• Future facilities needs	$0.3 M
• SH26 management support	$0.2 M
• Capital Projects (set aside for committed projects & future projects)	$8.1 M

Special Revenue Funds

Other City Purposes	Fund Balance at 9/30/15	Revenue Source	Purpose/Restrictions on Use of Funds
Vehicle and Equipment Replacement (VERF)	$ 797,959	Transfers from the General Fund	Committed to server, equipment, and vehicle replacements
Strategic Initiatives Fund	295,198	Transfers from the General Fund	Programs/projects linked to the strategic plan; primarily used on eco. dev. incentives
Sales Tax Incentive Fund	357,333	2006 Transfer from the General Fund	Sales tax incentive agreements; seeking City Attorney opinion on future utilization of these funds
Recycling Fund	1,627	Solid Waste Franchise Fee	Recycling program; primarily used for HHW disposal at Clean Sweep and ECC
Public Art	7,904	2008-2009 Transfers from General, Utility, Drainage, & CEDC Funds	Public Art
Special Donations		Donations	Only restricted if specified by donor
Parks	9,735	-	
Police	7,319	-	
Fire	31,812	-	
Seniors	7,509	-	
Recreation	928	-	
Community Wellness	15,000	-	Baylor Challenge- to further community wellness

General Fund

	FY 16 Budget	FY 16 Projections	Notes
Ad Valorem Revenue	$12,928,456	$12,908,456	Property taxes, delinquent taxes, penalties & interest
Sales Tax	3,480,000	3,690,072	1 cent sales tax and mixed beverage tax
Franchise Fees	2,061,000	2,149,251	Gas, Electricity, Cable, Telecom, and Solid Waste
Licenses & Permits	882,800	946,647	Building permits, plan review fees, and all other permits
Fines	876,000	874,420	Fines from court, citations, alarms, and past due library materials
Charges for Service	1,089,800	828,506	Ambulance, recreation programs, field use, Colleyville Center, engineering & inspection, and materials testing fees
Intergovernmental	311,979	311,979	From City of Keller (Court) and GCISD (portion of school resource officer)
Misc./Interest Earnings	155,040	198,339	Interest, cell tower leases, sale of property, misc.
Use of Fund Balance	1,000,000	1,000,000	Draw down of fund balance for Streets CIP
Transfers In	1,233,417	1,233,417	Utility Fund franchise fee and G&A transfer; Capital Projects construction inspector
Total Revenue	**$24,018,492**	**$24,073,233**	
Total Expenditures	**$23,977,370**	**$23,977,370**	

Utility Fund

	FY 16 Budget	FY 16 Projections	Notes
Water Sales	$11,467,441	11,378,826	Oct-May actuals; June-Sept est. based on prior year consumption
Wastewater Sales	4,050,786	3,596,269	Oct-May actuals; June-Sept. est. based on prior year
Water Installation	21,000	42,000	
Wastewater Installation	7,000	15,000	
Sewer Tie-On Charges	5,000	0	
Engineering Charges	50,000	5,000	Engineering review & inspection fees related to utilities
Penalties/Misc.	241,772	250,000	Penalties on late payments
Interest	20,300	25,000	Interest earnings
Use of Available Cash	450,000	450,000	Use of fund balance for utility CIP projects
Total Revenue	**$16,313,299**	**$15,762,095**	
Total Expenditures	**$15,886,362**	**$15,762,095**	

Note: does not include developer contributions or impact fees

Drainage Fund

	FY 16 Budget	FY 16 Projections	Notes
Drainage Fees	$937,872	940,000	Stormwater drainage fee of $7 on monthly residential water bill; commercial fee based on property size and usage
Penalties/Misc.	16,413	5,000	Penalties on late payments
Interest Income	2,289	4,500	Interest earnings
Total Revenue	**$956,574**	**949,000**	
Total Expenditures	**$917,997**	**917,000**	

Debt Service Fund

	FY 16 Budget	FY 16 Projections	Notes / Assumptions
Ad Valorem Revenue	$681,434	$750,000	Declining debt rate: $0.019660 vs. $0.021286 in FY 2015
Transfer In – CCCPD	500,242	500,242	CCCPD pays the portion of the debt payment related to the Justice Center
Interest Income	2,251	2,500	Interest earnings
Use of Available Cash	277,666	208,851	Radio Tower Lease & 2016 Fire Engine Down Payment
Total Revenue	**$1,461,593**	**$1,461,593**	
Total Expenditures	**$1,461,593**	**$1,461,593**	

Next Steps: Meeting Dates

- **June 20:** Line item review of the budget
- **July 25:** Budget Worksession (review CIP)
- **July 25 :** TAD provides certified assessed valuation (AV)
- **August 9:** City Council Special Meeting
  Budget Worksession (Proposed Budget presented)
- **August 23:** Budget Worksession
  City Council Special Meeting (if needed)
- **September 6:** 1^{st} reading of Budget & Tax Rate ordinances
- **September 20:** 2^{nd} reading of Budget & Tax Rate ordinances

Note: CCCPD, CEDC, and publication of public notices not included; please refer to the complete budget calendar for details

Questions and Discussion

City of Colleyville
Colleyville City Council Worksession Agenda Briefing

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

Agenda Number 2b **Agenda Date** 06/16/2016 **Number**
Type Presentation and Discussion
Department Human Resources

Title
Overview of compensation and benefits

Strategy Map Connection

F3- Forecast needs and plan for the future, balancing priorities with resources
F4- Adhere to the City’s financial and budgetary policies

Explanation
This agenda item provides for an overview of the City's compensation and benefits programs for employees. Staff will present the attached presentation and answer any questions the City Council may have.

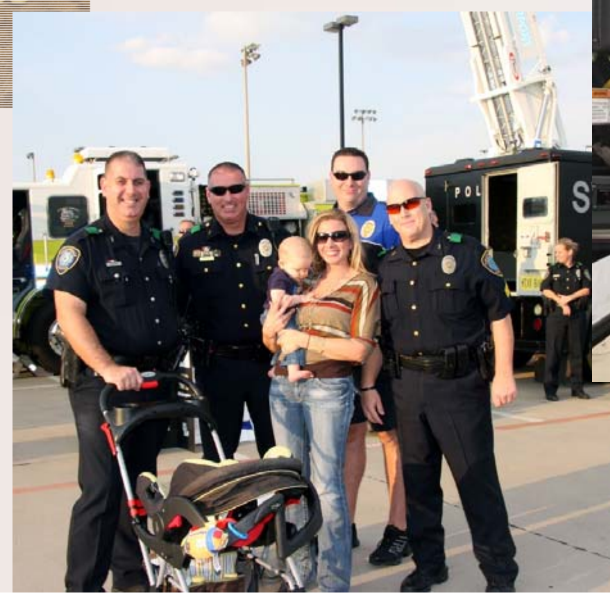
Attachments
1. Overview of Compensation and Benefits

Overview of Compensation and Benefits

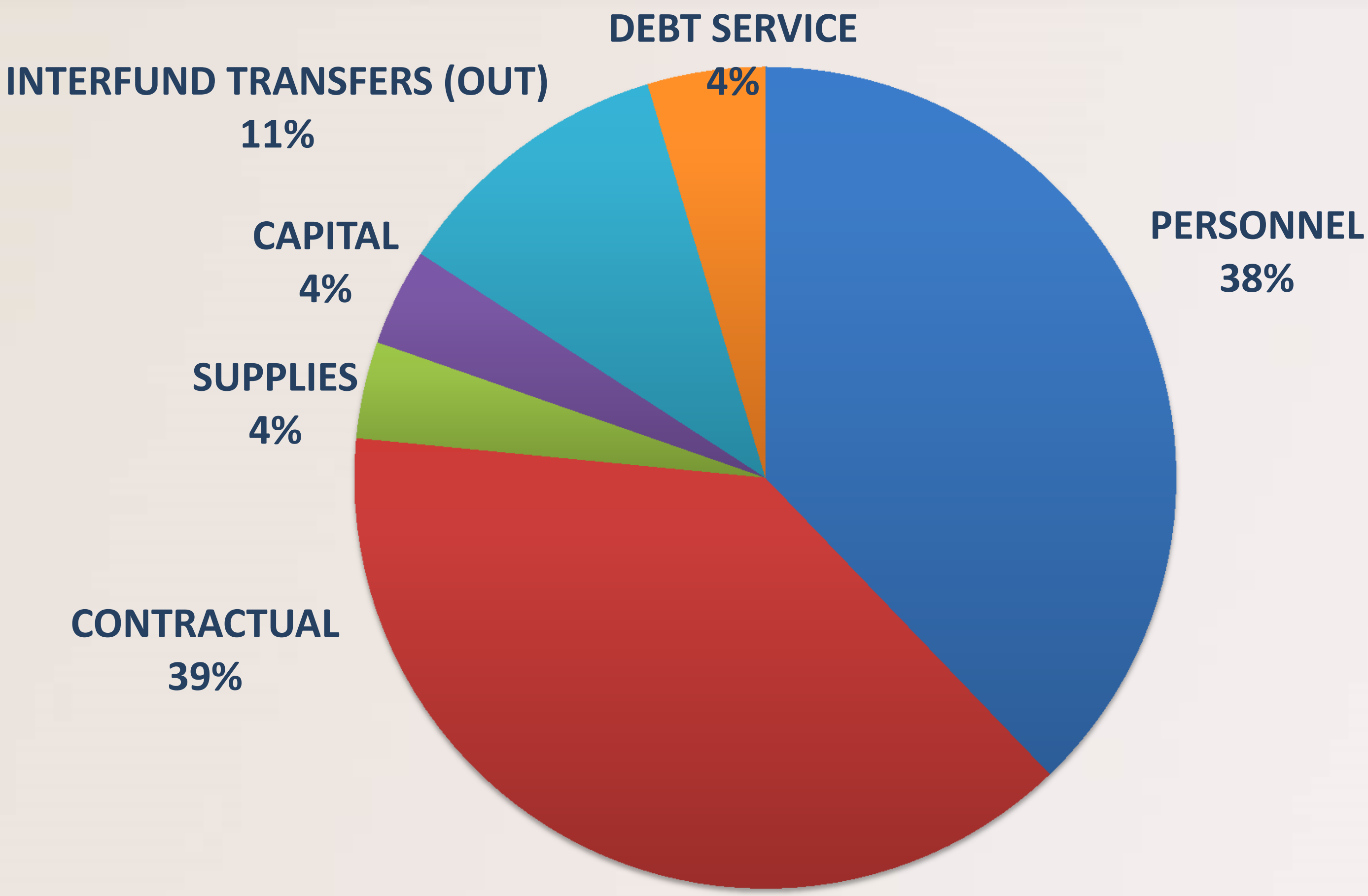
Budget Worksession
June 16, 2016

CITY OF COLLEYVILLE TEXAS

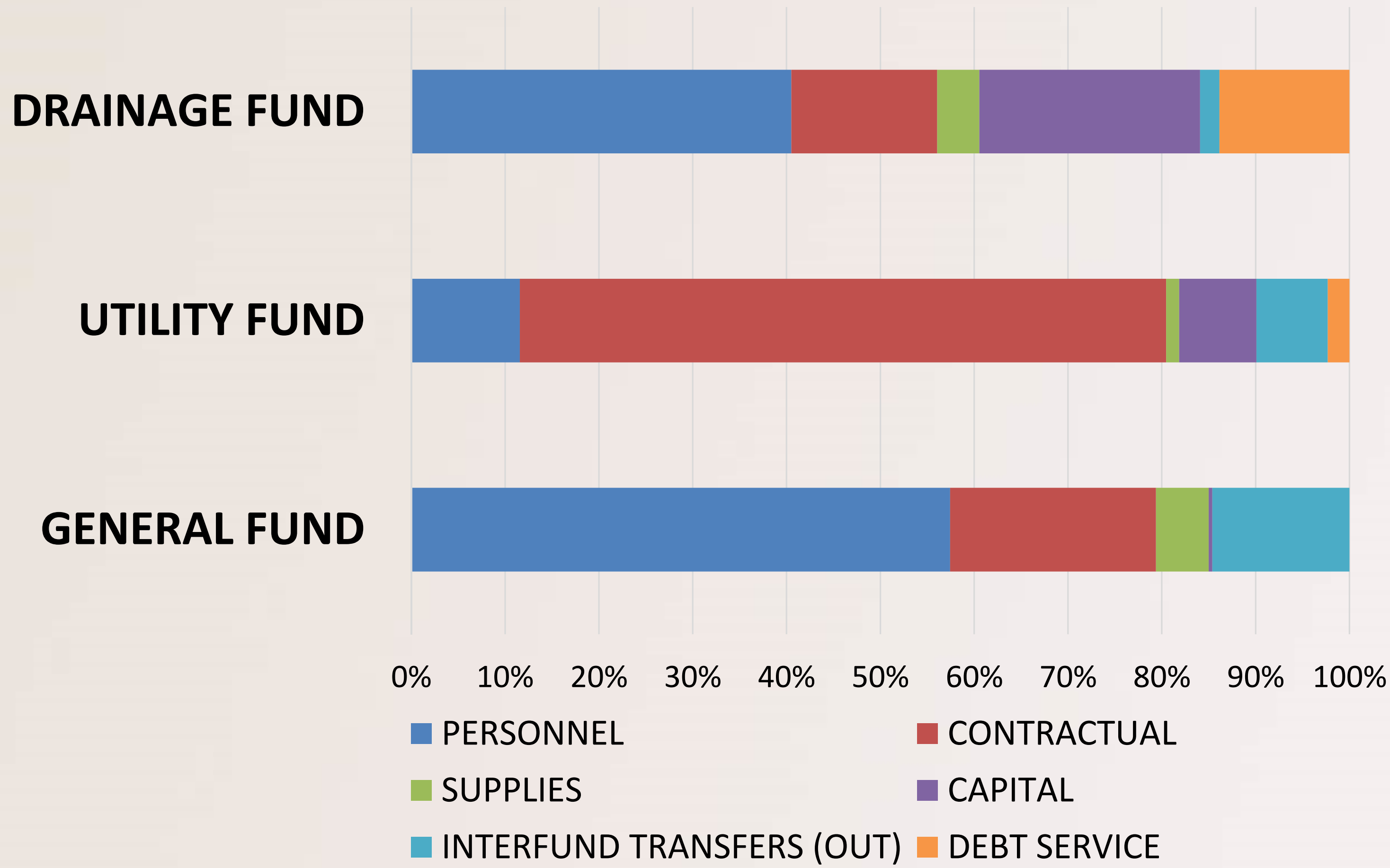
SERVICE



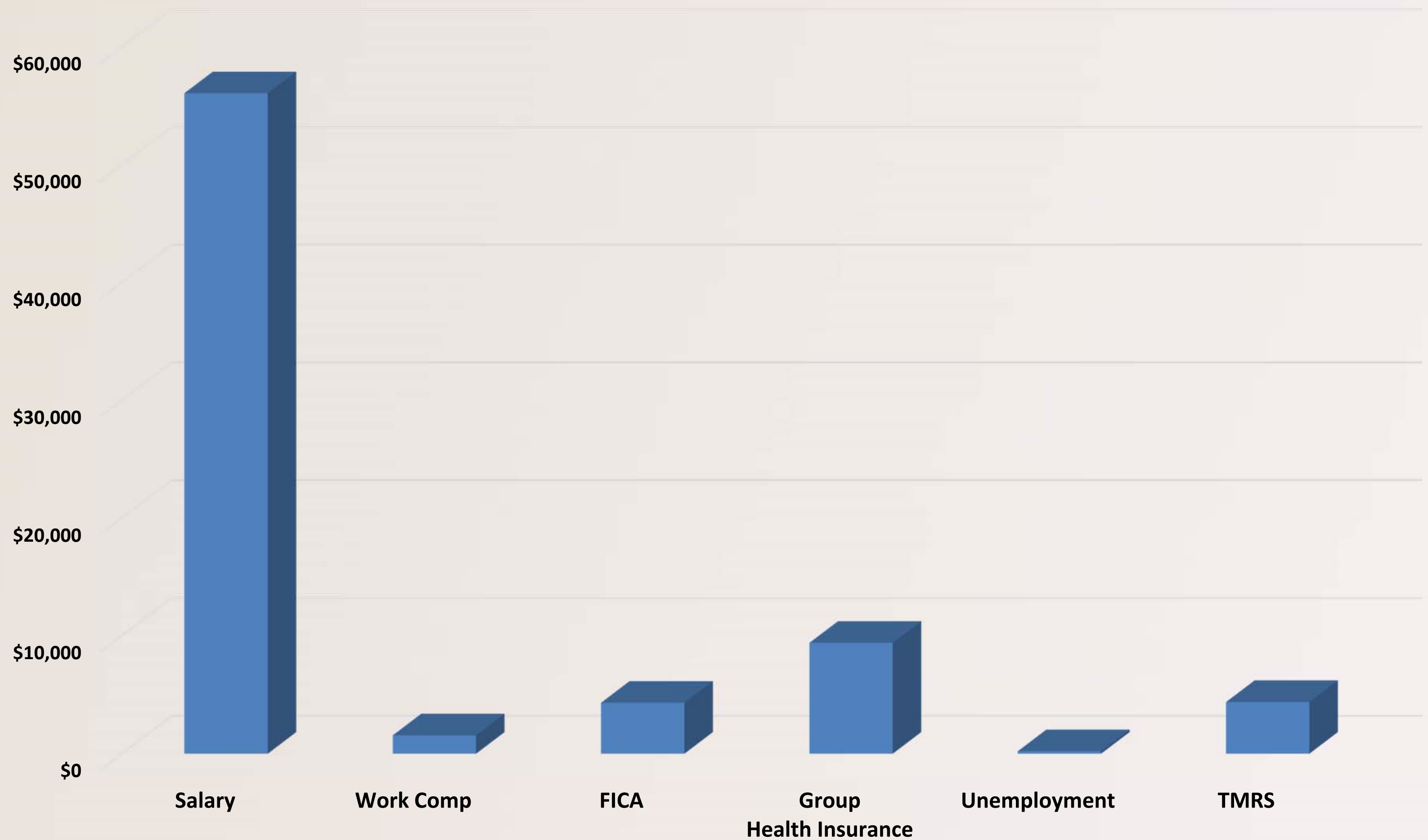
Personnel Costs Overall



Personnel Costs by Fund



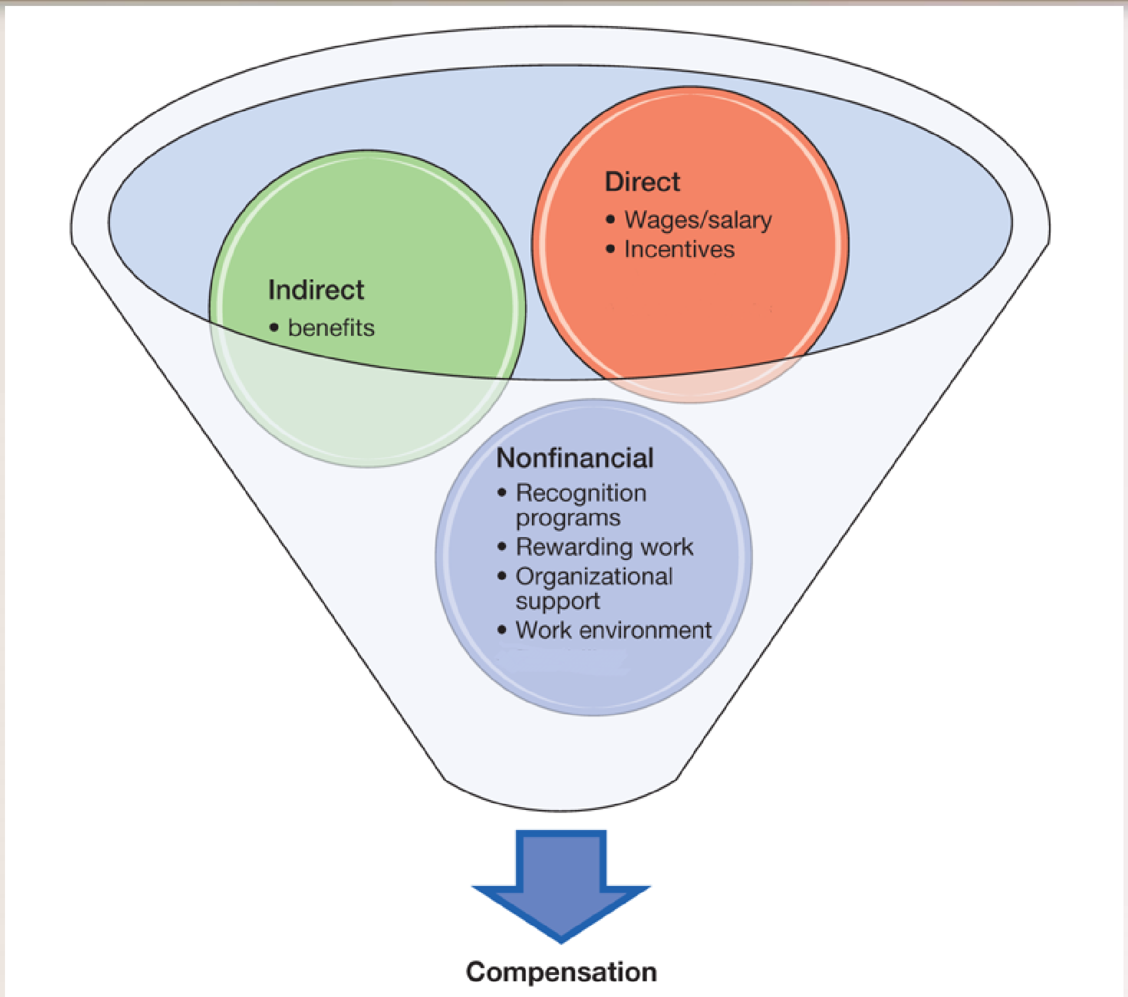
Personnel Costs Include



Employees Per Capita

	Colleyville	Bedford	Coppell	Flower Mound	Grapevine	Hurst	Keller	Southlake
City Population	24,230	49,054	40,342	66,820	49,867	38,500	42,890	28,868
Number of FTE's	205.63	386.09	397	602.75	684.83	398.34	342.26	356.85
Employee FTE's per capita	0.008	0.008	0.010	0.009	0.014	0.010	0.008	0.012

Total Compensation Program



Salary / Wages

Job Classification and Compensation System

- Classification and compensation philosophy and strategy;
- Classification structure and specifications;
- Job evaluation and internal equity;
- External market competitiveness;
- Pay structure and transition recommendations and implementation cost;
- Ongoing compensation system management and maintenance system; and
- Salary administration procedures.

Job Classification

1. Job Analysis
2. Internal Equity
3. External Market
4. Job Classification / Structured Pay Plan

Job Classification

100 job descriptions

(Traditional Grade System)

30 job descriptions

(Broad-banding System)

Occupational Group	Classification	DBM	Pay Range			FTE
Library Services	Library Clerk	A12	$26,074	$31,288	$36,503	2
Maintenance & Operations	M&O Technician	A12	$26,074	$31,288	$36,503	3
		A13	$29,202	$35,042	$40,883	19
Administrative Support	Administrative Support Assistant	A13	$29,202	$35,042	$40,883	3
Maintenance & Operations	Code Enforcement Officer	B21	$30,837	$38,547	$46,256	1
Administrative Support	Administrative Support Technician	B22	$32,996	$41,245	$49,494	10
Library Services	Library Assistant	B22	$32,996	$41,245	$49,494	5
Maintenance & Operations	M&O Specialist	B22	$32,996	$41,245	$49,494	8
		B23	$35,542	$44,427	$53,312	7
Administrative Support	Administrative Support Specialist	B23	$35,542	$44,427	$53,312	4.5
		B24	$38,964	$48,705	$58,446	3
Management & Program Support	Management Specialist	B23	$35,542	$44,427	$53,312	1
		B24	$38,964	$48,705	$58,446	
Maintenance & Operations	M&O Project Specialist	B24	$38,964	$48,705	$58,446	1
		B25	$43,940	$53,664	$63,388	5
Administrative Support	Administrative Support Supervisor	C41	$49,212	$61,515	$73,818	2

Occupational Group	Classification	DBM	Pay Range			FTE
Management & Program Support	Management Analyst	C41	$49,212	$61,515	$73,818	7.5
Library Services	Librarian	C41	$24,606	$30,758	$36,909	1
		C42	$52,625	$65,781	$78,936	3
Maintenance & Operations	M&O Supervisor	C41	$49,212	$61,515	$73,818	1
		C42	$52,625	$65,781	$78,936	1
		C45	$62,872	$78,591	$94,308	
Management & Program Support	Management Analyst, Senior	C42	$52,625	$65,781	$78,936	6.625
Maintenance & Operations	M&O Project Manager	C45	$62,872	$78,591	$94,308	3
Management	Manager	D61	$67,027	$87,134	$107,242	8
		D62	$70,308	$91,400	$112,492	7
		D63	$73,589	$95,665	$117,742	1
Management	Director	E82	$91,070	$118,391	$145,711	3
		E83	$95,623	$124,310	$152,997	4
Management	Assistant City Manager/ Dir. Public Safety	E91	$100,404	$130,526	$160,647	1
Management	Deputy City Manager	E92	$117,298	$145,155	$173,011	1
Management	City Manager	F101	$127,053	$153,662	$180,270	1
TOTAL Non-Sworn						123.625

Sworn Positions

Occupational Group	Classification	DBM	Pay Range			FTE
Sworn Fire	Firefighter	B21S	$48,380	$54,669	$60,959	5
		B22S	$51,247	$57,908	$64,570	13
Sworn Fire	Fire Engineer	B24S	$60,340	$66,072	$71,805	9
Sworn Fire	Fire Captain	C41S	$71,870	$77,260	$82,650	9
Sworn Fire	Fire Battalion Chief	C45S	$77,687	$87,397	$97,108	1
		C52S	$77,687	$87,397	$97,108	3
Sworn Police	Police Recruit	B22S	$48,086			
Sworn Police	Police Officer	B23S	$51,893	$60,195	$68,498	33
Sworn Police	Police Sergeant	B32S	$67,727	$73,146	$78,564	6
Sworn Police	Police Lieutenant	C42S	$82,879	$88,267	$93,654	2
Sworn Police	Assistant Police Chief	D62S	$90,288	$101,574	$112,860	1
TOTAL Sworn						82.000
TOTAL Non-Sworn						123.625
GRAND TOTAL						205.625

Job Classification → Compensation

Compensation Elements

Market

- Reflect economic conditions of the various occupational labor markets in which the City competes
- Each classification has a job rate of the approximate 50th percentile, or the midpoint, of pay for like positions in the labor market.

Merit

- Reward employees who perform at above-standard levels within their respective job class.

Market

Goal = Pay the Market Rate for the Job

New Hires:

Previous 12 Months Hired	
% Hired at less than market	89%
% Hired at market or above	11%

Current Employees = 79.27% of employees are below market

Total Employees Below Market	**163.000**
Total Employees at or Above Market	**42.625**

Market Adjustments

Salary Structure Maintenance	
LONG-TERM APPROACH Conduct comprehensive market salary survey every three (3) to four (4) years	- Cost of survey/staff time is incurred every few years (better return on investment) - Couple with annual salary structure review/adjustment in off-years to offset significant salary lag
ANNUAL APPROACH Apply overall salary structure adjustment in years that comprehensive market survey is not conducted	- Data can be obtained from published source(s) - Aids to maintain market competitiveness in lieu of comprehensive survey - Incremental adjustments incur smaller salary increase expense

Annual Adjustment FY2017

Recommendation #1:

- Range adjustments of 2.1% for Executive and Non-Exempt pay ranges, and
- Range Adjustments of 1.9% for Non-Executive Exempt salary ranges.

Recommendation #2:

- Range adjustments of 2.0% for all ranges.

Compression

Salary Compression: When pay differentials between experienced and newly hired personnel are too small for performing the same job.

Compression

- New hire
  - Firefighter / Paramedic (B22S)
  - Market adjustment 2% each year for the next four years
  - New hires brought in at new minimum for this job classification each year

- Tenured Employee
  - Firefighter / Paramedic (B22S)
  - Current annual salary $51,247
  - No merit increase for four years

Compression

- New hire
  - Police Officer (B23S)
  - Market adjustment 2.6% each year for the next four years
  - New hires brought in at new minimum for this job classification each year

- Tenured Employee
  - Police Officer (B23S)
  - Current annual salary $51,893
  - Employee receives merit increase of 3.36% for the next four years

Merit – Pay for Performance

- Pay increases on market or merit only
- Merit – Job performance
- Employee Morale

Performance Review Cycle

Budgeting for Merit Raises

	Colleyville	Bedford	Coppell	Grapevine	Hurst	Keller	Southlake	The Colony
Most recent COLA percent (average all employees):		4.00%			3.00%		1.50%	5.00%
Most recent Merit percent (average all employees):	3.36%		3.00%	2.81%		2.00%	2.88%	
Most recent Market Adjustment (across the board):				2.00%		2.00%		
Most recent Market Adjustment (bottom of range only):	2.60%				1.50%			3% for Public Safety
Most Employees Received:	3.36%	4.00%	3.00%	4.81%	3.00%	4.00%	4.38%	5.00%

Average of Surrounding Cities: 4.03%

Job Classification and Compensation Summary

Job Classification and Compensation

- Comprehensive Studies every 3-4 years
- Annual Market Evaluation
- Merit Raises – Pay for Performance

- ☑ Classification and Compensation
- ☑ Benefits

Benefits

Benefits: Typically 30%-40% of overall cost

- Medical
- Dental
- Vision
- Life and Accidental Death and Dismemberment
- Flexible Spending Accounts (FSA)
- Health Reimbursement Account (HRA)
- Long Term Disability
- Voluntary Supplemental Insurance (Accident, cancer policies, etc.)
- Retirement - TMRS

Medical Insurance

Medical Premiums Annually

	Colleyville	Bedford	Coppell	Flower Mound	Grapevine	Hurst	Keller	Southlake
City Population	24,230	49,054	40,342	66,820	49,867	38,500	42,890	28,868
Average Employees on Medical Plan in FY2015	170	295	387	507	589	316	260	296
Total Premiums Paid	$1,796,212	$3,060,000	$3,906,682	$7,730,000	$5,921,045	$4,510,310	$3,609,164	$3,121,611
Medical Premiums per Employee - Average FY15	$10,566	$10,373	$10,095	$15,247	$10,053	$14,273	$13,881	$10,546
Plan Type	Fully insured	Fully insured	Self insured	Self insured	Self insured	Self insured	Fully insured	Fully insured

Average $11,879 per employee per year

TMRS Retirement

	Colleyville	Bedford	Coppell	Euless	Grapevine	Hurst	Keller	NRH	Southlake	The Colony
City Population	24,230	49,054	40,342		49,867	38,500	42,890	67,300	28,868	41,352
TMRS blended rate	7.76%	7.56%	15.33%		19.08%	9.76%	15.22%		11.62%	12.57%
Average Employer Contribution to TMRS	$5,032	$4,316	$10,760		$18,276	$5,819	$9,586		$6,795	$4,458
Employer Match	2 to 1	2 to 1	2 to 1	2 to 1	2 to 1	2 to 1	2 to 1	2 to 1	2 to 1	2 to 1
Employee Deposit Rate	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Vesting Requirements	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service	5 years of service
Retirement Eligibility	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age	5 yrs of service/age 60; 20 yrs /any age
Additional Suppl. Death	Yes	No	Yes	No	No	No	Yes	No	Yes	Yes
Update Service Credit	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Military Service Credit	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Restricted Service Credit	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
COLA Annuity Increase	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Summary

- Market competitiveness (attracting employees)
- Merit / Pay for Performance (motivate and retain employees)
- Benefits (attracting and retaining employees)

Next Steps for FY2017

City Council June 21	• **Discussion of the City's TMRS Plan**
City Council July 12	• **Direction on FY17 Health Insurance** • **Direction on FY17 Annual Market Study Results**
City Council July 19	• **Health insurance contracts on agenda for approval**

Questions and Discussion