

FY 25

EMPLOYEE COMPENSATION & BENEFITS UPDATE



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY COUNCIL PRIOR DIRECTION

In 2023, City Council committed to the following employee compensation philosophy:

- Be a leading City
- The level of leadership is to be determined annually based on budgetary ability

Current pay plans reflect a target of 103% of the market average at time of budget adoption.

In March of 2024, City Council recognized successes in employee recruitment, retention, and development; and affirmed their continued strategic importance.



OVERVIEW

Compensation

- 1 Market Analysis
 - Police & Fire
 - Dispatch & Detention
 - General Government
 - Part Time
- 2 Merit & Steps
- 3 Job Family Progression
- 4 Cost Summary

Benefits

- 5 Medical Premiums
- 6 Retiree Benefits

COMPENSATION DELIVERY OVERVIEW

Market

- Assesses external forces to establish competitive pay rates
- Ideally includes both structure and employee movement, so that employee retains relative position within structure
- Example: FY24 October general employee 1% structure movement and employee across the board increase

Merit/Step

- Progresses general employee through pay structure through merit increase tied to performance criteria
- Progresses police/fire employees through pay structure steps, tied to tenure in position
- Examples: FY24 general merit increase of 3% on anniversary date; police/fire step increase of approximately 4% on anniversary date

LOOKING BACK - FY24 COMPENSATION

Market

- General – October 1% movement of ranges and employees
- Sworn –2.44% for Firefighter, 2.15% for Police Officer
- Sworn –Updated Education & Certification Pay Practice to allow payment for both

Merit/Step

- General – 3% Merit on anniversary date
- Sworn – Steps on anniversary date

Other

- Created Job Family Progressions

MARKET ANALYSIS - EXTERNAL EQUITY

In order to attract and retain employees, it is important that the City of Lewisville be competitive with comparable cities that share the same applicant pool.

Per Administrative Directive 2.7.4 – Employee Performance Evaluation / Compensation Plan, the Human Resources Department conducts an annual market analysis use the following cities as our comparator cities:

Dallas	Ft. Worth	Arlington
Plano	Garland	Irving
Grand Prairie	McKinney	Frisco
Richardson	Allen	Flower Mound
Grapevine	Coppell	Denton
Mesquite	Carrollton	Lewisville

DFW POLICE SALARIES



TOP SALARIES AT 10 YEARS



GARLAND POLICE DEPARTMENT	\$107,508.00
PLANO POLICE DEPARTMENT	\$107,345.00
IRVING POLICE DEPARTMENT	\$106,968.00
CARROLLTON POLICE DEPARTMENT	\$105,953.00
MCKINNEY POLICE DEPARTMENT	\$105,540.47
FRISCO POLICE DEPARTMENT	\$103,707.76
FARMERS BRANCH POLICE DEPT	\$103,648.00
GRAND PRAIRIE POLICE DEPT	\$103,509.00
ALLEN POLICE DEPARTMENT	\$103,028.03
FLOWER MOUND POLICE DEPT	\$102,728.00
DENTON POLICE DEPARTMENT	\$102,535.00

DENTON COUNTY

31 POLICE
DEPARTMENTS

AVERAGE STARTING
SALARY \$62,911.36

HIGHEST STARTING
SALARY \$79,147.17

HIGHEST TOPPED
OUT SALARY
\$102,728.00

ONLY 11
DEPARTMENTS
WITH A STEP
PLAN

LEWISVILLE
POLICE
DEPARTMENT

FLOWER MOUND
POLICE
DEPARTMENT



WWW.DFWPOLICESALARIES.COM

Posted on DFW Police Salaries Facebook page March 2024

MARKET - POLICE

Following City Council's direction to be a lead City (targeting top third), the current structure is based on 103% of market.

Market Top Step

- Police Officer is 2.16% behind market
- Police Sergeant is 2.33% behind market
- Police Captain is 1.01% behind market

103% of Market Top Step

- **Police Officer is 5.22% behind market**
- **Police Sergeant is 5.40% behind market**
- **Police Captain is 4.04% behind market**

At this time, the 103% of market model will not place us in the top third, so 104% and 105% are under consideration.

103% of Market Cost: **\$1,250,714**

104% of Market Cost: **\$1,495,454**

105% of Market Cost: **\$1,740,194**

Lewisville 105% Market
\$107,258

Lewisville 104% Market
\$106,237

Lewisville 103% Market
\$105,215

Lewisville Current
\$99,995

8101 Police Officer

City	Job Title	Max
Plano	Police Officer	\$ 108,150.00
Garland	Police Officer	\$ 107,508.00
Irving	Police Officer	\$ 106,968.00
Grand Prairie	Police Officer	\$ 106,603.00
Carrollton	Police Officer	\$ 105,953.00
McKinney	Police Officer	\$ 105,540.47
Arlington	Police Officer	\$ 104,678.73
Denton	Police Officer	\$ 102,535.00
Richardson	Police Officer	\$ 102,396.00
Mesquite	Police Officer	\$ 100,895.45
Ft Worth	Police Officer	\$ 100,609.60
Flower Mound	Police Officer	\$ 99,736.00
Frisco	Police Officer	\$ 99,719.00
Grapevine	Police Officer	\$ 99,299.20
Allen	Police Officer	\$ 99,065.41
Coppell	Police Officer	\$ 95,171.46
Dallas	Police Officer	\$ 91,734.00
Survey Average 100%		\$102,150.72
Survey Average 103%		\$105,215.25
Lewisville	Police Officer	\$ 99,994.96
Percentage Difference from Survey 100%		-2.16%
Percentage Difference from Survey 103%		-5.22%
October 2024 Recommendation (Market + 3%)		\$105,215.25

MARKET - FIRE

Following City Council’s direction to be a lead City (targeting top third), the current structure is based on 103% of market.

Market Top Step

- Firefighter is 2.61% behind market
- Driver/Engineer is 2.53% behind market
- Fire Captain is 2.67% behind market
- Batt/Division Chief is 1.39% behind market

103% of Market Top Step

- **Firefighter is 5.69% behind market**
- **Driver/Engineer is 5.61% behind market**
- **Fire Captain is 5.75% behind market**
- **Batt/Division Chief is 4.44% behind market**

At this time, the 103% of market model will not place us in the top third, so 104% and 105% are under consideration.

103% of Market Cost: **\$1,324,230**
104% of Market Cost: **\$1,563,206**
105% of Market Cost: **\$1,802,182**

Lewisville 105% Market
\$101,353

Lewisville 104% Market
\$100,388

Lewisville 103% Market
\$99,423

Lewisville Current
\$94,074

7101 Firefighter		
City	Job Title	Max
Plano	Firefighter	\$ 101,643.00
Denton	Firefighter	\$ 101,337.60
Irving	Firefighter	\$ 101,052.00
Mesquite	Firefighter	\$ 100,895.45
Arlington	Firefighter	\$ 100,855.23
Grand Prairie	Firefighter	\$ 100,751.87
McKinney	Firefighter	\$ 99,549.54
Frisco	Firefighter/Parametic	\$ 98,615.00
Richardson	Firefighter	\$ 96,624.00
Carrollton	Firefighter	\$ 96,027.00
Allen	Firefighter	\$ 95,326.61
Garland	Firefighter	\$ 93,641.60
Flower Mound	Firefighter	\$ 93,345.72
Dallas	Firefighter	\$ 91,734.00
Ft Worth	Firefighter	\$ 91,447.00
Grapevine	Firefighter	\$ 90,400.48
Coppell	Firefighter	\$ 87,710.86
Survey Average 100%		\$96,526.88
Survey Average 103%		\$99,422.69
Lewisville	Firefighter	\$94,073.88
Percentage Difference from Survey 100%		-2.61%
Percentage Difference from Survey 103%		-5.69%
October 2024 Recommendation (Market + 3%)		\$99,422.69

Fire FTO

Lewisville
Recommended
\$180

Lewisville Current
\$100

City	FTO
Coppell	\$300
Frisco	\$250
Grapevine	\$250
Denton	\$200
Carrollton	\$150
McKinney	\$150
Allen	\$100
Arlington	\$0
Dallas	\$0
Flower Mound	\$0
Fort Worth	\$0
Garland	\$0
Irving	\$0
Mesquite	\$0
Plano	\$45/\$30 per day training
Richardson	\$4.24/hr when training
Grand Prairie	\$40 per day training
Average	\$100
Lewisville	\$100
Difference	\$0

Police FTO

Lewisville
Recommended
\$180

Lewisville Current
\$100

City	FTO
Garland	\$250
McKinney	\$250
Mesquite	\$240
Denton	\$200
Grand Prairie	\$175
Carrollton	\$150
Coppell	\$150
Flower Mound	\$150
Allen	\$100
Dallas	\$100
Arlington	\$0
Grapevine	\$0
Irving	3% of salary
Fort Worth	10% while training
Plano	\$45/\$30 per day training
Richardson	\$4.24/hr when training
Frisco	\$125 per occurrence
Average	\$147
Lewisville	\$100
Difference	\$47

Recommendation to increase Field Training Officer (FTO) pay from \$100 to \$180 per month.
FTO pay impacts 24 employees.

Cost: **\$28,400**

MARKET - DISPATCH & DETENTION STEP PLAN

103% of Market

- Detention Officer is **5.44% behind market**
- Detention Supervisor is **3.24% behind market**

- Public Safety Dispatcher is **3.87% behind market**
- Public Safety Supervisor link adjustment 3.87%

103% of Market Cost: **\$150,240**

104% of Market Cost: **\$184,745**

105% of Market Cost: **\$219,250**



MARKET - GENERAL GOVERNMENT**

Data reviewed:

- 40 general plan benchmark positions
- All broadband positions

Conclusions:

- The majority of positions are competitive, with our general plan positions averaging 2 percent ahead of 103% of market
- However several benchmarks and their linkages require attention

Recommendations:

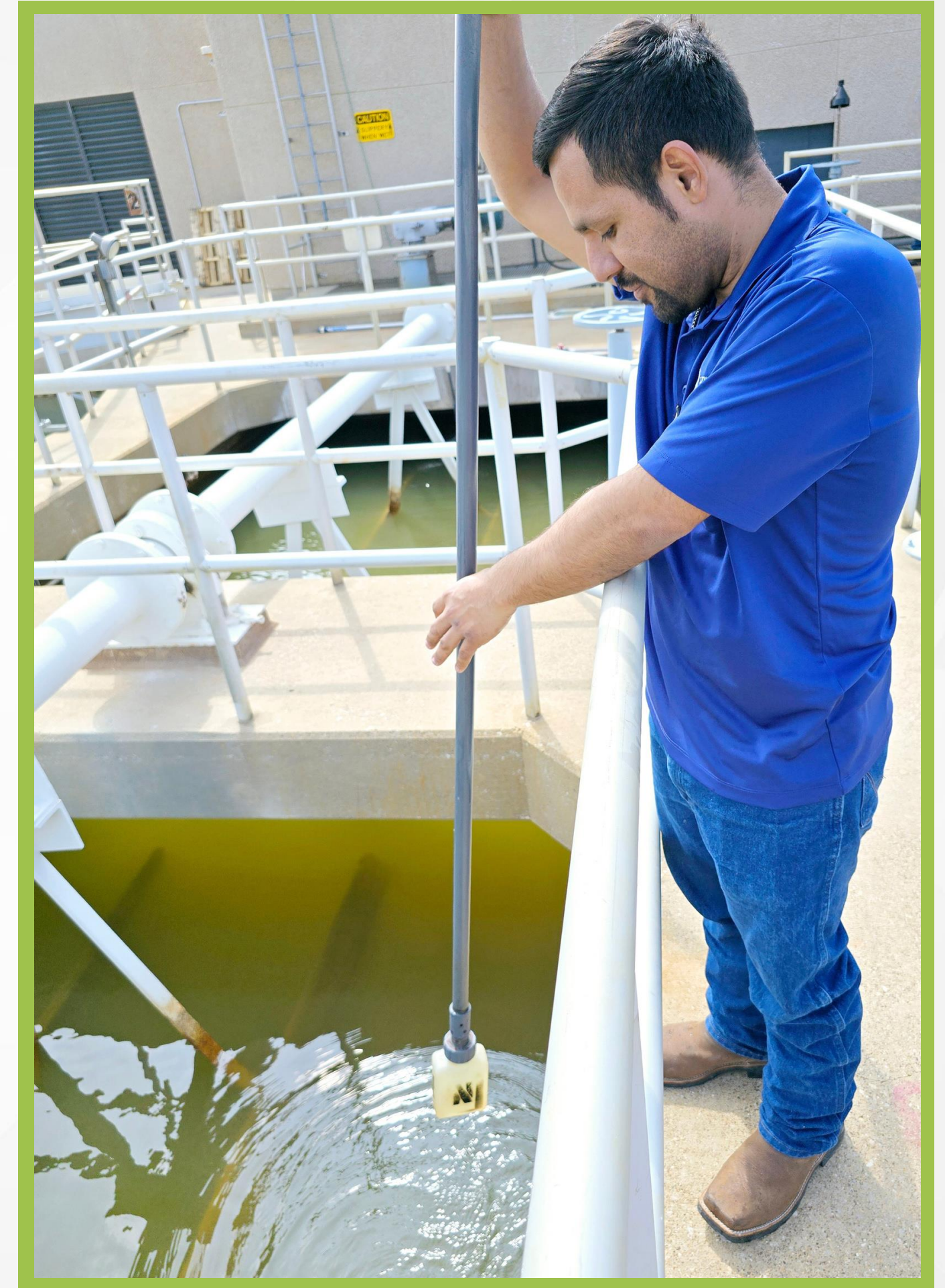
- No adjustment to the General Government pay plan structure
- Market adjust positions more than 5% below market. All linkages will follow suit.
- Market adjustments will impact 33 people

103% of Market Cost: **\$167,103**

104% of Market Cost: **\$178,276**

105% of Market Cost: **\$196,116**

**General, ITS, Trades, Broadband



MARKET - PART-TIME

Data Reviewed:

- Benchmark positions: Lifeguard, Day Camp Counselor, Library Services Assistant and School Crossing Guard

Conclusions:

- Day Camp Counselor and Library Services Assistant are competitive
- School Crossing Guard is **21.04% behind market**
- Lifeguard is **7.92% behind market**

Market adjustment will impact 9 part-time positions

Cost: **\$97,485**



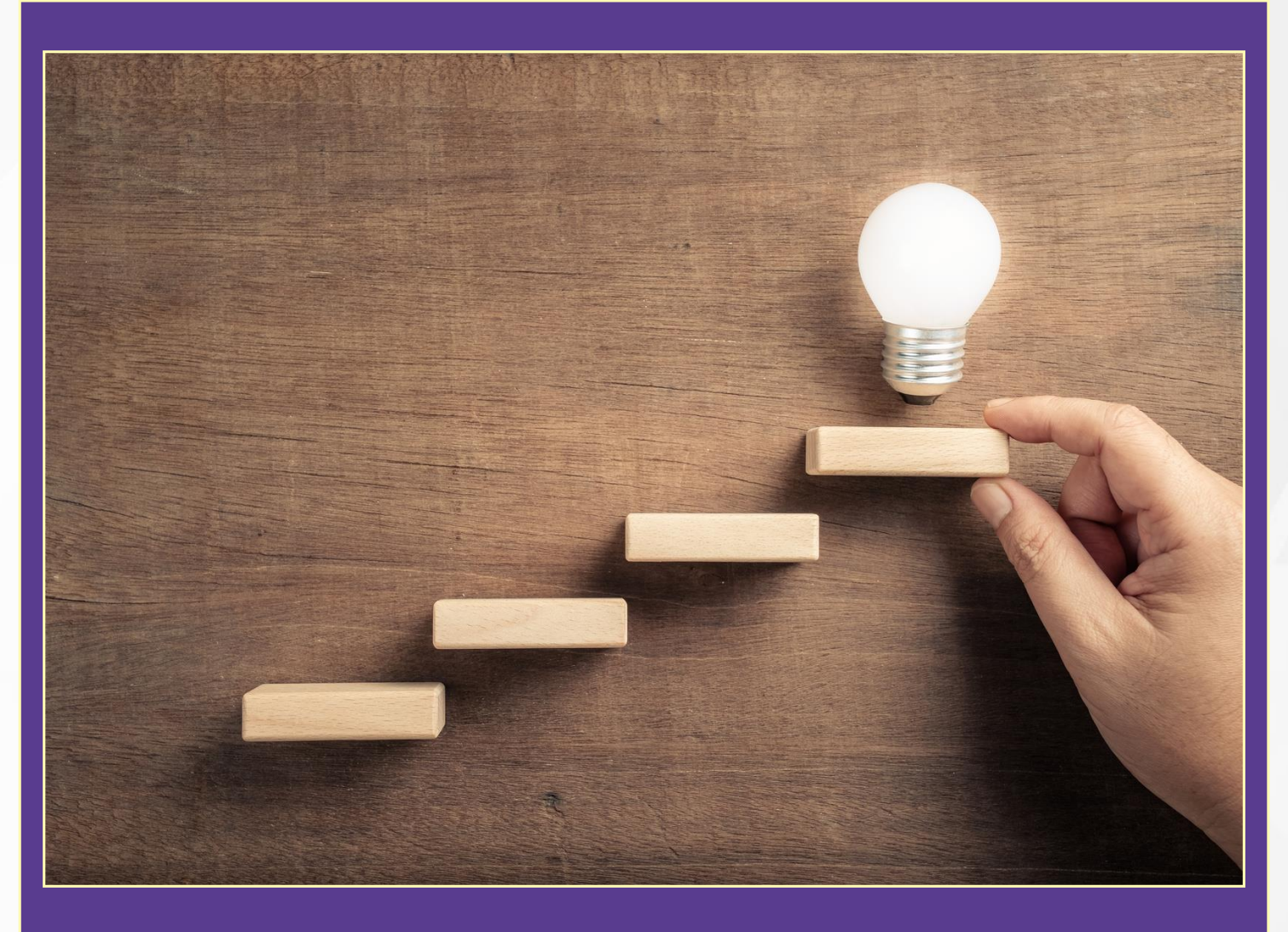


MERIT & STEP

STEPS - POLICE, FIRE, DISPATCH & DETENTION

- Police Officers and Firefighters below step 7 are eligible for a step increase annually on date of hire or promotion, steps are approximately 4%
- Upper ranks move up a step after two years, step % varies by rank
- Many are at the top step for their rank
- 22% (39 of 177) Sworn Police are eligible for a step increase in FY25
- 28% (44 of 157) Sworn Fire are eligible for a step increase in FY25
- Dispatchers & Detention Officers have a similar step program

Cost: **\$307,172**



MERIT - GENERAL EMPLOYEES

Merit Increases are the primary mechanism to provide pay increases and range penetration to most of our employees.

Market History:

2024 Merit – 3%

2023 Merit – 4%

2022 Merit – 3%

2021 Merit – 0% (3% across the board was given 04/2021)

2020 Merit – 3%

Provide between 3 – 4% Merit Increase to General, ITS, Trades, Broadband Government on their anniversary date in FY 2025, depending on budget availability

Cost for 3%: **\$687,181**

Cost for 4%: **\$916,241**



JOB FAMILY PROGRESSION UPDATE

- What is it? Senior level path for individual contributor jobs at various levels of the organization.
- Employees progress when knowledge, skills, certification, education and experience meet senior requirements.
- Senior job descriptions have been created and reviewed by directors.
- Incumbent employee progress has been mapped and they will soon sit with their supervisor and those not yet ready will be given clear expectations on areas to focus.
- A total of 31 job titles.
- Currently impacting 140 employees.
- A total of 47 employees are expected to progress in FY24 and up to 71 additional by the end of FY25.

Cost: **\$492,747**



COMPENSATION
ACTION COST
ESTIMATES

Some actions will be funded, some will be on the unfunded list based on overall budget review

Action	103% Market	104% Market	105% Market
Market - Police & Fire	\$2,574,944	\$3,058,660	\$3,542,376
Market - General Government	\$167,103	\$178,276	\$196,116
Market - Dispatch & Detention	\$150,240	\$184,745	\$219,250
Market - Part-Time	\$97,485	97,485	97,485
Market - Police & Fire FTO Pay	\$28,400	\$28,400	\$28,400
Merit - 4%* General Government	\$916,241	\$916,241	\$916,241
Steps - Police, Fire, Dispatch & Detention	\$307,172	\$307,910	\$308,649
Job Family Progression Continuation	\$492,747	492,747	492,747
Total	\$4,734,332	\$5,264,464	\$5,801,264

*3% Merit would equal \$687,181

MEDICAL PREMIUMS

- Last year staff delivered on simplified and improved benefits including moving from three medical plans to two.
- Overall funding is sound for FY25, fund reserves sit at \$11.9M
- Recommendation: **keeping employee premiums flat, no changes, for calendar 2025**
- Staff will evaluate long-term fund projections in early 2025 ahead of the FY26 budget



RETIREE BENEFIT UPDATE



- In Summer of 2023 we shared that:
 - Currently the City contributes a fixed amount toward retiree medical premiums based on years of service
 - 20 year = \$498/month (~34%)
 - 25 years = \$547/month (~37%)
 - Discussed increasing to
 - 20 years = 50%
 - 25 years = 100%
 - Those changes would have substantially increased Other Post Employment Benefits (OPEB) liabilities from \$4.2M to \$17.3M in the near term, and increased annual contributions by \$1.1M. Both liability and annual contributions would have increased significantly, with liability increasing to nearly \$47M in future years.
- At that time we pledged to survey our 17 cities to understand how they handle retiree costs

RETIREE BENEFIT UPDATE

City of Lewisville Retiree Medical Premium Analysis
June 2024

Monthly Medical Premium Subsidy				Low Cost Plan Retiree Only Net Monthly Premium @ 20 yrs	Likely implicitly subsidized rates		
	15yr	20yr	25yr		OPEB Liability (millions)	OPEB fully funded?	
Allen	\$ -	\$ -	\$ -	\$ 1,327	\$ 1.7	No	No
Arlington	\$ -	\$ 500	\$ 550	\$ 129	\$ 99.3	No	Yes
Carrollton^	\$ -	\$ -	\$ -	\$ 1,305	\$ 2.8	No	No
Coppell	\$ -	\$ -	\$ 943	\$ 943	\$ 3.3	No	No
Dallas~	\$ -	\$ -	\$ -	\$ 1,378	\$ 208.4	No	No
Denton	\$ 120	\$ 160	\$ 200	\$ 381	\$ 41.5	No	Yes
Flower Mound	\$ 215	\$ 220	\$ 225	\$ 574	\$ 4.7	No	Yes
Fort Worth*	\$ -	\$ -	\$ -	\$ 1,077	\$ 750.0	No	No
Frisco	\$ 200	\$ 200	\$ 200	\$ 800	\$ 3.4	Yes	No
Garland"	\$ 516	\$ 516	\$ 516	\$ 287	\$ 97.4	No	Yes
Grand Prairie	\$ 595	\$ 757	\$ 919	\$ 324	\$ 57.6	No	No
Grapevine	\$ 61	\$ 141	\$ 141	\$ 71	\$ 74.9	No	Yes
Irving**	\$ -	\$ -	\$ 400	\$ 1,218	\$ 13.5	No	No
McKinney	\$ -	\$ -	\$ -	\$ 707	\$ 16.2	No	Yes
Mesquite	\$ 62	\$ 244	\$ 425	\$ 301	\$ 31.0	No	Yes
Plano	\$ -	\$ 110	\$ 165	\$ 603	\$ 131.7	No	Yes
Richardson	\$ -	\$ 551	\$ 551	\$ 373	\$ 49.3	No	No
Average	\$ 104	\$ 200	\$ 308	\$ 694	\$ 93.3		
Median	\$ -	\$ 141	\$ 200	\$ 603	\$ 41.5		
% of Cities	41%	59%	71%			6%	47%

Lewisville#	\$ -	\$ 498	\$ 547	\$ 974	\$ 4.2	Yes	Yes
Difference (Avg)	\$ (104)	\$ 298	\$ 239	\$ 280	\$ (89.1)		
Difference (Med)	\$ -	\$ 357	\$ 347	\$ 371	\$ (37.3)		

- 59% of cities provide some sort of subsidy to the total monthly medical cost at 20 years of service
 - Lewisville’s subsidy exceeds market averages
 - Lewisville’s net monthly premium for a 20 year retiree is higher than average
 - Most cities do not fully fund their OPEB liability
 - 47% of cities likely further subsidize their retiree rates implicitly – by not separating out retiree medical costs from employee medical costs and analyzing through an actuary
-
- We discussed a monthly stipend paid to retirees. Our consultant has not seen such a program employed elsewhere. This option does not appear viable.
 - Next Steps:
 - Ask actuary to study implications on premiums and long-term liability if we moved completely or partially to the implicitly subsidized standard (employee COBRA rate, currently \$809/mo.).
 - Share results and options with Council in November 2024.

