

Item D-3

**FY2024-25 Personnel Services Proposal
Compensation, Benefits and Staffing**



July 16, 2024

Personnel Committee

Committee Members

- Council Member Chris Whatley
- Council Member Greg Will
- Aaron Rector, Interim City Manager
- Marcia Reyna, Director of Human Resources & Risk Management



FY2024-25 Personnel Services Proposal

- Full Time Equivalent Employees
- Compensation History
- Police and Fire Department Step Plan Changes
- “White Collar Salary” Threshold Increases
- Market and Merit Proposals
- Fiscal Year Comparison for Total Personnel Cost
- Attrition
- Benefits
- Wellness Initiatives
- Keller Academy
- City-Observed Holidays



Full Time Equivalents (FTEs)



Fund	FY 23-24	FY 24-25
General Fund	248.44	248.44
W/WW Fund	41.48	41.48
Drainage Fund	8	8
IT Fund	7	7.1
The Keller Pointe	43.2	43.2
Crime Control	1	1
Total	349.12	349.22

New Position: GIS Intern (Seasonal/Part-Time) FTE 0.1

Compensation History

Public Safety	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Average
Market	4.00%	2.00%	1.50%	5.00%	4.00%	1.25%	4.00%	3.00%	3.00%	3.50%	
Merit	-	2.00%	1.50%	-	-	-					4.88%
Step	-	-	-	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Total	4.00%	4.00%	3.00%	7.00%	6.00%	3.25%	6.00%	5.00%	5.00%	5.50%	

Note: Chart applies to sworn police and fire employees, not all employees working within those departments. The chart also does not account for eliminating steps.

General Gov't	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Average
Market	3.00%	2.00%	1.50%	1.00%	1.50%	1.75%	2.00%	0.00%	2.00%	2.00%	
Merit	-	2.00%	1.50%	2.00%	2.00%	1.50%	2.00%	4.00%	2.00%	2.00%	3.58%
Total	3.00%	4.00%	3.00%	3.00%	3.50%	3.25%	4.00%	4.00%	4.00%	4.00%	



Police & Fire Department Step Plan Changes



A goal was set in FY 23-24 to compress step plans from 14 to 9 steps over the next five years, if revenue can accommodate.

- In FY 23-24 steps were reduced from 14 to 13

Objective: continuous recruitment and retention improvements

Proposed Adjustments for FY 24-25

- Increase Step Plan by 3% (market adjustment)
- Remove Step 1, reducing Police Officer and Firefighter plans from 13 to 12 steps
- Place police officers and firefighters on appropriate step based on tenure to reduce compression, resulting in an additional 2% adjustment for a total of 7% for some police officers and firefighter

Federal Mandate: “White Collar” Salary Threshold Increases

- Department of Labor Ruling on April 23, 2024
- Blocked by U.S. District Court for State of Texas (not as a geographic territory) on June 28, 2024
- Increases the minimum salary level for **exempt employees** in two steps:
 - On July 1, 2024, the minimum salary level increases from \$35,568 per year to \$43,888 per year
 - On Jan. 1, 2025, the minimum salary level increases from \$43,888 per year to \$58,656 per year
 - Pay grades adjusted to account for minimum requirements, which currently affect 10 employees after proposed market and merit adjustments are applied
- Requires the salary level be updated every three years (Next update: July 1, 2027)
- City will continue to monitor progress

FY 24-25 Market & Merit Proposal

General Government

- 2% Market for all positions
- 2% Merit for all positions
- Minimum merit increase of \$1,175
- Lump sum for employees at max pay grade: 2%
- Overall Impact: 1.38% or \$387,671

NETCOM & Detention

- 3% Market NETCOM
- 4% Market Detention
- 2% Merit/Step
- 2% Removal of Step 1
- Lump sum for employees at max pay grade: 2%
- Overall Impact: 0.28% or \$79,579

Police and Fire

- **Police Officer and Firefighter**
 - 3% Market
 - 2% Merit/Step
 - 2% Removal of Step 1
 - Lump sum for employees at max pay grade: 1%
- **Police and Fire Supervisory Positions (Non-Exempt)**
 - 3% Market
 - 2% Merit/Step
 - Lump sum for employees at max pay grade: 1%
- Overall Impact: 2.57% or \$722,765

Fiscal Year Comparison

Total Personnel Cost

Fund	FY 2023-2024	FY 2024-2025	Variance (\$)	Variance (%)
General Fund*	\$28,140,344.00	\$ 29,373,914.00	\$ 1,233,570.00	4%
W/WW Fund	\$ 3,594,777.00	\$ 3,669,272.00	\$ 74,495.00	2%
Drainage Fund	\$ 694,479.00	\$ 710,351.00	\$ 15,872.00	2%
IT Fund	\$ 948,289.00	\$ 969,215.00	\$ 20,926.00	2%
The Keller Pointe	\$ 1,672,994.00	\$ 1,690,660.00	\$ 17,666.00	1%
Crime Control	\$ 117,625.00	\$ 129,276.00	\$ 11,651.00	10%
TOTAL	\$35,168,508	\$36,542,688	\$1,374,180	3.91%

Attrition

City Wide						
Separation Type	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24*
Voluntary	29	31	39	40	26	27
Involuntary	6	12	6	3	7	6
Retirement	4	4	4	8	12	6
Other	0	0	3	0	0	0
Total Separations	39	47	52	51	45	39
Attrition Rate	12%	15%	16%	16%	14%	12%



*Attrition rate through June 30, 2024

FY 24-25 Employee Benefits

Medical (BlueCross BlueShield)

- Self-Funded/Renewal 10/1/2024 – 09/30/2025
- Current Renewal for Administrative Fee: 3% (\$9,300)
- Current Renewal for Stop Loss Coverage: 11.3% (\$82,171) *pending negotiations*
- Proposal: No plan design change or change to premiums
- 4th year maintaining premium costs

Dental (BlueCross BlueShield)

- Self-Funded/Renewal 10/1/2024 – 09/30/2025
- Flat renewal rate
- No plan design change or change to premiums
- 5th year maintaining premium costs

Vision (United HealthCare)

- Renewal 10/1/2025
- Employee Only Contribution
- No plan design change or change to premiums
- 4th year maintaining premium costs



FY 24-25 Employee Benefits

Life/Disability Insurance (Mutual of Omaha)

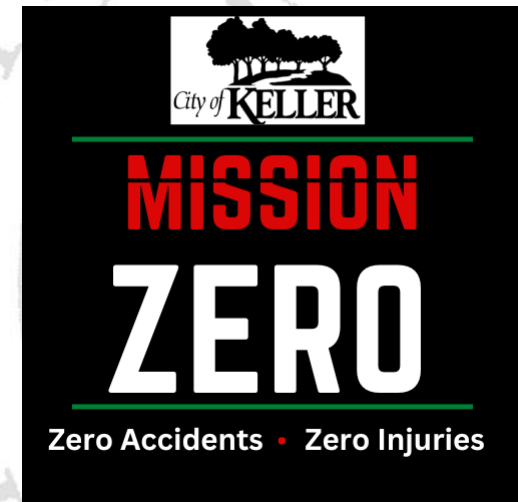
- Renewal 10/1/2024 – 09/30/2026
- Flat renewal rate
- No plan design change
- Voluntary products such as Hospitalization, Accident and Critical Illness Coverage offered to employees at a lower rate

Texas Municipal Retirement System (TMRS)

- 2024 Combined Rate: 16.67% (0.52% increase)
- 2025 Combined Rate: 17.03% (0.22% increase)

Texas Municipal League Intergovernmental Risk Pool (TMLIRP)

- Workers' Compensation Insurance
 - FY 2023-24 Increase: 24.44% or \$53,493
 - FY 2024-25 Increase: 1% or \$1,625
- Continued focus on safety programs in FY 2024-25





FY 24-25 Employee Wellness Initiatives

Wellness Program: K Well

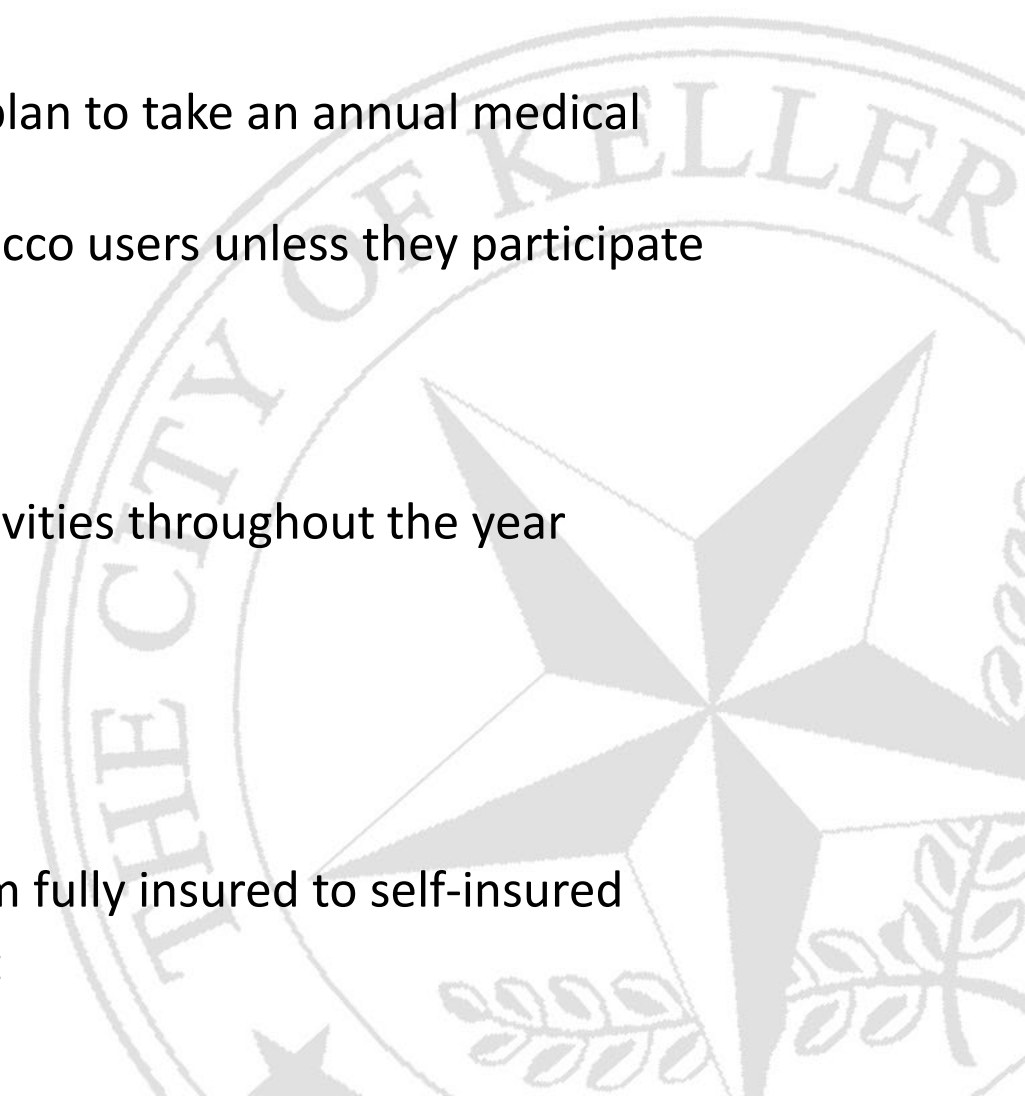
- FY 23-24 Required all employees on City's Health plan to take an annual medical physical or pay surcharge
- FY 24-25 Tobacco Surcharge implemented for tobacco users unless they participate in a cessation program

Programs

- Wellness discount for participating in wellness activities throughout the year
- On-site Dental Cleanings
- On-site Annual Physicals

Self-Insurance Plan Update

- Estimated savings of \$1,991,720 since switch from fully insured to self-insured
- Year to Date (April 2024): \$383,291 under budget





Introducing Keller Academy

Overview

- Launched on May 9, 2024
- 14 Participants
- 11 Sessions
- Graduates will be recognized at a Keller City Council meeting
- The Keller Academy provides employees with an opportunity to gain a better understanding of the city's government, various department functions and services.
 - **Learn** The academy intends to provide knowledge and encourage participation in a group setting among peers.
 - **Connect** The academy is designed to aid in bridging the gap between departments and facilitate communication throughout the city.
 - **Excel** The academy strives to provide employees with extra knowledge and resources to help them thrive in their current position.

City-Observed Holidays

Current City Holidays

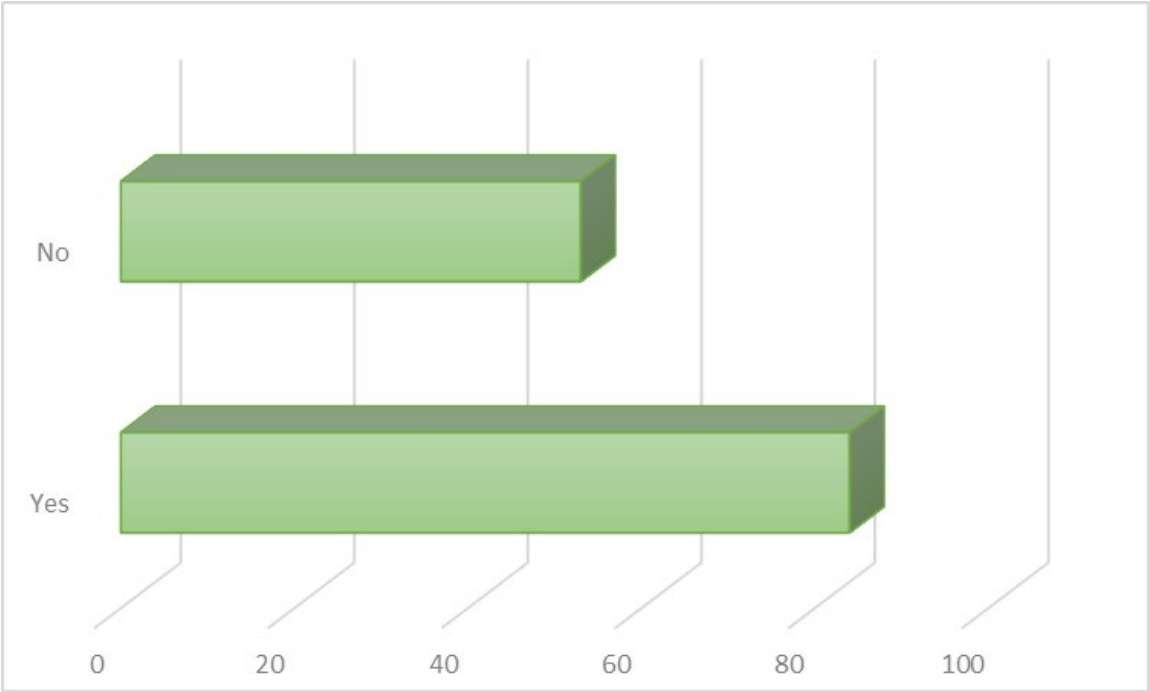
1. New Year's Day
2. Good Friday
3. Memorial Day
4. Independence Day
5. Labor Day
6. Thanksgiving Day
7. Friday after Thanksgiving
8. Christmas Eve
9. Christmas Day



- Consideration of changing the Good Friday holiday to another federal holiday since the majority of non-public safety employees have Fridays off
- Consideration of having “in-service” days on federal holidays that are non-City of Keller observed holidays. Options could include:
 - Veterans Day
 - Martin Luther King Jr. Day
 - Presidents’ Day
 - Juneteenth
 - Columbus Day

Holiday Survey

Question: Would you like to change the Good Friday holiday?

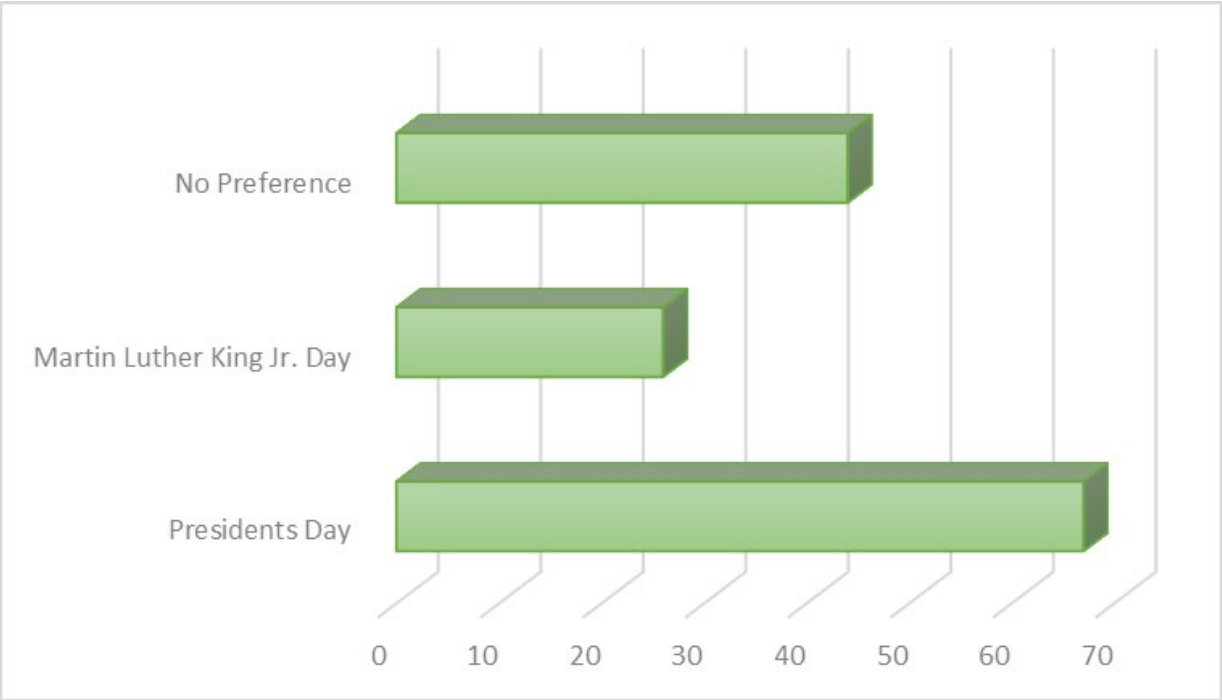


Yes	84
No	53
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Total	137



Holiday Survey

Question: Which holiday would you prefer as an observed holiday?



Martin Luther King Jr. Day	26
Presidents Day	67
No Preference	44
Total	137





Questions?
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